

Response to Comments – Commercial Readiness

BPA Transmission Business Practice

Version 1
Posted 6/7/2024

Response to Comments – Commercial Readiness

Version 1

This document contains comments and BPA responses regarding Version 1 of the Commercial Readiness Business Practice posted for comment from March 25, 2024, to April 30, 2024.

This is Bonneville’s final agency action in regard to this version of the business practice.

For more information on business practices out for comment, visit the BPA [Proposed Business Practices webpage](#).

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A. Northwest & Intermountain Power Producers Coalition (NIPPC)

Comments from the Northwest & Intermountain Power Producers Coalition on BPA’s Draft Business Practices implementing interconnection queue reform

The Northwest & Intermountain Power Producers Coalition (“NIPPC”) submits the following comments on BPA Staff’s Preliminary Proposal on BPA’s Transmission Planning Workshop. The Northwest & Intermountain Power Producers Coalition is a membership-based advocacy group representing competitive electricity market participants in the Pacific Northwest and Intermountain region. NIPPC has a diverse membership including independent power producers and developers, electricity service suppliers, transmission companies, marketers, storage providers, and others. Many of NIPPC’s members are currently seeking to interconnect generation projects to BPA’s transmission grid.

General Support for Draft Business Practices Necessary to Implement TC-25 Settlement

NIPPC was an active participant in the workshops and discussions that ultimately led to the settlement of TC-25. The settlement agreement of TC-25 balanced the competing interests of a diverse set of stakeholders. Accordingly, the Business Practices drafted to implement the TC-25 settlement agreement must be consistent with the settlement agreement. NIPPC congratulates BPA staff on successfully drafting a set of proposed Business Practices that accomplishes this goal. NIPPC encourages BPA staff to reject any

proposed changes to the draft Business Practices that are inconsistent with the terms of the TC-25 settlement agreement.

Commercial Readiness Business Practice

Section B.3.f.i

BPA proposes to draw the full amount of the customer's Letter of Credit if the Letter of Credit is 10 days from expiration. NIPPC has two concerns with the proposed language. First, many customers obtain Letters of Credit that provide for automatic renewal on the expiration date. BPA's business practice should exempt Letters of Credit with annual automatic renewal provisions from being drawn upon. Second, NIPPC urges BPA to provide customers with 30 days' notice that the Letter of Credit is at risk of being drawn upon.

BPA Response 1

Thank you for this comment. Bonneville added Section B.3.f.ii to the Commercial Readiness Business Practice to establish that non-lapsed Letters of Credit that automatically renew and provide a minimum 60 Calendar Day notice of termination or issuer's decision to not renew, will not be drawn upon.

"ii. BPA will accept Letters of Credit with automatic renewal provisions if the issuer of the Letter of Credit is required to provide at least 60 Calendar Day notice of termination or nonrenewal of the Letter of Credit."

Bonneville developed Section B.3.f of the Commercial Readiness Business Practice to provide Interconnection Customers notice of when a Letter of Credit would be drawn upon. Bonneville declines to include a 30-day notice in the Commercial Readiness Business Practice.

Section C.

NIPPC is concerned that the proposed remedy is inadequate for a customer who successfully challenges a dispute with BPA and is erroneously removed from a cluster study. Simply allowing the customer to reenter the interconnection cluster study in the next cycle will not mitigate the harm to the customer who must now wait two to three years for the next cluster study cycle (which itself will take two to three years to complete). NIPPC encourages BPA to offer the customer the option of being included in any subsequent phases of the current cycle (i.e any restudy of Phase 1, or inclusion in Phase 2).

Thank you for the opportunity to comment.

BPA Response 2

Bonneville acknowledges that if an Interconnection Customer's Interconnection Request is delayed to the next Cluster Study it may harm the Interconnection Customer but notes that the TC-25 Settlement Agreement and the tariff reforms adopted in the TC-25 proceeding provided for this result. Bonneville believes the TC-25 Settlement Agreement and resulting tariff reforms struck the correct balance between mitigating harms to Interconnection Customers and ensuring that Bonneville can complete studies in a timely manner.

