



Eugene Water & Electric Board

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April 13, 2022

Bonneville Power Administration

via: techforum@bpa.gov

Re: Concurrent Loss Returns

To Whom it May Concern,

These comments are respectfully submitted by the Eugene Water & Electric Board (“EWEB”) Clatskanie PUD (“CPUD”), Northwest Requirements Utilities (“NRU”), and PNGC Power (“PNGC”). Hereinafter, the commenting customers may be referred to individually, or collectively as “we.” EWEB, CPUD, NRU, and PNGC are grateful for the opportunity to engage with BPA on developing an efficient financial and operational solution to Concurrent Loss Returns for both BPA and its customers.

Slice Returns

As Slice Customers, EWEB and CPUD would first like to state our appreciation for the time and attention that BPA staff (especially Andrew Myers and Zack Buus) have taken to engage with the group to both help us understand the impacts of BPA’s proposed change, and to understand our requested alternatives.

Principles for Engagement

We appreciate the additional context that BPA provided during the March 30, 2022, Concurrent Losses Workshop. Specifically, we appreciate BPA staff taking the time to review the Principles that BPA established to guide the implementation of Concurrent Losses. However, BPA neglected to address many of the related questions that we [submitted](#). As a result, we will restate several herein.

First, as to the Principles themselves, we would like to reiterate our request for all information that BPA is willing to provide detailing the process by which the Principles were established, as customers were never afforded the opportunity to engage in or provide input thereto. For reference, those Principles are as follows:

1. Meet BPA's commitment in the BP-22 settlement.
2. Informed by what has been implemented by other utilities.
3. As simple as possible and minimizes administrative burden for BPA and customers, where possible.
4. Cost efficient implementation for BPA through minimization of custom changes to systems.
5. Losses returned the same hour as the schedule.
6. Minimizes unintended impacts on other policies and is auditable.

We would once again direct BPA’s attention to the impacts of Principles #4 and #5, especially within the context of Principles #3 and #6, and assert that the resulting customer impacts more than merit additional discussion. For example, the impacts of the move to Concurrent Losses on BPA’s proposed scheduling

timeline for EIM implementation seems to ignore the impact to customers, which may be consistent with Principle #4, but does so to the detriment of #3. Further, a considerable number of issues could be easily avoided but for Principle #5 and were some flexibility around the language “*the same hour as the schedule*” permitted. Finally, and perhaps most importantly, during the March 30th Workshop, Slide 4 of BPA’s presentation included the language:

“BPA shared with customers the principles on how we will make policy decisions. These were reviewed by Executives and we have affirmed these are the principles staff will use to make decisions in order to meet the concurrent losses implementation deadline in the BP-22 Rates Settlement.”

For reference, the relevant [Settlement](#) language is as follows: “*Bonneville will work toward implementing a concurrent loss-return service by the start of the BP-24 rate period or sooner, including development of an implementation plan.*” During the January 26th Workshop, BPA staff noted several times that the established timeline is due to BPA’s legal obligation per the terms of the BP-22 Settlement. Further, the above language excerpted from Slide 4 of the March 30th Workshop implies that BPA Executives also believed that the BP-22 Settlement includes a firm deadline for Concurrent Losses implementation. However, during the March 30th Workshop, when pressed on that point a representative from BPA’s Office of General Counsel clarified that the strict timeline under which BPA has been operating is not a “firm obligation” legally grounded in the Settlement itself, but instead reflects the decision and direction of BPA Executives. Given this clear disconnect, it should go without saying that clarification is necessary, and we sincerely hope that BPA Executives take advantage of the opportunity to provide said clarification at the upcoming April 26th Workshop.

Impact to FCRPS

We look forward to the results of BPA’s data analysis on the average and range of hourly FCRPS system impact of delayed loss returns, looking at both the current method of 168-hour delayed returns, and of an early cut-off time for scheduled Concurrent Loss returns.

We hope that this analysis provides customers the opportunity to better understand the average impact to the FCRPS, the range of impacts, and the 1 or 2 Standard Deviation of hourly system impacts. With respect to the current method, we continue to question whether the FCRPS impact merits this level of effort by both BPA and customers. For example, if the final loss return calculation for Hour_N is 350 MW, and scheduled losses based on tags from Hour_{N-168} is 300 MW, the impact to FCRPS is 50 MW. It is our sense that in some hours, the impact may be sufficient to establish some measure of materiality, but taken on an average basis, using this example, 99% of hours would have an impact of less than 60 MW.

Schedule Timing and Systems Requirements

First, a clarification – during the discussion at the March 30th Workshop, BPA appeared to interpret several EWEB comments with respect to Schedule Timing and Systems Requirements as being on behalf of Slice customers. Please note that those comments, as well as the comments that follow, should apply to all customers choosing in-kind returns.

With that said, we request that BPA quantify the impact of using a Scheduled loss calculation at ~T-70/80, versus the final “actual” calculation. Based on the available information, we believe that this change will result in a significantly reduced impact from the 168-hour delayed returns used today. Further, should this prove accurate, we would like to reiterate our request for BPA to treat the resulting delta “De

Minimis” and treat it as imbalance, settling the remaining difference between the earlier calculated loss value and actual using BPA’s LAP. This would simplify the process and reduce the operational and financial impact of Concurrent Losses implementation for all parties.

Finally, prior to implementation BPA needs to provide evidence that the systems and timing requirements are feasible for customers, and to provide customers with the time necessary to adapt their internal systems and processes accordingly. For example, BPA stated during the March 30th Workshop that they are unable to guarantee an adequate API solution for all customers to pull loss obligation data. This unnecessarily exacerbates the implementation burden for customers. We request that BPA either reconsider their approach, or otherwise modify the timeline to ensure that implementation can be accomplished correctly, and in a manner that is not overly burdensome for BPA’s customers.

Timeline and Prioritization

In discussing the timeline for implementation, both customers and BPA staff continue to express concern with respect to both staff and resource constraints, especially in response to customer request for impact analyses or additional information. At the same time, customers continue to question BPA as to why Concurrent Losses is an issue that demands immediate action. Between EIM implementation, regional Resource Adequacy efforts, market expansion, BPA’s “Provider of Choice Initiative”, and now the BP-24/TC-24 Customer Workshops, BPA isn’t the only regional entity that is resource constrained, and customers continue to ask that BPA prioritize accordingly. Simply put, we believe that the time and attention of BPA staff is better spent elsewhere, given the many essential and resource-intensive efforts underway. Further, we also believe that our time is better spent elsewhere and continue to question the lack of transparency around BPA’s persistence in prioritizing this matter.

In conclusion, we remain confused and disappointed by BPA’s continued insistence on pursuing Concurrent Losses implementation in a compressed timeline developed under the false presumption of legal obligation and without customer input. Given the above, together with the acknowledgement from BPA that it is Executive direction and not Settlement obligation that is the driving force behind this effort, we once again recommend that BPA recognize its ability to delay this process, and respectfully request that BPA take the time to understand the many customer requests made toward that end.

Thank you once again for your time and attention. EWEB, CPUD, NRU, and PNGC staff appreciate the opportunity to engage in the Concurrent Loss Return Customer Workshop process and sincerely look forward to continuing the conversation.

Respectfully,

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