

REPORT OF



TO

THE
BONNEVILLE POWER ADMINISTRATION



REPORT OF THE INDEPENDENT EVALUATOR
REVIEW AND VALIDATION OF 2015 FILINGS

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Submitted by:

ACCION GROUP, LLC
244 North Main Street
Concord, New Hampshire 03301
advisors@acciongroup.com

**REPORT OF ACCION GROUP, LLC
INDEPENDENT EVALUATOR FOR BONNEVILLE POWER ADMINISTRATION
REVIEW AND VERIFICATION OF 2015 FILINGS**

I. EXECUTIVE SUMMARY

Accion Group, LLC ("Accion") was selected by Bonneville Power Administration ("Bonneville" or "BPA") to serve as Independent Evaluator ("IE") for the Oversupply Management Protocol Program ("Program"). Accion created and administers the website ("Website" or "Program Website") through which the Program is managed.

The Program provides for compensation of Generators when their generation is displaced by Federal generation. Bonneville designed the Program to ensure displacement is done on a least-cost basis, to ensure that lower-cost Generators are displaced prior to higher-cost Generators. All Generators must submit data in support of their costs. The Program is conducted through the Program Website designed to the specifications identified by Bonneville. The Website provides a disclosure form to be completed and submitted by owners ("Generators") for each generating facility that feeds into the Bonneville transmission system. Following the submittal of the disclosure form, the IE verifies that the Generators' claimed costs are supported. The process used by the IE for verification ("Verification Process" or "Process") was devised by Bonneville, in coordination with the IE, to provide BPA with confidence that claimed costs are fully supported by documentation, thus avoiding additional review tasks each time losses are claimed. The verification provides for the Independent Evaluator to randomly select and review the Submissions (or "Submittals") of Generators to, in effect, "spot check" the data that was provided.

Ten (10) submissions were randomly selected for verification by the IE. The verification of information by the IE continues to be more efficient than in previous years, because Generators must provide supporting documentation at the time of submitting cost data, and additionally, most of the Generators have previously participated in the Program and are therefore familiar with the process. The IE found that most of the Submissions selected for verification provided adequate documentation or full cost data as part of the original Submission. As part of the Verification Process the IE reviewed all materials provided by the Generators selected for review along with supplemental documentation provided in response to requests of the IE. The IE was able to verify the costs claimed for each of the Submittals selected for verification.

The original verification request was sent to the ten (10) randomly selected Generators on June 1, 2015. All Generators responded by uploading the Verification Form by the June 8, 2015 deadline with Generators responding within the first few days. Some of the Generators provided additional explanations via the Website Message Board at the time they uploaded the requested Form. Of the ten (10) responses, eight (8) Generators submitted satisfactory and complete documentation and pricing information that permitted verification. Two (2) of the Generators responded promptly, but represented that they only make market sales, without the benefit of term contracts. Subsequently, the IE is unable to verify that the Generators would experience a financial loss in the event of a curtailment. If these Generators were curtailed, the IE would recommend confirming both the ability to deliver, as would be evidenced by a transmission schedule, and an obligation to deliver energy or transfer RECs during the period of curtailment.

Last year (2014) a number of the Generators selected for the Verification Process failed to respond to the initial request for information from the IE. Additional written requests were made and the IE reached out to

the remaining Generators after reminder notices failed to elicit responses. Several repeated data requests and follow-up clarifications were necessary to obtain and fully support all of the data needed for verification. The entire Verification Process in 2014 was completed in approximately four (4) weeks. In 2015 Generators were more responsive than in prior years, resulting in a more timely completion of the annual review.

The type of documentation Generators must submit in support of their Submittal is left to the discretion of the individual Generator, however, most Generators provided documentation typical to the industry. In some instances the Generator provided documentation that failed to confirm all claimed costs, or established an obligation to deliver energy, but failed to provide proof of the selling price.

As discussed below, when the "Required" or Supporting Documents regarding Submittals selected for verification were insufficient to confirm data claimed in the Submittals, the IE sought verification in a variety of ways, including direct telephone and email contact. In this manner, the IE was able to procure supporting information for all oversupply claims for each Submission selected for verification. The cooperation of the Generators made the timely completion of this evaluation.

