

Next Hour Non Firm Curtailments: LIFO to *pro rata*

August 27, 2013



Project Background & Description

- BPA is proposing a change to their curtailment methodology for Non-Firm next hour curtailments on MOD 29 paths (the Interties) to *pro rata* within NERC curtailment priority.
 - Currently, BPA utilizes LIFO (Last in First Out) curtailment method for next hour Non-Firm on MOD 29 paths.
 - BPA utilizes *pro rata* with in NERC Priority for in hour non-firm curtailments for MOD 29 paths.
 - For Firm curtailments, BPA uses *pro rata* for next hour and in hour.
 - For MOD-30, BPA already utilizes *pro rata* curtailment method for next hour and in hour for Non-Firm and Firm.

What we do today

	MOD 29	MOD 30
Next Hour	<ul style="list-style-type: none"> • LIFO 	<ul style="list-style-type: none"> • <i>Pro Rata</i>
In Hour	<ul style="list-style-type: none"> • <i>Pro Rata</i> 	<ul style="list-style-type: none"> • <i>Pro Rata</i>

Proposal for the future...

	MOD 29	MOD 30
Next Hour/Next Interval	<ul style="list-style-type: none"> • <i>Pro Rata</i> 	<ul style="list-style-type: none"> • <i>Pro Rata</i>
Within Interval	<ul style="list-style-type: none"> • <i>Pro Rata</i> 	<ul style="list-style-type: none"> • <i>Pro Rata</i>

Project Drivers

- Compliance with FERC Guidance
 - FERC defines the meaning of “non-discriminatory” in FERC Docket No ER-13-1146.
 - *The Commission has determined that “non-discriminatory basis” means that curtailments for both firm and non-firm service should be done pro rata. Specifically, in Order No. 888-A, the Commission stated that “the pro-rata curtailment provision was intended to apply to situations where multiple transactions could be curtailed to relieve a constraint. Of course, if curtailment of multiple transactions is necessary, non-firm service would be curtailed prior to firm service.*

Project Implementation Plan

- Implementation Plan
 - This is a configuration change within BPA's curtailment tool that applies to all Non-Firm products.
 - Once the Non-Firm curtailment method (prior to the hour) is set to *pro rata*, 1-NS will be curtailed *pro rata*, then 2-NH, etc...
- Timeline
 - Upon completion of testing and revision of the Scheduling Business Practice, the project can be implemented prior to 15-Minute Scheduling, sometime between January and March 2014.

Interaction with Other Projects & Potential Customer Impacts

- Interaction with other Projects
 - 15 minute scheduling
 - Alignment of Methodologies
 - Supports alignment of processes
- Potential Customer Impacts
 - Increased exposure to Next Hour Non-Firm Curtailments on the MOD 29 paths
 - LIFO curtailments impact fewer entities.
 - Moving to *pro rata* curtailments may increase the number of non-firm e-tags curtailed compared to LIFO.

Proposed Sequencing/Timeline

- Proposed Timeline
 - Implementation between January 2014 and March 2014
 - Implementing in advance of 15 minutes scheduling provides:
 - An opportunity for customers and staff to adjust to the change.
 - Decreases the volume of changes when 15 minute scheduling goes live.
- Seeking customer input on timeline and sequencing of this project in relation to others.

Next Steps

- Complete testing
 - Changes to configuration settings go through testing to ensure no adverse impacts.
 - Although testing is only expect to take 1-2 days it will be in between higher priority work.
- Update Scheduling Business Practice
 - Scheduling BP section J, 3b
 - Post for a 30 day comment period