

Transmission Commercial Projects Integration

August 27th, 2013



Objectives of Meeting

- Review customer comments by project
- Describe two emerging projects
 - Next Hour Non-Firm Curtailments: LIFO to Pro-Rata Curtailments
 - Alignment of Curtailment Methodologies (MOD-29 and MOD-30)
- Share updated project sequencing/timeline
- Review ongoing approach to project integration

Customer Concerns

- Transmission Customers have expressed concerns with BPA's currently active projects:
 - *Overwhelmed by the number of projects in which customers are currently engaged;*
 - *Lack of a clear picture of the interconnections and impacts among the projects;*
 - *Inability to anticipate cumulative impacts of BPA projects on their business and operations.*
- In response to customer concerns, BPA conducted an integrated review of current project interconnections and potential customer impacts.

Dialogue and Collaboration

- In response to customer concerns, BPA initiated:
 - Disciplined project integration review
 - Development of an ongoing engagement process
- During the July 24th and August 8th meetings, BPA and customers discussed project impacts, cumulative impacts, and sequencing/timing of projects.
- Customers provided written comments by August 16th.

Projects Assessed on July 24th

- In response to customer concerns, BPA assessed the following currently engaged projects:
 - Managing Hourly Firm Sales
 - Short-Term Competitions and Preemption
 - Delivery of 3rd Party Balancing Reserves
 - 15-Minute Scheduling
 - NT Redispatch Project
 - Short-Term ATC Method Automation
- Today, in part, we will discuss the customer comments received on these projects and an updated sequence and timeline for these projects.

Emerging and Other Projects

- Emerging and Other Projects:
 - BPA & PGE Cross Cascades MOU
 - CAISO Energy Imbalance Market (EIM)
 - Southeast Idaho Load Service (SILS)
 - Network Open Season (NOS)
 - I-5 Non Wires Solutions to Congestion
 - **Alignment of Curtailment Methodologies***
 - **Schedule Based Curtailments for MOD 29 paths**
 - **Prior to Flow Curtailments on the Network (MOD 30)**
 - **LIFO v. Pro-Rata Curtailments***
 - Hourly Service Competition and Preemption
 - Dynamic Transfer Capability (DTC) Changes
 - DC Intertie Expansion
- As customers become more engaged on emerging projects, staff will identify and discuss with customers the integration among projects.

Evaluation of Customer Comments

- In evaluating the comments, suggestions, and recommendations received during the customer comment period, BPA considered the following:
 - Impacts to the original project timeline
 - Impacts to other Customers
 - Impacts to transmission system reliability
 - Consistency with BPA's Tariff, FERC guidance, and regulatory standards
 - New impacts or conflicts not previously recognized by BPA

