



TO
THE BONNEVILLE POWER ADMINISTRATION



REPORT OF THE INDEPENDENT EVALUATOR REVIEW AND
VALIDATION OF 2017 FILINGS

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Submitted by:

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REPORT OF ACCION GROUP, LLC
**INDEPENDENT EVALUATOR FOR BONNEVILLE POWER ADMINISTRATION REVIEW AND
VERIFICATION OF 2017 FILINGS**

I. EXECUTIVE SUMMARY

Accion Group, LLC (“Accion”) was selected by Bonneville Power Administration (“Bonneville”) to serve as Independent Evaluator (“IE”) for the Oversupply Management Protocol Program (“Program”). Accion created and administers the website (“Website” or “Program Website”) through which the Program is managed.

The Program provides for compensation for generators that opt to participate in the Program, and when their generation is displaced by Federal generation. Bonneville designed the Program to ensure displacement is done on a least-cost basis, to ensure that lower-cost generators are displaced prior to higher-cost generators. All generators must submit data in support of their costs. The Program is conducted through the Program Website designed to the specifications identified by Bonneville. The Website provides a disclosure form to be completed and submitted by generators for each generating facility located in Bonneville’s balancing authority area. Following the submittal of the disclosure form, the IE verifies that the generators’ claimed costs are supported. The process used by the IE for verification (“Verification Process” or “Process”) was devised by Bonneville, in coordination with the IE, to provide Bonneville with confidence that claimed costs are fully supported by documentation, thus avoiding additional review tasks each time losses are claimed. The Verification Process provides for the IE to randomly select and review the submissions of generators to, in effect, “spot check” the data that was provided.

Ten (10) submissions were randomly selected for verification by the IE. The Verification Process continues to be more efficient than in previous years, because generators must provide supporting documentation at the time of submitting cost data, and most generators are familiar with the process due to previous participation in the Program. The IE found that most of the submissions selected for verification provided adequate documentation or full cost data as part of the original submission. As part of the Verification Process the IE reviewed all materials provided by the generators selected for review along with supplemental documentation provided in response to requests of the IE. The IE verified the costs claimed for each of the submittals selected for verification.

The IE conducted an initial review for the ten (10) randomly selected generators following the submittal period deadline. Some of the generators provided additional explanations via the Website Message Board if additional documentation was needed to complete verification of claimed costs. Of the ten (10) generators selected for verification, nine

(9) generators submitted satisfactory and complete documentation and pricing information that permitted verification of claimed costs for some time periods of the year. The remaining generator did not provide evidence of any contract to deliver energy or RECs in 2017. Rather, the generator provided market pricing reports from brokerage firms and a PPA without an established term of years.¹ In prior years market reports were not accepted in lieu of a firm obligation to deliver because the generator would only experience a loss due to curtailment if there were an obligated to deliver during that period. The IE is unable to pre-verify that this generator would experience a financial loss in the event of a curtailment. In light of the Program requirements, the IE accepted the documentation as sufficient proof of the existence of a potential supply obligation, but was unable to establish a firm commitment in the event of curtailment.

Accordingly, if curtailment occurs, the IE maintains that verification of a firm obligation to deliver during the period of curtailment would be appropriate.

The type of documentation generators provide in support of their submittal is left to the discretion of the individual generator. Most generators provided documentation typical to the industry, while often being unique to the individual generator. For instance, in some instances the generator provided documentation that confirmed some claimed costs, or established an obligation to deliver energy for only part of the year, or failed to provide proof of the selling price. In all instances where a bundled contract was submitted, the contract had an execution date prior to March 6, 2012.

As discussed below, when the documentation was insufficient to confirm claimed costs in the submittals, the IE sought verification in a variety of ways, including direct telephone and email contact. For the generators selected for Verification, the IE was able to procure the supporting information each generator was prepared to provide. As noted, one of the generators selected for Verification provided information that fell short of establishing a firm obligation to deliver. The IE believes the Verification Process established the likelihood that nine (9) of the generators selected for Verification would incur losses if displaced under the Oversupply Management Protocol.²

II. 2017 OVERSUPPLY MANAGEMENT PROTOCOL WEBSITE

A new silo was created for the 2017 Oversupply Management Protocol using the previous 2016 Website design, in order to provide consistency in the management process for all

¹ The generator provided a listing of un-certified sales in 2016. The listing established that the generator made sales during the year, but did not establish a firm obligation to deliver to any buyer in any month.

² As noted in prior reports, the IE believes that, in the event of curtailment, any generator claiming losses should be required to confirm any loss, starting with establishing the generating unit was prepared to deliver during the period of curtailment. Auditing claims is not a part of establishing eligibility for participation in the Program.

participants: generators, Bonneville personnel, and Website Administrators. The Website was edited and updated to reflect improvements and current year data, while the process remained user-friendly and familiar for returning participants. Information provided on the Website to assist generators with their submittals was reviewed and updated as needed. For example, FAQs were reviewed by Bonneville personnel for any updates they determined were in order.

All silos for previous Program years remain on the Website so generators can access their previous submittals for historical reference. All of the data from previous years is maintained and accessible (archived) on the Website and available to the individual generator and the IE. This made it possible to compare past generator participation in the Program (2012, 2013, 2014, 2015 and 2016) to the current year's registered participants. This feature assisted generators when reviewing past compliance filings, and provided the IE with a data base for contacting those generators who had registered in prior years, but not yet registered in 2017. As part of the annual review the IE compared prior filings with the 2016 submissions in order to identify any changes in generating facility ownership, etc.

The IE communicated with Bonneville regarding any questions as to generator changes. Bonneville experienced a change in personnel designated to manage the Program. Bonneville personnel was responsive to all inquiries from the IE, and in all instances, provided requested information promptly and completely.

