

REPORT OF



TO

THE
BONNEVILLE POWER ADMINISTRATION



REPORT OF THE INDEPENDENT EVALUATOR
REVIEW AND VALIDATION OF FILINGS

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Submitted by:

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**REPORT OF ACCION GROUP, LLC
INDEPENDENT EVALUATOR FOR
BONNEVILLE POWER ADMINISTRATION**

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 by owners ("Generators") for each generating facility that feeds into the Bonneville transmission system. The Verification 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 was more efficient in 2014 than in previous years, because Generators now must provide supporting documentation at the time of submitting cost data. 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 on April 29, 2014. Seven (7) of the ten (10) selected Generators responded within the first few days. Of the initial seven (7) responses, two (2) Generators submitted satisfactory and complete documentation and pricing information that permitted verification. Two (2) other Generators responded promptly, but the proffered information required clarification on minor details before it was complete. The IE garnered the additional information via telephone calls. Three (3) of the responding Generators provided minimal supporting information, which required the IE to make multiple efforts via telephone calls and emails in order to secure essential information sufficient to complete verification.

Three (3) 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 to these three (3) Generators on May 14, 2014. The IE made telephonic contact with the three (3) remaining Generators after the reminder notices failed to elicit responses. The last Generator selected for verification was successfully contacted on May 19, 2014. Several iterations of data requests and follow-up clarifications were necessary to obtain and fully

support all of the data needed for verification. This enabled the entire Verification Process to be completed in approximately four (4) weeks.

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" and/or Supporting Documents of 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 much more efficient than experienced in 2013.

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. After discussions with some Generators, the IE confirmed that these Generators were confused about the meaning of an email announcement sent to Generators on February 14, 2014, when this year's process began. The announcement informed Generators that "[f]ailure to submit displacement costs for a facility will result in a displacement cost of \$0/MWh for that facility." The IE did not survey all Generators to determine why they had not registered, or why exact costs were not entered, but did confirm that confusion existed for some Generators. The IE speculates that some Generators may have recalled the 2012 Submissions Form where Generators were permitted to "opt out" and thereby be relieved of all filing requirements.

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. 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 were 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 16 highly ranked Submissions.

Table 1
List of IE Random Sort of Highly Ranked Submissions

Identification No.	Randomized Identification No.
122-01	0.783600998
113-05	0.468311274
117-01	0.365315831
121-01	0.712202594
113-09	0.915386722
128-01	0.744227608
114-01	0.080580243
118-01	0.979491795
105-02	0.931756852
131-01	0.83889703
130-02	0.704687275
120-01	0.840544312
115-01	0.943006792
108-01	0.410385004
117-02	0.886284858
113-12	0.77778936

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. BPA personnel assisted the IE in determining the eligibility/requirement of Generators to participate. The existence of Submittals for projects that were

ineligible or not required to participate in the Program became apparent during the Verification Process because some were randomly selected for verification. As a result, those Generators 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 two projects from the list, and the substitution of two other Generating Facilities.

As shown in Table 1, Submittals 105-02 and 131-01 were the next Generators on the randomization list and, thus, were reviewed for eligibility for inclusion in the Program and the Verification Process. Submission 130-02 was also selected for the Verification Process, when #114-01 was eliminated,¹ 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. Once the random ranking of Submissions was completed, the Submissions to be included in the Verification were the ones with the lowest numeric value.

Table 2
Final Submission Selection for Verification

Generator #	Facility
105-02	Redacted
113-05	Redacted
113-09	Redacted
117-01	Redacted
118-01	Redacted
121-01	Redacted
122-01	Redacted
128-01	Redacted
130-02	Redacted
131-01	Redacted

In April 2014, 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 Generator responsible for each of the Submissions selected for verification was provided a simple Verification Form to complete. 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

¹ Elimination of Submittal 114-01 is further explained in Section IV of this Report.

completed, as filed by the Generator, so the Generator could 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.

Table 3
IE Verification of Displacement Cost

2014 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 lengthly 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.