The IE believes this Verification Process confirmed that the Generators selected for review were able to fully support claimed costs.

While the Verification Process was designed to select and review ten (10) randomly selected Generators, the IE completed a cursory review of all Submittals by the Generators that were not included in the Verification Process. A summary of findings is included in this report.

II. DATA COLLECTION PROCESS

Information from Generators was collected on the Program Website. Each Generator was provided a confidential, individual Submittal Book. The Submittal Book had a separate file system for each generating facility identified by the Generator. In a few instances, Generators responded to telephone inquiries with return calls and direct email responses and the IE transferred the information to the corresponding Submittal Book, in order to maintain a record for future regulatory review.

Via the Website, on their Submittal Form, each Generator was required to provide monthly cost data for Light Load Hours ("LLH") and Heavy Load Hours ("HLH"). Alternatively, the Generator could decline to claim LLH or HLH by a simple "click" on the Submittal Form, resulting in "0" costs claimed. Generators were also provided the option of claiming Renewable Energy Certificates ("RECs"), or, alternatively, declining to do so. A small number of Generators either did not register to the BPA site, or did not provide monthly cost data of any kind.

Initially, the IE compared the list of Generators provided by BPA with the Generators registered on the 2015 Program Website in order to determine those Generators that should be contacted. Accordingly, the IE reached out to the Generators that had not registered, and those that had not provided monthly cost data, and all were given the opportunity to register and complete a Submittal Form to verify they were not claiming costs, or to support the costs they claimed.

All of the data from previous years is maintained and accessible (archived) on the website and available to the individual Generator and the IE. This made it possible to compare past Generator participation in the Oversupply Protocol Program (2012, 2013, and 2014) to the current year's registered participants. This feature

assisted Generators when reviewing past compliance filings, and provided the IE with a data base for contacting those Generators who had not registered in 2015, but were required to participate by using the contact information for 2014 or past years. As part of the annual review the IE compared prior filings with the 2015 submissions in order to identify any changes in Generating Facility ownership, etc. The IE communicated with BPA regarding any questions as to ownership changes.

Eventually all Generators who were required to complete the Submittal did so.

When completing the online Form, Generators were provided the opportunity to revise their statement of costs before submission. Also, Generators are permitted to revise cost data on a prospective basis, with the revised cost data being employed two (2) months after the month in which the revision was submitted.

III. VERIFICATION PROCESS

The Verification Process was undertaken in a manner to minimize the burden on Generators. Accion created a model to randomly select the Submittals that would be subject to additional scrutiny. The randomization model was run repeatedly to confirm that random re-sorting occurred, and to effectively “scramble” the Submittals. To avoid even the appearance of predetermination, the Submittals were entered into the process using the Submission identification number, and not the name of the Generator or the project name. **Table 1** provides the randomized ranking of the Submissions.

Table 1
List of IE Random Sort of Submissions

Generator/ Identification Number	Randomized Identification Number
115- 01	0.425195151
120- 01	0.465124314
113- 01	0.457451639
117- 01	0.8089375
108- 01	0.712176525
125-02	0.16974193
119- 08	0.414135319
127- 01	0.014092761
119- 09	0.044221723
128- 01	0.599703546
112- 01	0.472952431
126-03	0.281092958
107- 01	0.600217269
125- 01	0.893412008
106- 01	0.1706282

Generator/ Identification Number	Randomized Identification Number
124- 01	0.476764425
119- 02	0.68013213
131- 01	0.323337076
108- 02	0.825139462
119- 01	0.392191604
116- 01	0.485602671
119- 04	0.190600699
114- 03	0.785171707
111- 02	0.74628872
114- 01	0.437853444
121- 01	0.216304032
111- 01	0.144392415
124- 02	0.423912571
114- 02	0.822840714
119- 11	0.752757287
118- 01	0.34685513
119- 10	0.353946021
119- 07	0.989378292
119- 03	0.432837276
118- 02	0.150664628
109- 01	0.733135538
119- 06	0.170507897
119- 05	0.608463097
123- 02	0.559202915

