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| **Subject:** | TransAlta Comments on DERBS Rate Redesign |
| **Date:** | Friday, August 05, 2016 11:13:34 AM |

In order to meet the requested Friday deadline for comments, TransAlta's preliminary comments about the proposed DERBS redesign follow.

Not surprisingly, TransAlta opposes. There are three areas where supporting information is necessary to justify TransAlta bearing roughly 83% of the change's financial impact. First is data showing Centralia imbalance as the primary cause of DERBS under-recovery (or other deficiency that the redesign is supposed to address). For example, a comparison of Centralia's basepoint and SCE vs. the total volume of DERBS deployed during the five-minute billing increment in hours without contingencies.

Second is an explanation or analysis of why it is reasonable that the generators bearing most of the financial impact are actually high performers with respect to DERBS usage per nameplate MW. The companies most affected are operating fairly close to schedule and using DERBS efficiently. The DERBS team must demonstrate how this disconnect is just and reasonable, and in the explanation, go way beyond simply labeling generators as winners or losers.

Third, expect the proposal to reopen debate about how Columbia Generating Station's imbalance is treated differently from the rest of the thermal fleet, in addition to new questions concerning the accuracy of CGS' imbalance capacity responsibility. Using the same metrics that snag the most impacted generators---roughly speaking, size and good imbalance performance (as was claimed for CGS in previous testimonies)---CGS would also be a big loser *if it were exposed to DERBS charges*.

I will be back in the office on Friday Aug 12 and have occasional access to voice- and e-mail in the meantime.

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