2017 PROGRAM LAUNCH

The 2017 Website was launched on March 5, 2017. Initially, the IE identified and compared the list of generators provided by Bonneville with the generators registered on the 2015 and 2016 Program Websites in order to determine which generators should be contacted and invited to register to participate in the 2017 Program. The following Announcement, provided by Bonneville, was posted on the Announcement Page of the Website, and sent to all generators registered on the 2016 Website, notifying them to register for the 2017 Program.

3/5/2017 10:10:57 AM

As spring approaches, so do the natural elements that provide the Northwest with abundant energy resources. Each year, generators with eligible displacement costs must submit those costs in March, in order to receive compensation per our Oversupply Management Protocol adopted as Attachment P of our Tariff in 2012. This is a Tariff requirement, and not an indication that an OMP event is imminent. BPA last used the OMP in 2012.

BPA's OMP is a tool that BPA can use at any point in the year to address oversupply issues, but historically those events are most likely to occur during the spring runoff. BPA will, to the best of its ability, give notice if there is a risk of implementing the OMP via Tech Forum notice. Operations information related to hydro, thermal and wind conditions and transmission loading can always be found on the BPA Oversupply website at www.bpa.gov/goto/oversupply.

Questions about BPA Oversupply Management Protocol may be directed to Nicholas Quinata at 360-619-6435.

As of Monday, March 6, 2017, generators can start registering on the Accion site for 2017 cost submittals at <https://oversupply.accionpower.com>. Per Attachment P, Oversupply Management Protocol, generators must submit their facility's displacement costs by March 20, 2017 for inclusion in the Least-Cost Displacement Cost Curve. Updates have been made to the site for submitting displacement costs.

Failure to submit displacement costs for a facility will result in a displacement cost of \$0/MWh for that facility. Additional details on the protocol and guidelines for displacement costs are available in Attachment P and in the Oversupply Management Protocol Business Practice.

As stated in BPAs Business Practice for Establishing Minimum Generation Levels and Maximum Ramp Rates for Oversupply Management, Generator operators and owners also should update their minimum generation levels in the Customer Data Entry (CDE) system.

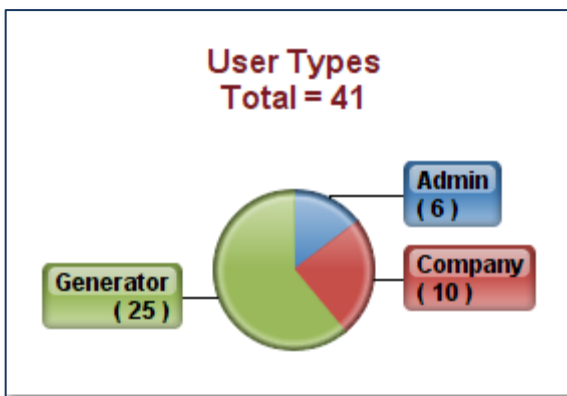
Any questions regarding the Accion website should be directed to Sheri Vincent-Crisp at 603-229-1644, svincentcrisp@acciongroup.com, or Harry Judd at 603-229-1644, hjudd@acciongroup.com.

(Ref.# 1)

REGISTRANTS AND SUBMITTALS ON THE 2017 WEBSITE

The IE identified any generators who participated in the 2016 Program but were not registered on the 2017 Website. For those who had not registered, the IE contacted them using registration data from the 2016 Website. Initially an email was sent, and if unresponsive, they were contacted by telephone.

Forty-one (41) individuals registered on the 2017 Website as generators, Bonneville



personnel or Website Administrators. The following charts show the status of both registrations and submittals as of the date of this Report, and are shown in real-time on the Program Website.

TOTAL REGISTRANTS: 41

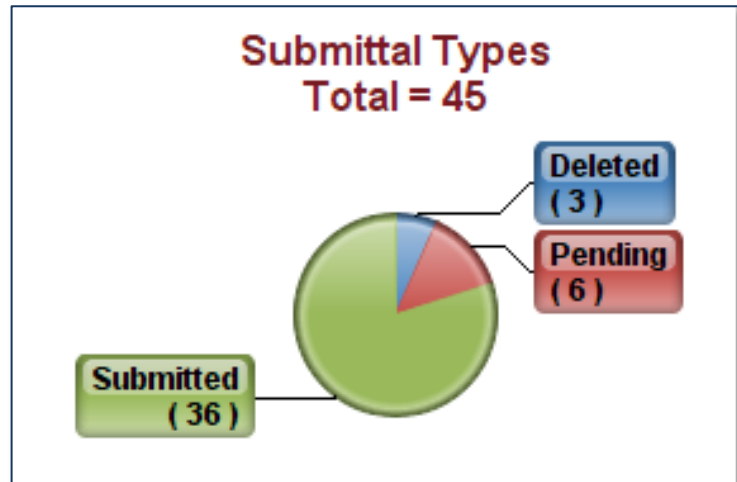
Generators Registered:	25 ³
BPA Personnel Registrants:	10
Site Administrator Registrants:	6

³ Includes one Administrative Test Registration.

TOTAL SUBMITTALS: 36

Three (3) submittals were started and subsequently deleted by generators and new submittals were completed.

Six (6) submittals remained pending, as they were used by the IE for testing purposes.⁴



MESSAGES AND COMMUNICATIONS

Generators and the IE used the Message Board on the Website to correspond with each other. If generators had questions or concerns regarding submittals or the process, they were able to use the Message Board, and the IE responded using the Message Board. In this manner a permanent record of all conversations is maintained on the Website for future reference. As of the date of this Report, seven (7) generators used the Message Board to send their questions or submit additional information regarding their submittals, and sixteen (16) messages were sent by the IE to generators.

The IE and Bonneville also received emails directly from five (5) generators indicating they were not participating in the program, or seeking confirmation of their need to participate in the 2017 Program.