In the TC-25 Settlement Agreement, the parties to the agreement decided that Bonneville would develop a dispute resolution business practice that provides:

If an Interconnection Customer raises a dispute under Section 3.7 of the LGIP, and the outcome of the Dispute Resolution is in Interconnection Customer's favor, then the Queue Position associated with the dispute would be restored in the current Cluster Study, unless Bonneville determines that doing so would delay the Cluster Study process, in which case the Queue Position would be restored in the next Cluster Study and may be used for priority placement within a Scalable Plan Block, consistent with Section 2.I.iv of this Term Sheet. Notwithstanding the foregoing, Bonneville will make best efforts to avoid Interconnection Customer being delayed to the next Cluster Study.

Bonneville met this obligation in developing the LGIP Dispute Resolution Process Business Practice. In response to NIPPC's suggestion that Bonneville allow an Interconnection Customer whose Interconnection Request was delayed to the next Cluster Study the option to participate in a later study in the current Cluster Study, Bonneville clarifies that it will follow the standard agreed to in the TC-25 Settlement Agreement, which was adopted in the LGIP Dispute Resolution Process Business Practice. Bonneville will return an Interconnection Request that has a dispute resolved in its favor to the current Cluster Study unless it determines doing so would delay the study process. Bonneville will use best efforts to avoid a request being delayed to the next study.

Please see Bonneville's Response to Comments document for Version 1 of the Large Generation Interconnection Procedures Dispute Resolution Process Business Practice, BPA Response 8.

B. Savion

Re: Comments of Savion on the Proposed Site Control and Proposed Commercial Readiness Business Practices

Savion, LLC ("Savion") appreciates the opportunity to provide these comments to the Bonneville Power Administration ("Bonneville") regarding the proposed Business Practices ("BPs") posted on March 25, 2024 and discussed informally on April 2, 2024. Savion wants to acknowledge the considerable staff time set aside to develop, discuss the suite of BPs needed to implement the TC-25 settlement agreement, which is evident in the quality of the proposed BPs, but believes additional details regarding the new Site Control and Commercial Readiness requirements are needed before the impending June 30, 2024 effective date.

1. Bonneville Should Clarify Some of the Language Used in the Site Control BP Well in Advance of the June 30, 2024 Effective Date to Permit Customers Sufficient Time to Gather the Documents Needed to Demonstrate Site Control

Savion worries that some of the provisions in the proposed Site Control BP will leave interconnection customers guessing and assuming instead of being certain about the agency's new requirements. To that end, Savion highlights the following areas where additional clarity could be provided:

- 1) The proposed Site Control BP uses the terms demonstration and redemonstration without defining or otherwise explaining the significance of this distinction. Bonneville should consider revising the BP to remove the undefined term “re-demonstration” and replace it with the word “demonstration” to avoid any confusion about its potential significance.

BPA Response 3

In Bonneville’s Response to Comments document for Version 1 of the Site Control Business Practice, BPA Response 4, in response to Savion’s comment that the use of the terms “demonstration” and “re-demonstration” in the Site Control Business Practice is confusing, Bonneville clarified that the use of those terms mirrors the terminology of the tariff. While assessing Savion’s comment about the use of the term “demonstration” in the Site Control Business Practice, Bonneville identified that “demonstration” was used in the Commercial Readiness Business Practice in a manner that was inconsistent with the tariff .

To mirror the terminology in the tariff around Commercial Readiness requirements, Bonneville has updated Section C of the Commercial Readiness Business Practice as follows:

- “1. To continue to the Phase Two Cluster Study, Commercial Readiness must be ~~demonstrated-submitted~~ during the Phase One Cluster Study Customer Review Period and the Customer Review Period after a Phase One Cluster Re-Study, if any.”
- “2. To continue to the Interconnection Facilities Study, Commercial Readiness must be ~~re-demonstrated-submitted~~ during the Phase Two Cluster Study Customer Review Period and the Customer Review Period after a Phase Two Cluster Re-Study, if any.”
- “5. Submittal must identify the Interconnection Request’s queue number that the Commercial Readiness submittal ~~demonstration~~ applies to and the contract number of the related Cluster Study Agreement (if known).”
- “7.a. BPA will validate Interconnection Customer’s ~~submittal of a renewal of a Letter of Credit submitted outside of the Customer Review Periods as specified in Section B.3.f., is not considered as re-demonstration of Commercial Readiness.~~”

Bonneville also updated language in Section C of Version 1 of the Site Control Business Practice to address this comment. See Bonneville’s Response to Comments document for Version 1 of the Site Control Business Practice, BPA Response 4.

