

- PPC request and Bonneville response⁴ to PP-BPA-30-2 (data request submitted in BP-22 proceeding but relevant to the issues litigated in this proceeding);
- Comments from TransAlta dated September 14, 2020 submitted to Bonneville in response to one of Bonneville’s pre-proceeding workshops. These are among the comments referenced in PPC’s responses to BPA-PP-31-1, BPA-PP-31-2 and BPA-PP-31-3.

All the data requests and responses proposed for admission into Evidence are data requests and responses between Bonneville and PPC. The comments from TransAlta were submitted to Bonneville in response to a pre-proceeding workshop on issues litigated in this proceeding and are in the public record posted on Bonneville’s external website⁵. PPC has conferred with counsel for Bonneville regarding this motion and counsel for Bonneville stated that PPC is authorized to represent that Bonneville does not oppose this motion.

PPC respectfully requests that the Hearing Officer grant this motion and admit the materials provided in Attachment 1 into the evidentiary record for this proceeding.

DATED this 31st day of March, 2021.

Respectfully submitted,

/s/ Irene A. Scruggs

Irene A. Scruggs
General Counsel
Public Power Council

⁴ PPC seeks admission of only the “Summary” Tab from the Excel workbook BPA included in PP-BPA-30-2.

⁵ <https://www.bpa.gov/Finance/RateCases/BP-22-Rate-Case/Documents/Comments/Aug%2025%20Workshop/TEMUS-BP-22-TC-22-EIM-Aug-25-Transmission-Losses-Comments.pdf>

ATTACHMENT 1

Request Detail

Request ID: BPA-PP-31-1
Page Number: 3
Line Number: 18-20
Exhibit Filing: [TC-22-E-PP-01](#)

Technical Contact Name: Andy Meyers
Technical Contact Phone: 503.230.3014
Technical Contact Email: apmeyers@bpa.gov
Legal Contact Name: Rahul Kukreti
Legal Contact Phone: 503.230.3686
Legal Contact Email: rxkukreti@bpa.gov

Request Text:

(1) Explain what "complexity" means for customers' calculation of loss obligations each month? (2) How and why do customers calculate their loss obligations each month? (3) How often do customers calculate their loss obligations? (4) Please provide any analysis, work papers, documentation, or examples supporting the statement that the monthly loss factor adds complexity for customers when they calculate loss obligations each month.

Response Detail

Date Response Filed: 2/12/2021 12:09:54 PM
Contact Name: Michael R Linn
Contact Phone: 503.595.9776
Contact Email: mlinn@ppcpdx.org

Response Text:

1) Complexity in the referenced lines refers to the additional administrative complexity from a network loss factor that changes repeatedly throughout the year. Instead of having a static loss factor, a customer would need to adjust the loss factor for all activities that loss factors impact depending on the month. 2) PPC objects to this request to the extent it mischaracterizes the cited testimony. The referenced lines do not state that customers calculate their loss obligations each month. It states they "must use different loss factors for each month when calculating real power loss obligations..." PPC does not have a comprehensive list of all the reasons a customer would need to calculate its real power loss obligation. However, potential examples include calculating the value of losses when entering into an economic transaction as discussed in the pre-rate case workshops, validating BPA loss obligation calculations and end of month deviations, and preparing to return losses in-kind. 3) PPC objects to this request to the extent it mischaracterizes the cited testimony. The referenced line does not describe the frequency with which customers calculate their loss obligations. The BPA transmission customer impact model shows that BPA has over 150 customers taking point-to-point or network integration and over 50 customers taking only point-to-point. The frequency of when a customer would need to incorporate BPA's loss factor into a calculation likely varies significantly. BPA is also pursuing a concurrent loss return option for future rate periods. PPC notes in this case customers would calculate losses very frequently. However, this data request misconstrues the essence of the cited testimony, and PPC's testimony overall. The focus of the cited testimony is on the complexity of the monthly granularity of the loss factor and the fact that a different loss factor would have to be used each month, rather than the frequency of calculations. This would cause a customer the unnecessary administrative burden of having to identify the proper value for each particular month in order to be able to do its calculations. See also response to BPA-PP-31-2(2). 4) PPC objects to this request to the extent it seeks documents prepared in anticipation of litigation and subject to the attorney-client privilege and the work product doctrine. Without waiving these objections, PPC offers the following response, which was used as the basis for the cited testimony. Multiple parties raised the issue of the increased administrative burden related to a monthly loss factor calculation in pre rate case workshops. See Shell, NIPPC, Powerex, Transalta and Snohomish comments submitted in response to BPA's September 29 pre rate case workshop. BPA was aware of this sentiment earlier included customer comments supporting a seasonal factor "as a reasonable balance between complexity and practicality" in its August 25 workshop materials.

