

**UNITED STATES DEPARTMENT OF ENERGY  
BONNEVILLE POWER ADMINISTRATION**

Proposed Wind Integration—Within-Hour  
Balancing Service Rate for Public  
Hearing, and Opportunity for Public  
Review and Comment

BPA Docket No. WI-09

**TO: Brandon Hignite  
Hearing Clerk – 2009 Wind Integration Rate Case, L-7  
Bonneville Power Administration**

**PETITION TO INTERVENE AND REQUEST FOR CLARIFICATION  
OF POWEREX CORP.**

Pursuant to Section 1010.4 of the Bonneville Power Administration ("BPA") Rules of Procedure Governing Rate Hearings and BPA's February 7, 2008 Notice, 73 Fed. Reg. 7,279, Powerex Corp. ("Powerex") hereby petitions for leave to intervene in BPA's 2009 Wind Integration Rate Case proceeding in the above-referenced docket. Powerex also submits the following request for clarification regarding BPA's proposal. In support of this petition and request for clarification, Powerex respectfully shows the following:

**I.  
SERVICE OF DOCUMENTS**

All correspondence and communications in this proceeding should be addressed to the following:

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Asterisks indicates representatives upon whom service should be made.

## II. **NATURE OF PROCEEDING**

As BPA indicated in its Federal Register notice, the purpose of this proceeding is to adopt a rate for Wind Integration—Within-Hour Balancing Service. As an increasing amount of wind generation is integrated onto BPA's transmission system, BPA explains that the variability and uncertainty associated with wind generation increases costs by increasing the demand for reserves required to maintain Balancing Authority reliability, in particular, by increasing the need for additional reserve capacity, shifting energy generation from heavy load hours to light load hours, and reducing system efficiency.<sup>1</sup>

BPA states it is necessary to ensure that these increasing costs are borne by the parties causing them. Thus, BPA proposes to adopt a rate for Wind Integration—Within-Hour Balancing Service, which will apply to "all wind plants in the BPA Control Area."<sup>2</sup> By adopting this rate, BPA seeks to "ensure that [it] recovers the costs that wind generation places on the system, and that costs are allocated to the parties that cause

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<sup>1</sup> Proposed Wind Integration—Within-Hour Balancing Service Rate for Public Hearing, and Opportunity for Public Review and Comments, 73 Fed. Reg. 7,279, 7,281 (Feb. 7, 2008).

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

the costs."<sup>3</sup> This rate shall not exceed \$0.81 per kilowatt per month, and will be based on the Billing Factor contained in BPA's Notice.<sup>4</sup>

### **III.** **INTEREST OF POWEREX**

Powerex is a Canadian corporation incorporated under British Columbia's Business Corporations Act, with its principal place of business at Vancouver, British Columbia, Canada. Powerex is wholly owned by the Province of British Columbia through its parent the British Columbia Hydro and Power Authority, which is a Crown corporation wholly owned by the British Columbia provincial government.

As a power marketer, Powerex sells power at wholesale in the United States pursuant to market-based rate authority originally granted by the Federal Energy Regulatory Commission ("FERC") on September 24, 1997, and renewed after triennial reviews by FERC.<sup>5</sup> Powerex sells power from a portfolio of resources, including the Canadian Entitlement resources made available under the Columbia River Treaty, BC Hydro system resources, and various other power resources acquired from other sellers within the United States and Canada. In addition to its sales in the United States, Powerex also markets power in Canadian provinces other than British Columbia and in Mexico.

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<sup>3</sup> *Id.* at 7,282.

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

<sup>5</sup> See *British Columbia Power Exchange Corporation*, 80 FERC ¶ 61,343 (1997); *British Columbia Power Exchange Corp.*, Letter Order issued in Docket No. ER97-4024-012 (issued Sept. 12, 2000); *Powerex Corp.*, Letter Order issued in Docket No. ER01-48-002 (issued Oct. 30, 2003); *Powerex Corp.*, Letter Order issued in Docket No. ER01-48-007 (July 26, 2007).

Powerex contracts with BPA for both firm and non-firm transmission service, and is dependent upon BPA for a significant portion of its transmission access to U.S. wholesale markets. As a large transmission customer of BPA, Powerex has a direct and vital interest in the outcome of this proceeding.

#### **IV. REQUEST FOR CLARIFICATION**

BPA states that the purpose behind its Wind Integration—Within-Hour Balancing Service rate proceeding is to ensure that costs caused by wind generators are borne by the parties causing them. However, BPA's proposed rate schedule also states that the new rates will apply to "all wind generators in the BPA Control Area." BPA does not describe any exception to the application of the Wind Integration—Within-Hour Balancing Service rate for wind generators that do not create costs on the BPA transmission system.

Powerex believes that, as indicated by Section I of the Draft Wind Rate Schedule BPA provided at its Wind Integration Rate Case Workshop on December 7, 2007, BPA intends its Wind Integration—Within-Hour Balancing Service rate to apply to only those wind generators that do not self-supply the generation services associated with that rate or have not procured such services from third parties. Accordingly, Powerex respectfully requests BPA to clarify that if a wind generator does not cause BPA Transmission Business Line to procure or otherwise provide generation services on the wind generator's behalf, that wind generator will not be required to pay the Wind Integration—Within-Hour Balancing Service rate. Additionally, Powerex requests that BPA specifically affirm its intent to permit wind generators to self-provide necessary generation services and/or procure those services from third-party providers.

**V.**  
**CONCLUSION**

**WHEREFORE**, Powerex respectfully requests that the Hearing Officer grant Powerex leave to intervene as a party to this rate proceeding, and that BPA respond to its request for clarification.

Respectfully submitted,

*/s/ Deanna E. King*

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**Attorney for Powerex Corp.**

February 13, 2008

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