- 2) Section A of the proposed Site Control BP states that the term of an option to lease or purchase must extend through the latest Commercial Operation Date (“COD”) or that the customer must have the right to extend the term of the option through the latest COD. Bonneville should consider revising the BP to clarify customers must maintain exclusive rights through COD regardless of the form of document or the defined term of such agreement.

BPA Response 4

Please see Bonneville’s Response to Comments document for Version 1 of the Site Control Business Practice.

- 3) Section C of the proposed Site Control BP confirms that the timing of a re-demonstration will not affect queue position, which suggests there are circumstances where the timing of a site control demonstration would affect queue position. Bonneville should revise the BP to clarify when and how site control might affect queue position.

BPA Response 5

Please see Bonneville's Response to Comments document for Version 1 of the Site Control Business Practice.

- 4) Section G of the proposed Site Control BP requires customers to notify Bonneville if there is "any change" in the previously provided demonstration of site control. Bonneville should revise the BP to require notice only when there is a material change in terms that could impact the customer's ability to demonstrate site control.

BPA Response 6

Please see Bonneville's Response to Comments document for Version 1 of the Site Control Business Practice.

- 5) Section G of the Site Control BP also refers to a "material change" in site control without defining what might constitute a material change or what might happen if/when a material change in site control occurs— other than to confirm that customers must continue to demonstrate site control if a material change occurs. Bonneville should consider revising the BP to simply confirm that interconnection customers must maintain site control throughout the interconnection process.

BPA Response 7

Please see Bonneville's Response to Comments document for Version 1 of the Site Control Business Practice.

Given the volume of documents the agency can expect to begin receiving on June 30, 2024, Savion urges Bonneville to err on the side of over-explaining to avoid unexpected issues and inefficiencies processing the transition cluster. To that end, the agency might also consider putting together an informal Q&A or conference call with customers before the voluminous site control submissions begin on June 30, 2024.

BPA Response 8

Bonneville has a Generator Interconnection Queue Reform Process Update workshop scheduled on June 14, 2024. Meeting information is available on the [BPA Event Calendar](#).

2. Although Timing is Less Critical, Bonneville Should Also Consider Clarifying Some of the Language Used in the Commercial Readiness BP

Similar to the concerns addressed above regarding the proposed Site Control BP, Savion highlights the following areas where additional clarity could be provided in the proposed Commercial Readiness BP:

- 1) Pursuant to section B.3.c of the proposed Commercial Readiness BP, an “Interconnection Customer cannot use one Letter of Credit for multiple Interconnection Requests.” Bonneville should confirm whether this is always the case or whether there are circumstances where two or more interconnection requests under the same project LLC or parent company could use one Letter of Credit that is sufficient to cover the full amount needed for each Interconnection Request.

BPA Response 9

As explicitly specified in Section B.3.c of the Commercial Readiness Business Practice, Bonneville will not find that a single Letter of Credit meets the Commercial Readiness Milestone Option requirements for multiple Interconnection Requests.

- 2) In Section A.2.e.iii of the proposed Commercial Readiness BP, customers are required to identify whether their site-specific purchase order pertains to “either a generator, battery, inverter or power transformer” equipment. Bonneville should consider defining or otherwise clarifying these terms to clarify whether, for example, “generator” includes photovoltaic modules.

BPA Response 10

Bonneville clarifies that photovoltaic modules are considered generators under Section A.2.e.iii of the Commercial Readiness Business Practice.

Due to the continually evolving technology in the industry, Bonneville chose not to provide an exhaustive list of options that may qualify for each equipment category listed in Section A.2.e.iii of the Commercial Readiness Business Practice. An Interconnection Customer with questions about whether a particular piece of purchased equipment falls under a category listed in Section A.2.e.iii of the Commercial Readiness Business Practice should contact its assigned Transmission Account Executive for clarification.

