



## Transmission Services

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### On Demand Resource Scheduling, Version 7

#### Response to Customer Comments

Posted: July 1, 2013

This document contains the Transmission Customer comments and Transmission Services' response to those comments for the On Demand Resource Scheduling, Version 7, Business Practice posted for review from April 1, 2013 through April 29, 2013.

Thank you for your comments.

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#### 1. Iberdrola Renewables

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Iberdrola Renewables appreciates the opportunity to comment on Bonneville's revised On Demand Resource Scheduling Business Practice. Iberdrola Renewables supports the changes proposed to the Business Practice and understands the intent behind the language in Section C Item #4 prohibiting an On Demand DEC Resource from being deployed to deliver power from a Centroid to some other location at the same time electric power is being delivered to that Centroid. Iberdrola Renewables recognizes this language is intended to ensure in-hour arbitrage is not occurring from a combination of market purchases to the Centroid and On Demand DEC transactions, and fully supports this limitation. That said, there are instances where extreme wind volatility may justify the simultaneous use of these balancing tools. For example, during a period of high wind production the Iberdrola Renewables' fleet may experience heavy Mt. Hood waking on the Klondike wind generation assets. The waking effect typically drops production significantly in a short period of time. In response to the drop in production, Iberdrola Renewables may purchase in-hour power utilizing market purchases to the Centroid to schedule the power and maintain adequate SCE limits in accordance with the CSGI performance parameters. Within the hour of the market purchases to the Centroid, the waking effect may shift and the Klondike assets may ramp quickly back to full power. In response, Iberdrola Renewables would execute all available DEC transactions in order to maintain adequate SCE limits. The intent of the hourly set up and the utilization of resources are all driven through reliability limits and SCE adequacy; however, the BPA limitation under the revised On Demand Business Practice would prevent the full utilization of balancing resources and potentially push CSGI into unnecessary violation limits. Although such scenarios are very rare, they can occur and Iberdrola Renewables would like the Business Practice to provide an opportunity to submit written justification and data demonstrating the circumstances under which an On Demand DEC Resource was activated simultaneously with a transaction that is delivering electric power to the Iberdrola CSGI Centroid. If, upon review, Bonneville agrees the actions were justified to maintain balance and were not anticipated in the hourly set-up, Iberdrola Renewables would be deemed to be in compliance with Bonneville's Business Practice. Iberdrola Renewables appreciates your

consideration of this recommended addition to the On Demand Resource Scheduling Business Practice.

### Transmission Service's Response

As noted by Iberdrola Renewables, BPA's objective is to assure that market purchases and On Demand DEC Resources are used to reduce station control error and not to effect an arbitrage transaction.

To make this clear—and to distinguish an arbitrage transaction from a legitimate transaction whose purpose is to reduce station control error, BPA has clarified Section C4 by adding a reference that precludes using an On Demand DEC Resource "to effect an arbitrage transaction." Section C4 now reads as follows:

An On Demand DEC Resource may not be used to effect an arbitrage transaction through a Centroid by delivering power to that Centroid from a resource other than the resource or load for which balancing reserves are being supplied at the same time the On Demand DEC Resource is deployed.

This change would provide an opportunity for Iberdrola Renewables to distinguish a legitimate effort to reduce station control error from an arbitrage transaction should the need arise to do so.