Files Submitted for this Response:

Request Detail

Request ID: BPA-PP-31-2
Page Number: 3
Line Number: 18-20
Exhibit Filing: **TC-22-E-PP-01**

Technical Contact Name: Andy Meyers
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Legal Contact Name: Rahul Kukreti
Legal Contact Phone: 503.230.3686
Legal Contact Email: rxkukreti@bpa.gov

Request Text:

(1) Explain what "all-in costs of economic transactions" means? Please provide examples. (2) Explain what "additional complexity" means in relation to "all-in costs of economic transactions." (3) Please provide any analysis, work papers, documentation, or examples supporting your statement that monthly loss factor granularity introduces additional complexity for customers when calculating all-in costs of economic transactions.

Response Detail

Date Response Filed: 2/12/2021 12:10:36 PM
Contact Name: Michael Linn
Contact Phone: 503.595.9776
Contact Email: mlinn@ppcpdx.org

Response Text:

1) PPC intended nothing more than the generally-accepted meaning of the term, which is referring to the total cost of entering into an economic transaction as discussed at length in pre-rate case workshops. To evaluate the economics of a transaction customers may price in all marginal costs that apply to the transaction to ensure a transaction is economic. This includes transmission losses. For example, a unit in the pacific northwest has multiple marginal costs when selling into CAISO. Assuming the customer has long term Network and Southern Intertie transmission this transaction would include the marginal cost of their generation, marginal losses on the Network and Southern Intertie, any carbon compliance costs and any associated fees of selling into CAISO such as the grid management charge. 2) Complexity in the cited lines refers to the additional complexity from a network loss factor that changes repeatedly throughout the year. Instead of having a static loss factor, a customer would need to adjust the loss factor depending on the month and use multiple loss factors for transactions that span multiple months. 3) PPC objects to this request to the extent it seeks documents prepared in anticipation of litigation and subject to the attorney-client privilege and the work product doctrine. Without waiving these objections, PPC offers the following response, which was used as the basis for the cited testimony. Stakeholders raised this concern and submitted comments in response to BPA pre-rate case workshops on this topic. See Shell, NIPPC, Powerex, and Transalta comments in response to BPA's September 29 pre rate case workshop.

Files Submitted for this Response:

Request Detail

Request ID: BPA-PP-31-3
Page Number: 3
Line Number: 20-23
Exhibit Filing: [TC-22-E-PP-01](#)

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Legal Contact Name: Rahul Kukreti
Legal Contact Phone: 503.230.3686
Legal Contact Email: rxkukreti@bpa.gov

Request Text:

(1) What is the "administrative burden" on customers? How is it increased? (2) Provide the basis for your statement that the monthly loss factor may result in additional errors in loss returns. Please describe and provide examples of "the additional errors." (3) What is the burden on BPA staff? How is it increased? (4) Please provide any analysis, work papers, documentation, or examples related to your statements.

