



June 6, 2008

ESS/ITS Committee
North American Energy Standards Board
1301 Fannin, Suite 2350
Houston, Texas 77002

Via email to naesb@naesb.org

Subject: Informal Comments on the May 30, 2008 Draft Condition Firm Business Practice

The American Wind Energy Association (AWEA) appreciates the opportunity to participate in the NAESB ESS/ITS Committee's effort to draft a Conditional Firm Business Practice (BP) standard, and to provide the following comments in response to the May 30th request for informal comments on the draft Modifications to WEQ-001 related to conditional firm service. This has been a considerable effort to work through complicated details needed to offer this service. The resulting standard will provide more clarity on this product for customers and transmission providers. There are two items in this draft that cause AWEA serious concerns.

First, the level of transparency regarding the system conditions in effect is not adequate for conditional firm customers to make the most effective business decisions to assess their curtailment risk and make alternate plans to prepare for potential curtailment. The draft standard states in section 001-n.4.3.1 that any reduction in curtailment priority will be posted in a customer's reduction template, which can be queried. It is not clear how transmission customers will be able to monitor the reduction templates of other conditional firm customers on an up to date basis in order to be aware of all system conditions that may be in effect. AWEA requests that the standard include a requirement that all system conditions in effect, which are not subject to CEII restrictions, be posted in an easily accessible way on the transmission provider's OASIS web site.

Conditional curtailment customers with contracts defined by systems conditions, may have one or more conditions that force their curtailment priority to drop from firm (curtailment priority 7) to secondary non-firm (curtailment priority 6NN). Conditional firm customers should be provided easy to access information not only about when their curtailment priority has been reduced, but when any conditions that may affect them are in effect. The transmission provider must be able to monitor these conditions in real-time in order to manage their conditional contracts. AWEA requests posting of these conditions, as close to the time that they come into effect as is reasonable without compromising reliability. We expect that some level of automation will be necessary to adjust curtailment priority of these contracts in real-time.

Therefore it may be helpful to the transmission provider to add automation to post these on OASIS without significantly impacting the system operators.

AWEA's second area of concern is the limitations placed on resales of conditional firm contracts by the standard (section 001-n.5.3). Since there is not an essential reason for this restriction, resales should be allowed, given that FERC intended conditional customers to be treated in the same way as firm customers whenever possible. By limiting resales, this standard limits the most efficient use of the transmission system, and in that way is contradictory to FERC's original intent in requiring that this service is offered. This also limits the value of this transmission product to customers, as they cannot recoup any value for these transmission rights during periods when they do not need to use these rights.

In addition to the issues addressed above, AWEA is concerned that the standard does not yet address how new long term ATC will be allocated to conditional firm customers when it becomes available. Without this detail, the standard and the protocols necessary for full implementation of conditional firm service will not be complete. Conditional firm service is only offered to customers when long-term firm capacity (ATC) is unavailable to fill their request. However, there are several situations where such capacity may become available on a long-term basis after a conditional firm contract is signed, such as when another customer chooses not to take advantage of their rollover rights, or when a reevaluation of ATC identifies additional capacity that was not previously available for sale. Order 890 indicates that conditional firm service will be charged at the same rate as long-term firm service. Since these customers in most cases will be paying the same price as any long-term firm customers, they should have rights to long-term firm ATC when it becomes available. The methodology for allocating such ATC should be clarified in this standard.

Thank you for the opportunity to provide this feedback.

Sincerely,

A handwritten signature in cursive script, appearing to read "Natalie McIntire".

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