

Dec. 13, 2019

RE: Intertie Transmission Service Studies

Powerex appreciates the opportunity to comment on Bonneville's Nov. 12, 2019 presentation with respect to proposed Southern Intertie Studies.

Powerex appreciates Bonneville's goal to develop a consistent and repeatable approach to studying requests for long-term firm PTP transmission service on all of Bonneville transmission facilities, including the Southern Intertie. That said, and as recognized by Bonneville, the Southern Intertie is significantly different from Bonneville's network. Upgrading the Southern Intertie involves a substantial set of complexities, including requiring at the outset a coordinated series of studies with the joint owners and operators of the intertie and owners and operators of adjacent transmission systems. Even following such studies, as Bonneville points out, it may take billions of dollars and nearly two decades to complete upgrades to the Southern Intertie at a time when changes in the energy industry are occurring rapidly.¹ As a result, there is generally a lack of interest among owners, operators and other stakeholders to pursue costly studies for the expansion of the Southern Intertie. Tellingly, the Southern Intertie has been upgraded only a handful of times in the past 40 years.²

Bonneville's current practice implicitly recognizes the unique nature of these transmission facilities and the complexities associated with upgrades, placing requests for service on the Southern Intertie in STUDY state if capacity is not available to meet the request and then keeping those requests in the queue until the request expires or capacity becomes available. Should a customer wish to commence the study process to upgrade the Southern Intertie, Powerex understands that Bonneville would initiate a process to study the individual request or undertake a cluster study pursuant to the requirements set forth in the tariff. However, Powerex believes that the unique factors surrounding the Southern Intertie merit a modified process from the procedure Bonneville applies to requests for service on Bonneville's network. Powerex urges Bonneville to continue its current Southern Intertie practice. In support, Powerex notes that Bonneville has identified no adverse consequences to customers or Bonneville from the current practice, the practice has proven to be nondiscriminatory in nature and maintains first-come-first-served principles, and Section 21 of Bonneville's tariff affords some discretion to delay upgrades when the upgrades must be coordinated with third-party transmission providers.

The proposals presented during Bonneville's November 12 stakeholder session could raise several difficulties for Bonneville and its customers. If customers are unwilling to embark on the multi-decade effort to support and fund upgrades to the Southern Intertie, Bonneville will remove the customer's TSR from the queue. As a result, customers that have long relied on Bonneville's established practice will now face considerable uncertainty; those that seek to utilize long-term Southern Intertie capacity as it becomes available (such as through a non-renewal) may have to submit TSRs repeatedly, resulting in inefficiencies

¹ See *Bonneville Power Admin.*, Southern Intertie Studies (TC-20 Settlement Implementation) at Slide 11 (Nov. 12, 2019), available at <https://www.bpa.gov/transmission/Doing%20Business/ATCMethodology/Documents/111219-tc-20-intertie-studies-update.pdf>.

² *Id.* at Slide 8.



and unnecessary administrative burdens for customers and BPA. Moreover, BPA's November 12th proposals raise numerous new complexities and uncertainties, including questions concerning timing and when the identified study agreements with other transmission providers must be executed before BPA would take action to remove that customer's TSR(s) from the queue.

To the extent that BPA believes its tariff must be modified to address complexities for studying intertie requests, Powerex urges BPA to propose revisions to the tariff in near-term workshops for discussion and comment.

Thank you for consideration of our comments.

Sincerely,

Raj Hundal

Manager, Market Policy and Practices