Response Detail

Date Response Filed: 2/12/2021 12:11:33 PM
Contact Name: Michael Linn
Contact Phone: 503.595.9776
Contact Email: mlinn@ppcpdx.org

Response Text:

1) See responses to BPA-pp-31-1 and BPA-PP-31-2. 2) In pre rate case workshops, BPA noted the regularity in which the agency needs to manage under or over delivery of loss returns. It is reasonable to conclude that moving from a static loss factor to twelve monthly factors may contribute to this problem. Additionally, if BPA adopts a concurrent loss return option, this may even further increase errors in loss returns. 3) In pre rate case workshops, BPA highlighted the ongoing issues with the losses app. BPA described the app as prone to errors and software variances and in need testing during monthly software upgrades. BPA also presented data showing a significant portion of days in which actual loss returns deviated from expected returns and the staff time spent reconciling these errors. Changing the loss factor may increase staff burden through potentially more software errors. A more granular loss factor may also lead to additional mistakes that cause actual loss returns to deviate from expected returns. This may be more common if BPA pursues concurrent loss returns. 4) PPC objects to this request to the extent it seeks documents prepared in anticipation of litigation and subject to the attorney-client privilege and the work product doctrine. Without waiving these objections, PPC offers the following response, which was used as the basis for the cited testimony. Multiple parties raised the issue of the increased administrative burden related to a monthly loss factor calculation in pre rate case workshops. See Shell, NIPPC, Powerex, Transalta and Snohomish comments submitted in response to BPA's September 29 pre rate case workshop.

Files Submitted for this Response:

Request Detail

Request ID: BPA-PP-31-4**Page Number:** 3 & 4**Line Number:** 23; 1-2**Exhibit Filing:** [TC-22-E-PP-01](#)**Technical Contact Name:** Andy Meyers**Technical Contact Phone:** 503.230.3014**Technical Contact Email:** apmeyers@bpa.gov**Legal Contact Name:** Rahul Kukreti**Legal Contact Phone:** 503.230.3686**Legal Contact Email:** rxkukreti@bpa.gov**Request Text:** What "common rate making principles" are you referring to?

Response Detail

Date Response Filed: 2/12/2021 12:12:05 PM**Contact Name:** Michael Linn**Contact Phone:** 503.595.9776**Contact Email:** mlinn@ppcpdx.org**Response Text:**

PPC is referring to commonly accepted ratemaking principles within the electric utility industry. For example, consider Bonbright's attributes of a sound rate structure. Included in the ten attributes described by Bonbright is "The related, practical attributes of simplicity, certainty, convenience of payment, economy in collection, understandability, public acceptability, and feasibility of application." Bonbright, James. Principles of Public Utility Rates Second Edition 1988. BPA has previously included a similar principle in stakeholder initiatives. For example, "simplicity, understandability, public acceptance and feasibility of application" was a BPA rate principle included when BPA analyzed changes to the Southern Intertie hourly rate design and the Scheduling System Control and Dispatch Rate Design. Presumably, the agency's prior statements adopting these principles are available to the agency staff, but below are some examples:

https://www.bpa.gov/Finance/RateCases/BP-20/Meetings/RateCase/SCD_WhitePaper_BP20_v3.pdf

https://www.bpa.gov/Finance/RateCases/BP-18/Meetings/White%20Paper_IS%20HNF_V3_FINAL.pdf

Files Submitted for this Response:

DATA RESPONSE
BONNEVILLE POWER ADMINISTRATION
BP-22 RATE CASE

DATA REQUEST NUMBER: PP-BPA-30-2

EFFECTIVE FILING DATE OF REQUEST: 12/22/20

DIRECTED TO: BP-22-E-BPA-06

REQUESTOR'S NAME: Michael Linn
COMPANY/ENTITY: Public Power Council

PAGE(S): 80
LINE(S): 1-11

DATA REQUEST:

Did BPA study the differences in delayed return capacity quantities associated with different granularities of loss factors (ie. Seasonal, annual)? If so, please provide the study and supporting data and documentation.

RESPONSE:

Yes. We calculated the capacity amounts and annual cost associated with providing the delayed loss return service assuming an annual loss factor and monthly loss factors. The spreadsheet is attached, PP-BPA-30-2.xlsx.

