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RE: 2013 NOS Process

As a developer of wind generation projects in the Pacific Northwest and as a participant in Bonneville's as yet unconcluded 2010 NOS process, Gaelectric has substantial interest in the forthcoming NOS process.

Interference with the 2010 NOS Process: Of greatest concern to Gaelectric is that the 2013 NOS process may interfere with progress on the 2010 NOS process. The 2010 NOS process was supposed to conclude at the end of May, 2011. It was extended for good reason, but that extension was not supposed to exceed 3-6 months. Twenty three months later, the process remains incomplete despite all of the unknowns identified by Bonneville in its May 31, 2011 letter having been resolved and public announcements by Bonneville staff that the M2W project would proceed at rolled in rates. It is troubling to Gaelectric, to say the least, that Bonneville staff now plans to embark on a new open season process without having concluded the existing process, which was conducted under completely different rules that never contemplated simultaneous processes.

The 2013 NOS is an exercise in market manipulation: Throughout the NOS reform effort and discussions related to the forthcoming 2013 NOS process, it has been made clear that customers seeking supply alternatives, whether renewable or otherwise, require firm transmission to be in place prior to making commitments. Consequently, it is virtually impossible for developers to obtain PPA commitments without firm transmission. While acknowledging these concerns, Bonneville staff has blatantly declared that its intent in the reform effort in general and the 2013 process in particular is to "change the market" by forcing policy that ignores these issues. This is nothing less than an intentional effort to manipulate the market through BPA's open access transmission processes. One of the major underlying reasons for FERC's Order 888 was to stop transmission owners from influencing the market through their transmission access processes. In every respect, from mandating a PPA or verifying commercial discussions to requiring a precise sink recipient, Bonneville's leadership in transmission reform following its original NOS process has evaporated, and it has devolved into the equivalent of a pre-Order 888 transmission operator intentionally using its transmission system to control the market.

Conclusion: Bonneville's NOS reform effort has regressed from largely unnecessary to blatantly misguided. It would be in everyone's interest for Bonneville to recognize this fact, regroup, and try again.

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