

12/29/08

To Customers and Wind Integration Team Members:

BPA has revised its technical proposal for Connecting Variable Generating Resources to the Federal Columbia River Transmission System. We have made several changes to address comments received at the Dec. 10, 2008, Wind Integration Team meeting.

Two concerns raised at that meeting pertain to BPA requirements should a generator violate dispatchers' orders three times in a 24-month period.

Issue: A generator remains disconnected from the grid pending installation of hardware and software required to give BPA direct control of plant operations via Automatic Generation Control?

Response: BPA will allow the generator to continue to operate for up to six months while the necessary equipment modifications and installations are made. During this time, if a need arises to reduce generation, the generator will have nine minutes to respond and will be disconnected from the system if it fails to comply.

Issue: Once BPA has assumed direct operational control, would BPA maintain control for the life of the generator?

Response: A generator may regain operational control under terms to be specified by BPA if, after 24 months have elapsed, the generator demonstrates to the sole satisfaction of BPA that the facility has modified its operations so that it is able to fully respond to any order to reduce output within 10 minutes of receiving the order.

BPA has also added language to address:

- Providing for an early warning signal once AGC has deployed 85 percent of its balancing reserves.
- Clarifying statues of Control Area Services if a facility leaves BPA's balancing authority.
- Allocating reserves to individual projects based on nameplate capacity.

In addition to language in the technical proposal:

- BPA is continuing to develop the data necessary to quantify the possible exposure variable generators may face, and
- BPA will work with the Northwest Power Pool Operating Committee to allow contingency reserves to be deployed when a transmission E-tag is curtailed due to over-scheduling or under-generation of wind. This should alleviate concerns about additional reserves needed for a tag for wind generation sourcing in the BPA balancing authority area. After reviewing the North American Electric Reliability Corporation and Western Electricity Coordinating Council standards, BPA believes that this is a viable reason for contingency reserve deployment.