Information from generators was collected on the Program Website. Each generator was provided a confidential, individual Submittal Book. The Submittal Book had a separate file system for each generating facility identified by the generator. In a few instances, generators responded to telephone inquiries with return calls or direct email responses and the IE transferred the information to the corresponding Submittal Book, in order to maintain a record for future regulatory review.

III. SUBMITTAL PROCESS

Via the Website, on their Submittal Form, each generator was required to provide monthly cost data for Light Load Hours (“LLH”) and Heavy Load Hours (“HLH”). Alternatively,

⁴In some instances, generators started a submission form, but left it incomplete, leaving those forms “pending.” All generators submitted at least one completed form, so the IE did not probe to determine why any pending form was not completed.

the generator could decline to claim LLH or HLH by a simple “click” on the Submittal Form, resulting in "0" costs claimed. Generators were also provided the option of claiming Renewable Energy Certificates (“RECs”), or, alternatively, declining to do so.

As previously noted in this report, all of the data from previous years’ Programs is maintained and accessible (archived) on the website and available to the individual generator and the IE. As part of the annual review the IE compares prior filings with the 2017 submissions in order to identify any changes in Generating Facility ownership, etc., and communicates with Bonneville regarding any questions as to generator changes.

Accordingly, the IE reached out to the generators who had not registered, and those who had not provided monthly cost data. All were given the opportunity to register and complete a Submittal Form to verify they were not claiming costs, or to support the costs they claimed.

One (1) generator notified Bonneville and the IE it was not submitting costs for two (2) facilities and therefore chose not to complete submittals, and two (2) generators submitted forms claiming zero (0) Costs. One generator submitted a Submittal claiming costs, however noted on their Submittal Form they chose not to participate and withdrew the submission after the IE reached out to Bonneville personnel and determined that the generator need not provide information. The information was retained to be available in the event of regulatory review of the process.

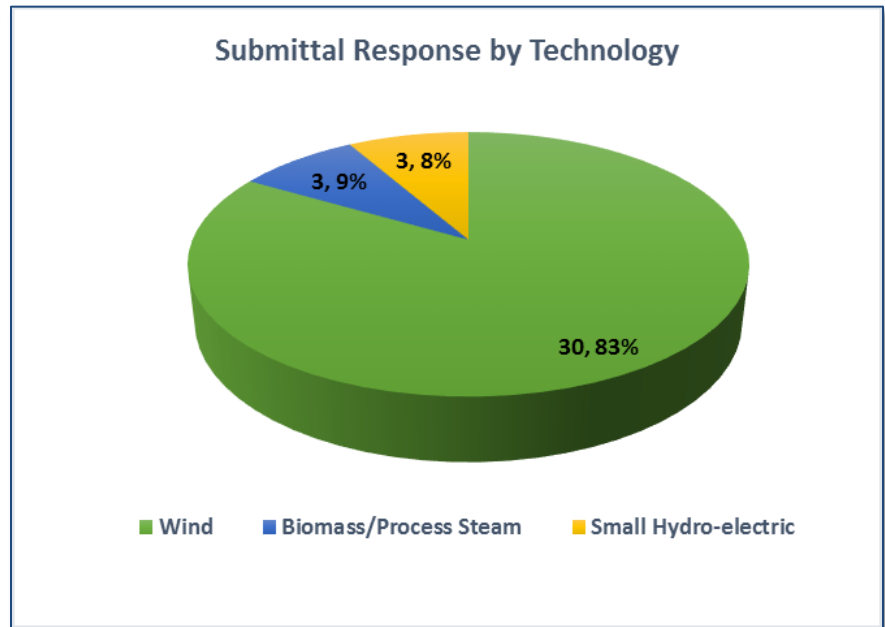
When completing the online form, generators were provided the opportunity to revise their statement of costs before submission. Also, generators are permitted to revise cost data on a prospective basis, with the revised cost data being employed two (2) months after the month in which the revision was submitted. As of the date of this report, two (2) generators submitted revised Submittals that were eligible to be included as of July 1, 2017. Once the revised submittals were eligible, the respective original submittals were withdrawn by the IE, and replaced by the newly revised submittals to be included in the Displacement Cost reports or the Pricing Reports generated each month and released on the Website to Bonneville personnel authorized to receive the information.

SUBMITTAL EXTENSION

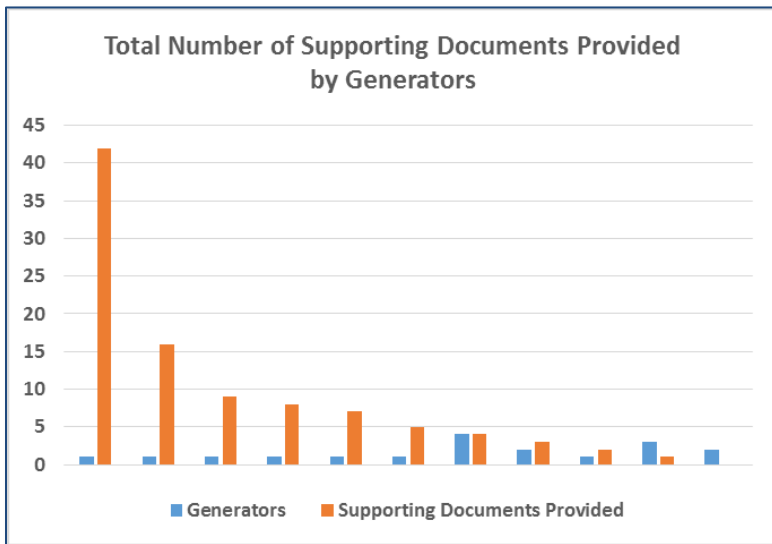
In prior years it was necessary for the IE to extend the submission period for generators. In 2017, when the initial submittal deadline passed, the IE reviewed the status of registrations and submittals, and noted that all generators registered to participate in the Program had provided sufficient information so the IE could begin review of eligibility. The IE believes the initial responses were more complete than in prior years because generators were accustomed to the process, and the filing requirements were simplified, as approved by Bonneville personnel.

