

Seller's Choice – Response to Customer Questions

July 15, 2020



Customer Comment Summary

- Clarify process for **encumbering/unencumbering ATC** for NT service, particularly for Seller's Choice
- Clarify how an **FTSR** goes through the ATC process
- Provide further examples of how **impacts/effects of Seller's Choice are calculated**
- Clarify **Reservation** and **Scheduling process** for Seller's Choice
- The **effect of the NT MOA** on BPA's ATC is unclear and should be reviewed in TC-22 proceedings to provide transparency and help ensure that it is not resulting in **over encumbrance** of ATC on BPA's transmission system.
- Identify the total net **MW impacts** from using the Seller's Choice option compared to a single MID-C TSR (e.g., BPAT.CHPD)
- Customers respectfully request an update from BPA as to where OATI is in the process of implementing these standards now that they have been adopted by FERC. We also respectfully request details as to BPA's plan and timeline for applying, "as soon as practicable", **preemption and competition** to daily and hourly firm in accordance with its obligations under the TC-20 Settlement and its Tariff.

Definitions

Defining Time Designations

- ATC Horizons
 - **NERC Horizon** - The NERC horizon covers 0-13 months from today. Short-term ATC (ST-ATC) is calculated in the NERC horizon.
 - **Planning Horizon** - The planning horizon covers beyond the NERC horizon. Long-term ATC (LT-ATC) is calculated in the planning horizon.

- NT Request Intervals

Intervals	Product Type	Long-term	Short-term
Yearly	Firm	X	
Monthly	Firm, Non-Firm/Secondary		X
Weekly	Firm, Non-Firm/Secondary		X
Daily	Firm, Non-Firm/Secondary		X
Hourly	Firm, Non-Firm/Secondary		X

Examples of Time Designations

- The product designation of long-term or short-term is independent of the ATC horizon.
 - A TSR for yearly firm service could span the planning horizon into the NERC horizon.
- A TSR for firm NT Service with a duration greater than or equal to 365 days would use the “F-Yearly NT” product type.
 - If the duration of the TSR is 364 days or less see the [Requesting Transmission Service](#) BP for appropriate ST Firm product type.
- A TSR for non-firm NT Service with a duration of 364 days or less would use the short-term “NF” product types.
 - See the [Requesting Transmission Service](#) BP for appropriate ST NF product type.

Defining FTSR

- What is a Forecasted Transmission Service Request (FTSR)?
 - FTSRs encumber capacity for NT customer resource forecasts
 - FTSRs provide assurance to NT Customers that BPA has set aside transmission. If the identified resource is subsequently designated, additional ATC checks generally are not needed
 - How BPA handles confirmed FTSRs:
 - Encumbers capacity depending on modeling in the base case
 - Always honored, for the forecasted POR/POD
 - Capacity from alternate resource designation (DNR) may be netted
 - Undesignated capacity is released by the Res. Desk on the first day of the month on a 60-day rolling basis

