

**BUSINESS PRACTICES TECHNICAL FORUM: REAL POWER LOSSES WORK GROUP  
MEETING  
JANUARY 21, 2003**

**Meeting Attendees:**

BPA-TBL:	Shirley Buckmier (meeting facilitator) Cathy Ehli Steve Huss Jenifer Kinder Tony Rodrigues
BPA-PBL:	Kevin Johnson
Avista:	Ed Groce (via phone)
EWEB:	Dan Bedbury (via phone)
PNGC:	Rick Paschall; Steve Kern
Powerex:	Carol Opatrny (meeting note taker)
PSE:	Chris Reese; Susanne McFadden (via phone)
SCL:	Sue Kuehl

**Issues and Resolution/Status:**

**(1) For Transmission Contract Holders (TCH) for BPA Power Business Line purchases with losses bundled in the price, the ability to have a loss provider other than the PBL for other transmission contracts.**

The group concluded that this should not be an issue due to the fact that a BPA PBL power customer has the choice to take either a “delivered” product or a “raw” product. If delivered power is purchased, BPA TBL is the TCH and losses are included (bundled) with the power and transmission products. If a raw power product is purchased, losses are not included and the customer has options regarding losses returns.

**(2) Concurrent and/or financial losses.**

The group reviewed the arrangement that PBL has with TBL that allows for concurrent loss return. The group also discussed the fact that this arrangement enables TBL to get around some of the limitations that the RODs system imposes on all other Transmission Contract Holders, e.g., PBL can make loss returns from any/all generators on the FCRPS.

The group discussed the possibility of instituting a change to TBL’s current practice by allowing for concurrent return and/or financial settlement of real power losses. The group decided that it would be appropriate to develop a white paper for the purpose of fully exploring these two options. A team of Shirley Buckmier, Carol Opatrny and Rick Paschall accepted the task of outlining how other Transmission Providers handle losses returns within the WECC as well as developing a white paper outline for the group to review at its next meeting. The white paper will be used to flesh-out detailed proposals for concurrent loss returns and financial settlement for losses. The workgroup identified a number of items that should be included in the white paper outline.

**(3) Frequency customers may change loss providers.**

**(4) Possibility of designating loss providers by schedule (E-tag).**

Topics (3) and (4) were discussed together. At this time, TBL’s Business Practice allows a Transmission Customer to change its losses provider no more frequently than 2/year with a 60-day notice. BPA representatives provided helpful background information regarding the limitations that the RODs system imposes on enabling more flexibility in how losses are returned. By way of example, changes to the RODs system must be made at the beginning of the month (otherwise, billing data are contaminated). In addition, the RODs data associates contract type (e.g., FPT, IR,

PTP, NT) with TCH, Loss Provider and specific pairs of PORs and PODs which means that any changes to any of these elements negatively affects the data base that is used to support billing.

Apparently, the conversion effort that is effectively phasing out RODs continues, however, TBL representatives indicated that the module that deals with losses (tracking, billing, reconciliation, etc.) is currently the last module scheduled to be worked on. The RODs conversion effort will be put on hold after March 2003, due to other relatively more pressing tasks, and so, only if the Real Power Losses workgroup identifies what it wants/needs before March (and the desired end-state is doable), will there be an opportunity to effect changes to the current business practice. Therefore, if the RODs system remains in place, the most flexibility that is envisioned is to allow up to monthly changes in the designation of a loss provider.

While group was mixed in terms of what specific changes to the current Business Practice were needed, there was general agreement that more options and flexibility (without harming the current regime) should be further explored.

#### **(5) Reconciliation of losses**

There have been some significant reconciliation issues primarily due to inaccurate account tracking. TBL representatives indicated that they anticipate concluding major reconciliation efforts with customers, such as Powerex, by month-end (January).

The group suggested that maybe the TBL could develop a “due process” timeline that would set a timeframe within which to resolve minor issues. The TBL will explore this concept that could possibly be documented in a Business Practice.

#### **Next Steps:**

- The outline of the white paper will be circulated by January 31<sup>st</sup>; the workgroup plans to meet again on February 4<sup>th</sup>.
- TBL representatives indicated that a customer meeting for the purpose of discussing the conversion process has been scheduled for January 29<sup>th</sup> (10:30 – 11:30 am).
- The next large group TBL Business Practice Forum meeting is scheduled for February 7 (9-4:30) at 8100 NE Parkway, Room 40.

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