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Subject: TransAlta Concurrent Loss Return Comments

Matt:

TransAlta Energy Marketing (U.S.) Inc.'s ("TEMUS") responses are listed below to BPA request for feedback at the Concurrent Losses Kick-off Public Workshop on December 8, 2021.

TEMUS appreciates BPA's preparation for the workshop and opening straw proposal, where Transmission Customer's would schedule their aggregated loss obligation on a separate e-Tag prior to the start of flow, as described on slide 20 of the workshop presentation¹. We have discussed how the proposal would impact TEMUS' business procedures and systems and two main themes emerged.

Status Quo Benefits

First, portions of the proposal that retain the status quo do help reduce business impacts. These are aggregating the hour's loss obligations into one e-Tag; keeping the current Loss POD, BPALOSS sink, and no-charge transmission; allowing the third-party supplier option; and decreasing challenges for BPA's downstream systems. In these respects, the proposal is a solid start.

A Necessary Compromise

The second theme concerned compromises that may be required to create a workable, cost-efficient loss return implementation. We believe a small fraction of losses—remainders and adjustments, for example—will have to be returned in a subsequent hour instead of being 100% concurrent. A concession to hourly carry-forward (returning remainders in a subsequent hour)

¹ https://www.bpa.gov/Finance/RateCases/BP-22-Rate-Case/Documents/BP-22%20Settlement/Concurrent%20Losses%20Wrkshp_2021.12.08.pdf

would avoid stated problems associated with rounding. And we agree that loss obligations for other transactions, like dynamic e-Tags, cannot be known until after-the-fact. While the overwhelming majority of loss returns will be concurrent, thereby fulfilling BPA's goal for receiving losses in the same hour, these examples may need to be returned in later hours.

For Further Discussion

Before going further with BPA's initial proposal, TEMUS has concerns about some details that should be discussed in the next workshop. Specifically, we need more information about how customers' loss obligation totals will be provided "in real-time". We are concerned about intra-hours situations that require procuring power late in the hour, and then having sufficient time to procure more power to accommodate and schedule loss returns in the same hour. For example, when resupplying late in the hour to cover large contingencies or exceptional dispatches, we are anticipating problems where the loss obligation information is not updated in time to procure and schedule losses in the same hour. TEMUS suggests that some allowance for these situations will have to be made, similar to handling remainders and adjustments.

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