

**Comments of Iberdrola Renewables, LLC on  
BPA's Southern Intertie Hourly Non-Firm Alternatives White Paper  
January 22, 2016**

Iberdrola Renewables, LLC (“Iberdrola Renewables”) appreciates the opportunity to provide comments to the Bonneville Power Administration (“BPA”) in response to BPA’s second draft of the “Regional White Paper – Presentation and Analysis of Southern Intertie Hourly Non-Firm Alternatives,” dated December 22, 2015. Iberdrola Renewables is a significant long-term firm Southern Intertie rights holder, so it is very interested in the treatment of long-term and short-term intertie rights, as well as any proposals or rates that would affect the Southern Intertie. Iberdrola Renewables is appreciative of the efforts put forth by BPA in creating this white paper and the efforts of all of the entities who have worked to provide a comprehensive scope of proposals for customer review.

Iberdrola Renewables generally supports the comments submitted by Powerex, “Powerex Comments on Bonneville White Paper: Evaluation of Alternatives,” and incorporates these comments herein, with the exception of Powerex’s comments on Alternative No. 9, wherein BPA proposes to change the Hourly Non-Firm release time on the Southern Intertie. Iberdrola Renewables suggests that all proposals concerning Alternative No. 9 require further consideration and analysis before Iberdrola Renewables can support adoption of a modified release time. No changes, nor investments in software and hardware upgrades, should be made until the full effect and import of this potential modification is understood in the context of its effects on the wider system.

Iberdrola Renewables, while recognizing that the issues presented and the potential alternative solutions are complex, supports Bonneville’s potential use of an expedited Pacific Northwest Electric Power Planning and Conservation Act Section 7(i) process. Iberdrola Renewables appreciates BPA’s desire to move quickly to address customer concerns, as well as its attention to the formal processes required in order to do so. Absent a rate-based approach like Alternative No. 2 that appropriately values hourly non-firm transmission, the implementation of other proposed alternatives may not yield the intended result of maintaining the value of long-term firm transmission.

Of the options proposed, Iberdrola Renewables believes that Alternative No. 2, where BPA would calculate the Southern Intertie Hourly Non-Firm rate based on a different assumption of “high value” hours, is the alternative most likely to retain the value of long-term firm transmission rights. While Alternative Nos. 5, elimination of the Hourly Non-Firm interruption credit, and 6, selling Hourly Non-Firm inventory once, are both sound in principle, they will likely have an inconsequential, or at best limited, effect on retaining value.