SUBMITTAL RESPONSES

Eighteen (18) generators submitted thirty-six (36) Submittal Forms as shown in the *Submittal Response by Technology* chart to the right.



Generators were required to upload documentation supporting the Displacement Cost data included in their Submittal Forms.



All generators provided at least one document, with the exception of two (2) generators who did not claim costs on their Submittal. Twenty-three (23) submitted a second supporting document, sixteen (16) uploaded a third document, twelve (12) Generators uploaded a fourth document, four (4) provided a fifth and two (2) Generators

provided a sixth, seventh, eighth, ninth, tenth and eleventh document supporting each of their two (2) submittals.

IV. VERIFICATION PROCESS

The Verification Process was undertaken in a manner to minimize the burden on generators. Accion used the same model used in prior years to randomly select the submittals that would be subject to additional scrutiny. The randomization model was run repeatedly to confirm that random re-sorting occurred, and to effectively “scramble” the submittals. The submittals were entered into the process using the submission identification number, and not the name of the generator or the project name, to avoid even the appearance of predetermination.

The following **Table 1** provides the randomized ranking of the Submissions for 2017.

Table 1

182-01	0.001956413	192-02	0.64785592
178-02	0.057959741	178-01	0.674081813
184-02	0.094874648 ⁵	179-01	0.674981232
182-02	0.1288755	195-01	0.688999414
190-02	0.142693779	187-07	0.706645131
187-08	0.209217303	181-01	0.709570717
183-01	0.231055517	192-01	0.716021286
199-01	0.263233467	187-10	0.718645009
188-02	0.336895125	184-01	0.728251017
191-03	0.347026132	194-02	0.764840222
190-01	0.373148151	187-04	0.798431717
187-01	0.404397659	186-01	0.815952676
194-01	0.428025669	187-03	0.824969027
196-01	0.428069477	187-05	0.828710312
187-09	0.481344758	200-01	0.859248241
187-11	0.51808866	197-01	0.888453071
182-03	0.524868091	187-06	0.927048212
178-02	0.606203099	187-02	0.974641358

Table 2 identifies the ten (10) submissions selected for verification by the IE. These ten (10) were taken from the randomization presented in **Table 1** and reordered to be in numeric order with the name of the generator added.

⁵ This Submittal was on the randomized list of Ten (10), however, upon review of the Submittal, the Generator did not claim Costs. Subsequently this Submittal was not included, and the next Generator’s Submittal on the list was selected in its place for the Randomized Verification Process.

Table 2 FINAL SUBMISSION SELECTION FOR VERIFICATION	
Generator/ Identification Number	Facility
178-02	Redacted
182-01	Redacted
182-02	Redacted
183-01	Redacted
187-08	Redacted
188-02	Redacted
190-01	Redacted
191-03	Redacted
190-02	Redacted
199-01	Redacted

In past years, the generator for each of the ten (10) submissions selected was informed that they had been selected for verification, and a Verification Request was emailed to each randomly selected generator. Each generator was asked to complete a Verification Form detailing the cost components claimed.

The Verification Form was originally created for the 2012 Oversupply Management Protocol by Accion and reviewed by Bonneville before being presented to any generator. At the request of Bonneville, the Verification Process was

meant to be straightforward, and the Form was designed for easy completion. It did not require extensive research or lengthy detailed accounting by generators, but was limited to information that, presumably, each generator relied upon when providing their original calculation of costs.

While this form was used for all previous Program Years, it became apparent to the IE that the form did not accommodate generators with month-to-month price variation. Several generators contacted the IE because the Form did not adequately provide a way for them to show their displacement costs when it is not the same every month of the reporting period. When reviewing Submissions from a generator with varying obligations during the reporting period the IE has subsequently reached out to the generator to provide an explanation to supplement their completed Submittal Form.

The IE suggested last year that the Verification Form be modified to include additional data fields providing generators more flexibility in describing their annual commitments. The IE believed this would more accurately collect specific costs and information for the Random Verification Process, and make the process easier for generators by removing confusion about reporting commitments that are unique to the generator.

Upon further consideration and review, and consistent with a continued effort to make the Verification process as efficient and non-intrusive as possible for all parties concerned, in 2017 the IE initiated a cursory review of documentation provided, prior to requesting completion of a Verification Form for all ten (10) randomly selected generators.

Some of the generators provided additional explanations via the Website Message Board, or uploaded additional documentation. Most generators had already provided verification of their cost claims via uploads with their original Submittal Forms, which proved to be accurate.

Upon further review by the IE, one (1) generator was asked to provide additional verification of their disbursement cost claims.

Table 3 is a summary of the review of each of the ten (10) Submissions selected for verification. This is followed by a description of any instances when the IE reached out to clarify or collect additional information from generators, and the status of each verification for the selected Submissions.