3. Bonneville Should Also Consider Whether a Financial Deposit in Lieu of Site Control When Regulatory Limitations Preclude an Interconnection Customer from Obtaining Site Control is Appropriate for Inclusion in Either the Proposed Site Control BP or Among the Issues Being Addressed in the TC-26 Proceeding

Savion cautions Bonneville from making any substantive changes that were not included in the TC-25 settlement agreement, but the unresolved issues surrounding public lands warrant additional consideration. Section A of the proposed Site Control BP clarifies that a request to a public land entity would not establish site control, which Savion generally agrees with, but the proposed BP does not address how site control may be established on public land or

otherwise address the unique challenges in obtaining exclusive site control on federal land, which was discussed during TC-25. As the Federal Energy Regulatory Commission (“FERC”) noted in Order No. 2023, obtaining site control for land controlled by the Bureau of Land Management (“BLM”) can take between 18 months and five years.¹ To that end, FERC adopted a limited option for interconnection customers to submit a deposit in lieu of site control in situations where a regulatory limitation prohibits the customer from obtaining site control. Savion recommends Bonneville consider whether a similar provision could be included in the Site Control BP, and if not, whether it should be included in the list of TC-26 topics.

¹ *Improvements to Generator Interconnection Proc. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054 at P 559 (2023); see also FERC Order No. 2023-A, 186 FERC ¶ 61,199 at P 141 (2024).

BPA Response 11

Please see Bonneville’s Response to Comments document for Version 1 of the Site Control Business Practice.

C. Avangrid Renewables

Re: Comments of Avangrid Renewables, LLC on the Business Practices Proposed to Implement TC-25 Queue Reform Settlement

Avangrid Renewables, LLC (“Avangrid”) submits these comments to the Bonneville Power Administration (“Bonneville”) concerning the six proposed business practice (“BP”) changes required to implement the TC-25 tariff update.¹ Given the magnitude of the impact the new requirements set out in the proposed BPs may have on interconnection customers in only two months, Avangrid greatly appreciates the staff time Bonneville set aside to informally discuss the proposed BPs. The informal discussion on April 2nd (“April 2nd Call”) helped customers better understand Bonneville’s new standards, which is helpful, but also revealed areas where Avangrid believes Bonneville has shifted away from the agreements made in the TC-25 settlement. Acknowledging that time is of the essence, and there is insufficient time for an iterative process with customers before the requisite June 20, 2024, effective date, Avangrid strongly recommends that Bonneville reconsider the following aspects of the proposed BPs to better align with the expectation of parties that participated in the TC-25 settlement negotiations.

¹ Additional details regarding the TC-25 proceeding, whereby Bonneville reformed the agency’s generator interconnection (“GI”) queue from a “first-filed-first served” serial study process to a “first-ready-first-served” cluster study process, including the TC-25 Settlement Agreement, are available at <https://www.bpa.gov/energy-and-services/rate-and-tariff-proceedings/tc-25-tariff-proceeding>; the proposed BPs, including: 1) Transition Process BP, Commercial Readiness BP; 2) Site Control BP; 3) Large Generator Interconnection Procedures Dispute Resolution BP (“LGIP Dispute Resolution BP”); 4) Generation Integration Services BP (“GI Services BP”); and 5) the Large Generator Interconnection

BP (“Large GI BP”) are available at <https://www.bpa.gov/energy-and-services/transmission/business-practices/proposed-business-practices>.

1. The Proposed Site Control BP Should Be Revised to Remove Any Doubt About What Documentation Customers Will Be Required to Provide

Avangrid applauds the agency for establishing more robust site control requirements, which is crucial to maintaining a commercially ready queue, but would like to better understand the impact of these new requirements before they go into effect.

