

March 2, 2020

RE: Request for comments on Hourly Firm Experience (TC-20 Settlement)

The [Hourly Firm Monitoring and Evaluation Plan and the TC-20 settlement](#) state that Bonneville will perform an evaluation of the Hourly Firm product from a neutral position and that as part of its evaluation, Bonneville will include customer experience as a one of four evaluation criteria. Specifically, the Hourly Firm Monitoring and Evaluation Plan states that Bonneville will meet this customer experience criteria by:

1. Providing all customers a formal one-month window, prior to each evaluation results workshop, to submit comments, information, or data related to their experience with the Hourly Firm product.
  - a. This may include, but is not limited to business process uses of hourly firm, unique customer perspectives on how the hourly firm product is used, observations regarding value of hourly firm to business operations, observations of impacts of hourly firm on other firm service

Powerex submits the following comments on our ongoing experiences with Bonneville's Hourly Firm product and expects this customer experience to be considered during the evaluation of the 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. Hourly Firm allows the most efficient use of the existing rights through intra-day shaping to encourage delivery to and from optimal sources and sinks. 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 our observations and experiences with the changes associated with the Hourly Firm product. The introduction of limiting Hourly Firm on July 1, 2019 and not having unlimited hourly sales have largely addressed many of the concerns Bonneville raised during the TC-20 process. Based on the information and data that Bonneville has released during workshops it appears that Hourly Firm usage has dropped by 40 – 50% after July 1, 2019 and Hourly Non-Firm usage has increased significantly, which in turn has reduced impacts on Firm and Network customers.

The subsequent limitation on same-day Hourly Firm, as of Jan 1, 2020 should have further addressed Bonneville's concerns and customers, but Powerex believes that there may be only a marginal benefit that would be achieved through this limitation. There needs to be further evaluation of this limitation to understand the business impacts of this change. Limiting hourly firm purchases to preschedule has caused issues for customers who need to procure additional firm capacity, that is still available in real time, in order to serve their loads.



Powerex has been impacted by the introduction of Limited Hourly Firm through the problems associated with the application of De Minimis tests for the Short-Term Netting of redirects, whereby the software validating requests did not follow the De Minimis methodology outlined in Bonneville's business practice which has been posted for many years. It was clearly understood by customers through the public Bonneville documents that the De Minimis tests would indeed apply to the short-term redirects. As described further in Powerex's January 8, 2020 comments, the short-term redirects that customers believed had a De Minimis net impact on constrained flow-gates were unexpectedly denied after July 1<sup>st</sup>, 2019. This unintended but detrimental impact to Powerex operations has not been adequately resolved by Bonneville since it was first reported as a TC-20 issue. Powerex again urges Bonneville to address these issues.

Finally, Powerex looks forward to Bonneville's next Hourly Firm evaluation results workshop and to further collaboration on this important topic.

Sincerely,

Raj Hundal  
Market Policy and Practices Manager