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

Submittal Number	HLH ²	LLH ³	Sufficient Response for IE to Verify	If Insufficient, why?	Sufficient Support Provided by		
					PPA	Third Party Bid	Other Documentation
105-02			Yes		Yes		Worksheet
113-05			Yes		Yes		Costs claimed
113-09			Yes		Yes		Costs claimed
117-01			Yes		Yes		Verification Form
118-01			Yes		Yes		Calculation verified
121-01			Yes			Yes	Cost summary and Verification Form
122-01			Yes			Yes	Contracts averaged to show REC value
128-01			Yes		Yes	Yes	Support for energy, RECs and carbon allowance
130-01 130-02			Yes		Yes	Yes	Multiple documents necessary to support claim
131-01			Yes		Yes	Yes	Energy price escalation explained

Submittal 105-02

This Generator responded immediately. Costs were claimed for both HLH and LLH. This was validated by a reference to the PPA and a worksheet showing the calculation methodology for determining the displacement cost.

Submittal 113-05

This Generator received the initial request to provide validating documentation and responded on April 29, 2014. The Generator submitted a PPA that showed a displacement cost per MWh. This was validated by the exact costs that were claimed.

Submittal 113-09

This Generator responded on April 29, 2014, immediately after receiving notification of being selected for verification. The response showed a displacement cost. The IE followed up with this Generator and received a redacted PPA that specified the claimed displacement costs.

Submittal 117-01

This Generator responded on April 29, 2014, immediately after receiving notification of being selected for verification. The completed Verification Form was received with a reference to the previously supplied PPA. This was satisfactory to support the claimed displacement costs.

² Data was provided and verified by the IE.

³ Data was provided and verified by the IE.

Submittal 118-01

This participant was responsive to the initial request for verification information. The Generator provided a contract showing the amount being claimed as their displacement cost. The IE had some follow-up questions as to what was included in the claimed costs. The Generator promptly provided clarification permitting the IE to complete verification.

Submittal 121-01

This Generator was sent the initial verification request on April 29, 2014, and did not respond. A reminder notice was sent on May 12, 2014, followed by a phone call from the IE on May 14, 2014. The IE was successful, via the phone call, in reaching the designated contact, who responded by completing the Verification Form and providing a project displacement cost summary supporting its claimed costs. This summary, which referenced documents provided, was satisfactory for verification purposes and the Generator was sent an acknowledgement letter on May 16, 2014.

Submittal 122-01

This Generator was sent the initial verification request on April 29, 2014, and did not respond. A reminder notice was sent on May 7, 2014, followed by a phone call from the IE on May 14, 2014. The IE reached the designated contact who responded by completing the Verification Form and in providing an explanation of how the value for the RECs was determined. The REC value was determined by the average of the contracts that use the output of this facility. This information was satisfactory for verification purposes and the Generator was sent an acknowledgement letter on May 16, 2014.

Submittal 128-01

This Generator was notified it needed to participate in the Verification Process on April 29, 2014. A reminder was sent on May 7, 2014, with a second reminder sent on May 16, 2014. Three (3) attempts were made to call the Generator; the third attempt was successful. After receiving guidance from the IE, the Generator agreed to provide a completed Verification Form by close of business on May 21, 2014. Data was provided that clarified the methodology used to combine energy costs, RECs, and carbon allowance values. Together with the documents previously filed, this was sufficient for verification.

Submittal 130-02

This Generator was notified one day later than the other participants because it was the last to be selected when one of the previous ten (10) was eliminated. The Generator immediately supplied seven (7) Required and Supporting Documents. The original Submittal provided data claiming REC value on a monthly basis.

Seven (7) additional responsive documents were provided in support of the monthly HLH and LLH prices claimed for energy. There were four (4) different discussions with this Generator about all of the documents submitted. On May 22, 2014, this Generator uploaded the data requested by the IE.

Additionally, site-specific information was submitted. The documentation concerning costs tied directly to the total HLH and LLH displacement values claimed and, thus, was sufficient for verification.

Submittal 131-01

The required document filed by the Generator with the original Submittal was a PPA with an established original energy price per kWh, with escalation over time. A call by the IE to this Generator was sufficient to confirm that the original energy price was adjusted to yield the dollar value claimed and that the PPA remained in effect.

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. The IE believes the cursory review established that BPA and the IE should reconsider the scope of the Verification Process.

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. With this approach the process of conducting the validation in-depth due diligence review was more efficient than in prior years. 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 106-03

This Generator filed the Submittal Form that claimed HLH and LLH costs and further, included a PPA at the time the original Submittal was filed.

Submittal 107-01

This Generator claimed HLH and LLH costs and energy pricing in its Submittal. A PPA was provided as a required document, but it did not specify a contract price.

