

May 10, 2023
Bonneville Power Administration
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Portland, OR 97232

Submitted via email: techforum@bpa.gov

wpd wind projects (wpd) comments on BPA TC-25 (queue reform) in response to information provided during April 26 & 27 Workshops.

wpd looks forward to working with BPA as it considers reasonable and effective queue reform and appreciates having an opportunity to participate and comment. Below are specific recommendations/alternatives for BPA to consider, regarding Staff leanings.

1. Assigning Cluster Areas and POI

Staff leaning:

Regarding BPA's leaning to reserve the right to assign a Point of Interconnection (POI) to the customer after the cluster has been determined:

wpd recommendation:

wpd recommends that there be a preliminary review process whereby a potential interconnection customer can collaborate with BPA to determine the best, or at least mutually agreeable, POI for a given project. The results of this collaboration would enshrine that POI as an acceptable POI location to BPA. With this, a project developer can proceed with development, studies, easements knowing that the agreed upon POI would be acceptable when the customer eventually submits the interconnection application.

wpd reasoning:

The stated purpose of this queue reform is to reduce the number of "speculative" interconnection applications and to advance late-stage projects. As the POI (with associated gen-tie) is a critical component of any project, a project developer must make great efforts at great cost to ensure that the gen-tie and POI is feasible. If BPA unilaterally assigns an alternate POI at a project's late-stage development, it may be in a location not feasible for the project to access for any number of reasons – including but not limited to, environmental/biological considerations, landowner interest along gen-tie, and cost or engineering feasibility. This adds unreasonable risk to a project as the developer cannot be sure of the POI until development has progressed enough to submit the interconnection application.

2. Reduction of MW injection at POI after study results

Staff leaning:

BPA has noted that it is evaluating allowing a decrease to project size (MW injection at POI).

wpd recommendation:

Wpd recommends that BPA provide opportunities for an interconnection applicant to reduce MW injection at the POI prior to continuing to the next study Phase (likely during the Validation and Cure period). Example reduction allowances can be found in many FERC approved tariffs; one recommendation (Tennessee Valley Authority) allows for a 60% decrease prior to proceeding to System Impact Study (Phase 2) then an additional 15% decrease prior to proceeding to Facilities Study (Phase 3).

wpd reasoning:

Information provided in the cluster studies may indicate that a lower MW injection to be more feasible/economical. Additionally, other development factors may reduce the feasible capacity of a project. The ability to “right-size” a project through the cluster studies will reduce the number of withdrawals, and thus re-studies.

3. Unique commercial readiness requirements for late-stage queued projects.

Staff leaning:

BPA has proposed to introduce new and unique commercial readiness requirements for existing queued projects that have executed Facilities Study Agreements (but where the Facility Study is in process and not yet received from BPA). These new requirements would retroactively require projects to achieve one of the following milestones in order to continue through the study process:

- Executed term sheet;
- Executed contract binding upon the parties for sale of (i) the constructed Generating Facility to a load-serving entity or to a commercial, industrial, or other large end-use customer, (ii) the Generating Facility’s energy where the term of sale is not less than (5) years, or (iii) the Generating Facility’s ancillary services if the Generating Facility is an electric storage resource where the term of sale is not less than five (5) years;
- Reasonable evidence that the Generating Facility has been selected in a Resource Plan or Resource Solicitation Process; or
- Site specific purchase orders for generating equipment specific to the Queue Position.

If a project cannot demonstrate such milestones, then the project forced to withdrawal.

wpd recommendation:

wpd recommends that BPA not retroactively apply new commercial readiness requirements for currently queued projects with existing executed Facilities Study Agreements (transitional/late-stage projects). Wpd recommends that any late stage queued project be processed consistent with the existing signed Facilities Study Agreement and associated tariff process.

wpd reasoning:

It is unreasonable to force changes to the terms of the executed Facilities Study Agreement(s). Late-stage projects that have executed Facilities Study Agreements have made planning and commercial decisions based on the expectation of the fulfillment of their Agreements.

The proposed commercial readiness milestones are entirely infeasible for an interconnection customer to achieve within the proposed timeframe, requiring compliance to be achieved in less than one year from now. The proposed milestones are out of synch with the normal process of associated industries, whose collaboration is necessary to align to achieve any of these new and unique proposed milestones (financial risk associated with lending, offtake, procurement, etc). Requiring these milestones of late-stage queued project may force the withdrawal of many projects that have already undergone a significant and costly development effort.

Sincerely,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke.

Micah Engum