The proposed Site Control BP is of particular import because site control will be required to establish eligibility to enter the Transition Cluster in a matter of mere weeks when the Transition Cluster Request Window opens. Moreover, the failure to adequately demonstrate site control could result in a multi-year delay in the processing of a customer’s currently pending interconnection request. Given the severity of the potential consequences that could result from misinterpreting the proposed Site Control BP, Avangrid recommends Bonneville providing additional clarity with respect to the following two areas.

a. Bonneville Should Clarify What Exactly is Required When Demonstrating Site Control with an Option to Lease or Purchase

The proposed Site Control BP allows interconnection customers to demonstrate site control with an option to lease or purchase, but the Commercial Operation Date (“COD”) requirement should be revised to remove potential ambiguity. Pursuant to section A.3, customers relying upon the option to lease or purchase must either have an option with a term through the latest COD or “the right to extend the term of the option through the project’s latest COD.” Avangrid assumes BPA intends to allow customers to either extend or exercise their options throughout the GI process, so long as site control is consistently maintained, and therefore suggests section A.3 be revised to clarify “the term of the option, or the rights secured if the option is exercised, must extend through the latest COD” or that customers “must have the right to extend the term of the option or exercised rights through the projects latest COD.”

BPA Response 12

Please see Bonneville’s Response to Comments document for Version 1 of the Site Control Business Practice.

b. Bonneville Should Confirm that a “Re-Demonstration” Means Nothing More Than Another Demonstration

The proposed Site Control BP requires both an initial site control demonstration and a subsequent site control “re-demonstration” but neither defines the terms nor confirms whether those terms mean the same thing. On the April 2nd Call, Bonneville staff explained the agency’s expectation that the exact same site control materials would likely be submitted again during a re-demonstration, but that the agency did not mean to signal that the site control materials must be the exact same.² Avangrid believes that clarity is warranted, given the significance of the timing of the site control demonstration and re-demonstration and the potential consequence associated with a failure to demonstrate site control.

² See also Transition Process BP at section I.2 (requiring a commercial readiness “demonstration” and a site control “re-demonstration” to proceed to a facilities study).

Overall Avangrid believes Bonneville has established the right site control policy, but several provisions in the proposed BP lack clarity that could make the distinction between a designation and re-designation more significant. First, the proposed Site Control BP requires customers notify Bonneville if there is “any change” in the previously provided demonstration of Site Control. This seems overly rigid given the scope of the materials provided and the substantial project development time between site control demonstrations.³ Bonneville does not need to review site control afresh every time there is a non-material change, e.g., to the financial terms or modest changes to an access road. Avangrid recommends the BP be revised to say “material change” instead of “any change” and/or to clarify what types of changes are worthy of triggering notice and additional staff review. Next, the proposed BP states that if there is a “material change” in site control, the interconnection customer must “continue to demonstrate fulfillment of the Site Control requirements.”⁴ Avangrid recommends that Bonneville provide more information about how it might determine whether a material change has occurred and/or what might happen after any such determination. Finally, the proposed BP confirms that the “[t]iming of re-demonstration of Site Control will not affect Queue Position.”⁵ This seems reasonable but suggests perhaps the timing of a material change submission and/or determination might affect queue position.

³ Site Control BP at section G.

⁴ Id.

⁵ Id. at section C.

BPA Response 13

Please see Bonneville’s Response to Comments document for Version 1 of the Site Control Business Practice.

2. The Proposed BPs Introduce the Concept of Closing the GI Queue Between Clusters, Which is Contrary to the Parties’ Expectations During Settlement, Not Necessary to Implement the TC- 25 Tariff, and Not Good Policy

Bonneville proposes revisions to effectively close the GI queue between clusters, which diminishes the “tie-breaker” benefit associated with Bonneville’s unique scalable-block concept. Avangrid believes an additional affirmative step that mirrors the request needed to enter the initial transition cluster would be more consistent with the expectations of the parties that negotiated the TC- 25 settlement, would provide better incentives to customers and result in better process outcomes for Bonneville staff.

The redlines in section D of the Large Generator Interconnection BP state that interconnection requests will only be accepted during an “open Cluster Request Window,”⁶ and the redlines in section B of the GI Services BP clarify that interconnection requests that are eligible to bypass the cluster study process can move forward anytime whereas requests that are not eligible to bypass the cluster study process must either be submitted during the

cluster request window or will be withdrawn from the queue.⁷ On the April 2nd Call, Bonneville staff explained these revisions were intended to effectively close the GI queue between clusters to resolve a “process gap” unintentionally created by the terms of the TC-25 settlement.

