

Transmission Regional Dialogue Issues Team

Network Integration Transmission Service (NT) Business Practice Updates

Posted for discussion at the

June 11, 2009

Customer Meeting



NT Business Practice

- **Objective**
 - Outline high level NT procedures

- **Regional Dialogue and Renewable Portfolio Standards Implications**
 - Define relationships between the NT procedures and Regional Dialogue and RPS

- **Next Steps**
 - Updated NT business practice released in late June. The NT business practice will also cover administrative details (e.g., deposit requirements)
 - Customer comment period



NT Business Practice: Background

- **Business Practices (BP) provide policy and procedures for doing business with Transmission Services**
 - All business practices can be found at <http://www.transmission.bpa.gov/>
 - Most NT requirements are currently defined but spread throughout various business practices
 - Transmission Services has identified the need to create a single NT business practice

- **Reservation Agent**
 - Customers may elect to use a third party to submit Transmission Service Requests (TSR) over OASIS on their behalf
 - Reservation Agent: Transmission Services will submit TSRs on behalf of NT Customers, if requested.
 - LTF Reservation Agent Agreement required
 - Up to three Long-Term Firm TSRs per year
 - For further details, see the Reservation & Scheduling Agent Business Practice



NT Business Practice: Background

- **Order 890 Requirements**
 - Transmission Services filed a new Open Access Transmission Tariff with FERC in October 2008
 - The filing changed several aspects of doing NT business with BPAT. For example:
 - Attestation requirement
 - Off-system sales information requirement

- **Regional Dialogue Impacts**
 - Regional Dialogue choices will impact NT TSRs. For example:
 - Designating non-federal Network Resources
 - Above-High Water Mark decisions

- **The NT Business Practice will include:**
 - Load and Resource Forecasts
 - Designation and Undesignation of Network Resources
 - New Network Load
 - Reservation Priority for NT Requests
 - Secondary Network Service



NT Business Practice

Request Type	NT Customer Action	Regional Dialogue Considerations
<p>Load and Resource Forecasts</p> <p>NT customers submit Load and Resource Forecasts in order for TS to anticipate and plan for future NT transmission needs</p>	<ul style="list-style-type: none"> - No OASIS request currently required - Load and Resource Forecasts must be submitted at least annually and for any material changes - All submissions must be sent to Agency Load Forecasting (KSL) 	<ul style="list-style-type: none"> - Similar requirements between Transmission Resource Forecasting and Regional Dialogue contract Ex. C - Load forecasts also used in above-HWM calculations - Load and Resource Forecasts are critical for updating BPAT's planning for NT service
<p>Designation of a New Network Resource (DNR)</p> <p>NT customers designate Network Resources to serve Network Load on Long-Term Firm Transmission</p>	<ul style="list-style-type: none"> - OASIS request required, which must include: - Signed statement attesting that the NT customer owns the resource or has a power purchase agreement in place and the resource will be used to service the customer's Network Load - Description of the resource (different requirements for on and off system resources) - Market purchase DNRs must meet the data requirements outlined in OATT section, 29.2 	<ul style="list-style-type: none"> - Power Services and NT customer requests receive similar treatment - NT customers must submit DNRs for any non-federal Network Resources used to serve their Network Load - Power Services must submit DNRs for resources used to serve both Tier I and II loads
<p>Undesignation of Network Resources</p> <p>NT Customers must undesignate a Network Resource in deliver the designated Network Resource to another parties load</p>	<ul style="list-style-type: none"> - Submit an email to tblresdesk@bpa.gov. No OASIS request required. - NT customers lose their right to any capacity for the third party that has been undesignated - BPAT awaiting ruling from FERC on undesignations for less than a year - PTP transmission is required to move the resource to the third party load 	<ul style="list-style-type: none"> - NT customers may request to undesignate non-federal Network Resources - Power Services may request to undesignate its Network Resources



