



# NT NOA and Attachment G

# NT NOA and Attachment G Tariff Proposal Summary

<p><b>1. What is the <i>pro forma</i>?</b></p>	<ul style="list-style-type: none"> <li>• FERC <i>pro forma</i> Attachment G is blank. This allows jurisdictional utilities to determine requirements and mechanisms for Network Integration Transmission (NT or NITS) customers to coordinate with Transmission Provider on operational needs.</li> <li>• FERC requires network operating agreements to be filed with FERC.</li> </ul>
<p><b>2. What did we hear?</b></p>	<ul style="list-style-type: none"> <li>• Largely, there were few comments on the NOA from the June 26 workshop.</li> <li>• Those who did comment said:             <ul style="list-style-type: none"> <li>• That they were not opposed to BPA’s proposal so long as these bilateral agreements do not create any undue discrimination between similarly situated customers</li> <li>• Make implementation as streamlined as possible.</li> <li>• Make the process and document development as transparent as possible.</li> </ul> </li> </ul>
<p><b>3. What are we proposing?</b></p>	<p>Simplified Approach – a simple, high-level list of topics in Attachment G, plus standard NOA template(s). Executed NOAs would allow for some customization with customers.</p>
<p><b>4. Which TC-20 tariff principles does it align to?</b></p>	<ul style="list-style-type: none"> <li>• Implement BPA’s statutory and legal obligation, authorities, or responsibilities (in that BPA will not file its NOAs with FERC);</li> <li>• Align with industry best practice when the FERC <i>pro forma</i> tariff is lagging behind industry best practice, including instances of BPA setting the industry best practice.</li> </ul>
<p><b>5. Why are we proposing this position?</b></p>	<ul style="list-style-type: none"> <li>• Flexibility to make NOA changes in the future (e.g. changing markets or operational needs) without tariff proceedings.</li> <li>• A simplified Attachment G would defer details or customer-specific needs to the individual NOAs.</li> <li>• Consideration of current resource demands for both BPA and its customers, given on-going initiatives (e.g., Rate Case and other TC-20 proceedings).</li> </ul>
<p><b>6. What are the change impacts?</b></p>	<ul style="list-style-type: none"> <li>• Replacement of Attachment G</li> <li>• Subsequent development of standard NOA template(s) – Includes incorporation or replacement of agreements with overlapping terms and conditions.</li> <li>• Execution of NOAs with customers.</li> </ul>
<p><b>7. Is there a rate case impact?</b></p>	<p>There is no rate case impact.</p>

# About the Network Operating Agreement

The Network Operating Agreement spells out the operational needs between BPA and its NT customers.

- Pro Forma:
  - FERC *pro forma* Attachment G is blank. This allows jurisdictional utilities to determine requirements and mechanisms for Network Integration Transmission (NT or NITS) customers to coordinate with Transmission Provider on operational needs.
  - FERC requires NOA to be filed with FERC.
- BPA's Tariff
  - Attachment G of BPA's tariff spells out the "contractual requirements related to Network Integration Transmission Service over the Transmission Provider's Transmission System."
  - This is a blanket approach, rather than bilateral contracts with customers.

# Feedback from June TC-20 Workshop

- Customers do not oppose BPA's preferred alternative of a simplified approach.
- Customers do not oppose BPA's proposal so long as these bilateral agreements do not create any undue discrimination between similarly situated customers.
- Ask that BPA provide customers with a basic procedure for how the NOA template will be developed and how proposed bilateral deviations will be considered prior to commencing the TC 20 process.

# Response to Feedback

Customers do not oppose BPA's proposal so long as these bilateral agreements do not create any undue discrimination between similarly situated customers.

- BPA appreciates customer support on proposed direction for TC-20 regarding Attachment G.
- BPA envisions that differences between NOAs from customer to customer will reflect operational differences or other system needs.

# Response to Feedback (Continued)

Provide customers with a basic procedure for how the NOA template will be developed and how proposed bilateral deviations will be considered prior to commencing the TC 20 process.

- BPA understands customer concerns regarding the process by which the development of the NOA template will take place.
- Following the TC-20 proceeding, we intend to assemble an implementation team to work closely with NT customers to involve them in the process of drafting template(s) for NOAs.
- At that time, we can explore ways to ensure transparency while also protecting any proprietary customer business information.
- BPA is considering using the Network Operating Committee as a forum to have some of these discussions.

# Proposed Tariff Language

(No changes from June  
workshop)

## Attachment G

### Network Operating Agreement

The Transmission Provider will provide the Network Operating Agreement when it negotiates and offers a Network Integration Transmission Service Agreement.

The Network Operating Agreement will set forth the terms and conditions under which the Network Customer will be required to operate its facilities as well as technical and operational matters associated with the provision of Network Integration Transmission Service.

The Network Operating Agreement will include, but is not limited to the following:

- Authorized Representatives of the Parties
- Network Operating Committee
- System Protection
- System Regulation and Operating Reserves
- Service Conditions
- Management of Transmission Constraints
- Emergency Procedures
- Maintenance of Facilities
- Data, Information, and Reports
- Metering
- Communications
- Transmission Losses
- Administrative Provisions
- Operational Regulatory Compliance
- Other Operational and Technical Matters as Needed

# Proposed Tariff Language (Continued)

Section 29.1: Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that;

- (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff,
- (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4,
- (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider begin to initiate service in the absence of an executed Service Agreement pursuant to Section 15.3, and
- (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.

# Proposed Tariff Language (Continued)

- Section 35.2: The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to;
  - (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment),
  - (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data),
  - (iii) use software programs required for data links and constraint dispatching,
  - (iv) exchange data on forecasted loads and resources necessary for long-term planning, and
  - (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols.
- The Network Operating Agreement will recognize that the Network Customer shall either;
  - (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, the regional reliability organization, and the Northwest Power Pool (NWPP),
  - (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or
  - (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO, the regional reliability organization, and the NWPP.
- The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

# Next Steps

- Finalize tariff revisions through TC-20 proceedings.
- Reconstitute internal BPA team focused on implementation.
- Identify dependencies needing to be addressed through the NOA (products, services, compliance or other requirements with possible operational impacts).
- Determine communications protocol for customer input related to the creation of the template(s).
  - Customer input on the individual NOAs will be on a customer-by-customer basis.
- Determine preferred format for NOA which will allow for individual customer operational provisions.
- Document drafting, review and execution.
- General estimate is 18-24 months.
- During the implementation process, BPA proposes that the existing NOA will continue to apply until customers replace it with executed NOAs.