

Comments of Iberdrola Renewables, LLC
BPA Transmission Southern Intertie Hourly Non-Firm Workshop
October 9, 2015

Iberdrola Renewables, LLC (“Iberdrola Renewables”) appreciates the opportunity to provide comments to Bonneville Power Administration (“BPA”) in response to the September 29, 2015 BPA Transmission Southern Intertie Hourly Non-Firm Workshop.

At the September 29, 2015 meeting, 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.¹

BPA indicated that it intends to work with stakeholders and develop a white paper with analysis of alternatives by BPA Power and Transmission staff, as well as evaluation by stakeholders.² This white paper will inform BPA as to whether it should hold a “mini 7(i)” ratemaking proceeding prior to the BP-18 rate case in order to alter existing intertie hourly non-firm rates.³

Iberdrola Renewables is a significant long-term firm Southern Intertie rights holder, so it is keenly interested in the treatment of long-term and short-term intertie rights, as well as any rate proposals that would affect the Southern Intertie. While Iberdrola Renewables does not have a specific alternative to propose at this time, Iberdrola Renewables offers comments regarding BPA’s proposed process for addressing any seams issues between the Pacific Northwest and the California Independent System Operator (“CAISO”).

Existing and potential seams issues between the Pacific Northwest and CAISO were discussed at some length during the Federal Energy Regulatory Commission (“FERC”) Market Redesign and Technology Upgrade (“MRTU”) proceeding.⁴ While FERC was able to address specific issues that were presented at the time, FERC acknowledged that seams issues may develop in the future and directed CAISO and neighboring control areas to work together to resolve such issues. In particular, FERC stated:

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

² *Id.* at 5.

³ *Id.*

⁴ *See Cal. Indep. Sys. Operator Corp.*, 116 FERC ¶ 61,274 (2006).

[W]e agree with parties that it is important to remain vigilant in coordinating on seams issues and direct the CAISO, with the assistance of parties in the West, to continue working towards addressing any seams issues as they develop. While MRTU presents a different way of using the electric grid, we find that the economic and reliability gains associated with the implementation of the CAISO's MRTU proposal are necessary and will benefit the western grid as a whole, even though other western entities conduct operations in a different manner⁵. . . . Fundamentally, we note that it is important to resolve any seams issues that will hinder the reliable, competitive functioning of the markets in the West. It is also incumbent on both CAISO and other western control areas to resolve these issues together. No one entity can be responsible for inter-agency coordination. Therefore, we . . . direct the CAISO and neighboring control areas to meet as needed to resolve seams between them.⁶

Accordingly, Iberdrola Renewables encourages BPA to devote meaningful efforts to coordinate with CAISO and neighboring control areas to consider whether there is an issue that requires resolution, and if so, to attempt to jointly develop solutions before proceeding with any unilateral action to address perceived seams issues.

⁵ *Id.* at P 486.

⁶ *Id.* at P 490.