

**Comments of Avangrid Renewables, LLC on
BPA's Southern Intertie Rate
May 4, 2016**

Avangrid Renewables, LLC ("Avangrid Renewables"), appreciates the opportunity to provide these brief comments to the Bonneville Power Administration ("BPA") in response to BPA's proposed Hourly Non-Firm ("HNF") rate methodology and other rate change considerations for the Southern Intertie as presented during the April 20, 2016 Workshop.

Avangrid Renewables is a significant long-term firm Southern Intertie rights holder and values the efforts of both BPA and of the regional players to engage in meaningful and robust discussion regarding the seams issues arising on the Southern Intertie between BPA and the CAISO and on the appropriate methodology for setting the rates for use of the Southern Intertie to address the seams issues.

BPA Staff intends to propose a new methodology for the Southern Intertie HNF ("IS HNF") rate in the BP-18 Rate Case Initial Proposal, explaining that the present assumptions underpinning the rate are outdated. Avangrid Renewables supports updating the IS HNF rate using objective criteria that will provide an appropriate and accurate view of the heavy load peak hours as is proposed by BPA. In order for customers to fully understand how BPA Staff intends to adjust the current rate assumptions, BPA should provide customers with clear guidance regarding the components included in the proposed objective criteria, as well as the data utilized in its determination. BPA should make its selected objective criteria available in order to allow independent review and confirmation and to ensure a transparent and fair rate development process. Assuming the relevant data will be made available to customers, Avangrid Renewables does not oppose adjusting the IS HNF rate based on a representative number of peak hours.

BPA has also asked for feedback on additional rate change considerations. Avangrid Renewables agrees with both BPA Staff and Powerex that the rate for Hourly Firm service on the Southern Intertie should be equal to the IS HNF rate. Further, Avangrid Renewables agrees with Powerex's statements that any changes to the IS HNF rate should apply to reservations crossing the intertie in both directions, North-to-South as well as South-to-North. With regard to the Daily Block 1 (Day 1-5) rate, Avangrid Renewables generally agrees with Powerex's comments and believes that the rate should be based on the hourly rate. However, Avangrid Renewables believes that a discount for the Block 1 (Day 1-5) rate equal to 16 times the proposed hourly rate remains appropriate. BPA has also indicated that it may consider modifying the rate for recovering the charges associated with Scheduling, System Control and Dispatch service ("SCD") over the Southern Intertie. Avangrid Renewables agrees with Powerex, and BPA Staff's leanings, that because BPA does not currently allocate SCD costs among the segments, there is no reason to charge a different, higher SCD rate for service across the Southern Intertie. Finally, BPA Staff has indicated that it may consider a range of charges for the IS HNF rate based on seasonal and/or on-off peak attributes. Avangrid Renewables agrees with Powerex's comments that the rate should not differ based on seasonal or off-peak rates as it would degrade the overall HNF rate change.