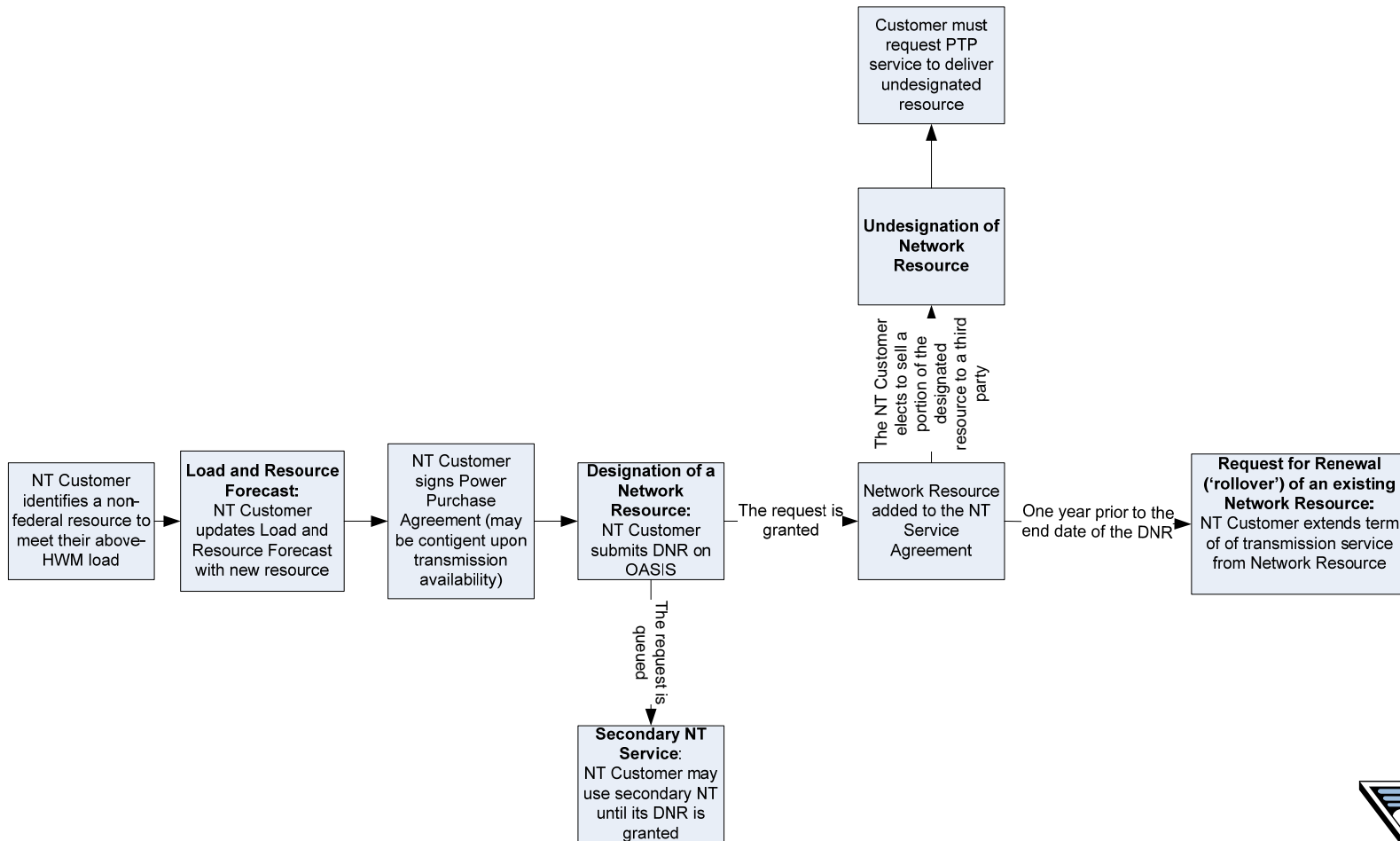
NT Business Practice

Request Type	NT Customer Action	Regional Dialogue Considerations
<p>Secondary NT Service: NT customers request the delivery of energy to Network Loads when firm NT transmission is not available</p>	<ul style="list-style-type: none"> - Secondary NT must be requested on an hourly basis (up to 24 hours per request) - Highest non-firm curtailment priority 	<ul style="list-style-type: none"> - NT customers not taking Transmission Scheduling Service will request secondary NT - Power Services will request secondary NT for those customers taking Transmission Scheduling Service (Regional Dialogue contract, Ex. F)
<p>Request for Renewal ('rollover') of an existing Network Resource NT customers have the right to continue transmission service associated with a renewed power purchase agreement</p>	<ul style="list-style-type: none"> - OASIS request required - TSR submittal required one year prior to the end date of the designated Network Resource 	<ul style="list-style-type: none"> - NT customers must request rollover for both federal and non-federal resources. - NT customers must request rollover to move from subscription to regional dialogue contract - PS must rollover power purchase agreements
<p>Request for Renewal of an existing NT Transmission Contract NT customers have the right to continue to take transmission service when their NT Service Agreement expires.</p>	<ul style="list-style-type: none"> - OASIS request required - TSR required one year prior to the expiration date of the NT Service Agreement 	<ul style="list-style-type: none"> - No impacts to Regional Dialogue



NT Business Practice: Relationship Between NT requests

Assumes an existing NT customer with an NT service agreement that already includes their Network Load



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NT Memorandum of Agreement (NT MOA) Updates

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NT MOA: Background

- *The NT Memorandum of Agreement (NT MOA) between BPA Power and Transmission Services establishes the procedures, terms, and conditions to manage the transmission arrangements for power delivery from the resources designated in the MOA to NT customers*
 - The NT MOA includes all Network Resources owned or purchased by Power Services that are used to serve NT Load.
 - The NT MOA is the mechanism Power Services uses to add new Network Resources to meet its NT load obligation
- The NT MOA expires in October 2011. BPA's intends to renew the agreement at that time
