

**Response to Comments –  
Conditional Firm Service  
(CFS) Reconsideration Pilot**

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**BPA Transmission Business Practice**

Version 1  
Posted 9/28/2023

# Response to Comments – Conditional Firm Service (CFS) Reconsideration Pilot

## Version 1

This document contains comments and BPA’s response regarding the Conditional Firm Service (CFS) Reconsideration Pilot Business Practice, Version 1, posted for comment from July 25, 2023, to August 30, 2023.

For more information on business practices out for comment, visit the BPA [Proposed Business Practices webpage](#).

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## A. Powerex

Powerex appreciates the opportunity to comment on the drafted Conditional Firm Service (CFS) Reconsideration Pilot Presentation from August 2, 2023.

Powerex has a few additional clarifications of the pilot proposal and requests that Bonneville provide a response prior to the deadline for comments on the Conditional Firm Service V27 Business Practice of September 14, 2023. If Bonneville cannot provide a response sufficiently in advance of the comment due date, Powerex suggests that CFS V27 Business Practice comment deadline be extended to allow for transmission customers to receive Bonneville’s response before submitting comments.

In the proposed CFS Reconsideration Pilot Bonneville articulated that “The analysis will respect queue order.” Relatedly, BPA also proposes to delete statements (e.g. Section D1) in the CFS business practice obligating it to respect queue order. Could Bonneville please clarify how the queue order would be respected and if possible, with examples? Is this statement regarding the CFS Reconsideration Pilot referring to the queue order based on the queue time of the original request or the queue time of the reconsideration request? Also, does a customer that initially refuses CFS go to the bottom of the queue for the purpose of evaluating a CFS Reconsideration or is the Reconsideration queue based on queue time of the original request?

### BPA Response 1

BPA appreciates the comments from Powerex. BPA is not proposing any changes to the establishment or evaluation of “queue order” in association with the CFS Reconsideration Pilot and is not proposing to establish an alternate “queue time” of a request for reconsideration of CFS under the pilot. Queue order will continue to be established and

evaluated based on when an original request is received. BPA has modified the language in section D.2. of the Conditional Firm Service (CFS) Reconsideration Pilot business practice to further clarify that and it now reads, “The analysis of the TSR under reconsideration will utilize the OASIS queue time of the TSR”.

The proposal to delete Section D.1.a. in the Conditional Firm Service V27 business practice was intended to eliminate the awkwardness in the syntax in that sentence and not to indicate any change to the establishment or consideration of “queue order.” To help avoid confusion, once BPA has received and reviewed the comments on the proposed revisions to that business practice BPA intends to consider retaining that sentence or making a different revision in the final version of the Conditional Firm Service V27 business practice.

In place of a detailed example (which would have been more pertinent under the previous inventory CFS methodology), BPA has provided a detailed explanation below of how BPA evaluates TSRs for CFS to address Powerex’s question about how queue order will be respected in the pilot.

BPA determines a TSR’s eligibility for CFS through a study process, with power flow studies as the foundation. Power flow models have four key inputs:

- Transmission system topology
- Load levels
- Generation output levels
- Import/export levels on the NW interties

Most often, TSR details are used to define generation output levels and import/export levels on the NW interties (as relevant).

To determine CFS availability, BPA runs a variety of power flow scenarios and sensitivities, modeling all confirmed reservations and TSRs in STUDY status, in order to identify the potential peak flow level on each path driven by long-term rights and requests.

The CFS studies examine, among other things, peak flow levels and projected levels of curtailment, *not* a predefined CFS capability number. This means that confirmed reservations, active TSRs in STUDY status with CFS, and active TSRs in STUDY status *without* CFS are included in the power flow studies to determine BPA’s capability to provide CFS at the time.

Thus, it does not matter whether a Customer rejected *or* accepted CFS, because previously studied TSRs in STUDY status are modeled in the power flow studies as a base assumption. This modeling enables BPA to respect queue position to continue to support those TSRs on a path to firm service. While this approach of modeling all previously-studied TSRs in STUDY status for the purposes of examining CFS capability may be a bit conservative, it enables BPA to do an analysis that is not predicated on uncertain future project energization dates (i.e., BPA does not need to try to predict which projects will be energized to enable firm service to previously-studied TSRs during the period in which a TSR in the current study would be taking CFS).

As described above, BPA is not proposing to introduce a “reconsideration queue time.” The TSRs that would be eligible for reconsideration are TSRs that are already in the queue, in

original queue order, but refused a CFS offer at some earlier point in time. All active TSRs, whether they are taking CFS or not, are modeled in the power flow studies. Therefore, reconsideration requests will not take away CFS capability from TSRs in the current study. Please note that use of the study methodology described above to determine the eligibility of TSRs for CFS is different than the “inventory” ATC approach BPA used in the early years of CFS. CFS capacity is no longer assigned to eligible Customers according to a pre-defined, finite “inventory” of available conditional firm capability.

In addition, Powerex would appreciate if Bonneville could provide a general impact assessment of the pilot project on current CFS or LTF transmission reservation holders. It would be important for long term transmission customers to have Bonneville confirm that the reconsideration pilot will not negatively impact existing CFS holders, and to assure transmission customers that an increase in the frequency or depth of curtailments would not occur due to the sale of additional CFS through the pilot proposal.

### **BPA Response 2**

BPA will continue to use the same rigorous study process that it utilizes for original CFS studies to determine outcomes for TSRs that are being reconsidered for CFS. Further, study results from previous years will not be used to determine whether a TSR is eligible for CFS upon reconsideration. CFS study findings regarding BPA’s ability to provide additional CFS are made with inclusion of all firm rights modeled. Further, the structure of CFS provides that if congestion occurs, curtailment of CFS service occurs at tag priority 6 rather than tag priority 7, which protects firm transmission service reservations. As described above, TSRs that are taking CFS are also modeled in the CFS study (along with TSRs that are *not* taking CFS and which remain in STUDY status). Thus, the use of firm reservations and CFS reservations are accounted for in the CFS study.

BPA remains committed to providing CFS consistent with the terms of each specific CFS contract. When a firm or CFS offer is refused by a Customer, it may temporarily provide a benefit to Customers who hold TSRs and do accept firm or CFS. Capacity that enabled a refused offer is available to BPA to make future offers consistent with future study findings. Another parties’ refusal of CFS does not confer additional rights to the accepting Customer.

Bonneville should also clarify for transmission customers the evaluation criteria that will be used to continue or discontinue the pilot project.

Powerex appreciates Bonneville staff taking the time to help address our clarifications and questions on this important topic.

### **BPA Response 3**

The primary purpose of this pilot is to support the region during this period of time when BPA’s transmission system is becoming increasingly congested in its ability to enable new Long-Term Firm Transmission Service prior to energization of new projects. Some of BPA’s Customers are experiencing significant load growth, and many BPA Customers are working to adapt their transmission portfolios to respond to state mandates to shift to renewable sources.

BPA has not fully defined the criteria that it will use. Pilot elements that BPA will consider include:

- 1) Customer requests for CFS reconsideration;
- 2) Customer acceptance of CFS offers made based on reconsideration;
- 3) Impact on BPA staffing; and
- 4) Operational experience.