

**Summary of Comments Received on Proposed 03/16/17 2<sup>nd</sup> Draft Updates to Western Area Power Administration's (WAPA) Behind the Meter Generation Business Practice and WAPA Responses**

Western Area Power Administration (WAPA) received several additional questions and comments regarding the proposed 2<sup>nd</sup> Draft Business Practice (BP) update dated 06/16/2017, which was previously posted under a 1<sup>st</sup> Draft BP update dated 10/03/2016. The additional comments are summarized below, with WAPA's responses, if any, noted. Based upon the comments, WAPA agrees to incorporate additional proposed updates to clarify or address certain of the comments received as described below and as set forth in the proposed 3<sup>rd</sup> Draft update of the BP dated 06/27/2017.

**Comment 1:** In footnote 11 of version 1.2 of the Draft Proposed Business Practice, WAPA apparently attempts to clarify that this Business Practice will effectively apply to all generating sources that are synchronized with WAPA's transmission system or Balancing Authority Area. Further, it appears that generation is exempted only if the total installed capacity of generation "at a substation" is less than 150 kW. To illustrate some of the problems with this approach, consider a hypothetical example where customer A has a 100 kW rooftop solar installation, and it is the only generation "at a substation". Customer B has the exact same 100 kW rooftop solar installation, but happens to be located "at a substation" where there is more than 150 kW of installed generation. In this example, assuming that a Company and the distribution cooperative attempt to collect WAPA charges from the customer, customer A and B are treated completely differently, where customer B would cause VER and NITS charges based on generation add-back, and customer A would not. It would not be possible for a Company or distribution cooperatives to develop rates to collect these charges that may or may not apply depending on such circumstances.

**WAPA Response:** WAPA has modified the 2<sup>nd</sup> Draft of the BP to address this issue (i.e. changed BP to refer to "generation installation location" instead of "at the same substation" or behind the same customer meter) in the proposed 3<sup>rd</sup> Draft update of the BP dated 06/27/2017.

**Comment 2:** Commenter requested that WAPA clarify the term, "at the same substation" where this term is used to determine the 150 kW threshold. Specifically, how this definition

would be applied to substations that are not simple radial feeds to distribution. WAPA responded in footnote by indicating that they would simply implement a definition consistent with “Good Utility Practice”. Commenter does not believe that this answer provides any meaningful information and we are concerned that the application of this proposed business practice could result in varying and arbitrary outcomes.

**WAPA Response:** WAPA has modified the 2<sup>nd</sup> Draft of the BP to address this issue (i.e. changed BP to refer to “generation installation location” instead of “at the same substation” or behind the same customer meter) in the proposed 3<sup>rd</sup> Draft update of the BP dated 06/27/2017.

**Comment 3:** Regarding the draft business practice language, “ADDING the total installed capacity of the Behind-the-Meter-Generation to the metered network load in the event that the required generation metering is not available, regardless of the operational status of the generation at the time of the transmission system peak usage”, Commenter again recommends WAPA withdraw the provision that the ancillary service charges will be based on "total installed capacity" if the required metering is not available.

**WAPA Response:** WAPA is maintaining the provision in the BP that in the event that generation metering is not available for Behind-the-Meter-Generation above 150kW, or has not been installed for various reasons by the customer, that WAPA will utilize the total installed capacity of the generator in assessing applicable charges under the BP.

**Comment 4:** If the proposed business practice is intended to apply to either distribution-connected, or retail- level generation, how will this generation be adjusted for losses, and how will WAPA know the loss rates to reflect this generation back to the transmission interconnection?

**WAPA Response:** WAPA has not identified a need to modify the BP to address this question. For the Behind-the-Meter-Generation there are no losses assumed or assessed and the currently effective and proposed 3<sup>rd</sup> Draft version updated BP doesn’t require a loss adjustment. WAPA doesn’t assess losses for the generators inside its BA if the generator is serving load. The losses are assessed at the load side or when the resource is being exported to outside BA.

**Comment 5:** Commenter requests that WAPA describe how it intends to apply and enforce this proposed business practice, given some of the very real, practical real-world limitations.

**WAPA Response:** WAPA will continue to apply and enforce the BP as it has for many years in its currently effective posted version and as WAPA becomes aware of Behind-the-Meter-Generation. WAPA primarily relies upon the customers to identify such units consistent with its OATT and BP requirements.

**Comment 6:** Commenter again asks WAPA to simply recognize that solar generation (with or with-out metering) does not produce electricity after the sun has set, and to modify the proposed BP to implement a common-sense policy to reflect this reality.

**WAPA Response:** WAPA has reviewed the concern raised and confirmed that solar generation has historically produced electricity during WAPA's transmission system or billing peaks. As pointed out, WAPA has modified the BP in this proposed 3<sup>rd</sup> Draft update to greatly mitigate this issue for generators equal or less than 150 kW. However, for Behind-the-Meter-Generation greater than 150 kW as defined in the BP, WAPA will continue to require appropriate metering, and maintaining the provision in the BP that in the event that generation metering is not available for Behind-the-Meter-Generation above 150kW (regardless of type of generation), or has not been installed for various reasons by the customer, that WAPA will utilize the total installed capacity of the generator in assessing applicable charges under the BP. WAPA will however continue to monitor generation status and outputs of various generation types, as it has access to such data, during its transmission system or billing peaks to determine if it should consider any generation exclusions in future update(s) of the BP, if necessary.