Submittal 108-01

This Generator claimed HLH and LLH costs and energy pricing. A PPA was filed as a Required Document. Also filed were Supporting Documents showing:

- a. State corporate tax rate
- b. PPA price grossed up by state tax rate

Submittal 110-01

This Generator filed a Submittal that claimed HLH and LLH costs and energy pricing. A PPA was provided as a Required Document and a purchase price per kWh was shown. The first amendment of the PPA was provided as a Supporting Document.

Submittal 110-02

A Submittal was filed by this Generator that claimed HLH and LLH costs and energy pricing. An amended and restated PPA was also provided, showing a base rate per kWh. Also provided was the formula for making annual adjustments to the base rate. A verification letter was provided that showed the calculation basis for the 2014 rate per kWh.

Submittal 111-01

This Generator claimed HLH and LLH costs and energy pricing and provided a document setting forth a methodology for calculating displacement cost, which the Generator presented as the basis for an energy value per MWh. Supplemental documents included:

- a. A Karbone Renewables Research indicative price sheet dated July 31, 2012. The sheet sets forth a summary of nationwide survey data of indicative pricing.
- b. A PPA with a 20 year term. The pricing under the PPA is purported to be set forth in an Appendix A, which was not included.
- c. A third supporting document provided, Appendix D-Wholesale Electricity Price Forecast, extracted from the Northwest Conservation and Electric Power Plan. The document showed energy price trends and graphs.

The IE determined that these documents were inadequate to support claims for HLH and LLH costs, and had this Submittal been selected for verification, would have required more documentation.

Submittal 113-01

This Generator uploaded an invoice for energy delivered in January 2014. The identity of the purchaser was redacted. A second document was a letter from the Generator claiming the output was sold "under a long term contract", without any specification as to the duration of the contract, but claiming the price set forth on the invoice would be in effect for the remainder of the calendar year. The contract was not provided. Accordingly, had this been selected for verification, the IE would have required additional documentation.

Submittal 113-02

The Generator provided the same documentation for this Submittal as for 113-01, that is, a redacted invoice and a letter asserting what the pricing would be for the calendar year. If this Submittal had been selected for verification, the IE would have required additional documentation.

Submittal 113-03

This Submittal claimed HLH and LLH energy price. A letter was provided that asserted the pricing set forth on accompanying redacted invoices would be in effect for 2014, and explained that output from this facility is sold under PPA's and blended with the output of other facilities. The letter explained that the claimed energy prices were a weighted average of the contracts and grossed them up by the blended tax rate. The required document was an invoice that showed a cost per MWh, and the supporting document was a memo to BPA describing its methodology. No PPAs were provided. The IE would have required additional documentation, had this Submittal been selected for verification.

Submittal 113-04

The Submittal claimed HLH and LLH costs and energy pricing. The Generator provided the same documentation for this Submittal as for 113-04; redacted invoices and a letter asserting what the pricing would be for the calendar year, and that the claimed costs were calculated average contract costs. Accordingly, had this been selected for verification, the IE would have required additional documentation.

Submittal 113-06

This Submittal claimed both HLH and LLH costs and energy pricing. The Generator provided the same sort of documentation for this Submittal as for 113-01; a redacted invoice and a letter asserting what the pricing would be for the calendar year. Accordingly, if this Submittal been selected for verification, the IE would have required additional documentation.

Submittal 113-07

This Submittal claimed both HLH and LLH costs and energy pricing. An invoice was provided as the required document which showed pricing. The supporting document was the methodology letter.

Submittal 113-10

This Submittal claimed both HLH and LLH costs and energy pricing. An invoice was provided as the Required Document which showed a price per MWh. The supporting document was the methodology letter.

Submittal 113-11

The initial Submittal did not claim HLH or LLH costs or energy pricing. Subsequently, the Generator provided a replacement Submittal Form that claimed HLH and LLH costs and energy pricing. The Required Document was a confirmation of transaction that showed a price for Category 1 RPS Premium per MWh.

Submittal 113-12

The initial Submittal did not claim HLH or LLH costs or energy pricing. Subsequently, the Generator provided a replacement Submittal Form that claimed HLH and LLH costs and energy pricing. The Required Document was a confirmation of transaction that showed a price for Category 1 RPS Premium per MWh.

Submittal 114-01

This Generator was one of the ten (10) Submittals originally selected for in-depth verification, but since no displacement costs were claimed it was eliminated, and Submittal 130-02 was substituted.

Submittal 114-02

This Submittal claimed no HLH or LLH costs. The Generator answered “yes” on the Submittal Form when asked if it was claiming zero costs.