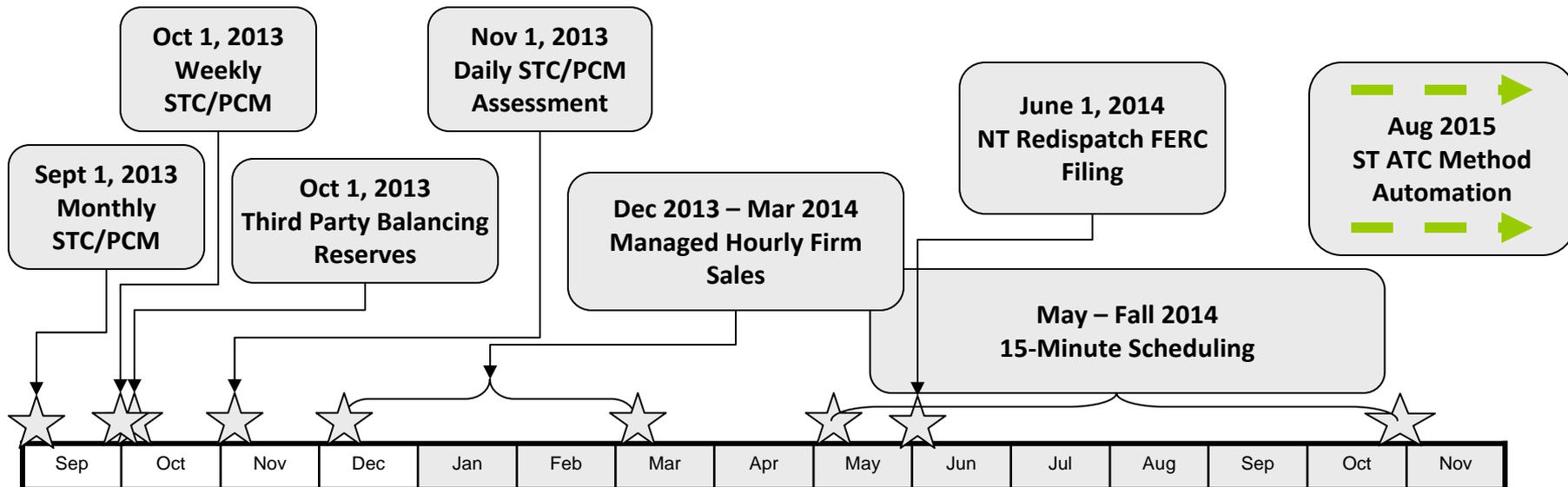
Customer Comments – General Overview

- Customer comments generally addressed these major areas:
 - Greater time separation between phases of PCM implementation (Monthly, Weekly, Daily).
 - Greater opportunity for customer engagement and technical meetings on Managing Hourly Firm Sales.
 - Delay implementation of Managing Hourly Firm Sales to permit sufficient customer engagement.
 - Timely and reliable implementation of 15-Minute Scheduling.

