

142 FERC ¶ 61,243
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony Clark.

Iberdrola Renewables, LLC

Docket No. ER13-1058-000

ORDER ACCEPTING TARIFF

(Issued March 28, 2013)

1. On March 7, 2013, Iberdrola Renewables, LLC (Iberdrola) submitted its Wind Balancing Service Tariff (Tariff)¹ pursuant to section 205 of the Federal Power Act (FPA).² As discussed below, the Commission accepts Iberdrola's Tariff, effective March 29, 2013, as requested.

I. Background

2. Iberdrola is a non-transmission owning public utility engaged in the nationwide development and marketing of electricity from wind, solar, and thermal energy facilities.³ Since 2011, Iberdrola has participated in the Bonneville Power Administration's (Bonneville) Customer Supplied Generation Imbalance (CSGI) program, which allows Iberdrola to self-supply Generation Imbalance Reserves. Iberdrola states that under this program it has managed a sizable CSGI portfolio to self-supply Generation Imbalance Reserves.

3. In the instant filing, Iberdrola seeks Commission approval to offer wind balancing services to third parties in Bonneville's balancing authority area for the management of their generating resources to allow them to engage in their own self supply of Generation Imbalance Reserve service. Iberdrola argues that self-supply of Generation Imbalance Reserves by wind resources is potentially more efficient and cost-effective than

¹ Iberdrola Renewables' Wind Service Tariff Filing in Docket No. ER13-1058-000 (Application).

² 16 U.S.C. § 824d (2006).

³ Application at 2.

purchasing such services from Bonneville. Further, Iberdrola claims that the self-supply of generation imbalance service reduces the burden on Bonneville to forecast, purchase, and provide incremental balancing reserves when necessary.

II. Iberdrola's Filing

4. According to Iberdrola, the Tariff sets forth the general terms and conditions applicable to all customers taking service from Iberdrola. Iberdrola asserts that the specific terms and conditions for a given customer will be set forth in each customer's executed service agreement. Iberdrola explains that the specific charges for service will depend on the operational characteristics of each customer's generating resources and will be set forth in each customer's executed service agreement. Iberdrola states that it filed the unexecuted service agreement along with the Tariff to provide transparency concerning the types of charges it will apply, even though the specific charges will be determined on a case-by-case basis.⁴ Iberdrola commits to submit all executed service agreements to the Commission pursuant to section 205 of the Federal Power Act, 18 C.F.R. Part 35 and other applicable regulations.⁵

5. Iberdrola asserts that the rates, terms, and conditions of the Tariff and service agreement are and will be just, reasonable, and not unduly discriminatory, and will benefit market participants through the management of efficient and cost-effective dispatch of generating resources needed to supply Generation Imbalance Reserves associated with wind generators connected to Bonneville's transmission system.⁶ Iberdrola explains that it will forecast a customer's Generation Imbalance Reserves needs on a day-ahead and hourly basis, and it will base this forecast on the information set forth in each executed service agreement, as well as on detailed operational information provided by each customer. Iberdrola also states that the Tariff will permit it "to net a participating third party's wind resource schedule with all other resource schedules within the self-supply portfolio and manage the generation imbalance associated with the netted amount."⁷ Iberdrola states that under the Tariff, it may charge customers for the services it provides forecasting the need for and dispatching Generation Imbalance Reserves, and it will invoice customers for charges levied by Bonneville under its CSGI program. Iberdrola asserts that the schedule of these costs and how they will be allocated will be set forth in business practices mutually agreed to by Iberdrola and each customer.

⁴ *Id.* at 3.

⁵ *Id.* at 4.

⁶ *Id.*

⁷ *Id.* at 1.

6. Iberdrola requests expedited action and a waiver of the Commission's notice requirements. Specifically, Iberdrola asks that the Commission act by and with an effective date of March 29, 2013. Iberdrola states that good cause exists to grant these requests, because as potential customers under the Tariff have only until April 1, 2013 to declare to Bonneville their intention to participate in Bonneville's CSGI program for the 2014-2015 rate case period.⁸

III. Notice of Filings and Responsive Pleadings

7. Notice of Iberdrola's filing was published in the *Federal Register*, 78 Fed. Reg. 16,492 (2013), with interventions and comments due on or before March 18, 2013. Timely interventions were filed by Modesto Irrigation District, J.P. Morgan Ventures Energy Corporation, Turlock Irrigation District, Powerex Corp., M-S-R Public Power Agency, and Bonneville. The American Wind Energy Association (AWEA) submitted a motion to intervene and comments out-of-time.

IV. Discussion

A. Procedural Matters

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2012), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

9. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2012), the Commission will grant AWEA's late-filed motion to intervene given its interest in the proceeding, the early stage of the proceeding, and the absence of undue prejudice or delay.

1. Substantive Matters

a. Comments

10. AWEA states that it supports Iberdrola's Tariff and requests that the Commission approve it as proposed.⁹ AWEA asserts that Bonneville's wind integration charges are too high, and that Iberdrola's proposal is a helpful and necessary step to ensure that wind generators are provided with an affordable means for being integrated onto the power system. AWEA argues that Iberdrola "will provide wind generators more efficient and

⁸ *Id.*

⁹ AWEA at 2.

cost-effective generation imbalance services as compared to services available from Bonneville.”¹⁰

11. Moreover, AWEA states that the efficiencies available under the services Iberdrola will offer through participation in Iberdrola’s CSGI program will improve reliability and reduce Bonneville’s overall balancing reserve capacity burden. AWEA explains that self-supply by wind generators reduces the amount of wind generation for which Bonneville must hold reserves. AWEA points out that the Tariff potentially mitigates or eliminates the need for Bonneville to make incremental purchases of balancing reserve capacity for wind generators.¹¹

12. Finally, AWEA submits that Iberdrola’s proposal will create healthy competition between Bonneville and Iberdrola’s energy imbalance programs. AWEA states that, because transmission customers will have an additional option to balance wind generation with Iberdrola’s program, Bonneville will have the incentive to adjust its operating practices and wind integration charges accordingly.¹²

b. Commission Determination

13. The Commission accepts Iberdrola’s Tariff for filing. The Tariff will provide prospective CSGI participants an additional option and flexibility to manage their resources, which may result in more efficient and cost-effective generation imbalance services. Jurisdictional services under section 205 of the FPA must be provided in a manner consistent with the requirements of that provision. Iberdrola commits that the rates, terms and conditions of the Tariff and Service Agreement will be just, reasonable, and not unduly discriminatory.¹³ Therefore, the Commission accepts Iberdrola’s Tariff for filing.

14. We grant Iberdrola’s request for waiver of the Commission’s prior notice requirement for good cause shown. Specifically, we note that potential customers under the Tariff have until April 1, 2013 to declare to Bonneville their intention to participate in Bonneville’s CSGI program for the 2014-2015 rate case period associated with Bonneville’s CSGI program. Accordingly, we accept Iberdrola’s Tariff, effective March 29, 2013, as requested.

¹⁰ *Id.* at 4.

¹¹ *Id.*

¹² *Id.* at 5.

¹³ *See id.* at 3; *see also* Tariff § 4.3.1.

The Commission orders:

(A) Iberdrola's Tariff is hereby accepted for filing, effective March 29, 2013, as discussed in the body of this order.

(B) Iberdrola's request for waiver of the Commission's prior notice requirement is hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.