Again this year it was noted that several Generators had not completed their Submittals and therefore, their Submittals were left as “pending” when the submission date ended. Subsequently, it was necessary for the IE to follow-up with those Generators that had not finalized their Submittals, in order to verify their intent. In addition, some of the Generators completed the Submission Form, but did not have qualifying costs, or were not required to participate in the Program. As noted previously, BPA personnel assisted the IE in determining the eligibility/requirement of Generators to participate. The existence of one Submittal for project that was ineligible or not required to participate in the Program became apparent during the Verification Process because Submittals were randomly selected for verification. As a result, the Generator deemed non-compliant or ineligible to participate in the Program, were eliminated from the original list of ten (10) projects selected for

verification. This refinement of the Verification List initially resulted in the elimination of one (1) project from the list, and the substitution of one (1) other Generating Facility.

As shown in **Table 1**, above, Submittal 112-01 was the next Generator on the randomization list and, thus, was reviewed for eligibility for inclusion in the Program and the Verification Process to complete the list of ten Submittals subject to a thorough review by the IE. This review completed the list of Generators included in the random review by the IE.

Table 2 identifies the ten (10) Submissions selected for verification by the IE. The ten (10) were taken from the randomization presented in **Table 1** and reordered to be in numeric order with the name of the Generator added.

Table 2
Final Submission Selection for Verification

Generator/ Identification Number	Facility
108- 01	Redacted
113- 01 ¹	Redacted
115- 01	Redacted
117- 01	Redacted
119- 08	Redacted
119- 09	Redacted
120- 01	Redacted
125- 02	Redacted
127- 01	Redacted
128- 01	Redacted
112-01	Redacted

In May 2015, the Generator for each of the ten (10) Submissions selected (See: **Table 2**) was informed that it had been selected for verification and each was requested to complete a Verification Form detailing the cost components claimed. The Form was created by Accion and reviewed by Bonneville before being presented to any Generator. **Table 3**, below, shows the Form sent to the selected Submissions ("Verification Form"). The Verification Form was sent to the Generators with the Total Displacement Cost recorded by the IE, using the information previously filed by the Generator. The Generator was directed to confirm the accuracy of the entry. The Verification Form set forth a breakdown of the possible components that would total the claimed costs. When the Generator input the individual claimed costs, the Verification Form tallied the costs entered by the Generator. Each Generator was also given the opportunity to provide additional information, either by including it on the Form or by uploading additional documentation to their individual Submittal Book.

¹ Submittal 113-01 was subsequently replaced with the next submittal on the Randomized list (112-01), as the IE's initial review revealed this Generator claimed "O" Displacement Costs.

Table 3
IE Verification of Displacement Cost Form

2015 INDEPENDENT EVALUATOR VERIFICATION OF DISPLACEMENT COST			
	Heavy Load Hours [HLH]	Light Load Hours [LLH]	Documentation
Total Displacement Cost as presented on the most recent Submission	\$0.00	\$0.00	
Energy Cost pursuant to a PPA	\$0.00	\$0.00	
Bundled RECs and Energy and PTC	\$0.00	\$0.00	
Unbundled Contract RECs and PTC	\$0.00	\$0.00	
Unbundled Market RECs and PTC	\$0.00	\$0.00	
RECs Only	\$0.00	\$0.00	
PTC Only	\$0.00	\$0.00	
Penalty Costs	\$0.00	\$0.00	
Total claimed Displacement Cost	\$0.00	\$0.00	

At the request of Bonneville, the Verification Process was straightforward, and the Form was designed for easy completion. It did not require extensive research or lengthy detailed accounting by Generators, but was limited to information that, presumably, each Generator relied upon when providing their original calculation of costs.

Table 4, is a summary of the review of each of the ten (10) Submissions selected for verification. This is followed by a description of the attempts to collect information from Generators, and the status of each verification attempt for the selected Submissions. After completing the review of the Submissions selected for verification the IE was unable to verify the claimed costs for three (3) of the Submissions.

