



Transmission Services

Generation Integration Services, Version 1

Response to Customer Comments

Posted: February 15, 2013

This document contains the Transmission Customer comments and Transmission Services' response to those comments for the Integration Services, Version 1, Business Practice posted for review from August 22, 2012 through September 19 2012.

Thank you for your comments.

Table of Contents

1. Flathead Electric Cooperative, Inc.	1
---	---

1. Flathead Electric Cooperative, Inc.

A. We appreciate BPA Transmission staff's efforts to provide more information to potential generation integration customers. The Integration Services, Version 1 business practice is moderately informative in that regard, but our staff still has not been able to find one document that serves as a roadmap through the maze of BPA interconnect/transmission documents for small generators. The only thing that seems well-defined in new customer documentation (Doing Business with Transmission Services) is how to pay BPA. It may be helpful for BPA to put a link to a more global introductory document such as the recently completed guides by the Bonneville Environmental Foundation (<http://www.b-e-f.org/business/files/downloads/2012/08/bef-pug.pdf>) in the area of "Becoming a Customer" or "Doing Business Section" of the BPA Transmission public website. In general, a better guideline on the Doing Business with Transmission Services page might be a superior way to handle getting more clarification out in this area than a business practice. For generators that actually need to interconnect and transmit power across BPA's bulk transmission system there is adequate rules in the OATT, existing business practices and contracts. There should be an opportunity for all generators to obtain these services, but not a requirement on very small generators.

Transmission Service's Response

Bonneville appreciates your comments on the challenges of navigation and will take note of the recommendation to improve its "Doing Business Section" on the BPA website. Until such time as updates are made, please work with your Account Executive to answer any questions you may have and to guide you to the appropriate resources.

B. Some small generators and likely many BPA Transmission customers are not aware they need "integration" services from BPA if they do not meet the normal characteristics of a merchant generator looking to move bulk power across BPA's bulk transmission system. Traditionally, small projects less than 3 MVA could just run to load in a local distribution system unless they needed to resell across BPA's system, which more often than not does

not make economic sense for very small projects. Outside of BPA, many retail customers that are used to dealing directly with their local distribution provider may not be aware that BPA separates its Transmission Service, Interconnection, and Reliability processes or that they even need Balancing Authority services. Since small generators less than 3 MW nameplate are so far under the NERC Registry criteria of 25 MVA individually or 75 MVA in aggregate for Generation Owners there doesn't appear to be any NERC/WECC basis for a BAASA for integration-only customers and if they are not directly "connected" to BPA.

Transmission Service's Response

BPA has developed these policies in response to the need by both BPA and its Control Area Services customers to add clarity to the requirements and responsibilities of all parties. The Balancing Authority Area Services Agreement (BAASA) and this Generation Integration Services Business Practice are not required by NERC or WECC.

- C. There also doesn't appear to be any OATT jurisdiction unless they want to move bulk power across BPA Transmission. The only basis seems to be that BPA Power requires revenue metering to administer Regional Dialogue contracts. This hardly seems adequate justification for BPA Transmission inclusion in three parallel processes directly with BPA Transmission. There is basis for BPA to allow any generator (that can schedule power in whole megawatts) to go through the processes to obtain bulk transmission service from BPA, but there seems to be no basis to "require" this. BPA Transmission should reconsider integration "requirements" for behind-the-meter resources less than 3 MW nameplate.

Transmission Service's Response

A party with resources in the BPA Control Area that is either, 1) not satisfying its Reliability Obligations through the purchases or self provision of Ancillary Services or, 2) is meeting its Reliability Obligations but does not have a transmission agreement with BPA must purchase Control Area Services. See the ACS-12 Rate Schedule. Currently, the number, size, and types of generators operating in the BPA BAA are evolving. In order to maintain safe and reliable operation of the transmission system the requirements for generators less than 3 MW nameplate must also evolve. As outlined in Table 1 of the Integration Services business practice the requirements for generators less than 3MW nameplate vary depending on their size and for Generation Serving Local Load only.

Specific comments on the draft business practice language:

- D. The draft business practice has some inconsistencies with the document including the example of $G < 200kW$ vs. $G \leq 200kW$.

Transmission Service's Response

BPA is uncertain as to where the inconsistencies are but is restating the potential relevant sections here for clarity. If this does not answer the questions please email the Tech Forum with additional details.

References to generation size are in Table 1 (column headings and footnote 4) and Section D.1. The table is accurate but is written out long form below.

Table 1

- a. Column headings read (1) generation less than 200 kW, (2) generation greater than or equal to 200 kW but less than 1 MW, (3) generation greater than or equal to 1 MW but less than or equal to 3 MW, (4) generation greater than 3 MW.
- b. Footnote 4, which says generation greater than or equal to 200 kW, highlights the exceptions in column one, which is labeled generation less than 200 kW.

Section D.1 - Identifies the nameplate capacity requirement for a generator who is subject to a BAASA, if other conditions are also met, as greater than 200 kW. This has been changed to include generators equal to 200 kW. It now reads "greater than or equal to 200 kW".