Submittal 115-01

This Submittal claimed both HLH and LLH costs and energy pricing. The Required Document was a PPA showing price per MWh of displaced energy costs.

Submittal 117-02

The Submittal from this Generator claimed both HLH and LLH costs on the Submittal Form. The Required Document provided was a PPA which showed an energy price per MWh. The first Supporting Document was an electric services agreement; the second Supporting Document was a delivery services agreement.

Submittal 117-03

The types of supporting data filed for this Submittal is exactly the same as noted in the above response for 117-02.

Submittal 120-01

This Submittal claimed both HLH and LLH costs and RECs pricing. This Generator provided supporting price quote documentation in the form of a Karbone Renewables Research Pricing Chart with the assertion that the Green e National Solar price was the appropriate value for its RECs. The pricing chart was dated March 10, 2014 for the 2013 energy year, showing values submitted, and also an anticipated asked price. The Generator did not provide documentation to establish that the output of the facility was under contract to sell, or that there were sales made from the facility.

Submittal 123-01

This Generator's Submittal claimed HLH and LLH costs and energy pricing, but no RECs, in the Submittal Form. However, the Required Document was a REC Purchase and Sale Agreement showing pricing for RECs in 2011, 2012, 2013, 2014 and 2015 on a per MWh basis. The first Supporting Document is a standard contract for off-system PPA for intermittent services. Within the document's “Contract Price” section it states that seller shall be paid a fixed price without specifying what that fixed price is. Schedule 201 of that document showed a fixed price option with a table showing monthly \$/MWh for 2014 for

both on and off-peak. The second Supporting Document was a table for 2014 and 2015 that showed monthly HLH and LLH, plus REC values. The values there tied directly to the previous documents and, thus, that table was sufficient for verification.

Submittal 124-01

This Submittal claimed HLH and LLH costs. It also claimed a production tax credit which was "grossed up" by its tax rate of 35% to yield a REC value per MWh. The claimed REC value was premised on using the average of the Submittal/asked price set forth on the Green e pricing table provided by the U.S. Department of Energy for 2014, as shown in the uploaded Western Renewables Environmental Markets document, dated January 31, 2014. The Generator did not provide documentary support to establish the existence of a contract to sell the output of the facility or in support of the claimed HLH and LLH costs.

Submittal 124-02

This Submittal claimed HLH and LLH costs and REC pricing. The claimed RECs were estimated based on the same document discussed immediately above; derivation was not clear.

Submittals 130-01, 130-02

This Submittal (130-01) was associated with another Submittal (130-02), which was randomly selected for complete verification. Submittal 130-01 did not claim HLH or LLH for each month. After discussions with the IE it was determined that the Generator erred when completing the Form and would provide a revised Submittal Form, which was provided as 130-02. Submittal 130-02 was one of the ten selected from the Randomized List. Issues regarding this Generator are discussed above, as part of the review of 130-02.

Submittal 132-03

This Submittal claimed no HLH or LLH costs or energy pricing, no PTC and no RECs. The Generator answered "yes" on the Submittal Form when asked if it was claiming zero costs.

Submittal 134-01

The Submittal for this Generator claimed HLH and LLH costs and energy pricing. The Required Document was a PPA. A table was included to show costs per MWh. The effective date was identified, however, the present year of the contract was not indicated.

Submittal 136-01

This Generator claimed no HLH or LLH costs, no PTC or REC. The Generator answered "yes" on the Submittal Form when asked if it was claiming zero costs.