Table 4
Summary of Verification Review by Independent Evaluator as of 2014

Submittal Number	HLH [1] ²	LLH [1] ³	Initial Response Sufficient for IE to Verify	Verification Document: PPA	Verification Document: Other	If Insufficient, why
108-01	38.33	38.33	no	no	no	The Generator claimed costs without documentation of an obligation to deliver output.
112-01	131.09	131.09	no	yes	Yes	The Generator did not provide the PPA COD or Term. This was provided upon request by the IE.
115-01	25	25	yes	yes	Yes	
117-01	115.32	115.32	yes	yes	Yes	
119-08	86.55	86.55	yes	yes	yes	
119-09	99.36	99.36	yes	yes	yes	
120-01	1	1	yes	yes	yes	
125-02	36.66	36.66	no	no	yes	The Generator did not provide documentation of an obligation to sell in any given period.
127-01	85.79	85.79	yes	yes	yes	
128-01	0.7	0.7	no	no	yes	The Generator provided only market reports, but did not provide documentation of an obligation to sell in any given period.

Submittal 108-01

This Generator was new to the list of Generating Facilities this year and claimed PTCs. Support for Claimed Costs with the Submittal was provided via an email document explaining the “Gross up” and Displacement Costs calculations. The IE requested additional support for the claimed costs, such as a PPA or agreement. The Generator declined to provide documentary support for the claimed value of PTCs, asserting that the value of PTC’s is set by the IRS and is not governed by an Agreement between BPA and Generator. Further, the Generator adjusted the claimed costs based on the assertion that any payment by BPA would be income to the Generator, and the Generator’s tax rate required the adjustment. The generator did not provide evidence supporting the alleged tax rate.

The IE is unable to verify that the Generator would experience a financial loss in the event of a curtailment, or what that loss would be considering the claimed tax effect. If this Generator were curtailed, the IE recommends that BPA notify the IE, so documentation of actual sales obligations in the period of curtailment, as well as the true value, could be verified.

² Data was provided by the Generator and verified by the IE.

³ Data was provided by the Generator and verified by the IE.

Submittal 112-01

Submittal 112-01 replaced 113-01 that was originally one of the ten (10) final submissions selected for Verification.⁴ Submittal 112-01 was the next Generator on the randomization list and, thus, was reviewed for eligibility for inclusion in the Program and the Verification Process to complete the list of ten Submittals subject to a thorough review by the IE. This review completed the list of Generators included in the random review by the IE. This Generator provided a PPA, along with assumed grossed up PTC price, and subsequently noted this on the Verification Form. The PPA COD and term were provided when the IE requested further clarification. The IE found sufficient documentation to support the claimed costs.

Submittal 115-01

This Generator provided a completed IE Verification Form as a Required Document supporting Submittal claims. This Form was completed prior to the IE initiating the Verification Request to the Generator using the 2014 Form as a template. Additionally a PPA was provided for support documentation. The Generator provided a new Verification Form with expanded information detailing previously submitted claims. This was satisfactory to support the Claimed Displacement Costs.

Submittal 117-01

This Generator provided a completed IE Verification Form as a Required Document supporting Submittal claims. The Form was completed prior to the IE initiating the Verification Request to the Generator using the 2014 Form as a template. Additionally a PPA was provided for support documentation, as well as three (3) documents supporting Production Tax Credit ("PTC") Claims. The Generator provided a new Verification Form with expanded information detailing previously submitted claims. This was satisfactory to support the Claimed Displacement Costs.

Submittal 119-08

This Generator indicated on the Submittal Form that production from the Generating Facility is sold under a long term PPA. Generator provided redacted invoices to show prices in effect for February and March, 2015 supporting Displacement Cost Claims. The Verification Form further explained the energy costs pursuant to a PPA, and the PTC grossed up blended tax rate; the redacted PPA was also provided, with an effective date of February 1, 2006, extending for a term of twenty (20) years. The IE confirmed that the documentation confirmed the costs claimed by the Generator.

⁴ Submittal 113-01 was removed once the initial review determined there were no claimed costs, and therefore it was not eligible to be included in the Program.

