Comments of Avangrid Renewables, LLC
Bonneville Power Administration Tariff Engagement Design
January 12, 2017

Avangrid Renewables, LLC ("Avangrid Renewables") appreciates the opportunity to provide comments to the Bonneville Power Administration ("Bonneville") in response to its "Tariff Engagement Design Questionnaire," as well as its related November 22, 2016 letter indicating its intention "to revise its open access transmission tariff so that it can make future changes to the tariff through a regional public process."

Avangrid Renewables is concerned about Bonneville's stated intention to revise its open access transmission tariff to enable future changes through a regional public process. Although Avangrid Renewables appreciates the opportunity to provide comments in response to Bonneville's "Tariff Engagement Design Questionnaire," it is premature to discuss the public process that would replace existing Section 9 requirements given the serious implications this change would introduce. All stakeholders would likely agree that Bonneville's current process for making changes to its tariff is far from perfect, but has thus far functioned in a way that provides protection for the interests of both BPA and transmission customers and should be maintained. Further, ensuring consistency with Section 9 standards before BPA tariff changes may take effect does not mean that BPA must maintain a "safe harbor" reciprocity tariff in the future.

Avangrid Renewables summarizes below its primary concerns associated with Bonneville's proposal to remove Section 9 from its tariff and replace it with a public process, and would appreciate additional opportunity to discuss these concerns with Bonneville and other impacted stakeholders.

- Bonneville's removal of Section 9 creates unacceptable risk and uncertainty for Transmission customers. Enabling the unilateral ability for Bonneville to alter the terms and conditions of its contractual commitments – prospectively and retroactively – eliminates any certainty with regard to transmission service and terms and conditions upon which a Transmission customer must rely. Transmission customers cannot plan or effectively operate in this environment of uncertainty.
- The removal of Section 9 violates the terms of the Settlement Agreements reached by Bonneville and its customers in both 1996 and 2001, and the terms of individual service agreements containing similar language. This breach of contract would be unlawful and inappropriate. Settlement of costly and time-consuming formal rate case proceedings can benefit both Bonneville and its customers, and Bonneville should not take action that will discourage customers from entering into future settlements.
- Bonneville's proposal violates basic principles of contract law, which do not permit one party to unilaterally modify a contract without the consent of the other party.
- Bonneville's proposal shifts the burden of demonstrating the unlawfulness of proposed tariff modifications onto Transmission customers. Under the current process, Bonneville must demonstrate before a neutral third-party (the Federal Energy Regulatory Commission) that its proposed tariff changes are lawful. With the removal of Section 9,

Transmission customers opposed to Bonneville's proposed changes would have to file a FPA Section 211A complaint. This option is costly and time-consuming and, as we have experienced in recent years, can drag numerous entities into lengthy and contentious litigation.

Avangrid Renewables urges Bonneville to maintain its current tariff construct and to engage constructively with Transmission customers to continue to meet the challenges and opportunities of the rapidly changing energy environment.