

# Consolidation (API 5.d R09015)

July 16, 2015



# Timeline

- API 5.d – discussed at May OS face to face
  - Assignment given at May OS
    - Present draft language at June Face to Face - Completed
    - Subcommittee review and decide if additional standards need to be drafted - Completed
    - Per June Subcommittee meeting, further clarification and incorporation of principles from June meeting to be done for July Face to Face
    - Updated recommendation, examples, issues documentation to be presented at July Face to Face in Pennsylvania.

# Subcommittee Principles for Consolidation

- The following principles were agreed upon at the May OS Face to Face in Vancouver BC.
  - The Consolidation should be allowed the flexibility of an Original reservations
  - Consolidations shall be for Unconditional FIRM PTP Reservations
  - Rollover Rights will remain with the Parent reservation
  - CCO's will not be permitted to Consolidate
  - Consolidation will be allowed to Redirect
  - Consolidated Reservation shall “stand on it's own” and will be decoupled from the Parent Reservations
  - Resale Definition will need to be updated so that a Resale is only applicable to a third party
  - This new functionality will be included in the Preemption and Competition work being done.

# Current Recommendation Approach

- To consolidate different service increments
  - For Transmission Customers it would be helpful to have the ability to consolidate multiple service increment reservation to better manage transmission inventory on a Month ahead, week ahead and daily horizon.

# Remaining Issues Needing Resolution

- Should we allow the parent reservations of a consolidation to have multiple service increments?
  - If Yes, what should the consolidation increment be?
    - **Option 1** - Highest service increment: there is an issue with the subsequent Redirect that may be perceived as gaming by increasing your service increment priority which could therefore effect any Competition that may occur in the conditional window.
      - Example: This could mean that if a Long Term reservation is consolidated with a monthly reservation, the Consolidation Service Increment could be Yearly, but the length of the consolidation is one month.

# Remaining Issues Needing Resolution

- **Option 2:** Lowest service increment: there is an issue with the resulting consolidated reservation having a longer length of service for that service increment than is allowed in the normal marketing processes.
  - Issues raised for Option 2:
    - If redirected the service increment could be moved to a higher priority due to the duration of the redirect reservation.
    - If redirected the lower increment could mean the redirect is conditional longer.
- **Option 3:** Could we base the service increment on the actual duration of the consolidation?
  - How would this work? What mechanism would we have to put in place to manage this?

# Remaining Issues Needing Resolution

- Should we allow the parent reservations of a consolidation to have multiple service increments?
  - If Yes, what pricing do we transfer from the Parent reservation to the consolidation?
    - Do we track all pricing or do we blend?

# Remaining Issues Needing Resolution

- Should we allow the parent reservations of a consolidation to have multiple service increments?
  - If No, Then the service increment and pricing issues are not relevant because the service increment would match for all parent reservations and so would the price so that specific meta data would transfer from the parent reservations to the consolidation.

# Remaining Issues Needing Resolution

- Do you see any additional benefits or concerns with consolidating multiple service increments?
  - Yes
  - No
  
- BPAP would prefer to be able to consolidate multiple service increments that are Unconditional FIRM PTP reservations. For BPAP it is a matter of consolidating into 4 buckets of transmission like we do today for one per service increment, or up to two reservations (Consolidated reservation and Preschedule reservation) if allowed to consolidate multiple service increments.

# Remaining Issues Needing Resolution

- **Do any attributes go from the consolidation to the Redirect?**
  - The Redirect from a Consolidation must specify the following data in the redirect request:
    - For Firm Redirect
      - See WEQ 001-9-5 through 001-9.53
    - For Non-Firm: WEQ 001-10-1.5 says
      - SERVICE INCREMENT=HOURLY
      - TS\_CLASS=SECONDARY
      - TS\_TYPE=POINT\_TO\_POINT
      - TS\_PERIOD=FULL PERIOD
      - TS\_WINDOW=FIXED

# Remaining Issues Needing Resolution

- What is the difference between 5 daily reservations and a single reservation of 5 days?
  - Is this really an issue?

# Draft Language

- Drafted new BPS language consistent with Subcommittee principles
- Updated draft language based on Subcommittee comments in June
- Will present draft language at July OS Face to Face