⁶ Large GI BP at section D (“Consistent with Section 4.2.1 of the LGIP, BPA will only accept Large Generator Interconnection Requests during an open Cluster Request Window.”).

⁷ GI Services BP at section B.2.c.vi.2 (“If the Cluster Request Window was not open when the Generator Integration Customer submitted the ineligible Bypass Generator Interconnection Request, then BPA will withdraw the request from the queue. Generator Integration Customer must re-submit a Generator Integration Request when the Cluster Request Window is open, consistent with Section 4.2.1 of the LGIP.”).

Pursuant to section 2 of the Settlement Agreement, Bonneville committed to use reasonable efforts to conduct its Cluster Study Process on a three-year cadence, but with discretion to begin a new Cluster Study sooner so long as the agency provides customers no less than 180-day notice. Because Bonneville agreed to only accept Interconnection requests for a new Cluster Study process during a Cluster Request Window that includes its own timing requirements, Bonneville staff unilaterally decided that it would not assign a queue position for interconnection requests received outside a Cluster Request Window.

What ultimately resulted in a three-year cadence cycle for Bonneville’s reformed cluster study process was of particular interest to customers and thoroughly debated throughout the TC-25 proceeding, yet as Bonneville staff explained on the April 2nd Call, the potential for a queue closure between clusters was never addressed. The closure will slow down an already sluggish cadence, is not required by the TC-25 tariff, and is not necessary to address the process issue identified by Bonneville staff. Instead of closing the queue, Bonneville could accept interconnection requests on a continuous, ongoing basis, assigning a tentative queue position, and then clean out the queue at the close of the request window if the customer failed to request inclusion and/or establish eligibility to participate in the cluster.

The scalable-blocks, which are unique to Bonneville’s queue reform, preserves some aspects of queue priority that can provide meaningful benefits to interconnection customers during the cluster study process. By closing the queue between cluster windows, Bonneville limits the availability of this benefit and in turn exacerbates the significance of how each interconnection request is processed and verified during the request window. Bonneville should incentivize customers to submit interconnection requests early, as opposed to only during the cluster request window, to minimize and deescalate demands on staff time during the cluster request window. If customers were allowed to submit interconnection requests at any time, they would obtain a queue position that could provide meaningful benefits (up to three years later) when the next cluster window is opened.

BPA Response 14

Please see Bonneville’s Response to Comments document for Version 12 of the Large Generator Interconnection Business Practice and Version 5 of the Generation Integration Services Business Practice.

3. The Proposed BPs Introduce Two Material Changes to Commercial Readiness That Will Make the Process Proportionately More Expensive

Bonneville's unexpected clarifications about its commercial readiness requirements unnecessarily hamper the flexibility customers negotiated for during the TC-25 settlement, which will result in larger cash deposits than would otherwise be required. Avangrid highlights three areas of the proposed Commercial Readiness BP that Bonneville should consider revising to reinstate the flexibility provided for in the terms of the settlement agreement.

a. Bonneville Staff Should Review Multiple Non-Financial Commercial Readiness Criteria for Reasonableness

The settlement agreement sets out seven commercial readiness demonstration alternatives (six non-financial demonstrations plus a cash-deposit option) that can be combined to reach the full amount whereas the Commercial Readiness BP limits that combination to only one non-financial demonstration and one financial. The settlement simply states that "Bonneville will accept any of the [seven] Commercial Readiness Demonstrations" so long as they "amount to 100% of the requested Interconnection Service Level."⁸ However, pursuant to the Commercial Readiness BP, if a (single) non- financial demonstration is made for less than the full amount, then a financial deposit is required for the full remaining amount. This change in course is not overtly obvious from the language in the Commercial Readiness BP,⁹ but Bonneville staff walked through mathematical examples during the April 2nd Call.

⁸ TC-25 Settlement Agreement at section 2.r

⁹ Commercial Readiness BP at section A.3 ("If Interconnection Customer submits evidence of a Commercial Readiness Milestone Option that is less than the full MW of the Interconnection Request, a percentage of the Commercial Readiness Deposit must be submitted" and "[t]he required percentage of the Commercial Readiness Deposit can be identified by dividing the remaining MW by the total MW of the Interconnection Request.").