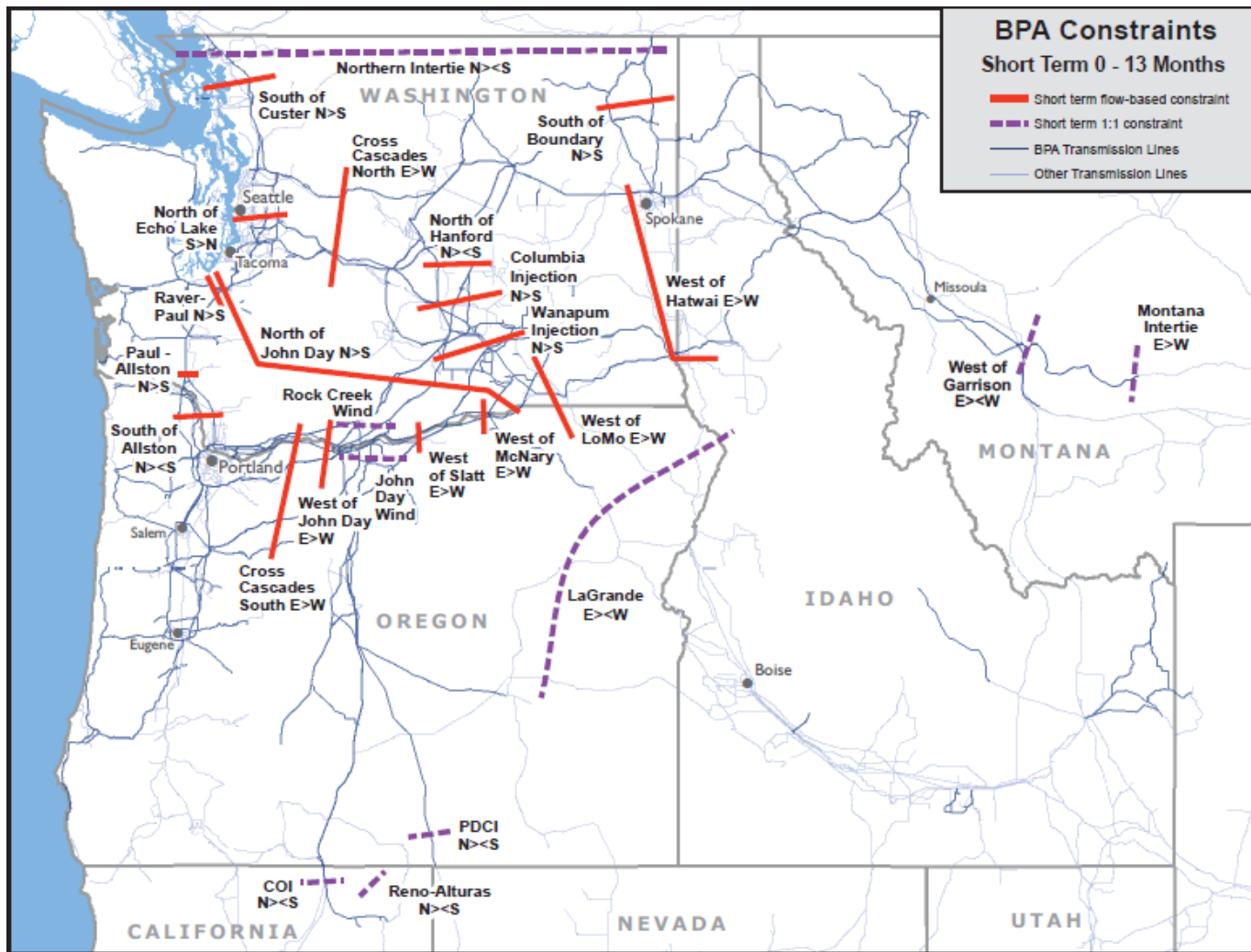
Defining Secondary NT Service (6-NN)

- **All** secondary NT service is NERC priority 6-NN regardless of duration
- Follows same reservation windows as PTP counterparts
- Only curtailed after **all** NF PTP service

Customer Comments

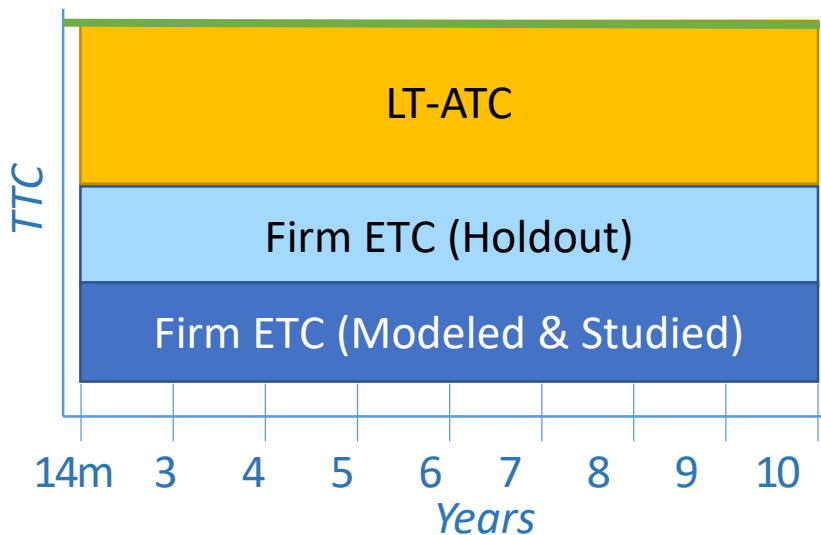
- Clarify process for encumbering/unencumbering ATC for NT service, particularly for Seller's Choice
- Clarify how an FTSR goes through the ATC process
- Clarify Reservation and Scheduling process for Seller's Choice

Short-term Constraints Map



Long-term ATC and ETC

$$ATC_{Firm} = TTC - ETC_{Firm}$$



Definitions:

- NITS = Network Integration Transmission Service
- PTP = Point to Point Transmission Service
- ROFR = Right of First Refusal (Renewals)
- GF = Grandfathered Transmission (pre-OATT)
- OS = Other Services (i.e. Ancillary)

Total Transfer Capability (TTC)

- Calculated using powerflow and transient stability studies to establish a reliability limit

Firm ETC (Holdout)

