

Submitted via email to [techforum@bpa.gov](mailto:techforum@bpa.gov) on May 15, 2020

**RE: Comments on BPA's April 28 TC-22, BP-22, and EIM Phase III Workshop**

PPC appreciates the opportunity to comment on BPA's latest TC/BP/EIM workshop. We would also like to thank BPA for hosting the customer-led workshop on May 13. This workshop provided some helpful clarifications on the material presented by BPA on April 28 and further informed these comments. We continue to appreciate the inclusion of customer-led workshops in this process. PPC looks forward to additional opportunities to discuss these issues during this stakeholder process. We offer these initial comments on the April 28 workshop materials.

*Workplan & Timeline*

The additional details shared on the workplan and timeline were helpful. BPA has indicated it expects to continue to update this workplan throughout the workshop process and we are appreciative of those efforts. An up-to-date workplan is responsive to requests made by PPC and other stakeholders. Specifically, it will provide customers with information on the planned timing for discussion on various topics and the venue that BPA plans to use to reach final decisions on specific issues related to those topics.

The workplan also included additional information on BPA's intention to develop an EIM Decision Document to capture several decisions arising out of this stakeholder process. PPC supports BPA offering a draft of the EIM Decision Document for customer comment and believes this opportunity to comment will be critical given its timing in BPA's process.

BPA has decided to delay sharing its staff leanings on many of the issues that will be covered in the EIM decision document until the June workshop. This timing will unfortunately eliminate the opportunity for customers to comment between the June workshop and the release of the draft decision document. It is imperative that BPA staff consider customer comments offered in response to the draft decision document and be open to revising its draft decisions. This is particularly true in this case as it will be customers' first opportunity to comment on many of the staff leanings contained in the document.

Typically, when BPA reaches the stage of a stakeholder process where it is issuing a decision document, customers have had multiple chances to comment, at least informally. Again, this will not be true for issues where the staff leanings will not be shared until the June workshop, just days before the draft decision document is released. We understand there is a tight timeline to maintain the current schedule for the EIM Decision Document so we are not requesting a delay in the release of the draft, but instead asking for an assurance that the draft be open to revision based on customer feedback.

The additional information on the timing of the EIM Decision Document is helpful, but PPC still has outstanding questions about what specific decisions will be made in the document. We would like to discuss these details in a future workshop. As part of that discussion, PPC would

like to better understand whether decisions in the EIM Decision Document will be considered final or whether some or all of these decisions will be intended to indicate leanings that will be further developed and finalized in the BP-22 and TC-22 processes. Additionally, prior to development of the draft EIM Decision Document, PPC requests that at the May or June workshop, BPA compare the commitments it made in its EIM ROD to the planned topics in the EIM Decision Document to ensure that all issues that were committed to in the EIM ROD will be addressed in the EIM Decision Document or during the 2022 rates and tariff processes.

### *EIM Charge Code Allocation*

PPC has appreciated the stepwise approach that BPA has taken during the TC/BP/EIM process to walk through challenging issues. We understand that this approach may result in stakeholders seeing some aspects of the proposal before they can be assessed in a more holistic manner, as is the case with BPA's EIM charge code proposal. While we support this stepwise approach, the lack of a holistic proposal makes it difficult to comment on BPA's staff leaning on EIM charge code allocation at this time.

We understand that BPA is using the staff leanings shared in April to inform further work on the details of EIM charge code allocation and on other related proposals, such as potential changes to Ancillary Service rates. We encourage BPA to hold off on making any final decisions on the EIM charge code allocation matter until other aspects of the proposal are further developed. This includes more discussion on the specific methods for sub-allocating these costs, how BPA would implement such allocations and why the proposed manner of allocating the costs and credits to BPA transmission customers is superior to other alternatives (including BPA developing its own rate mechanism to do so).

Before finalizing its approach to EIM charge code allocation, BPA should ensure that its proposal, as a whole – including any relevant changes to its Ancillary Services rates – also:

- Incentivizes customer behavior that reduces the costs assigned to the BAA through EIM charge codes where possible.
- Does not double charge/credit customers (once through EIM charge code allocation and once through BPA's own rates).
- Appropriately balances the need for simplicity and ease of implementation with cost causation principles.
- Limits the potential for unintended consequences.

PPC looks forward to further exploring whether BPA's holistic proposal for EIM charge code allocation and Ancillary Services rates meet these objectives as that proposal develops.

The discussion at the May 13 customer-led workshop highlighted some of the challenging issues that BPA and stakeholders will need to explore in the next phase of the EIM charge code discussion. We anticipate that some of these "implementation" details associated with BPA's proposed approach will have significant impacts on whether BPA can achieve the objectives outlined above. PPC encourages BPA to further explore implementation details of EIM charge code allocation prior to finalizing any decisions related to how it will allocate costs associated

with EIM charge codes. To help inform that phase of the discussion, PPC requests that at a future workshop BPA present, or work with customers to develop:

- Examples of how EIM charge code allocation and related Ancillary Service rates will be assessed to different customer types, under different scenarios.
- Benchmarking on how other EIM Entities allocate these charge codes, including any differences in how they apply the FERC approved methodology for allocation of certain charge codes.
- Additional information on BPA's experience with EIM costs/credits that have been allocated to the agency through transfer service. This information was originally presented in December as the max and min monthly charge BPA has received for each code. Some additional metrics to give a better idea of the "typical" charge received by BPA and the level of variance in those monthly charges would be helpful.

BPA has stated that it intends to pursue a partial sub-allocation as part of a "phased approach" and that the agency intends to potentially revise this proposal in later rate cases once it has experience in the EIM. PPC would like to better understand some of the circumstances that may influence BPA's decision to pursue a different approach to allocating these costs in the future. BPA should consider identifying specific metrics that may trigger a need to revisit this proposal. Such metrics would not be intended to suggest that agency's ability to revise could *only* occur under the identified conditions. Instead, this information would be helpful to better understand BPA's "phased" strategy and the objectives of such approach.

PPC appreciates the opportunity to comment on BPA's BP/TC/EIM process and looks forward to continued engagement on these issues.