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May 30, 2014

***Via E-Mail***

Tech Forum  
Bonneville Power Administration  
905 NE 11<sup>th</sup> Avenue  
Portland, OR 97229

Re: ICNU's Comments on BPA Staff's BP-16 Balancing Services Definition Straw Proposal of May 13, 2014

Dear Tech Forum:

The Industrial Customers of Northwest Utilities ("ICNU") welcomes this opportunity to submit comments on the Bonneville Power Administration's ("BPA") Staff Straw Proposal on Balancing Services of May 13, 2014, Ancillary and Control Area Services ("ACS") Practices Forum workshop. ICNU is a non-profit trade association representing large industrial energy users in the Pacific Northwest, including industrial facilities with cogeneration resources that receive Dispatchable Energy Resource Balancing Services ("DERBS") from BPA. Accordingly, ICNU has an interest in understanding how BPA's straw proposal, including the proposal for a new "reliability tool," would impact cogeneration resources. ICNU believes that cogeneration resources, which may not be able to respond to reliability or curtailment orders, should be exempt from the application of the proposed reliability tool.

The output from cogeneration resources is driven primarily by industrial processes. This means that cogeneration facilities cannot respond to reliability orders without impacting the underlying industrial process. A curtailment order to a cogeneration resource could require a facility to interrupt or even shut down its entire industrial process, potentially creating significant costs, or causing an industrial facility to operate in a manner beyond ordinary safety parameters. In addition, the change in the underlying industrial load that would accompany compliance with a curtailment order could have unintended and unforeseeable consequences that might further complicate the reliability event that BPA would be attempting to manage.

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ICNU appreciates the opportunity to submit comments on BPA's straw proposal and looks forward to working with Staff to address the application of BPA's proposed reliability tool to cogeneration resources and other issues related to balancing services.

Sincerely yours,

/s/ Josh D. Weber

Josh D. Weber

cc: Daniel Fisher, BPA  
Tom Coatney, BPA