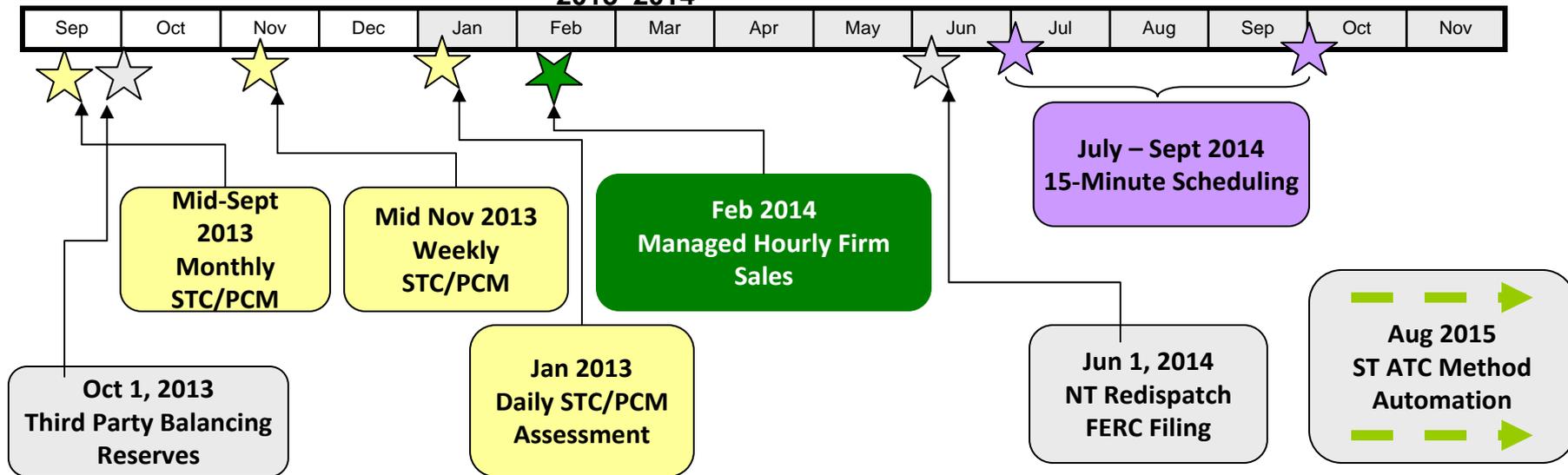
PROJECT SEQUENCING/TIMELINE MODIFICATIONS

Comparative View of Current Projects Launch Sequencing

7/24/13 Proposal



8/27/13 Schedule



Description of Modifications

- In response to customer comments, the following modifications have been incorporated:
 - Provision of at least 60 days between implementation of Monthly PCM and Weekly PCM.
 - BPA staff will engage customers in weekly updates on the progress of PCM implementation.
 - By January 2014, BPA anticipates engaging customers on an assessment of potential impacts of Managing Hourly Firm Sales on Daily PCM.
 - Identify whether Daily PCM will be implemented before or after Managing Hourly Firm Sales.
 - Managing Hourly Firm Sales implementation has been delayed to February 1st, 2014.
 - This modification will provide for a greater engagement opportunity with customers on technical issues.

Description of Project Timelines

- Delivery of 3rd Party Balancing Reserves:
 - Project to progress on existing timeline – implementation by October 1st, 2013.
- Monthly Firm and Non-Firm transmission Service Competition and Preemption:
 - Implementation to commence mid-September 2013.
 - Customers will be engaged during implementation to assess impacts.
- Weekly Firm and Non-Firm Transmission Service Competition and Preemption:
 - Implementation by mid-November 2013 at the earliest.
 - Customers will be engaged during implementation period to assess impacts.
- Daily Firm and Non-Firm Transmission Service Competition and Preemption:
 - Anticipating that by January 2014:
 - Based on updated data on potential impacts of Managing Hourly Firm Sales, determine whether to implement competition and preemption of Daily transmission service before or after Managing Hourly Firm Sales.

Description of Project Timelines

- Managing Hourly Firm Sales:
 - Implementation of Managing Hourly Firm Sales targeted for February 2014.
- NT Redispatch Project:
 - Delayed FERC filing by 6 months (until June 2014) to permit NT Customer engagement on the ACS, Managing Hourly Firm Sales, and Competition and Preemption projects.
 - Permits extended customer discussions and review on NT Redispatch protocols prior to FERC filing.
- 15-Minute Scheduling:
 - Implementation timeline between July 2014 and September 2014.
- Short-Term ATC Method Automation Project:
 - Implementation to begin August 2015.

