

February 9, 2022

**RE: BPA's Concurrent Loss Return Service Customer Workshop**

Powerex appreciates the opportunity to comment on the presentation and workshop material from January 26, 2022, regarding the Concurrent Loss Return Service. Powerex offers the following comments for BPA's consideration:

- BPA presented three options for managing kW remainder and Powerex appreciated the detailed review of the pros, cons and challenges associated with each option. Powerex does not have a preference between the three options but slightly leans towards option 2 due to the low complexity in terms of implementation.
- BPA presented two options regarding the Loss Return Imbalance which would impact Dynamic and Pseudo-Tie schedules. Powerex, as a transmission customer that dynamically schedules, has concerns regarding Option 1. Powerex believes that customers should have the ability to physically return some part or all of the required loss obligations, and should not be required to settle all loss obligations financially. Powerex prefers Option 2, which allows customers to return some or all their loss obligations, and any remaining imbalances are settled financially after the fact.
- BPA presented two options regarding Invalid Loss Returns. Powerex reviewed both options, where Option 1 charges a penalty when there are invalid loss returns, while Option 2 simply settles the invalid loss return financially without any penalty mechanism. Powerex has concerns with both options, where Option 1 moves to a penalty charge even if the invalid loss return was due to an unintended circumstance, and Option 2 provides no real incentive to return losses correctly.

Powerex believes that it may be appropriate to explore another alternative where a penalty charge is not immediate on an invalid loss return, and BPA would evaluate how the loss return was deficient as well as considering past customer scheduling behaviour. BPA should carefully monitor repeated failed deliveries of loss returns and decide when those customers, that abuse the physical loss return, should lose that privilege and be moved to a full financial settlement. BPA should discuss with customers the options of what is the most appropriate number of failed deliveries that would result in a customer being moved to financial settlement only. Powerex also notes that unintended consequences, such as curtailments by BPA or other transmission providers for reliability reasons, should not incur penalty charges since those adjustments to the loss returns are out of the control of the transmission customer.

Powerex also suggests that if penalty charges are incurred because of invalid loss returns that BPA provide an opportunity for the transmission customer to contest the charge and provide any details that may explain the invalid loss return. Powerex does not believe that the penalty rate should be deferred until a later rate case and should be discussed with the BP-24 rate proposal.



- Powerex supports BPA calculating and posting the loss obligations through a new screen in one of its business systems for customer consumption, but Powerex encourages BPA to allow for transmission customers to access the new concurrent loss screens through dedicated Application Programming Interfaces (API).
- Lastly, Powerex supports BPA's rationale that adherence to EIM timelines is appropriate when scheduling the physical loss return obligations.

Thank you kindly for considering our comments.

Sincerely,

Raj Hundal  
Director, Market Policy and Practices