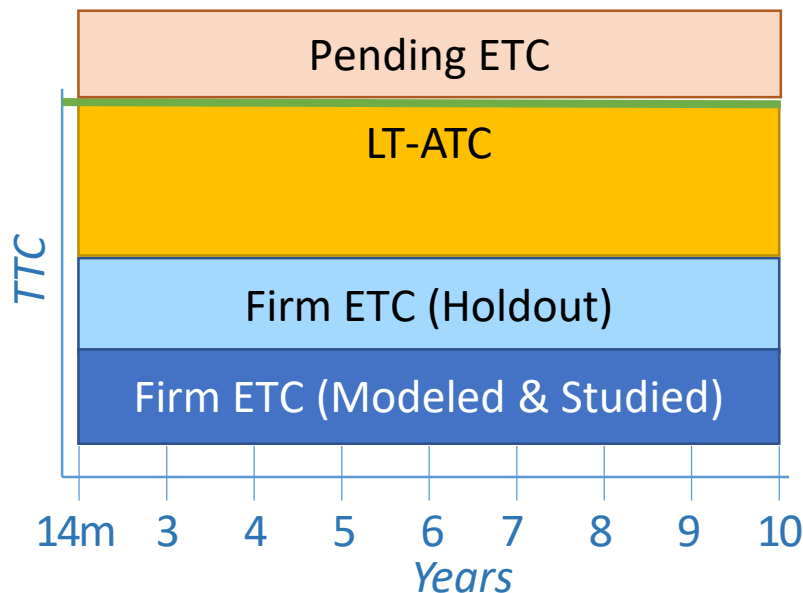
- Holds out capacity between LT-ATC updates, PTDF-based for Network Flowgates

Firm ETC (Modeled & Studied)

- Network Path
 - $ETC_{Firm} = NITS + PTP + ROFR + GF + OS$
- Network Flowgate
 - Powerflow model representing various system conditions, based on load forecasts, non-federal resources with firm transmission, historical generation, FCRPS obligations, counter-flows

See: [Available Transfer Capability \(ATC\) Methodologies for the Planning Time Period](#)

Long-term ATC and ETC

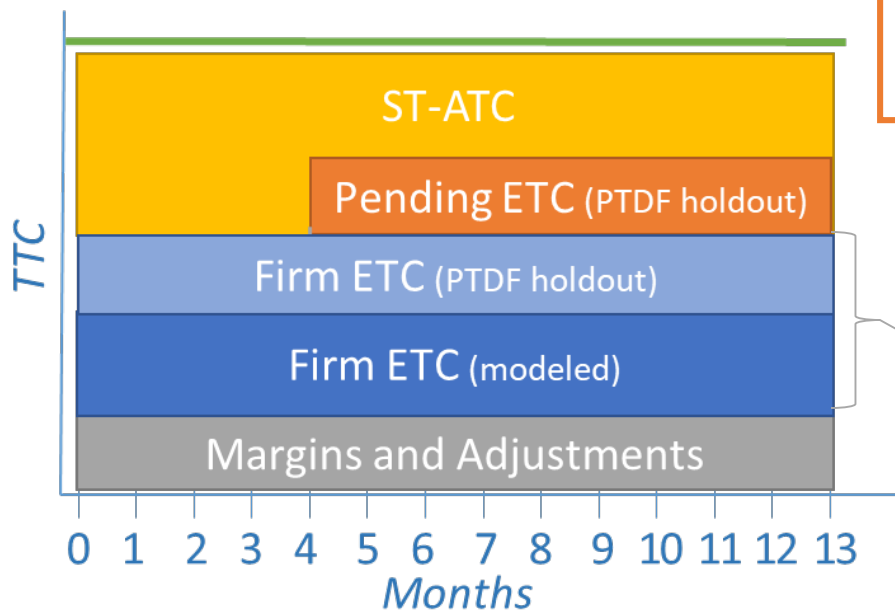


- Pending ETC
 - Holds out capacity for TSRs in queue

$$ATC_{Firm} = TTC - ETC_{Firm}$$

See: [Available Transfer Capability \(ATC\) Methodologies for the Planning Time Period](#)