- E. The Definitions provide a source of potential confusion. At a local utility a Backup Generator may not be considered a Transmission asset. However, if this is intended to be Blackstart Resources then that should be specified. The phrase Backup Generator at the local utility level may indicate to some a small generator at a retail consumer location. There are likely lots of very small backup generators throughout BPA's service territory that are not directly connected to BPA and are not in scope here.

Transmission Service's Response

A review of NERC definitions suggests the terminology is clear. Blackstart Resources, as defined by the NERC Glossary of Terms, are not included in the Backup Generator definition or in the policies detailed in Section E of this business practice.

The intent of the Backup Generator definition and of Section E is to identify BPA's requirements for Backup Generators, of any size, operating in the BPA BAA. For instance, a 6 MW "backup" generator that markets its power during test cycles would not meet the definition contained in the Integrations Services business practice. For these types of "backup" generators a BAASA will be needed. Conversely, a 6 MW "backup" generator that does not market its power during test cycles would meet the Backup Generator definition for the purposes of this business practice. Another example is a 750 kW generator at a hospital that is only used to meet the hospital's requirements during an islanding event. Because the hospital generator does not market its test power (or is not synched to BPA's Transmission Grid), it would meet the Backup Generator definition in the business practice therefore no agreements for the resource are required by BPA.

- F. "Generation Serving Local Load" seems to be a new name for "Generation Behind the Meter", suggest that instead of creating a new name for something, just use "Generation Behind the Meter"

Transmission Service's Response

BPA choose this approach to help add clarify. The energy from Generation Behind the Meter can be thought of in three different ways: (1) entirely consumed by load on the Load Serving Entity (LSE) side of BPA Transmission's Point-of-Delivery (POD), or (2) partially delivered outside the LSE system, or (3) wholly delivered outside the LSE system. Generation Serving Local Load is to make clear this is Generation Behind the Meter where 100 percent of the energy output is consumed by load on the LSE side of BPA Transmission's POD. See the Generation Imbalance Services business practice for further information on Generation Behind the Meter.

- G. Integration Services definition, what scheduling, dispatch, and Control Area services does a 200 kW “Generation Behind the Meter” resource really need? What is the small generator really getting for signing all these agreements, seems like this should be better defined, especially for a non-scheduled very small resource run to load that is not noticeable at the BPA point of interconnection from a load following standpoint.

Transmission Service’s Response

To add clarity this can be thought of using two scenarios. The applicable facts for both scenarios are that there is a 200 kW generator who is operating behind the meter. BPA requirements for a 200 kW generator are detailed in Table 1 column 2 ($200 \text{ kW} \leq G < 1 \text{ MW}$).

In the first scenario the generator markets some or all of its power outside the LSE’s system. In this case Generation Estimates and Schedules are required. Additionally, Generation Imbalance Service and Operating Reserve charges would apply. VERBS may also apply depending on the type of resource.

In the second scenario, as the question further describes, the output of the generator is fully consumed by load on the LSE side of BPA Transmission’s POD. In this case no Generation Estimates or Schedules are required and Generation Imbalance Service is not charged. However, charges for Operating Reserves and VERBS would apply as described in the Ancillary and Control Area Services Rate Schedule.

- H. Generation Owner should not be capitalized in the Business practice because most, if not all of the generators with nameplate less than 25 MW are not Generation Owners under the NERC registry. Mixing NERC requirements that don’t apply to small generators into the business practices should be avoided.

Transmission Service’s Response

Bonneville views the definition of a Generator Owner and the Generator Owner’s Compliance Registry requirements as two separate standards. In the NERC Glossary of Terms a Generator Owner is defined as an “entity that owns and maintains generating units”. The use of Generator Owner as a capitalized term in this business practice is consistent with the NERC definition. The criterion for Generator Owners to be listed in the NERC Compliance Registry is not in the scope of this Business Practice.

- I. Integration Requirements, Number 2, should be changed to say that the Generator “may” register. As it is unclear what utilization of services would actually occur for resources less than 1 MW not directly connected to BPA.

Transmission Service’s Response

It appears this comment is referring to Integration Requirements, Number 3. There are several entities outside of BPA that have registration requirements. As a generator operating in the BPA BAA it is the responsibility of the Generator Owner to follow the registration requirements of those entities.

Table 1 of the Integration Services business practice details the services a generator less than 1 MW would receive while operating in the BPA BAA. An example of a 200 kW behind the meter generator can be found in the response to G above.

- J. Section D.1 should be changed to indicate that a BAASA “may” be required.

Transmission Service’s Response

As noted in Section C Integration Requirements, Number 2, there are three types of agreements for a generator owner to procure Integration Services from BPA Transmission. One of which is the BAASA.

Section D.1 has four criteria, (A) nameplate capacity greater than or equal to 200 kW, and (B) not directly interconnected to BPA Transmission, and (C) no other type of interconnection agreement with BPA, and (D) is generating power in the BPA BAA. When all four of these criteria are met by a generator, a BAASA is required by BPA Transmission.