Please note, this is a preliminary analysis used to help inform our workshop materials and our Initial Proposal. While we still believe this analysis is indicative of the change different granularities of loss factors would have on the cost of providing delayed loss return services, several aspects would need to be updated to reflect new information, including a decision to use 3 years of loss data instead of 1, using NT and PTP data associated with financial, Slice, and In-Kind loss returns, and updating the unit costs of each type of capacity.

For technical questions about this response, please contact Rebecca Fredrickson by email refredrickson@bpa.gov.

using 1.9% flat annual loss factor				using monthly shaped loss factors (with an annual average of 1.9%)			
	Concurrent Losses MWh - flat annual loss factor	Max MW Concurrent Losses less Delayed Loss Returns (both flat annual loss factor)	Min MW Concurrent Losses less Delayed Loss Returns (both flat annual loss factor)		Concurrent Losses MWh - monthly shaped loss factors	Max MW Concurrent Losses less Delayed Loss Returns (both monthly shaped loss factors)	Max MW Concurrent Losses less Delayed Loss Returns (both monthly shaped loss factors)
Oct-18	184,252	82	-157	Oct-18	167,057	74	-142
Nov-18	198,821	153	-137	Nov-18	179,323	138	-124
Dec-18	223,281	123	-119	Dec-18	211,565	117	-113
Jan-19	249,700	166	-110	Jan-19	252,034	168	-111
Feb-19	190,476	187	-176	Feb-19	190,037	187	-176
Mar-19	209,156	158	-131	Mar-19	198,168	150	-124
Apr-19	218,590	123	-117	Apr-19	213,023	120	-114
May-19	225,764	146	-144	May-19	219,100	142	-140
Jun-19	231,850	128	-112	Jun-19	264,289	146	-128
Jul-19	272,577	188	-153	Jul-19	313,205	216	-176
Aug-19	280,015	123	-106	Aug-19	311,271	137	-118
Sep-19	262,718	91	-142	Sep-19	247,940	86	-134
Capacity to support returned losses (flat annual loss factor)				Capacity to support returned losses (monthly shaped loss factors)			
BPA provided INCs and DECs				BPA provided INCs and DECs			
	INC \$	DEC \$			INC \$	DEC \$	
Oct-18	\$477,240	\$142,870		Oct-18	\$432,702	\$129,537	
Nov-18	\$890,460	\$124,670		Nov-18	\$803,135	\$112,444	
Dec-18	\$715,860	\$108,290		Dec-18	\$678,298	\$102,608	
Jan-19	\$966,120	\$100,100		Jan-19	\$975,152	\$101,036	
Feb-19	\$1,088,340	\$160,160		Feb-19	\$1,085,832	\$159,791	
Mar-19	\$919,560	\$119,210		Mar-19	\$871,251	\$112,947	
Apr-19	\$715,860	\$106,470		Apr-19	\$697,627	\$103,758	
May-19	\$849,720	\$131,040		May-19	\$824,638	\$127,172	
Jun-19	\$744,960	\$101,920		Jun-19	\$849,190	\$116,180	
Jul-19	\$1,094,160	\$139,230		Jul-19	\$1,257,247	\$159,983	
Aug-19	\$715,860	\$96,460		Aug-19	\$795,767	\$107,227	
Sep-19	\$529,620	\$129,220		Sep-19	\$499,829	\$121,952	
Total Dollars	\$9,707,760	\$1,459,640		Total Dollars	\$9,770,669	\$1,454,634	
Total Losses MWh	2,747,200	2,747,200		Total Incurred MWh	2,767,013	2,767,013	
\$/MWh	\$3.53	\$0.53		\$/MWh	\$3.53	\$0.53	

INCS:	\$	5.82	kW-mo
DECS:	\$	0.91	kW-mo



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September 14, 2020

Matt Rios
Transmission Account Executive, Transmission Sales
Bonneville Power Administration
Mail Stop: TSE/TPP-2
7500 NE 41st Street, Suite 130
Vancouver, WA 98662-7905

Subject: TransAlta BP-22, TC-22, and EIM Workshop Comments on Transmission Losses Presented on August 25, 2020

Matt:

TransAlta Energy Marketing (U.S.) Inc.'s ("TEMUS") comments follow regarding Transmission Losses, which was one topic presented at the August 25th workshop.

