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UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

FILED  
OFFICE OF THE SECRETARY  
02 MAY 29 PM 2: 53  
FEDERAL ENERGY  
REGULATORY COMMISSION

Avista Corporation;  
Bonneville Power Administration;  
Idaho Power Company;  
The Montana Power Company;  
Nevada Power Company;  
PacifiCorp;  
Portland General Electric Company;  
Puget Sound Energy, Inc.; and  
Sierra Pacific Power Company.

Docket RT01-35-007

**COMMENTS OF THE NEVADA INDEPENDENT ENERGY COALITION AND  
THE COGENERATION COALITION OF WASHINGTON**

The Nevada Independent Energy Coalition and the Cogeneration Coalition of Washington (QF Parties) are part of the Northwest IPP/Marketers Group, and join and fully support the comments filed by the IPP/Marketers regarding this Stage 2 filing. As customer-owned generation, with certain unique interests, the QF Parties submit these separate comments to address certain additional issues.

**Load Must Be Measured Net of Behind-the-Meter Generation**

Although the Stage 2 filing lacks the detail of a final tariff filing, many of the basic concepts defining RTO West operation are set forth. However, one of the most critical issues for customer-owned generation has been ignored. That issue is whether the RTO provides its services based on gross load and generation or on the customer's net requirements on the grid. Such customers may use their on-site generation to satisfy all or part of their load. The customer then relies on the grid only to deliver the net unsatisfied demand of its load or to transmit the net surplus generation. As the customer only uses the grid to

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transmit such net amount, the RTO's services should be limited to that same net amount.

This is an elemental principle that will then guide development of the RTO's specific protocols on activities such as scheduling, pricing, metering and ancillary services. This principle must be determined and verbalized at this point in the RTO's development.

If this determination remains unclear through the development of the tariff and protocols, it creates a serious disincentive to further cogeneration development in this region. Customers considering installing on-site generation will be uncertain of the costs they will incur; they will be uncertain whether they have to separately schedule gross generation and load, whether they must separately meter the generator output, and whether they must procure ancillary services and cover losses based on gross generation. To provide guidance through the remainder of the RTO West development process and to provide accurate price signals to customer generation, this issue should be determined now.

Although the QF Parties have repeatedly requested consideration of this issue, and although there does not seem to be any objection among the stakeholders, the Filing Utilities have failed to include any mention of it in the Stage 2 filing.

The QF Parties request that the Commission direct the Filing Utilities to revise the pricing, ancillary services and congestion management documents to

include the basic principle that such services will be provided based on the net load of a customer with behind-the-meter generation.

Respectfully submitted,

Handwritten signature of Michael Alcantar in black ink, enclosed in a thin black oval.

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**CERTIFICATE OF SERVICE**

Pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010, I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 29<sup>th</sup> day of May, 2002.

Handwritten signature of Michael Alcantar in cursive, enclosed in a large right-facing curly bracket.

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