**Table 3
Summary of Verification Review by Independent Evaluator as of 2017**

Submittal Number	HLH [1] ⁶	LLH [1] ⁷	Initial Response Sufficient for IE to Verify	Verification Document: PPA	Verification Document: Other	Notes
178-02	77.50	77.50	x	x		PPA with pricing information
182-01	99.69	99.69	x	x	x	Multiple Uploads: PPA, Electric Service Agreement; Schedule
182-02	101.39	101.39	x	x	x	Multiple Uploads: PPA, Electric Service Agreement; Schedule
183-01	68.50	68.50	x	x	x	PPA provided with Contract Purchase Price; Multiple additional Uploads
188-02	77.15 (Apr-Sept 2017) 79.08 (Oct 2017 – Mar 2018)	77.15 (Apr-Sept 2017) 79.08 (Oct 2017 – Mar 2018)	x	x	x	PPA provided with additional pricing Calculation explanations
190-01	32.22 (2017) 32.92 (2018)	32.22 (2017) 32.92 (2018)	x	x		PPA is provided
190-02	64.31 (2017) 65.27 (2018)	64.31 (2017) 65.27 (2018)	x	x		PPA is provided; additional information re Power Purchase Rate and Calculations
187-08	49.50	49.50	x	x	x	PPA is provided; also provided is an Invoice showing Purchase Price
191-03	102.39	102.39		x	x	Multiple Documentation supporting pricing, calculations
199-01	136.24	136.24	x	x		PPA is provided

After completing the review of the Submissions selected for verification, the IE was able to verify the Claimed Costs for nine (9) of the ten (10) Submissions with no additional information. Upon request from the IE, the remaining generator provided documented of past costs, and

⁶ Data was provided by the Generator and verified by the IE.

⁷ Data was provided by the Generator and verified by the IE.

provided several calculation charts to support pricing, but not definitive proof of future obligations, such as a PPA⁸. The IE recognizes that some generators deliver without a long term future obligation, and for that reason the IE recommends that generators affected by curtailment be required to confirm the projects were obligated to deliver during the period of curtailment.

The following provides a review of the Submittals Randomly selected for Verification.

SUBMITTAL 178-02

Required Supporting documentation provided by this generator is a Renewable Resource PPA executed on August 26, 2008 for a 20-year term. The PPA includes pricing information. Additional Supporting documentation provided is the IE Verification Form provided in 2015 with 2016 data. The IE finds this sufficient documentation to support the Claimed Costs provided on the Submittal Form.

SUBMITTAL 182-01

This generator provided four (4) documents to support its Submittal. The Required Document is a 20-year Renewable PPA dated April 14, 2008. Additional Supporting Documents include the Electric Service Agreement relating to the Facility dated April 15, 2011, and the First Amendment to same, effective December 1, 2015. Also included is a Price Summary in effect as of February 1, 2017. The IE finds this sufficient documentation to support the Claimed Costs as provided on the Submittal Form.

SUBMITTAL 182-02

This generator provided a 20-year Renewable PPA dated August 14, 2008, as a Required Document. Generators were invited to self-select documents to support claims of loss in the event of curtailment. This generator provided two documents: The Electric Service Agreement relating to the Facility and Delivery Service Schedule dated April 15, 2011, with an amended effective date of December 1, 2015, and, PUC OR No. 36 – Schedule 47 regarding Large General Service/Delivery Service. The IE finds this sufficient documentation to support the Claimed Costs as provided on the Submittal Form.

SUBMITTAL 183-01

The Required Document provided is the Index page to PPA with Contract Purchase Price redacted except for 2017 and 2018. Additional documentation is provided as follows: A Renewable Energy Credit Purchase Agreement from April 2016 to April 1, 2017; ICAP National Greene-e Bid/Offer chart; and a Karbone Bid/Ask Pricing Chart dated March 6, 2017. The IE finds there is sufficient documentation to support the Claimed Costs as

⁸ As an example, Submittal 193-03, discussed in this Report, provided multiple supporting documents, however, while a dated PPA was submitted, there was no indication the PPA remains in effect during 2017.

provided on the Submittal Form.

SUBMITTAL 187-08

This generator indicates on the Submittal Form that production from the Generating Facility is sold under a long term PPA. A redacted invoice is provided to show prices for January 2017, supporting Displacement Cost Claims. The redacted PPA with pricing is also provided, with an effective date of February 1, 2006, with a term of 20 years. The IE finds sufficient documentation to support this generator's Claimed Costs.

SUBMITTAL 188-02

This generator uploaded a PPA as the Required Document, dated and executed November 7, 2001 with an effective contract term for twenty-year (20) years. The Contract Number is noted on the PPA. Also provided is a wind payment rate interpretation of the PPA. The IE found sufficient documentation was present to support the Claimed Costs.

SUBMITTAL 190-01

The generator provided a PPA dated November 30, 2000 for a term of twenty-five (25) starting in 2003, with Attachments and Exhibits. The IE determines there is sufficient supporting documentation.

SUBMITTAL 190-02

The Required Document provided is an Amended and restated PPA dated November 27, 1996, with a term of thirty (30) years. Additional Supporting Documentation is a letter dated January 27, 2017 explaining annual basis adjustment for power purchase rate and 2017 calculations. The IE determines there is sufficient supporting documentation from this generator should displacement occur.

SUBMITTAL 191-03

Various documentation is provided by this generator; Wind Project Displacement Cost Summary Chart January 2016 through December 2016, with annual total, and a PPA dated July 14, 2009. Also provided is a confidential letter to the IE dated March 20, 2017, with detailed calculations and Project Cost of Displacement July 2017 through March 2018. Supporting Documents include same Cost Summary Chart referred to above. While a dated PPA was submitted, there was no indication that the PPA remains in effect during 2017. The IE believes that in the event of curtailment, the generator should be required to confirm that the PPA created an obligation to deliver during the period of curtailment.

SUBMITTAL 199-01

The required Document provided by the generator is a Power Purchase Agreement dated as of July 28, 2008 for a term of 15 years. The IE finds sufficient documentation to support tis generator’s Claimed Costs.

V. CURSORY REVIEW OF SUBMITTALS NOT SELECTED FOR RANDOM VERIFICATION

While the Verification Process was designed to review ten (10) randomly selected generators, the IE historically performs a cursory review of all Submittals by the generators who were not included in the Verification Process, other than those submitted by generators who opted out of the process. This review is undertaken with the agreement of Bonneville, with the goal of summarizing the quality of information provided by the responding generators.

