

NAESB OS Preparatory Workshop

November 13, 2013



Meeting Agenda

- Review Motions from October NAESB OS Meeting
- Review Individual Assignment Workgroup Updates
 - NITS
 - Non-Firm
 - Timing/Flowchart
- Other
 - OASIS Notification (Marie Pompel)
 - Tagging (Robin Cross)
 - Review November 2013 NAESB OS Agenda

Approved Motions from the NAESB OS October Meeting

- Motion 67
 - Rescind Motion 2
 - Motion 2 – ‘A valid challenger must be for a fixed capacity over the term of the request’
- Motion 68 (Replacement of Motion 2)
 - For Tier 2 vs Tier 2 and Tier 4 vs Tier 4 preemption and competition, a valid challenger must be for a fixed capacity over the term of the request. This applies to higher service increment, to lower service increment, as well as within a service increment. Tiers 1 and 3 challengers may have profile segments of varying values.
- Motion 69
 - If Preemption of a Tier 5 reservation is required to grant service to a Tier 4 request, such Preemption must take place no later than one hour prior to the start of the Tier 5 reservation.

BPA voted in favor of all 3 motions.

Non-Firm Assignment Topics

- BPA's non-firm ATC Allocation Model
- 'Protected Status' Tier 4 vs. Tier 4
- Motion 68 Tier 4 vs. Tier 5 (Protected Status between Tiers)
- Non-Firm Hourly Match Time of 10 minutes
- BPA's leanings
 - Preemption of Reservation after Start of Service
 - WECC Interchange BP standard
 - BPA application

Non Firm ATC Allocation Methods (Pre-Schedule)

Single Bucket	Two Buckets	Three Buckets	Multiple NF Buckets
<p>Firm and Non-Firm PTP and NT all compete in the same bucket. Table 4-3 fully applies. Higher priority Tiers preempt lower priority Tiers.</p>	<p>Firm NT and PTP all compete in the Firm Bucket</p> <hr/> <p>6NN and Non-Firm PTP all compete in the same Non-Firm bucket. Tier 3 preempts Tier 4</p>	<p>Firm NT and PTP all compete in the Firm Bucket</p> <hr/> <p>6NN has its own bucket</p> <hr/> <p>Non-Firm PTP all compete in the same bucket.</p>	<p>Firm NT and PTP all compete in the Firm Bucket</p> <hr/> <p>6NN has its own bucket</p> <hr/> <p>Monthly NF</p> <hr/> <p>Weekly NF</p> <hr/> <p>Daily NF</p> <hr/> <p>Hourly NF</p> <hr/> <p>Secondary NF</p>

BPA's Method for C&P for Non-Firm

Because of the BPA non-Firm ATC Allocation Method:

- BPA does not conduct C&P between non-firm Tiers
- Tier 3 would never be required to bump lower Tiers to acquire capacity
- BPA would not conduct C&P within a given non-firm Tier
- Within Tier 4, BPA would only conduct C&P within it's non-firm ATC buckets by service increment
 - Monthly vs. Monthly
 - Weekly vs. Weekly
 - Daily vs. Daily
 - Hourly vs. Hourly

Protected Status – Tier 4 to Tier 4

- Proposed/Presented Language for Like Tier Competition (ROFR) scenario
 - Competition will not be initiated between a Tier 4 request and a confirmed Tier 4 reservation after the earlier of 1 hour prior to scheduling deadline or 1 hour prior to commencement of service, plus the prevailing Defender response time.
- The above language needs to be modified to account for the Challenger response time. (See Table 4-2)
 - BPA uses the scheduling deadline as described in WECC INT-003 (by 3 p.m. of the WECC pre-schedule day)

Protected Status Between Tiers

- Ken's Motion – Motion 69
 - Timing for Protected Status is 1 hour prior to reservation start (Tier 4 to Tier 5)
 - Tier 3 to lower Tiers will be addressed through the NITS Assignment
 - Motion language similar to the Motion 68
 - BPA's preference would be Motion language tied to the scheduling deadline (WECC INT-003 BP)

Defender Response Time

- Hourly Non-Firm PTP (ROFR) Competitions, proposed language:
 - ‘A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request **within 10 minutes** for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider.’

BPA is generally supportive of this language

Preemption After Start of Service

- Section 14.7 of pro forma tariff and BPA OATT

‘The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly or indirectly interconnected with Transmission Provider’s Transmission System.

The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4.’

