

January 8, 2020

**RE: Comments on the December 12, 2019 Workshop – De Minimis Test Implementation**

Powerex appreciates Bonneville again raising the issues pertaining to the *de minimis* impact dead-band for network flowgates at the December 12, 2019 workshop. Powerex respectfully submits these comments in response to the last workshop.

With the limitation on Hourly Firm taking effect on July 1, 2019, Powerex suddenly experienced short-term redirect requests being denied by Bonneville, even though such redirects would pass either or both of the *de minimis* tests set forth in the business practice. Powerex and other transmission customers promptly voiced concerns to Bonneville about the *de minimis* test implementation immediately after experiencing negative impacts. In the August 6, 2019 TC-20 implementation workshop, Bonneville relayed that transmission customers had expressed concerns to it regarding how the *de minimis* test was being implemented following the limitation of Hourly Firm transmission service on July 1, 2019. Bonneville sought input on the scope of customers' concerns, and several customers provided comments to Bonneville on Sept. 23, 2019. Bonneville subsequently held an ATC workshop on November 12, 2019 in which it asserted that the *de minimis* test did not apply to short-term re-directs, although Bonneville acknowledged that the *de minimis* tests would apply to long-term and short-term original requests as well as long-term redirects.<sup>1</sup> Bonneville held a customer conference call on November 14, 2019 in which it received additional input from transmission customers on the nature and extent of the issue.

In the December 12<sup>th</sup> presentation, Bonneville stated that it was seeking feedback on how Bonneville is characterizing the issue, which Bonneville stated as: "BPA needs to determine if the benefit of a *de minimis* test should be applied to the net impact of redirect requests in the short-term horizon."<sup>2</sup>

Powerex respectfully disagrees with the foregoing characterization of the issue. Bonneville's description and interpretation of the issue assumes that the *de minimis* test only applied to certain reservations and not others and now suggests that the issue at hand is whether to expand that application. However, Powerex believes that the applicability of the *de minimis* test to all transmission requests has been clear from the start. Specifically, Section 2 of version 15 of the "De Minimis Impact Dead-Band for Network Flowgates" business practice—which has been in effect for over eight years—states that, "All requests for Transmission that use Network Flowgates will be evaluated to determine if such request has a *de minimis* impact on one or more of the Network Flowgates it impacts." Importantly, by its unqualified statement of applicability, the business practice applies broadly to short-term and long-term requests as well as original and redirected requests. Furthermore, Section 22.2 of Bonneville's Open Access Transmission Tariff ("OATT") supports this understanding as well because it provides that firm redirects "shall be treated as a new request for service..." Combined with Powerex's experience with the business practice over the years, Powerex has long understood that the *de minimis* tests set forth in the business practice would apply to all requests for transmission service, including original and re-directed requests for transmission service on both the long-term and short-term time horizons.

Transmission customers have now engaged with Bonneville on the *de minimis* tests issue for approximately four months. While Powerex appreciates Bonneville's efforts to date, the issue characterization presented on December 12<sup>th</sup> does not adequately address the issue and nor does it adequately provide prompt action that Powerex believes is needed to address the ongoing detrimental effects to transmission customers. Powerex also is concerned about Bonneville

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<sup>1</sup> *Bonneville Power Admin*, Available Transfer Capability (ATC) Training, at Slides 35, 51-57 (Nov. 12, 2019), available at <https://www.bpa.gov/transmission/Doing%20Business/ATCMethodology/Documents/111219-atc-101-customer-workshop.pdf>.

<sup>2</sup> *Bonneville Power Admin.*, TC-20 Settlement Customer Workshop (Dec. 12, 2019), available at <https://www.bpa.gov/transmission/CustomerInvolvement/TC20Implementation/Documents/0-TC-20-settlement-customer-workshop-12122019.pdf>.



statements and proposals that modify the scope and applicability of the *de minimis* business practice without actually modifying the business practice itself to make such limitations clear. Moreover, Powerex believes that Bonneville's recent proposals concerning the *de minimis* test would treat an original short-term firm request for service differently than a re-directed request for the same service, contrary to the requirement that original and redirected requests for transmission service be treated comparably. Powerex urges Bonneville to address any software limitations contributing to the issue so that the *de minimis* tests will apply to short-term redirects, consistent with the business practice and the OATT.

Sincerely,

Raj Hundal  
Manager, Market Policy and Practices