Short-term ATC



▪ Pending ETC

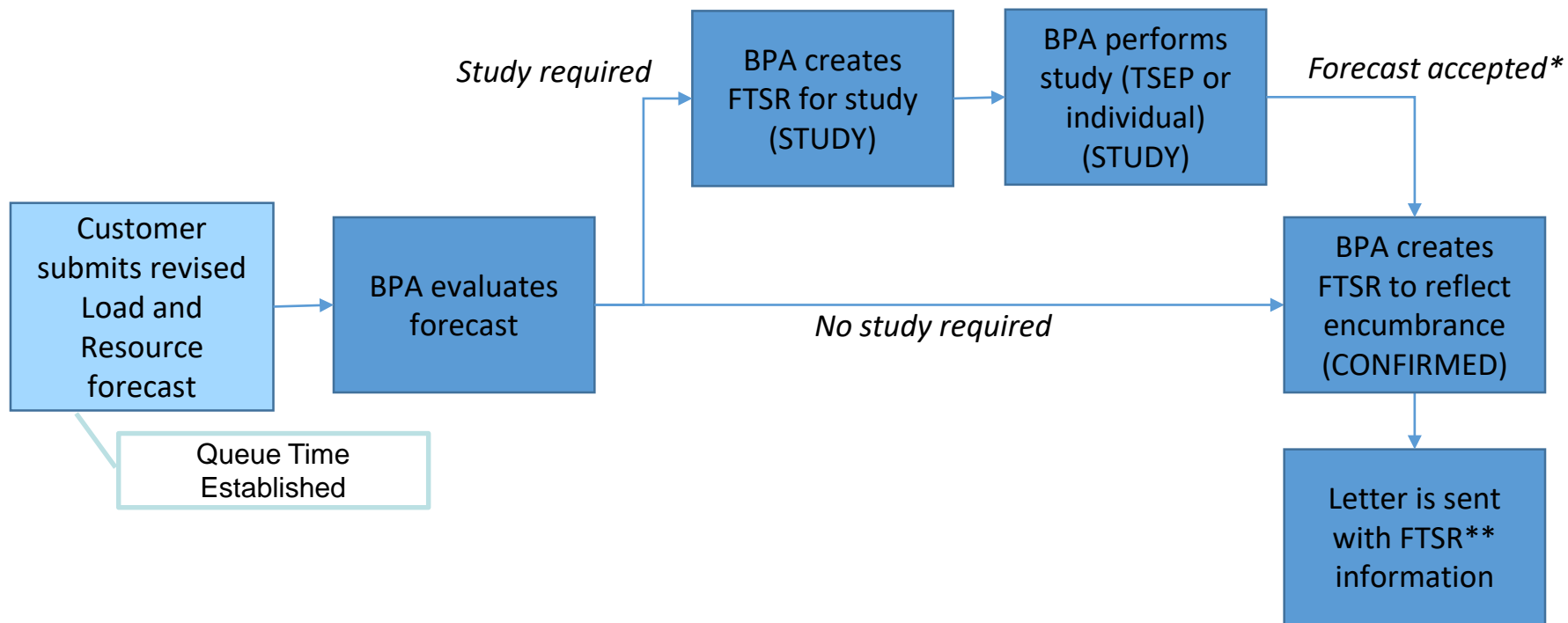
- Reduces ST-ATC
- Released 4 months from start of service unless a contract is being executed

NOTE: FTSR reservations are recalled to 0 MW at 60 days from flow if the capacity has not been designated. **Decreasing the ETC and increasing the ATC**