Preemption After Start of Service, cont'd

- 14.7 cont'd
 - Cannot preempt a non-firm reservation after the reservation start time
 - BPA will vote to retain the TP discretion outlined in 14.7
 - BPA interprets 14.7 as actions (e.g. curtail and interrupt) associated with schedules and tags
 - If a path is over-scheduled at 20 minutes prior to the hour, BPA will perform next hour congestion management to interrupt (curtail) schedules according to NERC priority in order to accommodate a higher NERC non-firm priority
- Current NAESB OS proposed
 - Same Tier C&P – one hour prior to the scheduling deadline
 - Between Tiers – one hour prior to reservation start time
- Tier 4 vs. Tier 5 already approved, one hour prior to reservation start
- Tier 3 vs. Tier 4 and Tier 5 Question:
 - One hour prior to scheduling deadline (like Tier 4 vs. Tier 4) OR one hour prior to reservation start time (like Tier 4 vs. Tier 5)?
 - Alan's proposal on Tier 3 vs. lower Tiers may be presented at OS meeting
 - Does not impact how BPA manages its non-firm ATC
 - BPA can defer to the NAESB OS members whose non-firm ATC allocation model requires the C&P actions

NITS Assignment - Update

- Topics:
 - Preemption after Reservation start of service - Tier 3 vs. Tier 4 and Tier 5
 - Tier 1 and 3 can preempt their own reservation
 - Partial offer
 - Can preempt for partial capacity
 - 'Do no harm'
 - Queue Processing – S&CP 001.4.15

Preemption After Start of Reservation

- Issue Description
 - Motion 68 provides that a Non-Firm Tier 4 reservation cannot preempt a Tier 5 reservation 1 hour prior to service commencement.
 - Should Tier 3 service preempt Tier 4 and Tier 5 service an hour prior to the Defender's start of service.
- Workgroup Decision – All Non-Firm reservations are safe 1 hour prior to reservation start time.
 - Provides certainty to Non-Firm reservations.
 - Minimizes tagging concerns – after start time of reservations, can submit schedules.

Preemption After Start of Reservation

- Impacts to BPA Customers
 - BPA allocates Non-Firm ATC into separate buckets
 - Based on the current Non-Firm ATC allocation method, no impacts to BPA customers.
 - Non-Firm NT has own ATC allocation, and does not need to compete for capacity with Non-Firm PTP.
 - Non-Firm PTP increments have own ATC allocation, and do not need to compete with other Non-Firm PTP increments.
- Next Steps
 - Proposed motion language will be develop by Alan.

Preemption of Own Reservation

- Issue Description
 - Should a Tier 1 request challenge a lower Tier request/reservation held by the same customer?
- Workgroup Decision -
 - A Tier 1 request can challenge their own lower Tier request/reservation.
 - All lower request Tiers, regardless of the customer submitting the requests/reservations, are subject to competition and preemption.
 - Implementation does not require special logic
 - Implementation does not slow down queue
- Impacts on BPA Customers
 - Customers with a Tier 1 request/reservation may preempt their own lower Tier request/reservation.
 - An NT request/reservation may preempt a PTP request/reservation held by same customer.
- Next Steps
 - Alan will develop motion language for OS consideration.
 - BPA supports the concept that a TC can compete/preempt their own reservation

Processing Requests/Reservations

Issue Description –

- Interpretation of S&CP 001-4.15: whether, when an ATC constraint is encountered, preemption and competition of requests should be processed in queue order (based on when the requests were queued) or whether the queue is re-arranged based on reservation priority.

WEQ 001-4.15

Reservation and requests shall be handled in a first-come-first-served order based on QUEUE_TIME. Within a given Service Request Tier, with the exception of Service Request Tier 1, where there are competing requests for a constrained resource, the following request attributes shall be used to determine the relative priority for granting of service.

- I.....Service Increment (Monthly, Weekly, Daily, Hourly)
- II.... Duration (the amount of time between the Start Date and the Stop Date)
- III..... Pre-confirmation Status
- IVPrice
- V Queue Time

Processing Requests/Reservations

- Interpretation –
 - In Preemption and Competition, requests are processed on a first-come-first-served basis.
 - Evaluation of one request must be completed before starting the evaluation of the next queued request.
 - Once the competition and preemption process, in queue order, reaches a Tier 1 service request type, the Tier 1 preempts the lower tiers.
 - Once a competition and preemption process, in queue order, reaches a Tier 2, the different request attributes (as described in 4.15) are considered in granting service.
- Next Steps
 - No motions will be developed.
 - Alan will develop language to share clarification with OS.

Partial Service

- Issue Description - As a Challenger, should Tier 1 and Tier 3 service request types be able to obtain a partial offer?
- Motion 15 - Short term Preemption & Competition Process will only be considered valid and initiated if the challenger can be granted in full at the requested capacity and duration based on preemption of lower priority reservations exclusive of all defenders exercising their ROFR.
- NITS Workgroup Update
 - Developed motion to permit Tier 1 and Tier 3 to obtain partial offers.
 - Consideration:
 - Provision of a partial offer should not harm defender if Challenger does not take partial service.
 - Partial Service for Tier 2 and Tier 4 request types will not be dealt with in the NITS Assignment.

Partial Service, cont'd

- BPA Position
 - Support for Tier 1 and Tier 3 partial offer with “do no harm” approach.
 - Should discuss and consider Partial Service for Tier 2 and Tier 4 request types.
 - May be supported by “sandbox” concept that will be discussed at “Timing & Flowchart” workgroup.

