

**Comments of Iberdrola Renewables, LLC  
BPA Transmission Southern Intertie Hourly Non-Firm Workshop  
October 28, 2015**

Iberdrola Renewables, LLC (“Iberdrola Renewables”) appreciates the opportunity to provide comments to Bonneville Power Administration (“BPA”) in response to the October 14, 2015 BPA Transmission Southern Intertie Hourly Non-Firm Workshop.

At the September 29, 2015 workshop, BPA provided the following as its “Statement of the Issue”:

Customers are increasingly concerned that long-term firm transmission no longer has the value it once had and some customers are not renewing service and are removing requests from the queue. Some customers also expressed concern that an equitable share of the economic benefits derived from markets served by the Southern Intertie remains with Northwest parties that purchase long-term service over the intertie. BPA wants to see what actions (if any) it should take to make sure long-term service remains viable and its customers receive an equitable share of the economic benefits provided by the Southern Intertie.<sup>1</sup>

To address the customer concerns contained in the “Statement of the Issue,” BPA is considering holding a “mini 7(i)” ratemaking proceeding prior to the BP-18 rate case in order to alter existing Southern Intertie hourly non-firm rates.<sup>2</sup> BPA indicated that before it commits to such a ratemaking process, it intends to work with stakeholders to develop a white paper with analysis of alternatives by BPA Power and Transmission staff, as well as evaluation by stakeholders in order to discern the path forward.<sup>3</sup> At that time BPA invited interested parties to make proposals for potential options to address the concerns contained in the “Statement of the Issue.”<sup>4</sup>

At the October 14, 2015 workshop, BPA provided numerous potential alternatives for customer consideration, including: no action; rate alternatives; non-rate alternatives; and collaborative alternatives.<sup>5</sup> BPA has requested that customers submit comments and requests for clarification on these alternatives, and has asked customers to indicate their “top” three preferred alternatives for further exploration, as well as their “bottom” three alternatives that the customer would not support BPA implementing.<sup>6</sup>

---

<sup>1</sup> Presentation of Bonneville Power Admin., “*BPA Transmission Southern Intertie Hourly Non-Firm Workshop*” at 3 (Sept. 29, 2015).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* at 5.

<sup>4</sup> *Id.* at 24. Iberdrola Renewables submitted responsive comments October 9, 2015.

<sup>5</sup> Presentation of Bonneville Power Admin., “*BPA Transmission Southern Intertie Hourly Non-Firm Workshop*” at 11-18 (Oct. 14, 2015) (“Oct. 14 Presentation”).

<sup>6</sup> *Id.* at 19.

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 all entities who submitted proposals, especially the work done by Powerex and FTI Consulting that has helped to illustrate and articulate the seams issues and provided many well-analyzed and well-reasoned options to consider.

Bonneville posted to its website, an Issues and Alternatives Matrix prepared by FTI Consulting that assembled the key seams issues and proposed solutions.<sup>7</sup> Iberdrola Renewables is supportive of the Southern Intertie measures put forth, specifically:

With regard to Issue 1 - “BPA does not limit use of Firm reservations during de-rates”,<sup>8</sup> Iberdrola Renewables supports the proposal to have Bonneville respond proactively to planned or otherwise known de-rates on the Southern Intertie by appropriately limiting the schedules that can be submitted on each Firm reservation.

With regard to Issue 2 - “BPA defers curtailments to adjacent OATT providers”,<sup>9</sup> Iberdrola Renewables supports the proposal that Bonneville should ensure that it performs curtailments in half the hours that curtailments are needed on the Southern Intertie.

With regard to Issue 3 - “HNF can flow ahead of Firm to sell to CAISO”,<sup>10</sup> Iberdrola Renewables supports the proposal to increase the Hourly Non-Firm rate on the Southern Intertie to levels that are at least comparable to those charged by transmission providers on the southern segments. Iberdrola Renewables acknowledges that a new rate and methodology may be developed during the “mini 7(i)” ratemaking proceeding, with an effective date of October 1, 2016. Generally, Iberdrola Renewables does not support any rate solutions that are not cost based.

Iberdrola Renewables fully supports the collaborative approaches being considered by BPA.<sup>11</sup> In particular, Iberdrola Renewables continues to encourage BPA to devote meaningful efforts to coordinate with the California Independent System Operator and neighboring control areas to consider whether there is an issue that requires resolution and, if so, to attempt to jointly develop long-term solutions.

---

<sup>7</sup> FTI Consulting, “*Options to Address Seams Issues on BPA’s Southern Intertie*” (Oct. 21, 2015), available at <http://www.bpa.gov/Finance/RateCases/BP-18/Pages/Customer-Comments.aspx> (last accessed Oct. 28, 2015).

<sup>8</sup> *Id.* at 2.

<sup>9</sup> *Id.* at 3.

<sup>10</sup> *Id.* at 4.

<sup>11</sup> Oct. 14 Presentation at 19.