

September 20, 2019

RE: Hourly Firm Customer Comments

Powerex submits the following comments on our ongoing experiences with Bonneville's Hourly Firm product. We appreciate Bonneville's commitment to solicit customer feedback during the evaluation period, and look forward to continuing to work with Bonneville and other transmission customers on this important matter.

Firstly, Powerex reiterates that Hourly Firm remains an important and valuable product for long-term transmission rights customers. The Hourly Firm product continues to allow customers to realize the redirect value that long-term transmission rights customers expected when they committed to their rights, at a time when the retention of the Hourly Firm product was assumed. If Hourly Firm is removed, long-term transmission rights customers will be unable to modify existing yearly rights on an hourly basis while retaining firm priority. This enables new Hourly Non-Firm reservations to receive higher quality service over Bonneville's long-term customers who have committed to annual rights, but may be forced into a 1-NS redirect curtailment priority.

Secondly, we would like to share the following observations with our recent experience with Bonneville's Hourly Firm product:

- Following the enabling of limited Hourly Firm on July 1st, customers discovered that Bonneville is overly restricting the award of Hourly Firm redirects by not applying the De Minimus Impact Dead-Band test to the net impact by flowgate created by the redirect. Bonneville applies this methodology to the net impact by flowgate for new hourly requests and this has resulted in discriminatory treatment for Hourly Firm redirects. Powerex is attaching the comments it already submitted on this matter for inclusion in the monitoring and evaluation plan (sent August 23, 2019, incorrectly dated September 23, 2019).
- Customers need additional opportunities to provide information to Bonneville related to the Hourly Firm product, particularly as Bonneville continues to improve its ATC calculations. Of note, Bonneville is increasing the frequency of updating its PTDF to a much improved "every hour" but this will not be implemented until September 24, after these comments are due.

Thank you for considering our comments. We look forward to collaboratively working with you and other customers on the ongoing Hourly Firm evaluation.

Sincerely,

Raj Hundal
Market Policy and Practices Manager