

Defender Reservation True-up (aka Defender Mitigation)

1. Background
2. Proposed Draft Motion to Replace Motion 32



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Review options considered

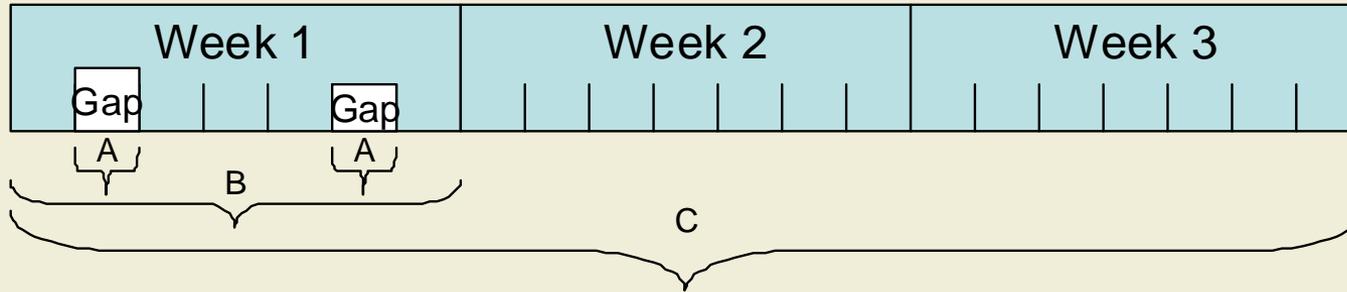
What portion of the defending reservation can be mitigated?

- A. Only the gap(s) left by the recall
- B. Only the segment(s) containing the gap(s) left by the recall
- C. The entire reservation

What preemption actions are eligible for mitigation?

- A. Only confirmed defenders who attempt to match and can't due to another defender beating him to all available ATC.
- B. Only defenders under A above and/or those confirmed defenders who get preempted without a chance of ROFR.
- C. Defenders under A and/or B above, and/or those defenders who have a right to ROFR, but choose not to match.

Concepts Revisited



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■ Most Recent History

■ Feb 20-21 NAESB OS

Task Force proposed a new standard with a discretionary component and mandatory component

■ Discretionary:

TP discretion to implement more expansive standard through respective TPs business practice. (see previous slides for options)

■ Mandatory:

Develop minimum standard to broadly apply to all TPs

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Two Part Motion

Discretionary portion:

At the election of the TP such TP may, through its business practice standards, offer to the Defender with a confirmed reservation subjected to Recall or Displacement as a result of the Preemption and Competition process, the option to reduce some or all of the remaining capacity on the preempted reservation to an amount below the capacity remaining after preemption.

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Two Part Motion con't

Mandatory Portion:

A Defender with ROFR that elects to exercise ROFR during the Preemption and Competition process shall also be given the opportunity to simultaneously submit a revised transmission service capacity profile for the time periods subject to recall which may be at or below the service capacity remaining after preemption, indicating the final amount of service to be held by the Defender in the event the MATCHING request is denied due to other simultaneous matching opportunities being exercised by other Defenders.

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Two Part Motion con't

Mandatory portion con't:

The TP shall be obligated to either grant the MATCHING request in full or, if infeasible, to reduce the remaining transmission service obligation held by the Defender to the amount so indicated by the Defender.

Justification

- Entergy already has a process and business practice in place that allows a Defender with a confirmed reservation with or without ROFR to reduce its full remaining reservation to zero.