As part of the initial Submission process, generators were required to provide documentation when costs were claimed. A majority of generators provided extensive supporting documents. The following **Table 4** summarizes the number of required and supporting documents submitted by all of the generators per submittal.

Table 4
Required and Supporting Documents Uploaded Per Submittal

Submittal Number	Zero Costs	Selected for Verification	Required Documents Provided	Support Documents Provided
178-01			1	1
178-02		x	1	2
178-03			1	4
179-01			1	3
181-01			1	4
182-01		x	1	4
182-02		x	1	4
182-03			1	5
183-01		x	1	5
184-01	x			
184-02	x			
187-01			1	1
187-02			1	1
187-03			1	1
187-04/12			1	11
187-05/13			1	11
187-06			1	3
187-07			1	3
187-08		x	1	1

187-09			1	
187-10			1	
187-11			1	
188-02		x	3	4
190-01		x	1	
190-02		x	1	1
191-03		x	1	4
192-01/03			1	
192-02/04			1	
194-01			1	4
194-02			1	4
195-01 ⁹	x		1	1
196-01			1	
197-01			1	
199-01		x	1	
200--1			1	4

In most cases this information was sufficient to complete verification, because the Supporting Documents identified the claimed displacement values. In those instances when the documentation was insufficient, the IE initiated direct contact with the generator in an attempt to complete the file. The validation of claimed costs permits Bonneville to have confidence that the costs claimed by generators are accurate.

Below, the IE summarizes a review of the submissions for the generators not selected for validation. This cursory review was conducted with the IE, in some instances, seeking information from the individual generators, beyond what was provided by each generator at the time the Submittal Form was completed. The IE found that sufficient data had been supplied in all but a few instances, as noted in each participant's submittals discussed in the following section. The Program is premised on generators providing correct data, supported by documentation requested by the IE as part of the Verification Process. This cursory review, along with the information provided in Chart 4, is provided so Bonneville has some appreciation for the quality and quantity of documentation provided by generators.

SUBMITTAL 178-01

This generator provided a completed IE Verification Form Template updated for the current Program Period to show total Displacement Cost. This Form was completed using the Verification Form from past program years as a template. In the 2017 Program year Submittal, the 2017 IE Verification of Displacement Cost Form refers to PPA prices for RECs and Energy. Upon follow-up request, the PPA was provided in July 2017. The IE finds

⁹ Submitted Costs, however, opted out.

sufficient documentation to support the Costs claimed on the Submittal Form without additional information as described in the PPA.

SUBMITTAL 178-03

This generator provided two (2) identical completed IE Verification Forms as a Required Document supporting Displacement Cost claimed on the Submittal Form. The PTC gross-up for 2017 numbers are uploaded as a separate Supporting Document. Tax Benefits Charts are included. The IE requested confirmation of an existing PPA, and it was promptly provided. The PPA was executed on May 28, 2008 with a delivery term of 15 years. Upon receiving the requested information, the IE finds sufficient documentation to support Claimed Costs.

SUBMITTAL 179-01

This generator provided three (3) Supporting Documents. The uploaded Required Documentation included with this Submission is a City of Seattle Ordinance passed on July 11, 2011, and signed by the Mayor on July 18, 2011. The Ordinance is for the purchase of attributes in the form of renewable energy certificates that are necessary or convenient for meeting the requirements of the Washington State Energy Independence Act.

Also included is an executed Standard Contract Off System PPA for a term of 20 years, for Intermittent Resources effective November 2, 2007, with highlighted text, “All energy shall be prescheduled according to customary WECC scheduling practices”.

The third document provided is a Master Renewable Energy Certificate Purchase and Sale Agreement issued September 21, 2010. This generator previously indicated that because the Verification Form does not allow for monthly HLH and LLH Prices, that if needed, an Excel file with the monthly PPA HLH and LLH prices with REC prices would be provided.

SUBMITTAL 181-01

The Required Document uploaded by this generator to support cost claims, is an “Execution Copy” PPA dated June 24, 2009 with a term of twenty (20) years. Additional Supporting Documents are: a *Karbone Pricing* sheet dated July 31, 2012; *Appendix B: Wholesale Electricity Price Forecast from Sixth Northwest Conservation and Electric Power Plan*; and *Facility-specific Cost of Displacement Methodology*. Had this been selected for verification the IE would have found sufficient documentation was present to support the Claimed Costs.

SUBMITTAL 182-03

The same information is provided for this submittal as was noted in Submittal 182-01, above, with the addition of a Membership Certificate certifying membership in Columbia Basin Electric Cooperative, Inc., and a chart of the same Cooperative’s Electric Rates,

effective October 2015. As with Submittal 182-01, the IE finds sufficient documentation present to support the Claimed Costs.

SUBMITTAL 184-01

Generator claimed zero (0) costs.

SUBMITTAL 184-02

Generator claimed zero (0) costs.

SUBMITTAL 187-02

The Required Document uploaded by this generator is a Power Delivery Invoice dated February 6, 2017, for January 2017 showing Energy Delivered under Contract. Also provided is a Wholesale Purchase and Sale Agreement, with redactions, for Wind Energy effective as of December 8, 2004 (30-year Term). The signature is visible, and an Exhibit with a chart showing contract price for scheduled energy and environmental attributes for the 30-year term. Output sold under a long term PPA, supporting documents show contract prices in effect for the 2016- 17 year. This is satisfactory to support the Claimed Displacement Costs.

SUBMITTAL 187-01

This generator provided copies of a February 8, 2017 invoice for power delivery for the months of January 2017. Additional Supporting Documentation includes a Redacted PPA showing an effective date of June 1, 2002 with the term to May 5, 2022 with an 18-year term. The output for this facility is sold under 2 long term PPAs. Explanation is provided in the Submittal Form as to how Displacement Costs are established. The purchase price and maximum Delivery Rate Chart are provided, showing 2017 but a signature page is not included. The entire PPA is redacted, other than the above information. The Calendar Year and corresponding purchase price are supported by the invoices provided.

