



January 22, 2013

My name is Walt Jones. I am the Assistant General Manager – Operations and Engineering at Intermountain Rural Electric Association (IREA). IREA is a member-owned electric distribution cooperative serving over 140,000 members in ten counties to the east, west, and south of Denver, Colorado. IREA is one of the largest distribution cooperatives in the United States. IREA currently receives a nominal 30 MW allocation from Western Area Power Administration (Western).

In general IREA supports the comments of the Colorado River Energy Distributors Association (CREDA), the American Public Power Association (APPA) and Tri-State Generation and Transmission with regard to the JOT recommendations published on November 20, 2012. In addition IREA has the following comments:

Recommendation 1) Determination of regulation reserve capability. IREA believes that if a review of the available reserves of the federal hydropower projects shows that there is extra reserve capacity, that extra capacity should be used to increase the amount of power available for use by the entities that have paid for the federal hydropower projects, the preference customers.

Recommendation 2) Consolidation of Western's OASIS sites. IREA would support this recommendation if the consolidation reduces duplicative costs, provided that this recommendation is not an attempt to standardize the transmission rates among the western regions.

Recommendation 3) Revise Western's Large Generator Interconnection Procedures (LGIP) to conform to the changes recommended by WestConnect's LGIP Work Group. IREA believes that this recommendation should be the subject of a new Federal Register Notice and comment period during which time specific proposals can be discussed. IREA would not support revisions to the LGIP that benefit third party generation connecting to Western's transmission system at the expense of the preference customers.

Recommendation 4) Conduct a study of Western transmission and ancillary service rates and determine the appropriate level of potential consolidation of transmission rates. IREA does not support this recommendation because of the diversity in the regions and the likelihood of cost shifting.

Recommendation 5) Identify the best rate setting methodologies and explore the potential to harmonize rate setting methodologies. IREA does not object to the idea of consistent rate setting methodology, as long as the cost methodologies for the different regions are determined by each region's actual costs.

Recommendation 6) Integrated Resource Plan (IRP) guidelines and training. IREA has worked closely with Western regarding IREA's IRP reporting and it is IREA's opinion that the IRP reporting should remain a collaborative process conducted between Western's regional offices and the reporting entities.

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5496 North U.S. Highway 85 / Sedalia, Colorado 80135
Telephone (303) 688-3100





Recommendation 7) Infrastructure Investment Study. IREA supports periodic studies of the state of Western's infrastructure but joins other respondents with concerns about the "commercial value" language that is included in the draft recommendation.

Recommendation 8) Conduct a study to identify combined transmission system opportunities. IREA has no comments about this recommendation, but believes that Western already identifies and implements system opportunities.

Recommendation 9) Conduct a study to explore moving to a flow-based environment. IREA is concerned that this recommendation is another attempt to move the western interconnection closer to a Regional Transmission Organization (RTO) that issues top down directives with little regard for the opinion of those entities doing business in the western interconnection.

Recommendation 10) Study the feasibility of transitioning the Electric Power Training Center (EPTC) to the National Renewable Energy Laboratory's (NREL) facility. IREA believes the EPTC mission is to train power system operators and the NREL mission is to study renewable energy. The training of power system operators is an appropriate use of preference power customers' funds, and we see no benefit to changing NREL's mission.

Recommendation 11) Western should work with others to coordinate the implementation of 15-minute scheduling. IREA has no comment on this recommendation.

Recommendation 12) Western should evaluate the benefits and costs of Ace Diversity Interchange (ADI), Reliability Based Control (RBC) and Dynamic Scheduling System (DSS) and if appropriate proceed with implementation. IREA has no comment on this recommendation.

Recommendation 13) Undertake a study to determine the costs and benefits of Western's participation in an energy imbalance market (EIM). Many of the benefits identified in the EIM study are due to measures that are already being implemented. IREA believes that further studies of an EIM should be delayed until the 15-minute scheduling and other measures are implemented and then if a study of an EIM seems appropriate, Western should only consider participating if the benefits to Western clearly outweigh the costs.

Recommendation 14) Establish a Renewable Energy Liaison position within Western's Renewable Resource Program office to facilitate renewable energy interconnection to Western's transmission system for Native American tribes and other customers and stakeholders. IREA is concerned that this is an effort to use the Western transmission system to support the integration of variable energy resources at the expense of preference power customers. The new position and the work done to facilitate the connection of non-hydro renewable resources represent costs that should be borne by the intermittent generation that may seek to connect to Western's system, and not by the preference customers.

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