As Bonneville explained, this new limit was put in place to prevent customers from double-counting non-financial demonstrations, e.g., submit an executed term sheet for 100 MW and a site-specific purchase order for the other 100 MW of a request for 200 MW of interconnection service. To the extent this is a worthy implementation goal, it should be obtained in another way because the proposed BP also limits what clearly would not be instances of double counting, e.g., an executed term sheet for 100 MW (with counterparty A) and active negotiations for 100 MW (with counterparty B). By limiting the commercial readiness demonstration to only one non-financial option, Bonneville is effectively ensuring a larger proportion of financial deposits is received. Reasonable minds may differ as to whether that is a laudable goal, but nevertheless it is a significant departure from the settlement that was not openly discussed or negotiated by the parties. Avangrid recommends Bonneville eliminate this requirement, revise the BP to clarify that multiple non-financial commercial readiness demonstrations are permitted, and revisit the need for a limit in the TC-26 proceeding.

BPA Response 15

Bonneville appreciates this comment from Avangrid Renewables.

Bonneville updated Version 1 of the Commercial Readiness Business Practice to allow combinations of the following Commercial Readiness Milestone Options:

- Executed Term Sheets
- Active Negotiations
- Executed Contracts
- Selection in a Resource Plan

Section A.2 is replaced with new language:

~~2. Interconnection Customers must submit one of the following as evidence for the Commercial Readiness Milestone Option for each Interconnection Request unless a Commercial Readiness Deposit is submitted as specified in Section B.~~

“2. The following are the requirements for each Commercial Readiness Milestone Option with the exception of the Commercial Readiness Deposit, which is described in Section A.5 and Section B of this business practice.”

Sections A.3 and A.4 were added to the business practice.

“3. Interconnection Customer may submit multiples of each option and a combination of the Commercial Readiness Milestone Options described in Section A.2.a, A.2.b, A.2.c, or A.2.d of this business practice.

4. Interconnection Customer submitting a Commercial Readiness Milestone Option described in Section A.2.e or A.2.f of this business practice is limited to one option but may submit multiples of that option.”

b. Bonneville Staff Should Review Reasonable Evidence of Transmission Service Reservation (or Comparable Evidence) for the Generating Facility

The second area where flexibility has been hampered pertains to the ability of customers to demonstrate commercial readiness with reasonable evidence of transmission service for the interconnecting generating facility. In the settlement, Bonneville agreed to accept “reasonable evidence of transmission service reservation (or comparable evidence)” and to “evaluate individual facts and circumstances of reasonable evidence of transmission service ... such as” a confirmed long-term firm transmission service reservation or redirect, designation of a network resources, or a “service offer that would be confirmed following a secured transmission expansion project that has been securitized”.¹⁰ The Commercial Readiness BP is much more prescriptive, replacing the “may evaluate” and “such as” language with “must include” requirements and completely removing the “or comparable evidence” proviso.¹¹

¹⁰ TC-25 Settlement Agreement at section 2.r.vi (“Documentation from the Interconnection Customer of reasonable evidence of transmission service reservation (or comparable evidence) for the Generating Facility. Bonneville in its sole discretion may evaluate individual facts and circumstances of reasonable

evidence of transmission service that originates from the Point of Interconnection, such as: a confirmed Long-Term firm transmission service reservation, confirmed Long-Term conditional firm transmission service reservation with roll over rights, Designation of a Network Resource, a long term confirmed redirect, or a Long-Term firm transmission service offer that will be confirmed following a transmission expansion project that has been securitized”).

¹¹ Commercial Readiness BP at section A.f. (“Reasonable evidence of transmission service reservation for the Generating Facility ... must include: (i) Point of Receipt that matches the Interconnection Request’s POI; and (ii) AREF number for a CONFIRMED Transmission Service Reservation (TSR)” and “A Forecasted TSR (FTSR) is not reasonable evidence of transmission service.”).

