

## Public Comments to TBL on FERC Order 2003: Large Generator Interconnection

December 19, 2003

PNGC Power submits the following comments on BPA's presentation on the Large Generator Interconnection Order presented December 11, 2003. Our interest is in having a workable, fair policy. While we are BPA transmission customers and aim to protect our rates, we also look to the future when PNGC and others may need new resources. BPA's policy should be responsive to the realities of resource development while protecting its ratepayers from rate impacts due to lump sum payments paid over unreasonably short periods.

- 1) BPA should consider using a time period longer than 5 years for payment of unreturned (via credits) investment. Fifteen years would be a reasonable period since these assets have long lives and it is reasonable to expect a generator to finance over this length of a term. Another option would be to match the length of the term of the generator's other major financing.
- 2) BPA should clarify how additions to the Network resulting from a subsequent request for transmission service are dealt with, if a Large Generator has already made some network additions under the Interconnection request. BPA should also clarify its policy on crediting for investment associated with a transmission request.
- 3) BPA should have some limits on how unaccredited investment is returned so as to protect the rate stability of its other transmission customers. In other words, if BPA had a large amount that it would be obligated to return at the end of a specified amount of years, there should be a set of predefined options for spreading that payment over a number of years. Lump sum return should not be the only repayment alternative. If these options were predefined, then they could be factored into the developer's business model.
- 4) We do support the concept of requiring a positive response from a party once an LGIA is offered. However, we believe 15 days is a little short, especially considering that a party who gets to this point has potentially invested hundreds of thousands of dollars. We believe 30 to 45 days would be more appropriate and allow adequate time for legal and contract review. After the expiration of whatever time is chosen, a party should be taken out of the queue.
- 5) BPA should seek clarification on the nature of Network Resource Interconnection Service and Energy Resource Interconnection Service. Are there different interconnection needs resulting from the choice of the interconnection service? Does the choice of one service limit what might be required from a developer in a subsequent request for PTP or NT transmission service?
- 6) BPA should have a subsequent public meeting to discuss its draft response to FERC prior to submitting that response.

Submitted via email on December 19, 2003 by Aleka Scott, PNGC Power's Manager of Transmission and Contracts