Monthly vs. Seasonal Loss Factors

TEMUS supports changing from BPA's current annual average loss factor, provided doing so strikes a balance between accurately representing Bonneville's network transmission system and imposing reasonable administrative burden on customers. To strike that balance, TEMUS has suggested two flat seasonal loss factors, one for summer and one for all other seasons as shown in the table below¹. These loss factors would allow BPA to recover losses much more closely to how they are incurred while sparing customers undue administrative burden.

Season	Loss Factor (Flat)
Summer	2.3%
Spring, Fall, and Winter	1.9%

As an example of administrative burden, customers use the loss factor when entering into day-ahead and real-time transactions. Before transacting, losses are included to calculate all-in costs, thus ensuring each transaction is financially viable. In this way, losses are accounted for before each transaction and later when they are physically returned to BPA. TEMUS strongly opposes

¹ Seasonal average rates based on BPA's monthly loss factor analysis first introduced at the June 24, 2020 workshop.
<https://www.bpa.gov/Finance/RateCases/BP-22-Rate-Case/Documents/TTSL%202017-19.xlsx>

adopting monthly loss factors, which would require customers to manage twelve transitions that will likely be complicated by transactions that span a transition from one month to the next. TEMUS considers BPA's monthly proposal as unreasonable because it burdens customers and results in a statistically insignificant improvement in accuracy compared to the seasonal recommendation above.

Proposed Transmission Losses Capacity Price

To reiterate earlier comments, TEMUS supports a continued in-kind loss return option and we believe that BPA's concerns about capacity can largely be addressed by a seasonal loss factor and moving towards more concurrent returns, instead of the current 168-hour delay. TEMUS contends that introducing and enforcing a capacity price before BPA and the region can transition to more concurrent returns is also unjust and unreasonable because customers have no way to mitigate or avoid the charge.

As the region considers more concurrent in-kind loss returns, TEMUS suggests that reducing the delay from 168-hours must also strike the right balance of addressing BPA's capacity concerns while avoiding customer burden and scheduling inefficiencies. We believe this balance is best achieved when losses from an operating day are summed for each hour and returned on a single e-Tag the next preschedule day, and we believe BPA and the region can reach this goal for adoption in BP-24.

Financial-Only Settlement and Losses Energy Price

As stated before, TEMUS strongly disagrees that financial-only settlement in BP-24 should remain an option proposed by BPA, particularly in the face of overwhelming customer opposition.

Regarding the energy price for losses settled financially, TEMUS believes the Day-Ahead Ice Index most appropriately represents energy prices in the MIDC area for this traditional transmission function. We suggest that it should be used to price loss energy, instead of a LAP calculated for an entirely different purpose, the Energy Imbalance Market, or the PowerDex Real-Time "index", which is based on voluntary price reporting.

Loss Return Election Period

TEMUS also reiterates that restricting loss return elections down to one election for an entire two-year rate period is a drastic reduction from current practice without compelling evidence that customers will begin changing their elections erratically (which appears to be BPA primary concern). Two-year elections also eliminate an opportunity to create load during Q2 oversupply situations. TEMUS encourages BPA to continue the current loss election procedures.

TRANSALTA ENERGY MARKETING (US) INC.

Steve Lincoln
Commercial Specialist

CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing on March 31, 2021 by uploading it to the Bonneville Power Administration's secure website. Pursuant to Section 1010.10(a) of the Rules of Procedure of the Bonneville Power Administration, such filing constitutes service on all Litigants.

Submitted by,

/s/ Irene A. Scruggs

Irene A. Scruggs

General Counsel

Public Power Council