

Comments of Iberdrola Renewables on BPA's January 29, 2009  
Proposed LGIA Appendix C Additions and Revisions

Iberdrola Renewables (IBR) submits the following comments on the January 29, 2009 proposed LGIA Appendix C Additions and Revisions:

1. In order to facilitate the flexibility BPA intended customers to have in complying with its DSO 216, IBR proposes the below revisions to the two versions of the LGIA. IBR is proposing these changes because BPA has indicated it is unnecessary for facilities (existing and new) to install the equipment required for receiving generating limits directly from BPA's Energy Management System unless they fail to meet the requirements in Section 3(b)(iii) of the LGIA. The proposed LGIA language, however, appears to require installation of equipment required for receiving generating limits directly from BPA's Energy Management System for all new agreements. This is inconsistent with BPA's prior representations, and IBR opposes such a requirement. The ICCP communications link should be sufficient to facilitate the communication of the DSO between BPA and the facility, and customers should not be required to install the additional equipment unless they meet the requirements of section 3(b)(iii) of LGIA Attachment C. Accordingly, IBR proposes that the Attachment C: LGIA applicability language be revised as follows:

A. Version 1: For Existing **and New** Agreements Without Equipment for Receiving Generation Limits Directly from BPA's Energy Management System

B. Version 2: For Existing **and New** Agreements with Equipment for Receiving Generation Limits Directly from BPA's Energy Management System ~~and New Agreements~~

2. IBR also proposes several other modifications to the proposed language in Appendix C, Section 3.C.
  - a. BPA has proposed a one year written notice requirement to Appendix C, Section 3.C. IBR believes it is unnecessary and inappropriate to require a one-year written notice to BPA when control area services are no longer needed. BPA has already preserved the right to make a sole determination of the comparability of the alternative service arrangements, and required the customer to pay BPA costs incurred as a result of the customer's discontinuation of the service. Therefore, such a notice period is not required. BPA should not constrain itself or its customers by including a lengthy and unnecessary notice requirement.
  - b. In addition to self supply, or acquiring third party control area services, BPA should add formation of a Balancing Area as a third category in

Appendix C, Section 3.C. Further, if WECC approves and certifies the formation of the Balancing Area, the Interconnection Customer would not have to meet the two requirements outlined in Section 3.C.

- c. If an Interconnection Customer supplies its own Control Area services, in addition to being relieved of any obligation to take and pay for any Control Area Services, it should also be released from the requirements of Appendix C, Section 3 (b).
- d. If BPA includes language requiring the Interconnection Customer to pay costs for services incurred as a result of the Interconnection Customer acquiring its own Control Area services, the Appendix C, Section 3.C. language should make clear that BPA will continue to make such services available to the Interconnection Customer for as long as it is required to pay for them.

IBR proposes that the Attachment C: LGIA Section 3.C. language be revised as follows:

C. The following language will go in Appendix C of the LGIA following the list of required Control Area services.

~~Upon one year's written notice to Transmission Provider,~~ Interconnection Customer may self supply, or acquire from a third party, any of the Control Area Services that Transmission Provider is providing under this LGIA ~~at the time of the notice,~~ if such Control Area Service is (1) comparable, in Transmission Provider's sole determination, to the Control Area Service Transmission Provider is providing, and (2) consistent with the Tariff and Transmission Provider's associated business practices. **If an Interconnection Customer obtains approval and certification from WECC to form its own Balancing Authority, or meets the criteria listed above for self supply or third party supply, the Interconnection Customer's obligation to take and pay for any Control Area Service or to meet other obligations under Appendix C, Section 3(b) will terminate as soon as Interconnection Customer self supplies such Control Area Service or acquires it from a third party and compensates Transmission Provider for (i) any costs to modify the Transmission System that Transmission Provider incurs because of such self-supply or third-party supply, and (ii) any costs Transmission Provider has incurred to acquire energy or capacity to supply such Control Area Service to Interconnection Customer and that Transmission Provider has not yet recovered from Interconnection Customer, unless Transmission Provider determines that it has an alternative market for such energy or capacity. If the Transmission Provider requires compensation from the Interconnection Customer, the Interconnection Customer has the right to continue receiving the service for which they are compensating the Transmission Provider until such time as all costs incurred have been paid.**