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Avangrid Renewables  
2701 NW Vaughn Street, Suite 300  
Portland, OR 97201

**via email ([techforum@bpa.gov](mailto:techforum@bpa.gov))**

U.S. Department of Energy  
Bonneville Power Administration  
Transmission Services

**Re: Comments of Avangrid Renewables, LLC on the BP-26 and TC-26 June Workshop**

Avangrid Renewables, LLC (“Avangrid”) appreciates the opportunity to provide comments to the Bonneville Power Administration (“Bonneville”) regarding the issues discussed at the BP-26 and TC-26 informal workshop on June 26, 2024 (the “June Workshop”).<sup>1</sup> Avangrid recommends Bonneville hold off implementing a new charge to recover costs associated with Non-EIM Balancing and implement a Generator Interconnection (“GI”) withdrawal penalty consistent with Federal Energy Regulatory Commission (“FERC”) rules.<sup>2</sup>

**1. Bonneville Should Hold Off Implementing a New Charge for Non-EIM Balancing**

At the June Workshop, Bonneville discussed EIM imbalance costs that the agency is incurring but is not able to charge customers for directly, and described two potential tariff change options that would permit recovery. Bonneville described two instances where generators cause EIM imbalance charges, which are paid by the Transmission business line without being passed along to any specific transmission customers, namely: 1) when there is a base schedule mismatch;<sup>3</sup> and 2) where there are timing issues syncing systems following an outage,<sup>4</sup> but staff also noted that there may be other instances that cause these imbalance charges as well. To date, the agency has paid \$1.3 million in these unrecoverable “Non-EIM Balancing” charges, which amounts to roughly \$71,000 per month.<sup>5</sup> Bonneville is proposing to add either specific or general tariff language to permit recovery going forward.<sup>6</sup>

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<sup>1</sup> Additional details regarding the BP-26 and TC-26 proceeding, including the slide deck for June Workshop (“June Slide Deck”) and customer comments are available at <https://www.bpa.gov/energy-and-services/rate-and-tariff-proceedings/bp-26-rate-case>.

<sup>2</sup> *Improvements to Generator Interconnection Procs & Agreements*, Order No. 2023, 184 FERC ¶ 61,054 (2023), *order on reh’g*, Order No. 2023-A, 186 FERC ¶ 61,199 (2024).

<sup>3</sup> See June Slide Deck at 14 (noting instances where a customer might submit a schedule above the pMax modelled in the EIM or the EIM caps the base schedule at the pMax).

<sup>4</sup> *Id.* at 15 (noting instances where the timing of data is misaligned following an outage).

<sup>5</sup> *Id.* at 16.

<sup>6</sup> *Id.* at 18.

Avangrid appreciates Bonneville’s adherence to cost causation principles but is not able to recommend one option over the other given the amount of information presented to date, and is not convinced that this issue would be best remedied with a new rate schedule. It is not yet clear how customers would be made aware that they were causing these charges or whether passing the charges along to generators is appropriate in all circumstances. Additionally, Avangrid agrees with comments from stakeholders at the June Workshop that given this lack of understanding and transparency, Bonneville’s proposed alternatives would benefit from some type of appeal process. Additionally, as noted during the discussion, Bonneville’s proposed solutions may have been mooted by the agency’s recently announced leaning to join the SPP day-ahead market, which would necessarily limit the amount of EIM mismatches the agency could expect to incur going forward under the TC-26 tariff. Should Bonneville proceed with a new rate schedule, Avangrid recommends the agency identify a process or mechanism to ensure that the agency isn’t over (or under) collecting in situations where improved data exchanges or system alignment would avoid incurring any such EIM imbalance charges.

## **2. Bonneville Should Implement Withdrawal Penalties Consistent With FERC’s Rules Unless There is a Compelling Reason to Deviate to Accommodate Bonneville’s Unique Process**

Avangrid continues to believe that withdrawal penalties are a critical component of FERC’s interconnection cluster study process and sees little reason to deviate from FERC rules. At the June Workshop, Bonneville described possible alternatives to implement withdrawal penalties at seven unique withdrawal stages throughout the cluster study process,<sup>7</sup> proposed unique exceptions that would permit a penalty-free withdrawal,<sup>8</sup> and noted that eligibility and allocation would be discussed in future workshops.<sup>9</sup> Of the alternatives presented, Avangrid would support Alternative 2 because it more closely aligns with FERC’s rule.<sup>10</sup> Avangrid looks forward to future discussions with Bonneville and stakeholders on the merits of the various components to a potential withdrawal penalty.

Given the timing of a potential implementation of withdrawal penalties during the current Transition Cluster, Avangrid reiterates that a penalty-free withdrawal during the Transitional Cluster is appropriate. Assuming the withdrawal penalties will be effective October 1, 2025, however, and acknowledging that the first GI decision point after that date remains uncertain, Avangrid also believes that applying an Alternative 2 withdrawal penalty during a Phase 1 restudy (or any decision point after the TC-26 tariff effective date) in the Transitional Cluster could also be appropriate.<sup>11</sup> Avangrid believes the key to establishing good policy, and to avoiding retroactive ratemaking, is providing GI customers

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<sup>7</sup> *Id.* at 35-40.

<sup>8</sup> *Id.* at 41 (Bonneville proposes to permit a penalty-free withdrawal upon a 50 percent increase in network upgrade costs).

<sup>9</sup> *Id.* at 42.

<sup>10</sup> Avangrid notes Alternative 2 does not exactly match FERC’s rule.

<sup>11</sup> Bonneville staff has repeatedly confirmed that GI customers will retain a penalty-free withdrawal option if/when a new withdrawal penalty is implemented. At the June Workshop staff explained that withdrawal penalties will not apply until the next stage in the cluster study process, and thus, that customers will have a decision point where they will have a study cost estimate *and* affirmatively accept the risk of a withdrawal penalty with a known, certain penalty amount before being exposed to any withdrawal penalty risk.

sufficient time along with costs that are certain to weigh the costs and risks and make reasonable business decisions before advancing an interconnection request into the next study and/or restudy.

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Avangrid appreciates Bonneville's consideration of these comments and the recommendations contained herein. Nothing contained in these comments constitutes a waiver or relinquishment of any rights or remedies provided by applicable law or under Bonneville's tariff or otherwise under contract.