



DEPARTMENT OF ENERGY  
**Bonneville Power Administration**  
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**Transferred Frequency Response Draft RFP and Contract**

**Bonneville Power Administration Comments**

Submitted by: Jason Weinstein, Power Services Long Term Sales and Purchases (503) 230-3892

Bonneville appreciates the opportunity to provide CAISO comments on the draft RFP and contract for Transferred Frequency Response. Bonneville has concerns about compensation to the Seller if CAISO terminates the contract for convenience and the form of the performance documentation the Seller is required to provide to the CAISO.

If CAISO terminates the Transferred Frequency Response contract for reasons other than non-performance the Seller should be partially compensated for the remaining compliance year as the Seller will not be able to enter into additional contracts for Transferred Frequency Response after the start of the compliance year. Bonneville proposes the following language for section 2.2.2 to accurately reflect the value of the Transferred Frequency Response:

In the event of termination under this section by CAISO, CAISO shall be required to pay Seller for frequency response service actually provided by Seller for each month including partial months of the Contract Term that have been provided by Seller hereunder prior to the effective date of a termination under this section. CAISO shall also be required to pay Seller for 50% of the Contract Price on the remaining Contract Term after the effective date of the termination under this section.

Bonneville has concerns about using the FRS Form 1 and Form 2 to demonstrate compliance to the CAISO. These forms were developed for the BAA to submit compliance information to NERC and Bonneville has concerns about submitting compliance information to any entities other than NERC. FRS Form 1 and Form 2 contain additional internal information regarding contingencies and outages that is not essential to the Seller's performance of the Transferred Frequency Response obligation. Bonneville proposes the following language for Section 4.4 to clarify the Seller's obligations for reporting the Seller's response to each frequency disturbance event

Seller shall provide Buyer with quarterly written notices attesting to the fact that Seller has met the obligations contained in Section 4. Attestations shall also state Seller's status towards meeting its annual Frequency Response Obligation. Seller's quarterly attestations shall be provided to Buyer within 30 days of receiving NERC frequency event reports, provided that Seller shall send to Buyer its fourth and final attestation no later than March 17, 2018.

Thank you for considering Bonneville's proposed changes to the Transferred Frequency Response Agreement.