Submittal 119-09

This Generator indicated on the Submittal Form that production from the Generating Facility was sold under a long term PPA. Generator provided redacted invoices to show prices in effect for February and March, 2015 supporting Displacement Cost Claims for those months. The Verification Form further explained the energy costs pursuant to a PPA, and the redacted PPA was also provided. The PPA has a December 2, 2009 effective date with a term of twenty-five (25) years. The IE found the combined documentation supported the claimed costs.

Submittal 120-01

This Generator provided a REC Transaction Confirmation Letter detailing values provided in the Submittal Form, along with a Master REC Purchase and Sale Agreement that included an obligation through the current period of this program. The completed Verification Form referred to this documentation for Verification, thereby providing sufficient documentary, in the opinion of the IE, to support the claimed costs.

Submittal 125-02

Prior to the IE's Verification Request, the only Required Document supporting this Submission was a *Western Renewables Market Document (monthly update) "Reporting year 2014"*, dated January 31, 2014. Further explanation was included on the Submission Form regarding the above document stating the REC estimated valuation. The Verification Form completed by the Generator included an explanation regarding REC Valuation, and referenced the above-entitled Western Renewables Market document previously uploaded. The Generator represents that it makes market sales only, without the benefit of term contracts. Accordingly, the IE is unable to verify that the Generator would experience a financial loss in the event of a curtailment. If this Generator were curtailed, the IE recommends that BPA notify the IE, so documentation of actual loss could be verified if they were actually generating at that time.

Submittal 127-01

Generator provided a PPA dated March 24, 2009 and provided further explanation on its Submittal Form regarding scheduled power, forecasts provided and available generation. This Generator provided a redacted PPA and the Verification Form with additional explanation regarding calculation of Energy Costs per the PPA previous provided, and additional explanation regarding limitation on claims for cost recovery under Attachment P. The IE found the documentation sufficient to verify the claimed costs.

Submittal 128-01

Additional information provided by this Generator on the Submittal Form referred to the *Green-e National Any in lower right corner of Karbone Price quote for current market price of RECS*.

The IE sent a message via the Website previous to the Randomization for Verification Process to this Generator requesting clarification of Costs. The Generator responded that there is no long term contract for the sale of REC's generated by the Facility. The RECs are sold at market prices on an intermittent basis. Further, the Generator noted that the Karbone pricing sheet provided indicated the market value

for those RECs. In response to the IE's request for Verification of Displacement Cost Claims, the Generator provided the same Karbone Price Quote for current market price of RECS. Accordingly, the IE is unable to verify that the Generator would experience a financial loss in the event of a curtailment. If this Generator were curtailed, the IE recommends that BPA notify the IE, so documentation of actual loss could be verified if they were actually generating at that time.

IV. CURSORY REVIEW OF UNVERIFIED SUBMITTALS

In addition to the Verification Process, Accion conducted a summary review of all Submittals, other than those submitted by Generators that opted out of the process. This review was undertaken with the agreement of BPA, with the goal of summarizing the quality of information provided by the responding Generators.

As part of the initial Submission process, Generators were required to provide documentation when costs were claimed. A majority of Generators provided extensive Supporting Documents.

In many cases this information was sufficient to complete verification, because the Supporting Documents identified the claimed displacement values. In those instances when the documentation was insufficient, the IE initiated direct contact with the Generator to complete the file. This approach enhances the process of conducting the validation in-depth due diligence review. The validation of claimed costs permits BPA to have confidence that the costs claimed by Generators are accurate.

Below, the IE summarizes a review of the Submissions for Generators that were not selected for validation. This cursory review was conducted without the IE seeking information from the individual Generators, beyond what was provided by each Generator at the time the Submittal Form was completed. The IE found that in most cases sufficient data had been supplied. Each participant's Submittals are discussed in the following section. The Program is premised on Generators providing correct data, supported by documentation requested by the Independent Evaluator as part of a Verification Process. This cursory review is provided so Bonneville has some appreciation for the quality of documentation provided by Generators.