SUBMITTAL 187-03

This generator provided a redacted copy of a February 2017 invoice for Contract Power Delivery for the month of January, 2017. A redacted PPA dated September 14, 2009, for a term of 20 years is also provided. The entire document is redacted, including the contracting party, with the exception of the effective PPA date and term.

Notes on the Submission Form refer to the uploaded Invoice and redacted PPA as support for the Displacement Cost. Contract pricing is provided for estimated purposes, available as data becomes available at the beginning of the current Contract Year and is shown on the provided January 2017 invoice.

SUBMITTAL 187-04

The Required Document uploaded by this generator are Power Delivery invoices dated February 10, 2017, for January 2017, showing Scheduled Energy Delivered per MWh. The remaining text is redacted. There are multiple supporting documents provided, including a redacted PPA dated October 5, 2007 PPA for a 20-year term, a Wholesale PPA dated October 5, 2006, for a 20-year term, a heavily redacted PPA dated June 11, 2007 with a term for 20 years, and a PPA Cover Sheet dated August 11, 2008, which is also heavily redacted. Also provided is a PPA Weighted Average for 5 PPAs as explained in the Submittal Form. This Submittal was replaced by a new Submittal 187-12 as of July 1, 2017.

SUBMITTAL 187-05

Please see 187-04

This generator provided a redacted PPA dated July 28, 2008 with cover page and an Appendix with a schedule of payments. The IE sent a message via the Website requesting additional supporting documentation, as there is no indication of the PPA term, and a signature page is not provided with the initial Submittal. The generator promptly provided the information requested. The PPA COD and term were provided when the IE requested further clarification. The IE found sufficient documentation to support the Claimed Costs.

SUBMITTAL 187-06

This generator provided a February 10, 2017 Power Delivery invoice for January 2017, showing Scheduled Energy Delivered per MWh with remaining text redacted. In addition, two (2) signed, but heavily redacted PPA's, each dated February 2, 2009, are provided for Supporting Documentation, with an explanation of how the contract price is determined. The IE finds sufficient documentation to support this generator's Claimed Costs.

SUBMITTAL 187-07

This generator provided a redacted February 2017 Invoice for January 2017. Information provided is in the same form as that provided for the above Submittal 187-06; the PPA term and effective date are provided (Dated October 15, 2007, with a term of 18 years), however all other information is redacted. The Submittal Form provides support for the Displacement Cost claimed effective March 2017, in the form of a Redacted invoice, PPA, and notification of initial energy delivery. The IE finds sufficient documentation to support this generator's Claimed Costs.

SUBMITTAL 187-09

This generator indicates on the Submittal Form that production from the Generating

Facility is sold under a long term PPA. Generator provided a redacted invoice to show prices in effect for January 2017 supporting Displacement Cost Claims for that month. A redacted PPA is also provided. The PPA has a December 2, 2009 effective date with a term of 25 years. As with Submittal 187-08, above, the invoice and PPA provide support for Displacement Cost.

SUBMITTAL 187-10

This generator's Required Document is a Transaction Confirmation Agreement dated September 3, 2014 to verify displacement costs. It confirms the Master Agreement dated February 10, 2011 between the parties. Contract price calculations are provided through 2024, and consist of Energy Price, CAISO Import Credit and Green Attribute Price calculations. Charts provided in the Agreement include Product REC Price per period, Eligible Energy Resources Summaries, and Contract Quantity for the current period.

SUBMITTAL 187-11

This generator's Required Document is a Transaction Confirmation Agreement dated September 3, 2014 to verify displacement costs. It confirms the Master Agreement dated February 10, 2011 between the parties. Contract price calculations are provided through 2024, and consist of Energy Price, CAISO Import Credit and Green Attribute Price calculations. Charts provided in the Agreement include Product REC Price per period, Eligible Energy Resources Summaries, and Contract Quantity for the current period.

SUBMITTAL 192-01

The only Required Document supporting this Submission is an email for offers from Karbone for 2017 WA RFPS RECs and 2017, which does not provide firm documentation of actual costs claimed. The IE reviewed the 2016 Submittal Documentation, in order to compare with the 2017 Submittal and supporting information. In 2016, the IE also had to contact this generator in order to verify the information claimed.

The generator edited this submittal, however, still did not provide substantive Supporting Documentation. Therefore, a request was made by the IE for additional information.

SUBMITTAL 192-02

Same information as provided for Submittal 192-01, above.

SUBMITTAL 194-01

This generator uploaded a copy of an email dated February 24, 2017, to the generator from generator Company's Tax Specialist explaining 2017 Displacement Costs and Gross-up calculations. In addition, generator provided a document showing "Weighted Average Price Calculation for Bundled Green Energy Contracts 2017". Also provided as Supporting Documentation for its Submittal is a Power Supply Transaction Confirmation

PCC 1 Bundled Green Energy Sales Agreement entered into January 27, 2017 with explanations. The final Supporting Document provided is another Power Supply Transaction Confirmation PCC 1 Bundled Green Energy Sales Agreement dated December 22, 2016. The IE Found Sufficient documentation to support the costs claimed.

SUBMITTAL 194-02

Support for Claimed Costs with the Submittal is provided via an email document explaining the “Gross up” and Displacement Costs calculations. In 2015 the IE requested additional support for the Claimed Costs, such as a PPA or agreement. The generator declined to provide documentary support for the claimed value of PTCs, asserting that the value of PTC’s is set by the IRS and is not governed by an Agreement between BPA and generator. Further, the generator adjusted the Claimed Costs based on the assertion that any payment by BPA would be income to the generator, and the generator’s tax rate required the adjustment. The generator did not provide evidence supporting the alleged tax rate.

