

**Transmission Business Line  
Contract Lock Customer Forums  
March 10, 2003**

**Meeting logistics**

Meeting opened at 8:35 a.m. at One Park Place, 7600 NE 41st, Room 301, Vancouver, WA. The meeting concluded at 11:00 a.m. See the meeting agenda at.

<http://www2.transmission.bpa.gov/business/ContractLock/3-10-03MeetingAgenda.pdf>

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The next meeting is **March 17**, 9:30 to 4:00 p.m. at BPA Headquarters Building, 905 NE 11<sup>th</sup>, Rm 122, in Portland, Ore.

BPA has created a web page specifically for Contract Lock issues and meetings. That web site is located at:

<http://www2.transmission.bpa.gov/business/ContractLock/default.cfm>

Included on the web page are links to the March 10 meeting presentations.

Information released at the March 10 meeting by TBL includes:

- ATC for North of John Day
- Big Ten assumptions for NT Rights
- Additional Assumptions for NT Rights
- West Side Generation for NT Rights

All are available at the Contract Lock web site.

**Purpose of Contract Lock**

In response to issues raised by FERC restructuring initiatives such as RTO West and Standard Market Design, BPA Transmission Business Line's transmission customers have asked that TBL lock certain aspects of existing network transmission (NT) and point-to-point (PTP) service so that future changes to locked provisions would be by mutual agreement only.

**Executive Summary**

The purpose of the March 10 meeting was to further describe TBL's H/K methodology, how that applies to ATC and how that allows the TBL to manage federal transmission resources. The topic was first discussed at the Feb. 24 Contract Lock meeting. John Anasis, TBL, explained at the March 10 meeting the methodology and, specifically, how it applied to ATC at the North of John Day constrained path. Other Contract Lock issues were not discussed.

Anasis worked from the document titled Big Ten Assumptions, located at the Contract Lock web site at <http://www2.transmission.bpa.gov/business/ContractLock/3-10-03BigTenAssumptions.pdf>. It shows the steps in a mathematical format to calculate the effective NT Rights using H/K for each project.

- Bullet 1: The methodology first removes total PTP contracts from WNP2 (Columbia Generation Station) nameplate rating. That leaves about 600 MW of generation available for service to NT customers.
- Bullet 2: This is total of NT contract forecasts minus non-federal NT resources or the amount of NT load served by federal resources ( $y$ ). ATC for NOJD (<http://www2.transmission.bpa.gov/business/ContractLock/3-10-03NorthofJohnDay.pdf>) is a summary of NT load forecasts by month.
- Bullet 3: Project output for NT demands, without Dworshak Dam.
- Bullet 4:  $W_c$  = load for a specific NT customer. ATC for NOJD is basically the subtotal of all  $W_c$ . Projected project output of the Big 10 resources, excluding WNP2, Dworshak and the Willamette Valley.
- Then TBL applies H/K data and divides up the Big 10 resources using that data. The result is the bottom table on the document ATC for NOJD at each of the ten resources. The table =  $X_p$  on "Big Ten Assumptions."

Although not part of the H/K methodology, netting is a part of calculating the final ATC. There are some combinations that show flow across a flowgate, but there are other combinations that show flow in the opposite direction. NERC and WECC standards, Appendix I, dated June 2001, is the basis for netting ATC.

TBL does not plan to file the H/K methodology with FERC, nor will it lock it down for 20 years.

One issue raised again at this meeting is whether the TBL has determined the relative costs and benefits of the H/K methodology. Is this methodology to allocate use on a path the cheapest way? If TBL cannot meet transmission requests, there is lost revenue. There are also costs of system upgrade alternatives to meet requests. Is re-dispatch a lower cost than system upgrades? TBL said that type of analysis, while useful, would be difficult because it requires a sophisticated generation dispatch model the TBL does not have.

Dennis Oster, TBL, said the MOA between the TBL and PBL is still in progress and could take up to another week before it is completed. That MOA will be referred to in replacement agreements, but not incorporated.

The next meeting is March 17, 9:30 a.m. to 4 p.m. at BPA Headquarters in Portland. Agenda includes:

- discuss public issues
- go over newer version of the replacement contracts
- rate treatment

**Action Items:**

- Anasis will provide a breakdown of types of contracts for PTP and NT. Will provide information by customer at customer request. Customers should contact their TBL Account Executive to request the information.
- TBL will research how WNP2 is distributed, particularly with Slice customers.
- TBL will show TTCs, amount of netting. NT, non-NT, netting by path by month by the end of this week.
- TBL will provide a map to illustrate location of cutplanes used in TBL's analysis.