

FERC Order 1000: Update on BPA's Compliance Efforts

TIPSC

March 6, 2013

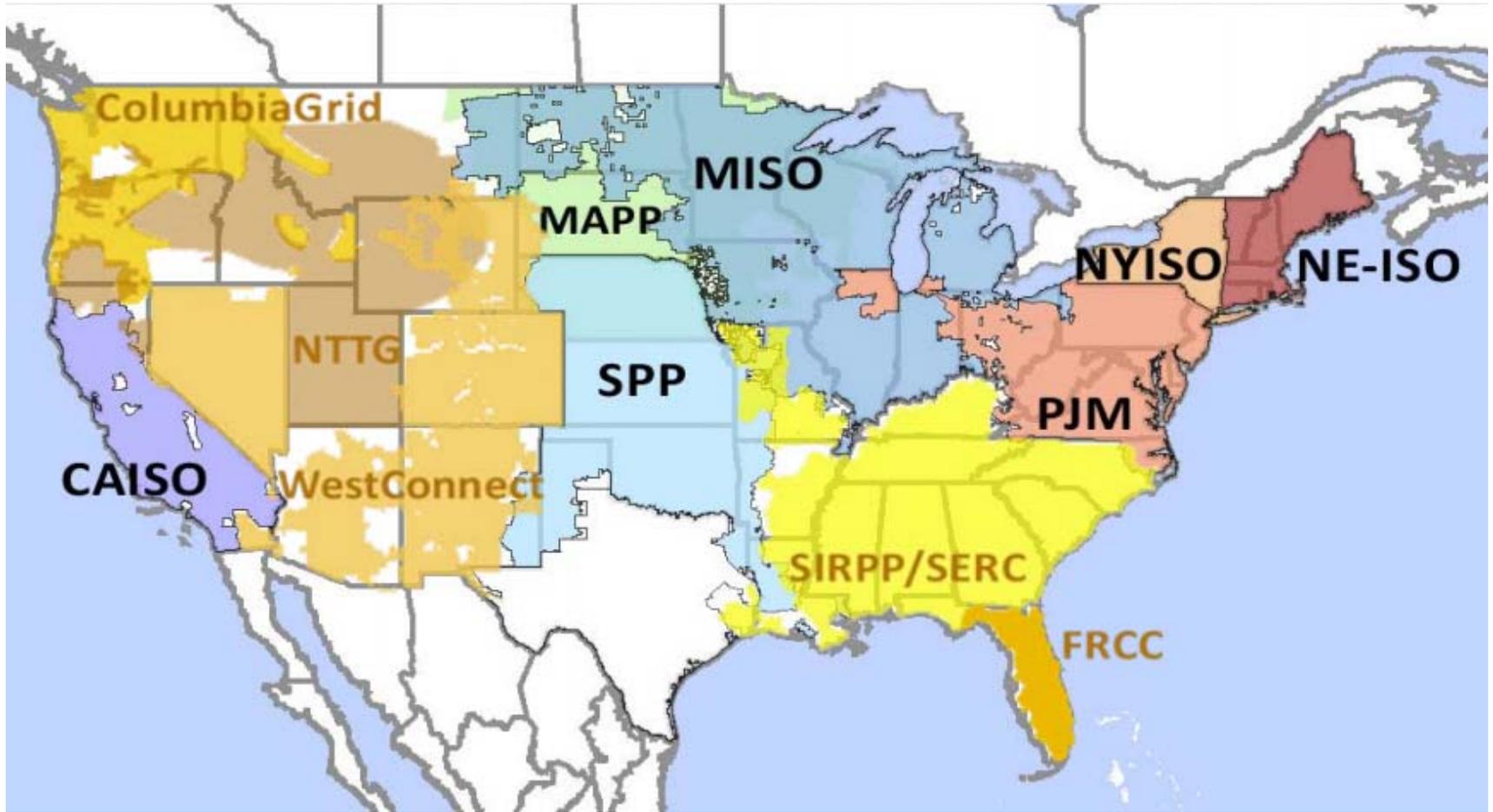


FERC Order 1000 Background

- **July 21, 2011** – FERC issued Order 1000
 - May 17, 2012 – FERC issued Order 1000-A (affirming Order 1000 with clarification on certain issues)
 - October 18, 2012 – FERC issued Order 1000-B (affirming Order 1000-A with clarification on certain issues)

- **Compliance filing dates:**
 - **October 11, 2012:** Regional planning and cost allocation
 - **July 10, 2013:** Inter-regional coordination and cost allocation (on February 26, 2013, FERC issued 90-day extension for original April 11, 2013 deadline)

Current Planning Regions



BPA's Order 1000 *Regional Compliance*

- **Order 1000 Regional Mandates:** TPs (jurisdictional and those seeking reciprocity) must participate in regional planning process that results in a regional transmission plan and includes a regional cost allocation methodology
- **Regional Compliance Plan:** BPA participated as a ColumbiaGrid Planning Expansion and Functional Agreement (PEFA) party to develop shared regional planning and cost allocation procedures to implement Order 1000's regional mandates
 - ColumbiaGrid parties determined the existing ColumbiaGrid planning process largely complied with Order 1000; added an Order 1000 regional project selection and cost allocation process
- **Regional Compliance Filing:** BPA filed its Order 1000 regional compliance filing and associated OATT Attachment K modifications on October 11, 2012.

BPA's Order 1000 *Interregional* Compliance

- **Order 1000 Interregional Mandates:**
 - 1) **Interregional coordination-** *Data sharing* among transmission planning regions and *procedures to identify and jointly evaluate interregional transmission facilities* that could address regional needs more cost effectively or efficiently than separate regional transmission facilities.
 - 2) **Interregional cost allocation-** Each pair of neighboring regions must have a common method or methods for allocating the costs of a new interregional transmission facility among the beneficiaries of that facility in the two neighboring transmission planning regions in which it is located.
- **Interregional Compliance Plan:** ColumbiaGrid, NTTG, Cal-ISO and WestConnect are working to develop Western Interconnection-wide Order 1000 compliant interregional procedures

Proposed Western Interconnection Order 1000 Process

1) Interregional coordination:

- a) Regions share planning data annually;
- b) Regions hold annual public meeting to discuss shared data, potential interregional solutions for regional transmission needs and status of proposed interregional transmission projects currently being evaluated or that were previously included in regional plans;
- c) Sponsors/proponents of proposed interregional projects may request interregional joint evaluation and cost allocation for that project. Project evaluation occurs individually by each region using existing regional planning processes. Regions coordinate regarding project planning assumptions and study methodologies.

2) Interregional cost allocation:

- a) Each region uses own Order 1000 regional benefits metrics to monetize the benefits of a proposed interregional projects. Region receives *pro rata* share of project costs based on sum of all regions' benefits.
- b) Based on *pro rata* share, each region determines if project is most cost effective or efficient solution for a regional need(s). If so, allocates costs to region's beneficiaries.
- c) Within ColumbiaGrid, NTTG and WestConnect, if a benefiting transmission provider receives an interregional project cost allocation, the allocation does not establish an obligation to build or pay for the facility, or establish a right for an entity to receive compensation for project costs.

Upcoming Opportunities for Customer Involvement

- BPA posted proposed OATT Attachment K language for stakeholder review and comment, comment deadline is March 29, 2013
- ColumbiaGrid, NTTG, WestConnect and CAISO hosting a joint stakeholder call on March 11, 2013 from 2-4 pm to discuss proposed OATT language
- BPA also hosting its own stakeholder call to discuss proposed OATT language; date and time tbd