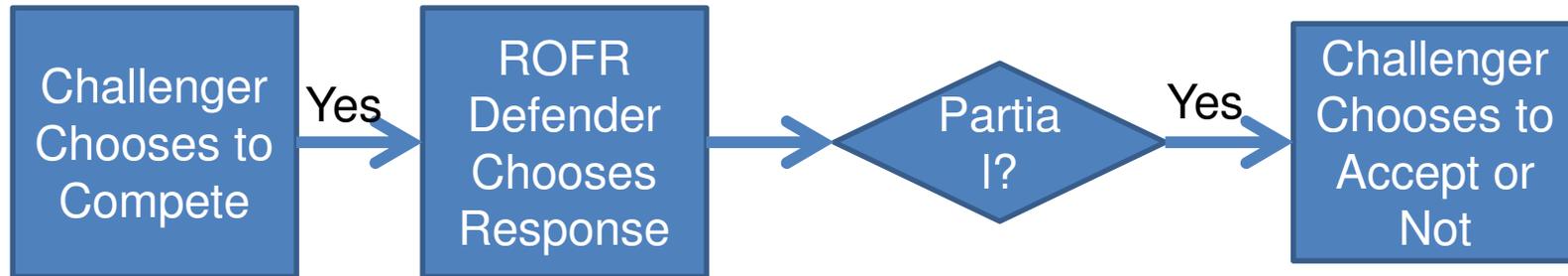
Timing/Flowchart Assignment

■ Proposed Motions

1. The TP shall account for, if applicable, the Defender's Matching time limit and the Challenger's Confirmation time limit when determining if the Preemption and Competition process should be initiated.
2. Capacity shall not be taken from a Defender through the Preemption and Competition process after the earlier of the Defender's conditional reservation deadline or the Defender's scheduling deadline. Preemption and Competition shall not be initiated if the Preemption and Competition process would not conclude until after the earlier of the Defender's conditional reservation deadline or scheduling deadline.

Original Sandbox Concept

Initially only for ROFR



Other options are to withdraw or to accept a counter offer. If time expires, the Challenger is presented a counter-offer and there is no Competition.

Defender chooses to match or not and any mitigation allowed

If one or more Defenders match, the Challenger will get either a counter offer or be refused

If the Challenger gets a partial offer and does not accept it, then the competition is nullified and the Defenders retain their original capacity

Key Concepts for Consideration

- Challenger 'Opt-In' (TC Decision)
 - Once the TC has been identified as a Challenger they can choose to withdraw, proceed or accept the current counter offer
 - The 'opt in' is not a requirement to accept a counter offer
- 'Do no harm'
 - If a Challenger withdraws a counter offer that resulted from P&C, then the Defender capacity is unaffected
- Preemption/Competition actions do not occur until after the Challenger final status
 - Preemption or the recalling of transmission inventory does not occur until the Challenger confirms or withdraws the final offer

Existing Motions for Consideration

Motion 17

The Preemption and Competition business practices will not unilaterally require Challengers to accept partial service.

Motion 20

If capacity must be taken from Defenders in order to accommodate a Challenger, that capacity will only be taken from Defenders once the Challenger has reached a final state.

Motion 49

When evaluating a potential defender for preemption and competition, and subsequently executing preemption of the defender, the amount of capacity to be preempted shall not exceed the amount that is required to mitigate the remainder of the challenger's deficit in AFC/ATC on the transmission system.

'Do no Harm' Scenarios to Consider

- NT request challenges for partial service but walk away
 - Capacity is not taken from the Defender(s)
- PTP Defenders exercise ROFR and PTP Challenger walks away
 - No OS consensus on the outcome. Some members believe that the Defender must keep their matching request
- PTP Defender decides to ROFR and PTP challenger still gets counter offer but declines the offer
 - No OS consensus on the outcome

'Do no Harm' Debate

■ Argument in Favor:

- Motion 20 and Motion 49 seem to support it.
- Several OS members support 'Do no harm'
- Supports Partial Service for a PTP Challenger (mitigates gaming)
- "If a challenger is not awarded capacity via P&C, then the P&C was unnecessary and can be nullified".

■ Argument Against:

- Motion 49 only applies to preemption of non-ROFR. It could be interpreted to require the Defender to retain their Matching profile
- Increases implementation complexity
- "The purpose of P&C is to award capacity to the customer that values it the most, even if the challenger does not ultimately benefit.

Next Steps

- BPA will work with Matt on his assignment for development of motion language to support these key concepts.
- Possible 'Do no Harm' language for Matt's consideration:
 - If a challenger withdraws a counteroffer that resulted from a preemption/competition process, the TP reserves the right to nullify the results of the preemption/competition process, thereby leaving all defenders with the capacity they originally held prior to the initiation of preemption/competition.