Submittal 106- 01

The Required Document uploaded by this Generator to support cost claims, is an "Execution copy" PPA dated June 24, 2009 with a term of twenty (20) years. Additional Supporting Documents are: *Karbone Pricing* sheet dated July 31, 2012; *Appendix D: Wholesale Electricity Price Forecast from Sixth Northwest Conservation and Electric Power Plan*; and *Facility-specific Cost of Displacement Methodology* including sections extracted from PPA. Had this been selected for verification the IE would have found sufficient documentation was present to support the claimed costs.

Submittal 107- 01

This Generator uploaded is PPA as the Required Document, dated and executed November 7, 2001 with an effective contract term for twenty-year (20) years. The Contract Number is noted on the PPA. Had this been selected for verification the IE would have found sufficient documentation was present to support the claimed costs.

Submittal 108- 02

This Generator uploaded copy of an email to the Generator from Generator Company’s Tax Specialist explaining 2015 Displacement Costs and gross up calculations. Had this been selected for verification the IE would not have found sufficient documentation was present to support the claimed costs.

Submittal 109- 01

The uploaded Required Document included with this Submission is an executed Standard Contract Off System PPA dated April 29, 2010, for a term of twenty (20) years. Additional Supporting Documents was provided in the form of a Renewable Energy Certificate Purchase and Sale Agreement and City Ordinance Confirmation. Had this been selected for verification the IE would have found sufficient documentation was present to support the claimed costs.

Submittal 111- 01

This Generator claimed zero Displacement Costs.

Submittal 111- 02

This Generator claimed zero Displacement Costs.

Submittal 113-01

This Generator did not immediately respond, and contacted the IE for guidance via the Messages as they were unsure as to what category it fit into. Subsequently, the Generator provided a Submittal claiming Zero Displacement Costs and claiming LLH and HLH Penalty Costs. Required Document was provided with supporting documentation explaining cost claims. Had this been selected for verification the IE would have found sufficient documentation was present to support the claimed costs.

Submittal 114- 01

This Generator provided a twenty (20) – year Renewable Power Purchase and Sale Agreement dated April 4, 2012 as a Required Document; Supporting Documents included the electric service agreement relating to the Facility and Delivery Service Schedule. Had this been selected for verification the IE would have found sufficient documentation was present to support the claimed costs.

Submittal 114- 02

Same information as above.

Submittal 114- 03

Same information as above.

Submittal 116- 01

This Generator uploaded the Independent Evaluator Verification of Displacement Cost Form used in 2014 for 2015 as a Required Document; Supporting Documentation included a Renewable Resource PPA dated

August 26, 2008 for a term of twenty (20) years. Had this been selected for verification the IE would have found sufficient documentation was present to support the claimed costs.

Submittal 118- 01

The Generator provided a PPA dated November 30, 2000 for a term of twenty-five (25) with Attachments and Exhibits.

Submittal 118- 02

The Required Document provided is an Amended and restated PPA dated 1996, with a term of thirty (30) years. Additional Supporting Documentation is a letter dated January 30, 2015 explaining annual basis adjustment for power purchase rate and 2015 calculations.

Submittal 119- 01

This Generator's Required documentation is an Invoice dated February 6, 2015, with all text redacted except for Managed Energy MWh figure and PPA Rate. Had this been selected for verification the IE not would have found sufficient documentation was present to support the claimed costs.

Submittal 119- 02

This Generator's uploaded Required Document is a Power Delivery invoice for January 2015, showing Scheduled Energy Delivered per MWh. Remainder of text is redacted. The Supporting documentation is the exact same document. Had this been selected for verification the IE not would have found sufficient documentation was present to support the claimed costs.

Submittal 119- 03

The Required Document uploaded by this Generator is a Power Delivery invoice for January 2015, showing Scheduled Energy Delivered per MWh. The remaining text is redacted. The same document is provided again as additional supporting documentation. Had this been selected for verification the IE not would have found sufficient documentation was present to support the claimed costs.

Submittal 119- 04

The Required Document uploaded by this Generator is a Power Delivery invoice for January 2015, showing Scheduled Energy Delivered per MWh. The remaining text is redacted. Had this been selected for verification the IE not would have found sufficient documentation was present to support the claimed costs.

