



## Transmission Services

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### Election of Full Service for Wind Resources, Version 1

#### Response to Customer Comments

Posted: September 30, 2013

This document contains the Transmission Customer comments and Transmission Services' response to those comments for the Election of Full Service for Wind Resources, Version 1 Business Practice posted for review August 27, 2013 through September 11, 2013.

Thank you for your comments.

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## 1. Powerex

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- A. BPA's draft business practice regarding the Election of Full Service for Wind Resources states that if BPA is successful at purchasing balancing reserves on behalf of a customer taking full service, the customer's wind project will not be subject to DSO 216 level 1 or 2.1 curtailments.

The business practice, however, does not include a definition of each level of DSO 216 curtailments and, although Powerex reviewed the DSO 216 Overview and Requirements document posted on BPA's web-site, the circumstances under which a particular curtailment level is invoked or how these curtailments will be applied to each wind customer is not clear to us.

As a result, Powerex suggests that BPA include a definition of each level of DSO 216 curtailments in the business practice so that it is clear when a wind project of a customer that is taking full service is not subject to DSO 216 curtailments.

### Transmission Service's Response

In order to help clarify when a wind project of a customer that is taking full service is not subject to DSO 216 curtailment, BPA added a definition of DSO 216 type 1 and type 2.1 as it pertains to the Full Service Business Practice.

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## 2. Portland General Electric (PGE)

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Portland General Electric Company (PGE) appreciates the opportunity to comment on the Bonneville Power Administration's (BPA) proposed Election of Full Service for Wind Resources, Version 1 business practice. As a Variable Energy Resource Balancing Services customer and the largest capacity participant in the Committed Intra-hour Scheduling Pilot program participant, PGE has a great deal of knowledge and experience surrounding this issue. PGE provides the following suggestions to comply with the spirit of FERC Order 764-A and provide clarification to participants interested in or being required to elect Full Service from BPA.

- A. A.1.d. states, "Install at its expense any communication or other equipment or systems that BPA determines to be necessary to effect Full Service". This requirement goes well beyond the specific BA allowance by FERC under Order 764 for meteorological data and turbine outage information requirements for new interconnects. In addition, BPA cannot unilaterally impose this requirement on customers with existing LGIAs. In Order 764-A, paragraph 38, FERC explicitly stated that it would be unfair to allow public utility transmission providers to unilaterally impose unexpected costs associated with data reporting provisions on existing interconnection customers without being required to make at least some showing that specific data sought by the transmission provider (and the associated costs) are just and reasonable. Section A 1 d. essentially disregards these administrative burden, cost and data restrictions and FERC's ruling.

**PGE proposes A1d. be re-written as follows so as to comply with FERC Order 764-A;**  
A.1.d. "Install, at its expense, any communication or other equipment or systems that BPA as mutually agreed and determined to be necessary to provide turbine forced outage and meteorological data needed for power production forecasting by BPA and effect Full Service"

Should section F of the business practice be activated and Section A.1.d. remain unchanged, all VERBS customers will be forced to accept full service and thus could be required to provide an undetermined range of data in a way that FERC previously ruled to be administratively burdensome and costly to current interconnection customers<sup>1</sup>.  
Transmission Services' Response<sup>1</sup>

<sup>1</sup> In Order No. 764, the Commission established a flexible approach regarding the specific data that would be required from individual customers, in which public utility transmission providers and interconnection customers are expected to negotiate in the first instance. (FERC Order 764-A at ¶37).

### Transmission Service's Response

The language in the draft business practice is standard language intended to make clear that the customer is responsible for installing any communication equipment that may be necessary to allow communication with Full Service customers—for example, to signal the customer that BPA was unable to acquire reserves necessary to provide Full Service. In addition, for a party that elects Full Service, BPA would require the data needed for operations and power production forecasting.

BPA will modify Section F to reflect that in the event Section F is implemented, BPA would receive mutually agreed to data needed for power production forecasting.

**B. PGE also requests BPA provide clarity of meaning for the following section of the business practice;**

D.2.b.i states “Examples of reasons that acquisitions may not be made include lack of market liquidity or uneconomic price bids.” It is unclear from the purposes of this business practice what constitutes an ‘uneconomic price bid’ and who would make that determination. As a simple pass-thru mechanism Full Service participants should likely be the co-determiner of the economics of a bid price. As such BPA and customers can determine on a quarterly basis what constitutes ‘uneconomic price bids’ for the quarter. The business practice does not provide for this as written. If customers were required to take Full Service under Section F of the business practice it is reasonable to allow those customers to assist BPA in determining what constitutes ‘uneconomic price bids’.

**C. PGE proposes D.2.b.i be re-written;**

D.2.b.i “Examples of reasons that acquisitions may not be made include lack of market liquidity or uneconomic price bids as mutually agreed by each Full Service customer and BPA on a quarterly basis.”

### Transmission Service's Response

BPA is offering Full Service for parties that want to manage their statistically infrequent schedule errors by having BPA attempt to purchase additional balancing reserve capacity to support the deliverability of their schedule. However, in order to protect customers from excessively high prices, BPA included the language allowing BPA to turn down “uneconomic price bids.”

BPA expects its policy for defining what may constitute an “uneconomic bid” will evolve with experience soliciting and accepting bids. BPA expects to work with Full Service customers to address this issue as Full Service policies evolve.

PGE appreciates the opportunity to comment on the proposed Election of Full Service for Wind Resources, Version 1 Business Practice. PGE believes the proposed language changes to section A.1.d and section D.2.b.i provide clarity to the participant VERBS customers.