- Power Services will procure additional resource output to meet BPA's firm load obligation
- Power Services must submit a Designation of a Network Resource to add a new Network Resource to the NT MOA:
 - Same requirements as an NT customer request (e.g., attestation)
 - Processed in queue order
 - ATC evaluation and sub-grid check
- Power Services DNRs may be included in Network Open Season (if applicable)



NT MOA: Future Resource Additions

- Transmission Services will evaluate all future NT MOA resource additions in a consistent manner
- No distinction will be made between resources serving above or below HWM load
 - ATC Evaluation Assumption: PS resources will serve all NT customers
- If a DNR request submitted by Power Services is granted, the Network Resource will be included in the NT MOA



NT MOA: Exchange Concept Power Perspective

- BPAT and BPAP have been approached about a possible exchange agreement, utilizing the principles and procedures of the NT-MOA
- Power Services has identified potential administrative benefits that warrant further discussion of exchanges in furtherance of Regional Dialogue policy objectives: promotion of infrastructure development, customer support, simplicity and advancement of national objectives.
 - BPA is willing to explore the exchange concept for resources specified in customer's power sales contract
 - Consideration for exchange will be determined based on resource facts and attributes
 - Resource must meet BPA OATT standards for Designated Network Resource
 - BPA is not currently expecting to discuss exchanging unspecified resources
- BPA does not seek to provide economic incentives for customers to purchase exclusively from BPA at Tier 2 rates.



NT MOA: Exchange Concept Transmission Services Perspective

From a Transmission perspective:

- Adding 'exchanged' non-federal resources to the NT MOA will be treated like any other Power Services request for new Network Resources
 - The resource is assumed to serve all NT customers
 - The DNR must be submitted by Power Services
 - All terms and conditions must be consistent with the Open Access Transmission Tariff
- Power Services will include all NT MOA Network Resources (Exchange resources, Federal Hydro System, etc.) in their annual resource forecast updates to Transmission Services
- Any resource additions to the NT MOA are subject to an Available Transfer Capability (ATC) evaluation by Transmission Services
 - DNRs are processed in queue order
- Transmission Services will treat all 'exchanged' resources in a consistent manner

