

Wheatridge Wind Energy LLC and Swaggart Energy Transmission LLC

Andrew O'Connell

Date: August 8, 2011

Dear BPA,

Thank you for the opportunity to comment on the BPA's proposed interconnection and transmission queue reform. Below are comments to the specific proposals:

- 1) BPA's proposal to only allow creditworthy customers to participate in the NOS is without merit. Creditworthiness is often a poor indicator of project success and, therefore, a poor indicator of default risk. That is, money does not remove the many risks of wind development and, unfortunately, provides no guarantee of success. Rather, the risk of default is primarily driven by the market for electricity and a project's basic attributes (e.g. the wind resource relative to the competition, the project's ability to obtain a permit, the viability of the project's interconnection rights, etc.).
- 2) Eliminating a party's ability to defer a NOS transmission request(s) can be a project killer. The deferral option is often key to developing a wind project.
- 3) Many of the proposed interconnection queue reforms are unnecessary. Even without a policy requiring parties to pay their pro-rata share of interconnection, cost sharing happens. Please review development of BPA's Rock Creek, Jones Canyon, Slatt and Klondike substations
- 4) BPA policy changes (e.g. pro-rating interconnection costs) should not bail out uncompetitive projects (e.g. a 100MW project proposed for a 500kv interconnection).
- 5) Any of these proposed reforms must be made going forward only. There was nothing unfair in the BPA rules and the rules were known.
- 6) A postponement of the next NOS will work against the goals in these proposed interconnection and transmission queue reforms. We currently have requests in the queue that we expect will not require any further upgrades to the BPA system. Offering these requests now will help us move forward with construction of interconnection substations and will facilitate utilization of these and earlier NOS transmission requests.
- 7) I do not believe the BPA should allow parties out of NOS obligations. This more than anything ensures there are committed parties participating in NOS upgrades. If we give parties refundable options, BPA will be significantly increasing its execution risk and potentially place more burden on ratepayers (exacerbating the very risk other proposed reforms are designed to address).
- 8) Regarding parties' ability to maintain their interconnection queue position over time, it is reasonable to expect BPA interconnecting parties to demonstrate they've met certain

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NOS-Generator Interconnection Reform-PTSA Comments

milestones in order to maintain their place(s) in the interconnection queue (e.g. submittal of permit applications and site control).

Sincerely,
Andrew O'Connell, President
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