Submittal 119- 05

The Required Document provided is a Power Delivery Invoice for February 2015, showing Scheduled Energy Delivered per MWh with remaining text redacted. Had this been selected for verification the IE not would have found sufficient documentation was present to support the claimed costs.

Submittal 119- 06

Same as above; the Required Document provided is a Power Delivery Invoice for February 2015, showing Scheduled Energy Delivered per MWh with remaining text redacted. Had this been selected for verification the IE not would have found sufficient documentation was present to support the claimed costs.

Submittal 119- 07

Same as above; had this been selected for verification the IE not would have found sufficient documentation was present to support the claimed costs.

Submittal 119- 10

This Generator's Required document provided is an August 15, 2012 *Confirmation of Transaction* regarding a Master Agreement dated in June, 2011, as amended and supplemented from time to time. The commercial terms of the document were heavily redacted, to the point where the IE was unable to establish whether the obligation to deliver was absolute and existing in every month. Had this been selected for verification the IE not would not have found sufficient documentation was present to support the claimed costs based on this document alone.

Submittal 119- 11

Same as above Submittal 119-10. The commercial terms of the document were heavily redacted, to the point where the IE was unable to establish whether the obligation to deliver was absolute and existing in every month. Had this been selected for verification the IE not would not have found sufficient documentation was present to support the claimed costs based on this document alone.

Submittal 121- 01

The Required Document provided to support this Submittal is a *Tullett Prebon Pricing Chart* showing Peak and Off-Peak pricing dated March 12, 2015. Other supporting documents are two (2) *Karbone Pricing Charts* with the same date. Had this been selected for verification the IE not would have found sufficient documentation was present to support the claimed costs.

Submittal 123- 02

A Chart Supporting Pricing for years 2015-2016 was provided for Required Documentation. Additional Supporting documentation is represented by another Chart, a Memo re: Energy Value Components and a Renewable PPA dated February 25, 2010 for a term of fifteen (15) years. Had this been selected for verification the IE would have found sufficient documentation was present to support the claimed costs.

Submittal 124- 01

This Generator claimed zero Displacement Costs.

Submittal 124- 02

This Generator claimed zero Displacement Costs.

Submittal 125- 01

This Generator provided as Required documentation, an Excel Work Book with charts labeled “*Example of Revenue Requirement of Non-Taxable Items*” and PTC Credit information. The Additional Supporting Document is entitled *Western US Environmental Markets – January 31, 1014 Monthly Market Updates, Reclaim NOx Pricing*. Had this been selected for verification the IE not would have found sufficient documentation was present to support the claimed costs.

Submittal 126-03

This Generator’s Required Documentation included a Project Displacement Cost Summary Chart 1/2014 through 12/2014 with Annual with Annual total, and a confidential letter to IE. Supporting Documents include same Cost Summary Chart referred to above, and a PPA dated July 14, 2009. A term is not specified in the PPA and, therefore, the IE would not have found this sufficient support for the claimed cost unless the Generator established the PPA is in effect for this program period

Submittal 131- 01

The Required Documentation supporting this Generator’s Submittal is a PPA date November 23, 2009. The PPA term (twenty (20) consecutive years) is included in the PPA documents, along with the pricing. Had this been selected for verification the IE would have found sufficient documentation was present to support the claimed costs.

The following **Table 5** summarizes the information submitted by all of the Generators.

**Table 5
Summary of Submissions by All Generators**

Submittal No.	Zero Costs	Selected for Verification	Required Document Explanation	Support Documents
106- 01			PPA	Karbone Pricing Chart 7312012; Wholesale Electricity Price Forecast; Cost of Displacement Methodology for Generating Facility
107- 01			PPA	
108- 01		Yes	Email from Company explaining calculation of Displacement costs	
108- 02			Email from Company explaining calculation of Displacement costs	
109- 01			PPA	Renewable Energy Certificate P&S Agreement; 15-year REC Agreement 2011
110-01	Yes		No Submission - Renewable Energy P&S Agreement	

