

Sandbox Recommendation

Principles, concerns,
recommendation and
justifications



Primary Principles

- Develop a method to ensure that Defenders are not harmed when a Challenger does not commit to or confirm partial capacity made available to it through the Competition and Preemption Process.

Primary Principles con't

- Method will be transparent
- Method will “at most”, minimally lengthen time to complete Preemption and Competition process
- Method will not lengthen “Request Timing Requirements” (Table 4-2)

Secondary Principles

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.



Secondary Principles con't

Motion 32 (to be updated):

- In the event a Confirmed reservation with or without ROFR is preempted by a challenger for only a portion of their reserved capacity, in addition to any option to exercise ROFR where applicable the Transmission Provider shall provide the Defenders with an option to reduce the remaining capacity available on the preempted reservation to any value less than the capacity remaining after preemption (as included in Motion 20)

Recommendation

Transmission Provider and Customer work group recommend a process that incorporates the list below:

1. the Challenger is not bound at the beginning of the process,
2. the defenders are informed of their mitigation options and
3. once the defender has made their mitigation decisions, the challenger will be informed of their options to take service.
4. If challenger chooses not to take any service, the defenders TSR's will not be changed within OASIS and the audit trail will reflect all appropriate decision points and processing steps.



Sandbox Concept with Defender Mitigation

Competition Evaluation
 • Validate Challenger's Right to Compete
 • Evaluate Set of Possible Defenders

Full Service Possible?

Revisit Motion 15

NT Challenger Chooses (Accept Partial?)

Refuse or Offer Partial Service

ROFR Defenders Needed?

A & B-List Defenders
 • Issue all Supersedes and Recalls against defenders
 • Confirm Service to Challenger

Motion 25

Revisit WEQ 013 – 2.6.1.1

Challenger Chooses

Challenger has nn minutes to decide, otherwise defaults to "2"

No Defender Choices Needed

Withdraw Request.

Accept Counter-offer from ATC/AFC

Accept Counter-Offer from ATC/AFC plus non-ROFR defenders

Compete against ROFR Defenders

Sandbox Boundary

Sandbox Boundary -

• Flag Challenger/Defender(s)
 • Calculate impacts of Supersedes and Recalls
 • Issue Matching Requests
 • Notify all parties

Start Sandbox with ATC/AFC Snap-Shot

• Submit all Supersedes and Recalls
 • Confirm partial Counter-offer

Defender Chooses to Match?

Default if No Choice Made
 Wait for final outcome. Not harmed if Challenger walks.

Defender's Choices if Challenger Walks
 1) Annul Match and Recall, or
 2) Post the matching request

Defender's Mitigation Choices
 1) Provide mitigation amount if Match denied due to ATC/AFC being granted to earlier match
 2) Other?

Question: What if Defender is trying to exceed minimum?

Matching Process
 • Receive any Matching Requests per table 4-2
 • Build recalls if defender mitigation needed.
 • Determine Final Capacity for Challenger

Challenger's Final Choice

Challenger Walks
 Annul all Supersedes, Recalls, and Matching Requests except for any Defenders who chose to match even if Challenger walked.

When Sandbox is finished, post ATC/AFC changes

Challenger Confirms
 • Post all Supersedes, Recalls, and Matching Requests
 • Confirm Full or Partial Offer to Challenger

Post Recalls and Matching Requests for any Defenders who chose to match even if Challenger walked.

Sandbox Boundary

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Concerns

■ Transparency

- Develop sandbox reports visible through OASIS for all customers to view.

■ Timing

- Added decision points by Challenger or Defender will be completed within minutes.

■ Queue Processing

- Elections to Challenger/Defenders presented all options simultaneously with a single opportunity to select desired option



Justifications

- TVA and SPP currently use a process similar to the Sandbox methodology.
- Process can accommodate various versions of Defender Mitigation
- Spreads risk between Challenger and Defender
- Supports motion 17, 20, & 32 (to be updated)