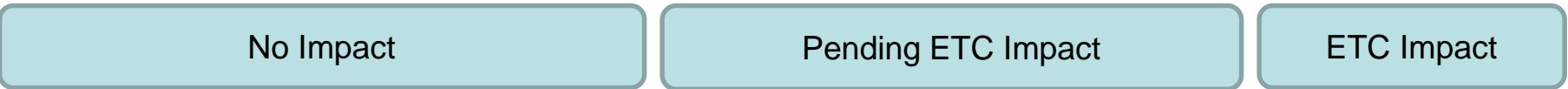
Customer Comments

- Clarify how an FTSR goes through the ATC process

NT Forecast Encumbrance



ATC Area



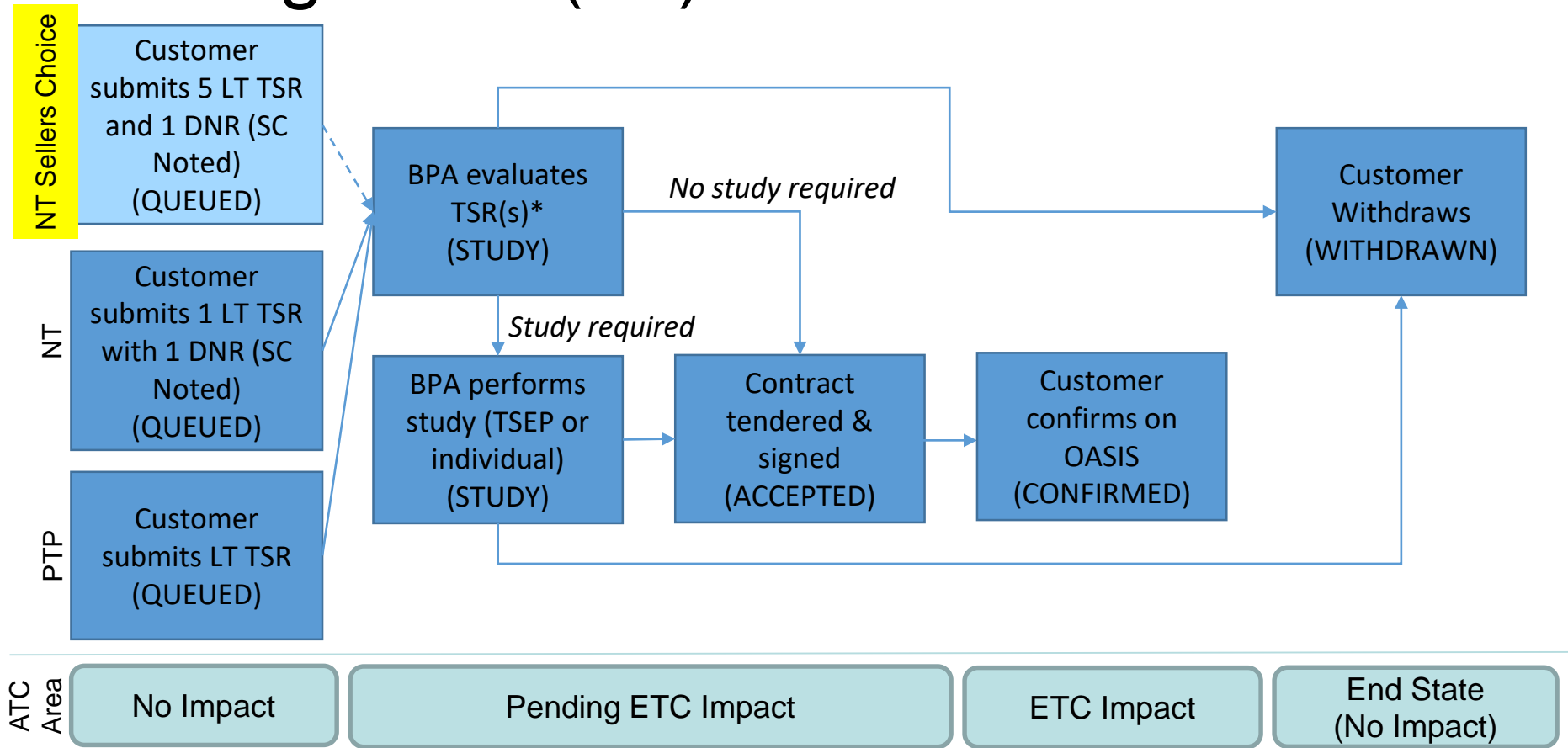
NOTE*: Participation in a build may be required in order for the forecast to be accepted.

NOTE**: The FTSR capacity is released 60 days before start of service unless designated.

Customer Comments

- Clarify Reservation and Scheduling process for Seller's Choice

Long Term (LT) Reservation Process



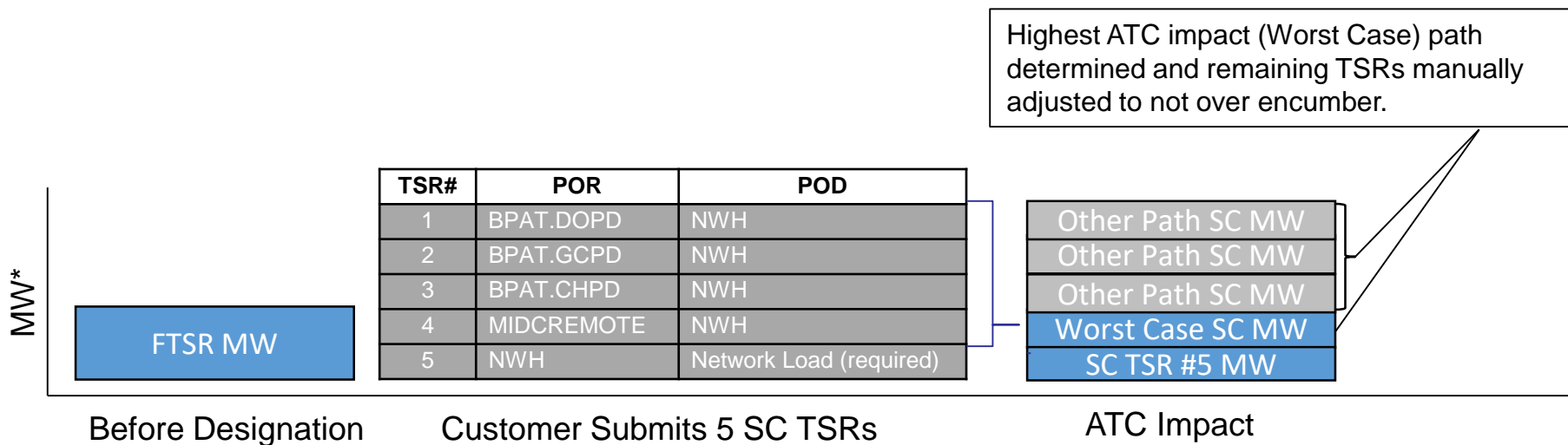
NOTE*: If an FTSR exists, the actual impact of the Seller's Choice will be netted against the FTSR without requiring an additional encumbrance.