There can be little doubt that established transmission service is a good indicia of a project’s commercial readiness—which is why it is often a requirement for bidding into a utility’s request for proposals (“RFP”). Avangrid acknowledges, however, that the realities of how transmission service is awarded and used on Bonneville’s transmission system is not easy to succinctly describe—which is also why transmission is often a controversial requirement in utility RFPs. Rather than get into the weeds of identifying all the situations that could conceivably constitute reasonable evidence of transmission service, Bonneville agreed to accept documentation of reasonable evidence of transmission service without limit and provide staff discretion to evaluate the individual facts and circumstances provided to determine whether it was sufficient. The proposed BP deviates significantly, and meaningfully, from that commitment. In TC-25, Avangrid negotiated in good faith for parity between customer groups when considering the different alternatives available for a non-financial demonstration and expected the BPs to adhere more closely to the settlement terms. Avangrid asks that the BP be revised to include the non- exclusive “such as” list with the ability for staff to review for reasonableness.

BPA Response 16

Bonneville has updated Section A.2.f of Version 1 of the Commercial Readiness Business Practice as shown below to clarify that the section is not a non-exhaustive list.

“f. Reasonable evidence of transmission service reservation for the Generating Facility, as specified in Section 6.6.1(f) of the LGIP and Sections 2.1.2(f) and 3.2.1(f) of Attachment R of the BPA OATT, must include such as evidence establishing:”

Bonneville would like to thank Avangrid Renewables for this comment.

4. Bonneville Should Clarify How the Dispute Resolution BP Interacts with the LGIP Cure Provisions

Avangrid understands that all of the dispute resolution provisions from the tariff remain available to interconnection customers, but is less clear as to how the dispute resolution provisions proposed in the LGIP Dispute Resolution Process BP are intended to interact with those tariff provisions.

For example, if an interconnection customer wants to initiate a dispute under the proposed BP, there appears to be a tight deadline to do so¹² and an informal process with the customer’s account executive (“AE”)¹³ that could eventually evolve into a more formal dispute process under the tariff.¹⁴ Absent invoking the tariff process, however, the proposed BP

process does not appear to add much value to customers worried about being left out of the cluster study process. Assuming customers can always reach out to their AEs informally, the most meaningful portion of the proposal appears to be for the agency to “endeavor” to evaluate and resolve an interconnection dispute within 30 days. More significantly, however, this BP confirms that the ultimate restoration of an erroneously withdrawn interconnection request does not guarantee it will be returned to its original cluster if Bonneville determines restoring the queue position would delay the current cluster study process.¹⁵ Given the harsh reality of such a result, Avangrid recommends that Bonneville revise the proposed BP to clarify when and how the two processes work together, or identify situations where customers may be better served to invoke the tariff process immediately.

¹² LGIP Dispute Resolution Process BP at section A (“Interconnection Customer must initiate a dispute or claim within 15 Business Days of the action leading to the initiation of the dispute.”).

¹³ Id. (“To initiate a dispute ... Interconnection Customer must send its assigned Transmission Account Executive an email”).

¹⁴ Id. at section B (acknowledging customers may seek to make use of the dispute resolution process under the tariff).

¹⁵ Id. at section C.

BPA Response 17

Please see Bonneville’s Response to Comments document for Version 1 of the Large Generator Interconnection Procedures Dispute Resolution Process Business Practice.

* * * *

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.

BPA Response 18

Bonneville appreciates Avangrid’s engagement and the comments provided herein.

D. Bonneville Power Administration – Corrections

Bonneville identified unclear, inaccurate language in Section B.3.d.ii.1 of Version 1 of the Commercial Readiness Business Practice.

BPA Action 1

Bonneville removed Section B.3.d.ii.1 of Version 1 of the Commercial Readiness Business Practice.

~~“1. Interconnection Customer cannot act as an agent for subsidiaries when establishing a Letter of Credit.”~~

Bonneville identified inaccurate language in Section B.2.b of Version 1 of the Commercial Readiness Business Practice.

BPA Action 2

Bonneville updated the language in Section B.2.b of Version 1 of the Commercial Readiness Business Practice as follows:

- b. Consistent with Section 13.3.3 of the LGIP, ~~BPA will hold all cash deposits in a non-interest bearing account.~~ Interconnection Customer will not earn interest on cash deposits.