

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
BEFORE THE
BONNEVILLE POWER ADMINISTRATION

Bonneville Power Administration FY
2022-2023 Proposed Power and
Transmission Rate Adjustments

Docket No. BP-22

Shell Energy North America
(US), L.P. Petition to Intervene

**PETITION TO INTERVENE BY SHELL
ENERGY NORTH AMERICA (US), L.P.**

Shell Energy North America (US) L.P. (“Shell Energy”) files this Petition to Intervene in the above captioned matter as a party pursuant to the Federal Register Notice posted on December 1, 2020 (85 Fed. Reg. 77,189), and pursuant to Rules 1010.6 and 1010.11 of the Bonneville Power Administration’s (“BPA”) Rules of Procedure. BPA has opened this rate proceeding under the Northwest Power Planning and Conservation Act (“Northwest Power Act”) to establish power, transmission, and ancillary and control area services rates for the period from October 1, 2021, through September 30, 2023.

The BP–22 proceeding is a joint proceeding for the adoption of both power and transmission rates for FY 2022–2023. BPA will be introducing a number of rate proposals that will affect power and transmission rates for the BP–22 rate period. Shell Energy requests that it be granted party status in this proceeding, including any subdockets to this proceeding.

In support of this petition, the following information is provided.

I.

Shell Energy currently purchases wholesale power and contracts for transmission, ancillary and control area services from BPA under contracts that will be affected by the proposed

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adjustments to the Tariff terms and conditions. As set forth in the Federal Register notice, this BP-22 rate case proceeding will be devoted to a number of rate and rate design issues, including the following: If BPA decides to join the Energy Imbalance Market (EIM), actual participation is projected to begin in March of 2022. To position BPA to join the EIM by March 2022, BPA must set its rates for the BP-22 rate period to recover or distribute EIM-related costs and credits. As set forth in the Federal Register notice, “a major portion of the BP-22 rate case will be dedicated to developing the cost allocations, methodologies, and rate schedule language necessary to facilitate potential [BPA] participation in the EIM in 2022.” 85 Fed. Reg. at p. 77,194. For example, BPA proposes to adopt a series of new rates to position itself to recover its costs, or distribute credits, if BPA joins the EIM beginning in March of 2022.

In addition, BPA provides two loss settlement methods for customers wheeling non-Federal resources over the Federal transmission system. Customers may opt to return losses 168 hours (one week) after the original wheeling transaction (“in-kind loss returns”), or may purchase the losses from BPA (“financial settlement”). BPA has identified and calculated a capacity cost associated with each method and is proposing charges applicable to wheeling customers to recover capacity costs.

For in-kind loss returns, the proposed capacity charge is included in the transmission rate schedules. For financial settlements, the proposed power rate for purchasing losses from BPA includes an energy charge and a capacity charge. In addition, the transmission rate schedules include a proposed penalty rate designed to incent accurate and timely return of in-kind loss return obligations. 85 Fed. Reg. at p. 77,194.

Shell Energy objects to various elements of BPA’s proposed rate changes, including BPA’s proposed two new charges associated with real power loss returns. First, as noted above, BPA is proposing a charge to recover capacity costs associated with in-kind loss returns. The charge will

apply to customers that opt for this settlement method. In addition, the Financial for Inaccuracy penalty charge is proposed to incent accurate and timely return of in-kind loss return obligations. 85 Fed. Reg. at p. 77,195. Shell Energy objects to BPA charging a capacity component for in-kind loss returns. This proposed treatment discriminates against participants as it does not provide an opportunity for transmission customers to mitigate the charges through a real-time concurrent return option. BPA's proposal, if adopted, would impose a stranded cost charge with no mitigation options.

BPA is proposing an overall 11.6 percent weighted average increase in transmission rates for the two-year rate period, or 5.8 percent on an average annual basis. BPA is proposing separate transmission rates for its Network segment, intertie segments, ancillary and control area services, and for various specific purposes. 85 Fed. Reg. at p. 77,195. Shell Energy objects to BPA's proposal to impose a significant general rate increase on transmission customers while Power customers receive no such rate increase. This proposed approach would impose undue rate pressures upon a single captive business line -- transmission customers.

No other party to this proceeding will adequately represent the interests of Shell Energy. On this basis, Shell Energy requests that it be granted intervention with full rights as a party.

II.

The address of Shell Energy is 601 West First Avenue, Suite 1700, Spokane, Washington, 99201. All materials, documents and communications relating to the above-captioned proceeding should be served on the following:

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WHEREFORE, based on the foregoing, Shell Energy respectfully requests party status in the above captioned proceeding, and including any subdockets to that proceeding.

Dated this 8th day of December 2020.

Respectfully submitted,

/s/ John W. Leslie

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