NOTE**: The impact of the multiple TSRs will be manually adjusted to reflect the optionality of Seller's Choice without over encumbering. (PTDF Worst Case Analysis)

Long-term (LT) TSR Evaluation for Seller's Choice

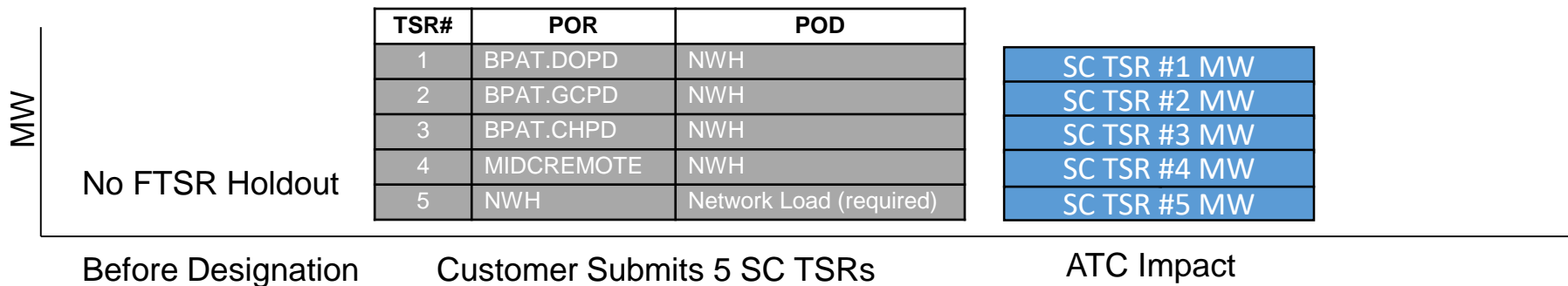
- Long Term Planning evaluates the resource forecasts provided by NT customers
 - Reviews previous studies and assumptions to determine whether the forecast has been considered or is a new need
 - Any new need is evaluated in queue order
 - Customer may need to participate in a Cluster Study
- Upon designating a Seller's Choice contract, NT customers may submit TSRs for these paths:
 - BPAT.CHPD to NWH
 - BPAT.GCPD to NWH
 - BPAT.DOPD to NWH
 - MIDCREMOTE to NWH
 - NWH to load
- If a customer has a CONFIRMED FTSR from the MID-C area with available capacity that is **equal to or less than the requested amount**, there will be no impacts to ATC upon requesting Seller's Choice.
- If a customer requests service for a **contract that exceeds their FTSR**, they will need to put in **two** TSRs:
 - TSR to match FTSR amount: No ATC Impacts
 - TSR for additional amount: Evaluated for ATC and by planning in queue order
- If a customer does not have a CONFIRMED FTSR, they will be evaluated for ATC and by planning in queue order