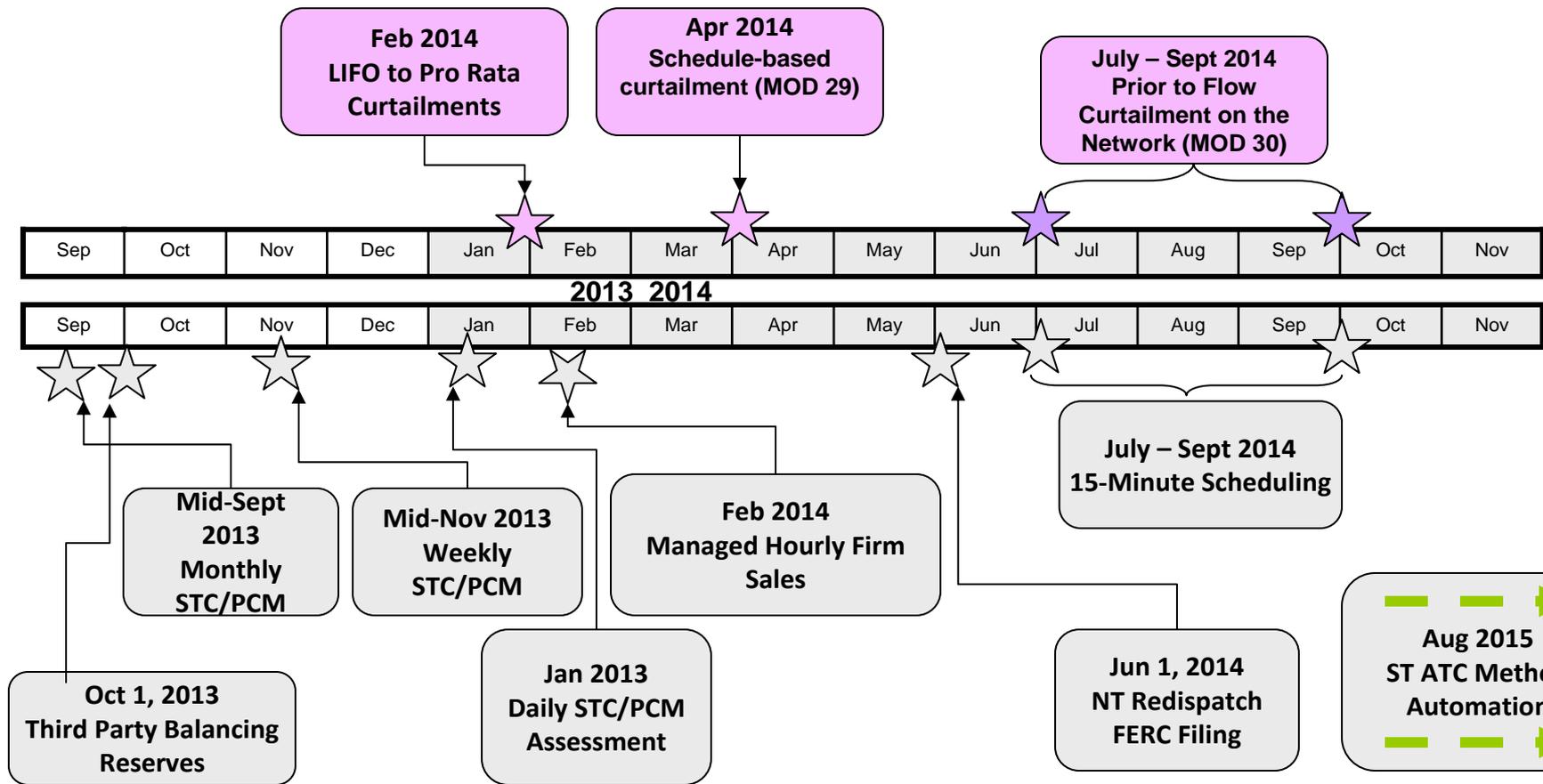
Emerging Projects Assessment

Project Sequencing/Timeline Including Emerging Projects

Emerging Projects Proposed Schedule

8/27/13 Emerging

8/27/13 Schedule



Individual Project Review

Description of Timeline Modifications

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 - Provision of at least 60 days between implementation of Monthly PCM and Weekly PCM.
 - BPA staff will engage customers in weekly updates on the progress of PCM implementation.
 - By January 2014, BPA anticipates engaging customers on an assessment of potential impacts of Managing Hourly Firm Sales on Daily PCM.
 - Identify whether Daily PCM will be implemented before or after Managing Hourly Firm Sales.
 - Managing Hourly Firm Sales implementation has been delayed to February 2014.
 - This will provide for a greater engagement opportunity with customers on technical issues and more time to adjust business models.

Ongoing Project Integration

- Conduct periodic project integration forums
 - Timing will depend on project environment and customer feedback
- Addition of new projects
 - As new projects arise, BPA will evaluate how the emerging projects will integrate with the existing projects
 - Continue to assess potential impacts of emerging and ongoing projects
 - Ongoing market analysis

Next Steps

- Customer input, ideas, and suggestion regarding the two emerging projects.
 - Email Tech Forum at techforum@bpa.gov.
- Customer meetings for the projects will be announced via Tech Forum.
 - MHFS to start in September 2013.
 - Monthly PCM pre-implementation meetings in early September 2013.
 - ACS Forum scheduled for September 4, 2013.