Submittal 136-02

This Submittal claimed no HLH or LLH costs, no PTC and no RECs. The Generator answered "yes" on the Submittal Form when asked if it was claiming zero 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	Required Doc Provided	Support Docs	Dropped	Selected for Verification	Required Doc Explanation
105-02		Yes	yes		yes	PPA and worksheet showing calculation methodology
106-03		yes				Need to specify cost claimed
107-01		yes				PPA provided but no cost claimed
108-01		yes	yes			PPA and corporate tax rate provided but no cost claimed
110-01		yes				PPA provided but no cost claimed
110-02		yes	yes			PPA and adjustment factors filed but no cost claimed
111-01		yes	yes			PPA, Karbone and price forecast filed but no cost claimed
113-01						Contract provided but no cost claimed
113-02		yes				PPA provided but no cost claimed
113-03		yes	yes			PPA, invoice filed but no specific cost claim
113-04		yes				PPA, invoice and tax data filed but no specific cost claimed
113-05		Yes	yes		yes	PPA and cost claimed
113-06		yes	yes			2 PPA's but no weighted average data shown
113-07		yes	yes			Invoice and methodology filed but no cost claimed
113-09		Yes	yes		yes	PPA and cost claimed
113-10		yes	yes			Invoice and methodology filed but no cost claimed
113-11		yes				Confirmation of transaction filed but no cost filed
113-12		yes				Confirmation of transaction filed but no cost filed
114-01	yes			yes		
114-02	yes			yes		
115-01		yes				PPA but no costs claimed
117-01		Yes	yes		yes	PPA and Verification Form
117-02		yes	yes			PPA, electric and delivery services agreement filed but not costs claimed
117-03		yes	yes			PPA, electric and delivery services agreement filed but not costs claimed
118-01		Yes	yes		yes	Contract and cost claimed
120-01		yes				Bid and asked data from Karbone filed but nothing else
121-01		yes			yes	PPA and Verification Form
122-01		yes			yes	REC value established by averaging 9 contracts
123-01		yes	yes			Purchase and sale agreements and contracts sufficient for verification
124-01		yes	yes			Western Renewables document filed not quite enough for verification

Submittal No.	Zero Costs	Required Doc Provided	Support Docs	Dropped	Selected for Verification	Required Doc Explanation
124-02		Yes	Yes			Western Renewables document filed not quite enough for verification
128-01		Yes	Yes		yes	PPA, RECs and carbon allowance values documented
130-01/ 130-02		yes	yes		yes	Many documents filed iteration necessary for verification
131-01		yes	yes		yes	PPA and methodology
132-03	yes					
134-01		yes				PPA with almost enough data for verification
136-01	yes					
136-02	yes					

V. COMPARISON OF 2013 AND 2014 RESULTS

In 2013, 17 Generators filed 31 Submittals and provided the respective Required Documents. Twenty-two (22) also provided additional Supporting Documents. Ten (10) Submittals were selected for random verification, thus there were 21 Submittals that were not part of the random Verification Process, however, the IE conducted a summary review of the filings provided for the submissions that were not selected for verification. Of those 21, five (5) were deemed to have submitted sufficient information as part of the original filings in March of 2013.

In 2014, 26 Generators filed 38 Submittals, of which 32⁴ Submittals included the Required Documents. Of the 32 Submittals that included Required Documents, 14 also included additional Supporting Documents and five (5) Submittals claimed zero costs. There were three (3) Generators, that did not respond initially, with only one (1) that required significant effort by the IE to obtain information.

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 all of the Submissions randomly selected for verification had sufficient documentation to enable the IE to affirm the Submissions.

As noted throughout this report, the IE lacks the authority to compel production of documents and, thus, is unable to require the Generators to provide the documents necessary for further investigation of the

⁴ Of the 38 Submittals, #130-1 and #130-2 are counted as one, because the Generator submitted #130-2 in combination with the previous Submittal. It was, therefore, treated as one Submittal, and represented one Generating Facility.

claimed costs, or to conduct an audit to determine whether costs charged by Generators are accurate. The Verification Process was established to provide for a review of a sampling of Submissions, as a "spot check" of the claims presented in the Submittals. This Verification Process did not include a thorough review of all Submissions. Accordingly, the IE accepted data as provided by the submitting entity and did not conduct an audit to determine the accuracy of the data provided, except for those Submittals selected for Verification. We note that some Generators only provided adequate documentation when selected for Verification, though we found that the documentation supported the claimed costs.

Of the ten (10) Submittals selected for complete Verification, six (6) Generators responded almost immediately, and the IE sent reminder notices to the remaining four (4) Generators. Three (3) of these needed to be called before they responded. Once they responded, eight (8) of the ten (10) provided straightforward verifications. The remaining two (2) required multiple data requests and verification iteration; however, in the end all were successfully verified.

The IE recommends requiring Generators to provide specific costs that they are claiming, as provided on the Submittal Form, and make clear that the required "Supporting Document" must contain confirmation of the costs claimed by the Generator. One way to accomplish this would be to provide an array of upload options, such as "PPA", "short term contract", "sales receipt" and "other" from which the Generator would select appropriate uploads. While the IE established that the Verification Process is an effective way to confirm costs for those Submittals selected for verification, Bonneville would have more assurance of the accuracy of claimed costs by having Generators provide more documentation at the time of completing the Submittal Form. Alternatively, the Verification Program could be expanded to include more or all of the Submittals.