Seller's Choice Long-term ATC Impact

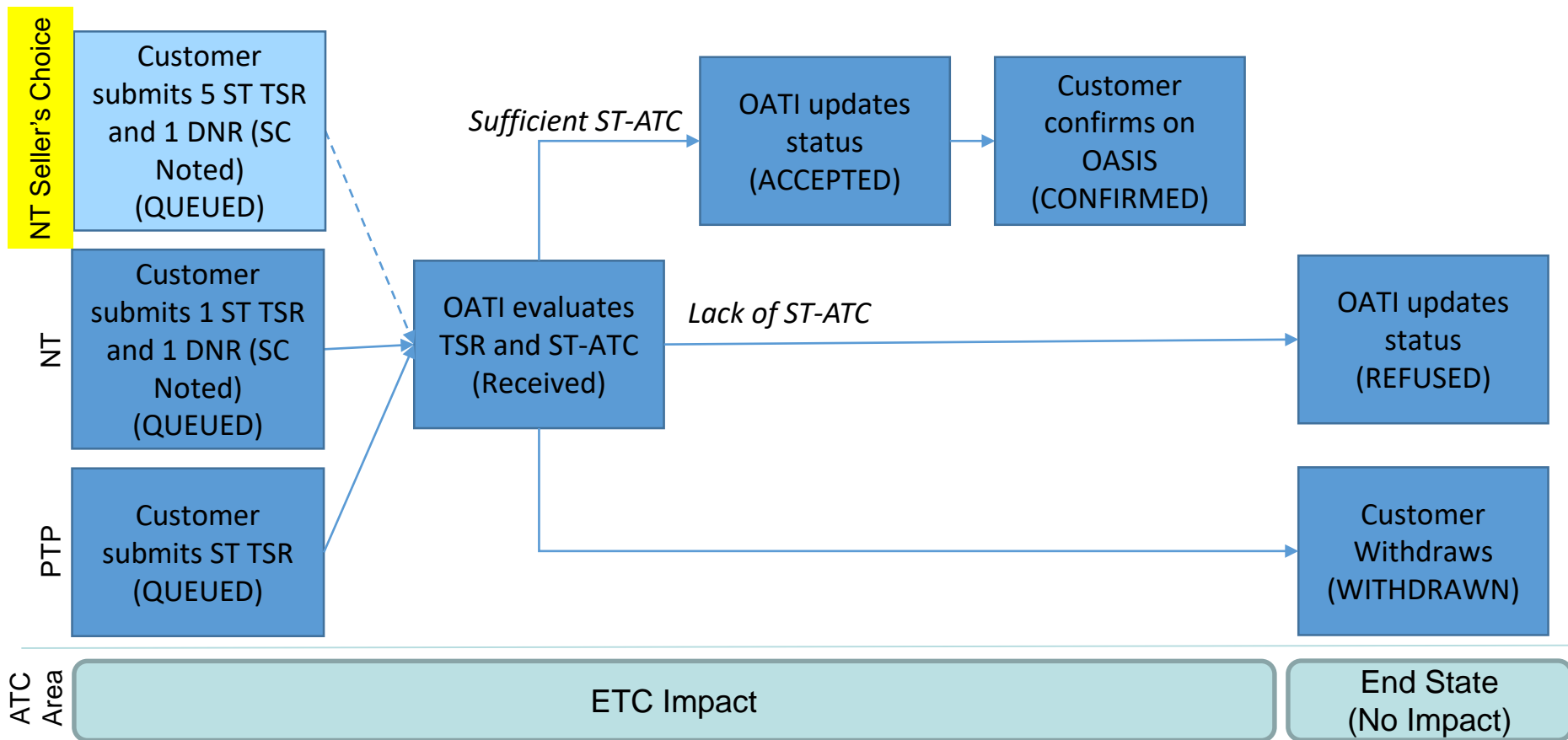


*MW indicates PTDF impact at a flowgate level to be used in ATC impact calculation.

Seller's Choice Short-term ATC Impact



Short-term (ST) Reservation Process



NOTE: All CONFIRMED short-term transmission reservation impacts (NT and PTP) are withheld from ST-ATC

Customer Comments

- Clarify Reservation and Scheduling process for Seller's Choice

Scheduling a Seller's Choice (SC) Resource

- Scheduling Seller's Choice
 - The actual resource is specified when an e-Tag is submitted against the TSRs corresponding to the **resource to NWH**, and the **NWH to Network Load**
 - TSR detail and ATC total is not adjusted based on the resource and the e-Tag
 - Generally, e-Tags are submitted by the preschedule day
- Releasing Capacity for Seller's Choice
 - At 10:00 p.m. on the day prior to delivery, **unscheduled firm TSRs are released** to the non-firm market including the unused TSRs associated with Seller's Choice

NT MOA Clarification

Customer Comment:

- The effect of the NT MOA on BPA's ATC is unclear and should be reviewed in TC-22 proceedings to provide transparency and help ensure that it is not resulting in over encumbrance of ATC on BPA's transmission system.

BPA Response:

- The NT MOA establishes the process(es) for BPA Power Services and BPA Transmission Services to coordinate on the management of the delivery of Federal resources to NT load, including Federal purchases from non-Federally owned resources (as listed in exhibits A and B of the NT MOA).
- BPA assures that ATC is not over encumbered by reviewing LT NT requests/forecasts through a technical panel before holding out capacity.

Customer Comments

- Identify the total net MW impacts from using the Seller's Choice option compared to a single MID-C TSR (e.g., BPAT.CHPD)
- Provide further examples of how impacts/effects of Seller's Choice are calculated

Mid-C Impact

Currently there are 675 MW of Seller's Choice TSRs that represent a 135 MW designation for FY 20.

- These TSRs resulted the following impacts:
 - 12 MW to CCS
 - 6 MW to NOH N>S
 - 28 MW on NOH S>N
 - 21 MW on WI
- Overall, a **slight decrease** in ATC in between power flows.
- These TSRs also resulted in these negative impacts:
 - -5 MW on CCN
 - -3 MW on PA
 - -11 MW on RP
 - -4 MW on SOA
- Overall, meaning a **slight increase** in ATC in between power flows.

Mid-C Impact

Currently there are 535 MW of Seller's Choice TSRs that represent a 107 MW designation for FY 21.

- These TSRs resulted in the following impacts:
 - 9 MW on CCS
 - 2 MW on NOH N>S
 - 18 MW on NOH S>N
 - 13 MW on WI
- Overall, meaning a **slight decrease** in ATC in between power flows.
- These TSRs also resulted in these negative impacts:
 - -3 MW on CCN
 - -2 MW on NOJD
 - -3 MW on PA
 - -8 MW on RP
 - -3 MW on SOA
- Overall, meaning a **slight increase** in ATC in between power flows.

All refused short term TSRs were pulled that were active 10/1/19 and beyond. Their refusal reasons were reviewed and it was found that none of the ATC impacts due to SC resulted in a refusal of service.

