

Preemption & Competition Issues



Preemption and Competition Issues

Issue Description	Intended Impacts (expected due to nature of P&C)
If a Defender is preempted or chooses not to exercise ROFR, they lose their confirmed capacity.	This is the intended purpose of preemption and competition. Customer must unwind their tags or be subject to a UIC.
If a Defender chooses to exercise a ROFR, they are left with a new Aref on a matching request.	This is how preemption/competition is designed to work. Customer must change their tags to the new Aref or be subject to a UIC. NAESB is considering a better way.
Redirects do not inherit the conditionality of the parent, but are subject to the preemption and competition process like a new request.	Choosing to Redirect outside the unconditional window will put the redirected portion of a parent's unconditional capacity at risk. All other issues apply to Redirects also.
Defender capacity is recalled at the start of the competition. If Challenger is not awarded full capacity, he can decline the counter-offer.	If Defender chooses not to exercise ROFR, he might lose his capacity even though the Challenger walks away from the competition.
A pending ROFR can still be preempted by a higher tier or same tier longer duration request.	Exercising a ROFR is no guarantee it will be granted.
A confirmed TSR can be a Defender even if it does not improve the offer to the Challenger across all constrained flowgates.	More TSR's will be valid Defenders. It could also result in a small mw longer duration request (5m) to take capacity from a shorter duration large mw reservation (100mw). NAESB is considering a better way.
A secondary non-Firm Redirect cannot be relinquished back to a conditional parent reservation that has been displaced.	For 1-NS, the capacity exists on both parent and child. If the parent capacity is lost, you lose the right to relinquish.

Preemption and Competition Issues (Continued)

Issue Description	Intended Impacts (expected due to nature of P&C)
Redirects are currently not billed. This will need to change with preemption and competition.	Need a solution to avoid double-billing for Redirected matching requests and avoid billing for Redirected capacity that is lost via preemption/competition.
A competed Redirect that exercises ROFR uses AFC inventory rather than parent for matching.	Should be no impact as long as billing issues are worked out.
Planned 5-months of testing may not be sufficient.	BPAT will make every effort to meet April timeline, but will not sacrifice quality for schedule.
Issue Description	Unintended Impacts (problems with OATI PCM version)
For a conditional parent reservation with a Resale, PCM only subjects the parent's remaining capacity to competition.	This is not compliant with existing regulations. Resold capacity is expected to reside with the parent for the purpose of preemption and competition.
PCM offers an "auto-match" feature to save time for users in generating matching requests. Compliance requires a customer to be allowed to exceed the Challenger's request if desired. PCM cannot currently do both.	BPAT and customers will need to agree on a trade-off between customer productivity and compliance.
A conditional parent reservation is still a valid Defender while a Redirect request is still Pending.	Can potentially result in an oversold situation if the parent reservation loses capacity via competition and the Redirect request is later Confirmed.
The version of PCM that BPAT will implement is unique in the industry due to use of both MOD29 and MOD30.	This raises the possibility of unforeseen and unintended impacts not discussed above. Such issues are expected to be found during testing.