

Wheatridge Wind Energy, LLC
Generator Interconnection Reform Proposal Comments

Andrew O'Connell

Wheatridge Wind Energy, LLC

Date: October 15, 2012

Subject: RE: BPA interconnection reform, Wheatridge example

Dear BPA,

Wheatridge Wind Energy, LLC (WR) asks that you consider the following comments as BPA considers interconnection queue reform. WR understands the comment period has ended. These are not new comments. WR submitted these comments previously at hearings at Lloyd Center rates hearing room and long ago at the PDX Embassy Suites meetings regarding interconnection queue reform, specifically the reform proposing a pro-rata sharing of interconnection costs. This quick note is meant to echo those earlier public comments with specific impacts examples based on BPA's recent Comprehensive ISIS for Stanfield.

Comment 1:

In the case of WR, the proposed pro-rata sharing does not allow parties ready to move forward, to move forward. In fact, the proposed pro-rata sharing hurts WR's ability to move forward as it would increase its share of substation costs by as much as \$40 million. Were WR to move forward at Stanfield today with request #403, its cost at Stanfield would be \$58.5 million. If request #338 connected the following year, under today's rules they would have to pay \$47 million. If BPA implements queue reform and changes its existing rules to prorate Stanfield's costs over 1250MW #338 would pay only approximately \$7 million, increasing WR's costs by \$40 million. This will make it more difficult to advance our project.

Comment 2:

Projects with PTSA's and requests made long ago should be grandfathered with the old rules. WR has had requests interconnection requests in the queue since 2009 and has constructed a business around the economics in those requests. WR partner Swaggart Energy Transmission, LLC has signed 300MW of PTSA's with total 5-year contract costs of \$23.5 million and \$4.7 million in non-refundable cash security. This potential \$40 million shift constitutes moving the goal posts and this with a counterparty that is making visible efforts to move fwd (permits, wind, PTSAs) and significant risk capital.

Comment 3:

It is reasonable for BPA to require projects in the interconnection queue to file a complete permit application.

Thanks very much for continuing to consider WR's situation as you evaluate interconnection queue reform. Please let me know if you have any questions.

Andrew O'Connell, President
Wheatridge Wind Energy, LLC