Submittal No.	Zero Costs	Selected for Verification	Required Document Explanation	Support Documents
111- 01	Yes			
111- 02	Yes			
112- 01		Yes	PPA	
113- 01	Yes	Selected, but replaced after initial review	3/6/2015 "Supporting documentation" document explaining Cost of Displacement	
114- 01			Renewable PPA	Electric Service Agreement; Schedule 47-Delivery Service
114- 02			Renewable PPA	Electric Service Agreement; Schedule 47-Delivery Service
114- 03			Renewable PPA	Electric Service Agreement; Schedule 47-Deleivery Service
115- 01		Yes	IE Verification of Displacement Cost Form used for Verification process	PPA
116- 01			IE Verification of Displacement Cost Form used for Verification process	PPA
117- 01		Yes	IE Verification of Displacement Cost Form used for Verification process	Three Excel sheets re: rates and Tax Benefits; PPA
118- 01			PPA	
118- 02			Amended & Restated PPA	Letter re: Power Purchase Rate
119- 01			Invoice redacted except for Managed Energy and PPA Rate	
119- 02			"	Same as Required Doc
119-03			"	Same as Required Doc
119-04			"	
119- 05			"	
119- 06			"	
119- 07			"	
119- 08		Yes	"	
119- 09		Yes	"	
119- 10			Confirmation of Transaction re: Master Agreement 8-16-2012	
119- 11			"	
120- 01		Yes	REC Transaction Confirmation Letter 4-17-2014	
121- 01			Tullett Prebon Info Pricing chart	Karbone Pricing Chart 3122015; Karbone Pricing Chart 3122015
123- 02			Chart Supporting Pricing	Chart Supporting Pricing; Memo re Energy Value components; Renewable PPA
124- 01	Yes			
124- 02	Yes			
125- 01			Excel Charts re: Example of Requirements on Non-Taxable Items; additional pricing	Western US Environmental Markets Updates 1312014
125- 02		Yes		Western US Environmental Markets Updates 1312014
126- 03			Chart-Wind Project Displacement Cost Summary 2014; Confidential letter to IE	Chart-Wind Project Displacement Cost Summary 2014; PPA

Submittal No.	Zero Costs	Selected for Verification	Required Document Explanation	Support Documents
127-01		Yes	PPA	
128-01		Yes	Karbene Pricing Chart 3202015	
131-01			PPA	

V. COMPARISON OF 2014 AND 2015 RESULTS

In 2014, 26 Generators filed 38 Submittals of which thirty-two (32) provided the Required Document(s). Of the thirty-two (32) Submittals that included Required Documents, fourteen (14) also included additional Supporting Documents and five (5) Submittals claimed zero costs. Ten (10) Submittals were selected for random verification, thus there were twenty-two (22) Submittals that were not part of the random Verification Process. There were three (3) Generators that did not respond initially, with only one (1) that required significant effort by the IE to obtain information.

As in 2014, in 2015 the IE also conducted a summary review of the filings provided for the submissions that were not selected for verification. In 2015, twenty-four (24) Generators filed thirty-nine (39) Submittals, of which thirty-four (34) Submittals included the Required Documents. Of the thirty-four (34) Submittals that included Required Documents, fifteen (15) also included additional Supporting Documents and six (6) Submittals claimed zero costs.

VI. CONCLUSIONS

The Independent Evaluator randomly selected Submissions for the annual Verification Process. As part of the Submission process, each Generator was required to provide supporting documentation of their choosing. After reviewing the documents proffered with the Submissions, the IE contacted each of the selected Generators and requested they complete the Verification Form (See **Table 3**), and that they provide additional documentation, if the documents accompanying the Submission were insufficient for the IE to complete the Verification. In some instances the Independent Evaluator was required to make repeated requests for supporting documentation from some of the Generators before the IE was able to verify that all claims were adequately supported. Ultimately, the Independent Evaluator determined that seven of the ten (10) Submissions randomly selected for verification had sufficient documentation to enable the IE to affirm the Submissions. Two of the Generators selected for random verification provided market information, but failed to provide documentary evidence of an obligation to sell. The other Generator asserted loss would be experienced in the event of curtailment, but did not provide evidence of an obligation to sell, and claimed costs based on a hypothetical tax impact.