



April 11, 2008

Jonathan Booe
North American Energy Standards Board
1301 Fannin, Suite 2350
Houston, Texas 77002

Via email to jbooe@naesb.org

Subject: Informal Comments on the April 4, 2008 Draft Condition Firm Business Practice

The American Wind Energy Association (AWEA) appreciates the opportunity to provide this initial feedback on NAESB's Draft Conditional Firm Business Practice (BP). AWEA has been involved in the consideration of Conditional Firm for some time, and we are pleased that NAESB is developing this BP that should help bring consistency to this transmission product over time. I have personally been involved in the process to develop conditional firm at the Bonneville Power Administration, and was an active participant in the WECC workgroup that developed a draft conditional firm business practice during the summer of 2007. I apologize that AWEA is joining this NAESB process late, but we hope to continue as a strong participant in this effort.

In general, AWEA is pleased at the similarities between this BP and the WECC and WestConnect conditional firm business practices. There are a couple questions and areas of concern we would like to bring up at this point. And we would welcome clarification from the work group if some of these issues have been discussed at earlier meetings.

This BP identifies conditional firm transmission as "Long-Term Firm PTP Service with Conditional Curtailment Option" (CCO). Is there a reason for this change in language from "Conditional Firm"? In addition, is the term "unconditional Long-Term Firm Point-to-Point" (LTF PTP) transmission service an industry standard? AWEA encourages NAESB to be cautious about bringing in new terminology if it is not necessary. We are concerned that the term "unconditional" regarding LTF PTP may not be accurate, given the fact that even firm transmission can be curtailed in order to maintain system reliability.

CCO is defined as "interim" service on page 1 of the BP. AWEA feels that this term should be removed from the definition as it is possible to use CCO on a long-term basis in the case that the customer is not a bridge customer, and is willing to accept any changes to the conditions of service that are imposed at the biennial reviews. CCO certainly can be used as an interim

product when a bridge customer is waiting for the construction of new capacity that will allow them LTF PTP transmission, but it should not be characterized exclusively in this way.

Section 001-n.1.2 states that “RTOs and ISOs with real-time energy markets are not required to provide a Conditional Curtailment Option.” AWEA requests that NAESB remove this statement as there is currently a contested case before FERC regarding which RTOs and ISOs are required to offer conditional firm service. There is disagreement about what is meant by “real-time energy markets”.

We have two concerns about the “Reassessment of Service” section. AWEA suggests that 001-n.4.1 read, “The Transmission Provider **may** conduct and complete ...system studies...” We feel “may” is a more appropriate term than “shall” as the Transmission Provider has the option to forgo the biennial reassessment. Also, Section 001-n.4.2 should read “For Bridge CCO customers, the Transmission Provider may **not** perform a Biennial Reassessment and modify curtailment conditions or number of hours for purposes of maintaining reliability.” FERC clearly stated in paragraph 961 of Order 890:

In situations in which the customer commits to paying the costs associated with upgrades necessary to provide the service on a fully firm basis, the conditions or hours identified by the transmission provider shall remain in effect until such time as the upgrades have been completed. Also, for such customers, the service agreement shall specify the upgrade costs as determined through the facilities study.

It is our perspective that Section 001-n.4.5 should also be removed, as payment of biennial study costs is not addressed in the OATT, and should not be prescribed by this standard. Individual TPs may choose to include such a requirement in their BP.

We also have some clarifying questions about portions of the BP which are stated briefly here:

- What is meant by “similarly situated customer” (Section 001-n.4.10.2)?
- What is meant by “Request for Interchange” (Section 001-n.6.4.1)?
- What is meant by “reservation ‘stacking’” (Section 001-n.6.4.1.1)?
- What is the “reduction template” (Section 001-n.6.5.2)?

Thank you for the opportunity to provide this feedback, and we look forward to participating in the next discussion of this draft BP.

Sincerely,



Natalie McIntire
Consultant to the American Wind Energy Association
nmcintire@frontiernet.net
608-637-8019