

Summary of Comments Received on Proposed 10/3/16 Updates to Western Area Power Administration's (WAPA) Behind the Meter Generation Business Practice and WAPA Responses

Western Area Power Administration (WAPA) received several questions and comments regarding the proposed 10/3/16 Business Practice (BP) update. The comments are summarized below, with WAPA's responses, if any, noted. Based upon the comments, WAPA agrees to incorporate additional proposed updates to clarify or address certain of the comments received as described below and as set forth in the proposed 3/16/2017 updated version of the BP.

Comment: The Behind the Meter Generation policy is an overreach and WAPA has exceeded its authority under its OATT since the business practices aren't referenced in WAPA OATT or made part of its OATT.

WAPA Response: The Behind the Meter Generation BP is a clarification of WAPA OATT and such clarifications are not required to be incorporated in the OATT per FERC direction. WAPA has followed its OATT and posted BP for Creation & Update of BPs. In regard to changes to BPs and involvement of public, FERC guidance in this regard is as follows:

Each transmission provider is also required to post on its public website (with a corresponding link on OASIS) a statement of the process by which the transmission provider will amend the rules, standards, and practices that are accessible via OASIS. As part of this process, the transmission provider must specify a mechanism to provide reasonable notice of any proposed changes to a posted business practice and the respective effective date of such change. Transmission providers may adopt such additional procedures they deem appropriate, such as opportunities for comment to proposed changes to rules, standards, and practices. Section 4 of the pro forma OATT is amended to formalize this posting requirement, and to obligate transmission providers to follow the amendment procedures specified by the transmission provider. (Order 890 at ¶ 1655 and footnote 943)

Comment: WAPA's Rate Schedule L-AS3 states, "For the Load Serving Entities (LSEs) who are not taking transmission service from CRCM and LAPT, WACM will assess Regulation Service Charge for their load and their variable resources inside WACM." The word "their" seems to

imply responsibility over load and variable resources, perhaps suggesting that the transmission customer owns, controls, or operates the resource but this is not necessarily the case.

WAPA Response: This comment is out of scope of this BP. WAPA-RMR's Rates Schedule L-AS3 was put in place after WAPA-RMR underwent a public process in which transmission customers were given an opportunity to participate in the rates setting process. Comments related to WAPA-RMR's Rate is out of scope of the changes to the Behind the Meter Generation BP.

Comment: A commenter asks WAPA to define and to clarify "on the system" as it relates to the BP's language regarding generation behind the meter. The commenter asks if WAPA means behind the retail meter or on the distribution system when it references "on the system". The commenter also questions WAPA's authority to assess transmission or ancillary services charges.

WAPA Response: "On the system", as utilized by WAPA in this BP, refers to any electric facilities, whether owned or not by the customer (including distribution or wholesale/retail electric systems), connected and energized behind the meter where load, generation, or other equipment connected to such electric facilities would affect the meter reading or actual flow value of the meter utilized to calculate the network load served from WAPA's transmission system or load within a WAPA Balancing Authority Area (BAA) or Sub-Balancing Authority Area subject to applicable ancillary service charges. The proposed revision to the Behind the Meter Generation BP is not altering WAPA's current implementation for assessing network service charges for generation behind the meter; rather, it clarifies application of ancillary service charges that WAPA Regions have been assessing customers with load within a WAPA BAA or Sub-BAA all along and without any objections. WAPA has incorporated a clarification into the proposed 3/16/2017 updated version of the BP.

Comment: A commenter asks WAPA to define "generation resource" and whether this definition includes batteries or not.

WAPA Response: WAPA hasn't excluded any type of generators. As defined in the BP, a Generator is any device that can produce power and can inject electric energy to the electric system that is synchronized with WAPA's transmission system or Balancing Authority Area. WAPA has incorporated a clarification into the proposed 3/16/2017 updated version of the BP.

Comment: A commenter asks WAPA to define “At the same substation” as it refers to generation resources located behind the meter.

WAPA Response: The intent of the BP is to allow an accumulation of small generation units up to the threshold at the “same substation” (i.e. each substation on the customer’s system or load meter location on the customer’s system). This would exempt multiple smaller (< 150kW) generation units located in separate “substations” on the customer’s system (or behind separate meters on the customer’s system) that are located downstream behind the revenue meter that WAPA uses for network loads or behind the customer meter that is used for calculation of load within a WAPA Balancing Authority Area. For example, there could be multiple < 150kW generation units connected at separate customer substations behind the metering used by WAPA for billing transmission and ancillary services charges for the total load connected to WAPA’s transmission system or Balancing Authority Area, and all such units (<150kW at each site) would be exempted from Behind-the-Meter-Generation even though the accumulated total generation behind the WAPA metering would be greater than 150kW. It appears that the current language could cause some confusion, particularly given that the existing BP didn’t clarify if “same substation” meant WAPA’s substation or the customer’s substation. WAPA has incorporated a clarification into the proposed 3/16/2017 updated version of the BP.

Comment: A commenter recommends that WAPA to increase the 150 kW threshold for generation included in the Behind-the-Meter-Generation definition to 1 MW.

WAPA Response: The industry hasn’t agreed to a common threshold value, or whether there should be a threshold value. It is WAPA’s understanding that some transmission providers may be considering a 1 MW threshold; however the threshold that might be considered by other transmission providers based upon the system configurations, customer mixes, size, etc. may not be appropriate for WAPA’s system. WAPA is actively monitoring the industry discussions regarding thresholds for behind the meter generation and may consider threshold adjustments in the future if they would be appropriate for WAPA’s systems.

Comment: A commenter recommends excludes any generation behind the retail meter regardless of the size.

WAPA Response: For comparability and fairness to all transmission customers, WAPA maintains that all generation behind the meter above the threshold should be included in the Behind-the-Meter-Generation because such loads, whether they are behind a retail meter or not, are utilizing WAPA’s transmission and/or ancillary services and should be paying for use of such services. WAPA is actively monitoring the industry discussions regarding generation behind retail meters.

Comment: A commenter recommends to check with other TSPs and adopt a similar provision

WAPA Response: WAPA will continue to monitor the industry discussions and treatment of behind the meter generation by other transmission providers.

Comment: A commenter recommends WAPA abandon using “nameplate capacity” if the metering is not available

WAPA Response: WAPA provided this option of not installing metering and instead using nameplate capacity to provide flexibility to those customers where the cost of metering might be onerous. In addition, in cases where a customer does not install metering on generation behind the meter above the threshold, WAPA must still account for that generation in some manner when calculating the total load of the customer subject to WAPA transmission and ancillary service charges. In the absence of actual meter data, WAPA assumes the generation was injecting electric power at its nameplate capacity value as outlined in its BP.

Comment: A commenter suggests the business practice creates contractual obligation that doesn’t exist and cannot be enforced.

WAPA Response: The BP is not creating any contractual relationship between WAPA and end users or other entities that are not WAPA’s customers, rather, WAPA is clarifying how it assesses transmission and ancillary services charges for the load behind a network meter or behind an ancillary service meter for its customers with load connected to WAPA’s transmission system or Balancing Authority Area. WAPA has contractual arrangements with its customers, and will assess applicable transmission or ancillary service charges based upon the customer’s total load pursuant to its OATT and posted BPs. If a customer installs or utilizes a meter for the billing of WAPA’s services that has other entities’ load or generation behind such metering,



then WAPA will account for such load and generation in assessing charges for the services that it provides to such customer.