An additional Supporting Documentation includes two (2) Power Supply Transaction Confirmation PCC 1 Bundled Green Energy Sale documents; one dated December 22, 2016 and one dated January 27, 2017.

As was the case in the 2016 Program year, the IE is unable to verify that the generator would experience a financial loss in the event of a curtailment, or what that loss would be considering the claimed tax effect. As noted, the IE recommends verification in the event of curtailment.

SUBMITTAL 195-01

This generator’s Supporting Documentation includes duplicate letters explaining the generator and Costs of Displacement. The generator provided a Submittal claiming Displacement Costs and claiming LLH and HLH Penalty Costs. Ultimately, this generator submitted energy and REC costs, but explained that it is not practical to attempt to put a cost on generation interruption, therefore, their preference is to opt out of the Oversupply Management program altogether. The Submittal was withdrawn; however, a file was created containing the Submittal information and saved to the generator’s Submittal Book to maintain a record of generator’s decision to opt out.

SUBMITTAL 196-01

A chart supporting pricing for the years 2017-2018 is provided for required documentation. Additional supporting documentation is represented by another chart, as a memo re: energy value components and a renewable PPA dated February 25, 2010, for a term of 15 years. The IE found sufficient documentation is present to support the claimed costs.

SUBMITTAL 197-01

This generator provided a REC Transaction Confirmation Letter detailing values provided in the Submittal Form, along with a Master REC Purchase and Sale Agreement that includes an obligation through the March 2017 period of this program. Terms of the transaction are authorized by a Master Green Tag Purchase and Sale Agreement between Buyer and Seller dated as of July 13, 2007 (Agreement referenced, however, complete agreement not provided as Supporting Documentation). In order to verify Displacement Costs, the IE would need current period obligations.

SUBMITTAL 200-01

The Required Document provided to support this Submittal is a *Tullett Prebon Pricing Chart* showing Peak and Off-Peak pricing dated March 20, 2017, and generator's BGC Environmental Brokerage Services Daily REC Bulletin, also date March 20, 2017. Other supporting documentation is a Karbone Pricing Chart with the same date. Also included is a pricing chart supporting periods Quarter One, 2015 through Quarter one, 2016. Had this been selected for verification the IE would not have found sufficient documentation was present to support the Claimed Costs.

VI. COMPARISON OF 2016 AND 2017 RESULTS

In 2016, eighteen (18) generators filed thirty-six (36) Submittals of which thirty-four (34) provided the Required Document(s). Of the thirty-five (35) Submittals that included Required Documents, fifteen (15) also included additional Supporting Documents and one (1) Submittal claimed costs on their Submittal Form, but also indicated they were not claiming Displacement costs should curtailment occur. Ten (10) Submittals were selected for random verification, thus there were twenty-six (26) Submittals that were not part of the random Verification Process.

As in 2016, in 2017 the IE also conducted a summary review of the filings provided for the submissions that were not selected for verification. In 2017, as the previous year, eighteen (18) generators filed thirty-six (36) Submittals, of which all Submittals included at least one Required Document. Of the thirty-six (36) Submittals that included Required Documents, sixteen (16) also included additional Supporting Documents. Three (3) generators' Submittals claimed zero costs, and one claimed costs on their Submittal Form, but decided not to claim

Displacement Costs should curtailment occur.

VII. CONCLUSIONS

The IE randomly selected ten (10) submissions for the annual Verification Process. As part of the Submission process, each generator was required to provide supporting documentation of their choosing. After reviewing the documents proffered with the Submissions, the IE contacted three (3) of the selected generators and requested that they provide additional documentation because the initial submission was insufficient for the IE to complete the Verification.

Ultimately, the IE determined that nine (9) of the ten (10) Submissions randomly selected for verification had sufficient documentation to enable the IE to affirm the Submissions. One generator's costs could not be immediately verified. This generator only provided documentation to support specific cost calculations for a specific market term, including invoices and pricing information. As noted previously, the IE reviewed the 2016 Submittals, in order to compare 2017 Submittal documentation, and contacted the generator to confirm documentation. The information and claims are consistent in both program years.

REQUIRED DOCUMENTATION

This Program year the IE simplified the process for generators by reviewing the completed Submittal Forms, and Required and/or Supporting Documentation prior to reaching out to the generators selected for Random Verification. In this manner, the generators who provided sufficient support for the data collected in their Submittal Forms, were not required to complete additional forms, or submit further Documentation for Verification. The IE proceeded to reach out to the generators singularly, if additional support was needed for their claimed Costs.

With each consecutive year, an increased number of generators provide additional documentation. Similarly, some generators only make market sales therefore it remains challenging to provide an easy way for that to be reported. The need for clarifying exchanges remains; however, there is consistently less need for additional clarifications as most generators have participated in the Program for several years, and are therefore more familiar with the documentation required. The IE finds that generators are cooperative and, for the most part, receptive to requests for verification as needed.

The IE continues to suggest providing a list of preferred or acceptable Supporting Documents to assist generators in establishing the value of loss in the event of Curtailment, such as a firm PPA, or other agreement that would definitively verify their Cost Claims.

GENERATORS/CONTACTS

In the IE's Report to Bonneville on its Review and Validation of 2016 Filings, the IE identified that improved coordination with Bonneville regarding changes in generators and

contacts was an issue that would increase the efficiency of managing the Oversupply Program Submittals, and any subsequent requests for data verification. This Program Year the IE worked more closely with BPA in order to update the generator contact information before this reporting cycle. Having the latest contact information when the new Program Year was launched, and when starting the review process, improved the initial response rate and avoided the need to have numerous conversations with generators to identify the point of contact when personnel changes occur.