Customer Comments

- We respectfully request an update from BPA as to where OATI is in the process of implementing these standards now that they have been adopted by FERC. We also respectfully request details as to BPA's plan and timeline for applying, "as soon as practicable", preemption and competition to daily and hourly firm in accordance with its obligations under the TC-20 Settlement and its Tariff.

2.f. Preemption and Competition

(TC-20 Settlement Agreement, Attachment 1: Terms)

As soon as practicable, Bonneville will apply preemption and competition to daily and hourly firm, including redirects, if OATI implements NAESB standards to adopt FERC policy under Entergy Services Inc. 148 FERC ¶ 61,209. If FERC has not directed OATI to adopt such NAESB standards or if OATI has not made the changes prior to the start of the TC-22 proceeding, then the issue of whether to apply preemption and competition to daily and hourly firm in the absence of such action will be reevaluated as part of the TC-22 proceeding. The Parties will discuss the conditional window in Tariff section 13.2(iv) in workshops before the TC-22 proceeding.

2.f. Preemption and Competition

- FERC has issued Order 676-I which includes new standards that will introduce some large changes to preemption and competition as well as standards to address *Entergy Services Inc.*
- Bonneville affirms that it will implement preemption and competition for hourly, daily and redirects **as soon as practicable** after the testing and implementing the necessary software, once it is delivered by OATI.
- Bonneville is not proposing any changes to 13.2(iv) in our tariff.

Next Steps

- Next scheduled Customer Workshop is July 28, 2020 to cover Steps 5-6
- Please submit comments and feedback to techforum@bpa.gov (with copy to your Account Executive)
 - Please note “**Seller’s Choice**” in the subject line.
- Materials may be found on the [NT Meetings Page](#).

Appendix

TC-22, BP-22 and EIM Phase III Customer Workshop

May 19, 2020



Seller's Choice Evaluation Approach

Phase One: Approach Development

- Step 1:**
Introduction & Education
- Step 2:**
Description of the Issue

March 17
Workshop

Phase Two: Evaluation

- Step 3:**
Analyze the Issue
- Step 4:**
Discuss Alternatives

Today's
Workshop

Phase Three: Proposal Development

- Step 5:**
Discuss Customer
Feedback
- Step 6:**
Staff Proposal

June 23
Workshop

Agenda

- ❖ **Objective & Strategic Goal**
- ❖ **Customer Feedback/Data Analysis**
- ❖ **Alternatives**
- ❖ **Next Steps**

Objective

To collaborate with customers on BPA's Seller's Choice implementation in order to determine how best to meet customers' and BPA's needs after October 1, 2021.

Strategic Goal

Agency Strategic Goal 4: Meet transmission customer needs efficiently and responsively.

4c: Meet current and future needs of Network Integration Transmission Service customers through clear business practices and streamlined processes.

4d: Offer more standardized products and services by better aligning BPA's Open Access Transmission Tariff with *pro forma* and industry best practices.

Customer Feedback/Data Analysis

Themes:

- *Pro forma*
- ATC Impact
- Requests for Data
- Planning Impact

Pro forma Impact - Clarification

Customer Comment - “BPA’s Perspectives” on Seller’s Choice as presented on page 26 of the March 17 Presentation should be revised to include consideration of whether (i) Seller’s Choice is consistent with FERC’s *pro forma* OATT (and not merely with regard to NT redispatch)

BPA Response - *Pro forma* alignment is a decision criteria for BPA’s evaluation of its Seller’s Choice implementation

Seller's Choice Data Analysis

- BPA has not fully implemented NITS on OASIS.
- Much of the Seller's Choice data analysis is a manual process.
- Assumptions will be made to estimate Seller's Choice schedules based on the NT Business Practice.

ATC Impact of Seller's Choice

LT ATC:

- Encumbering for Seller's Choice has **no impact to LT ATC**.
 - Customers are utilizing resource forecasts that have been previously encumbered.

ST ATC:

- Encumbering for Seller's Choice appears to have minor impacts to ST ATC from the time the TSRs are confirmed to the next short term base case.
- Any unused impacts from forecasted resources are released to market 60 days out, increasing ST ATC.
- BPA has not identified any ST TSRs that were refused due to the impacts of Seller's Choice to ATC.

Reservations

Customer Comment: Identify the total net MW impacts from using the Seller's Choice option compared to a single MID-C TSR (e.g., BPAT.CHPD)

BPA Response: Data analysis is in process

Reservations

Customer Comment: Identify the total number of Mid-C reservations that are using the Seller's Choice option relative to all other Mid-C reservations, both in count and MW, both PTP and NT.

BPA Response:

- Count of TSRs (See Chart #1 – Slide 12)
- MW Demand of TSRs (See Chart #2 – Slide 13)

TSR Analysis - Reservations

BPA Response:

TSR count for all products that have a POR including:

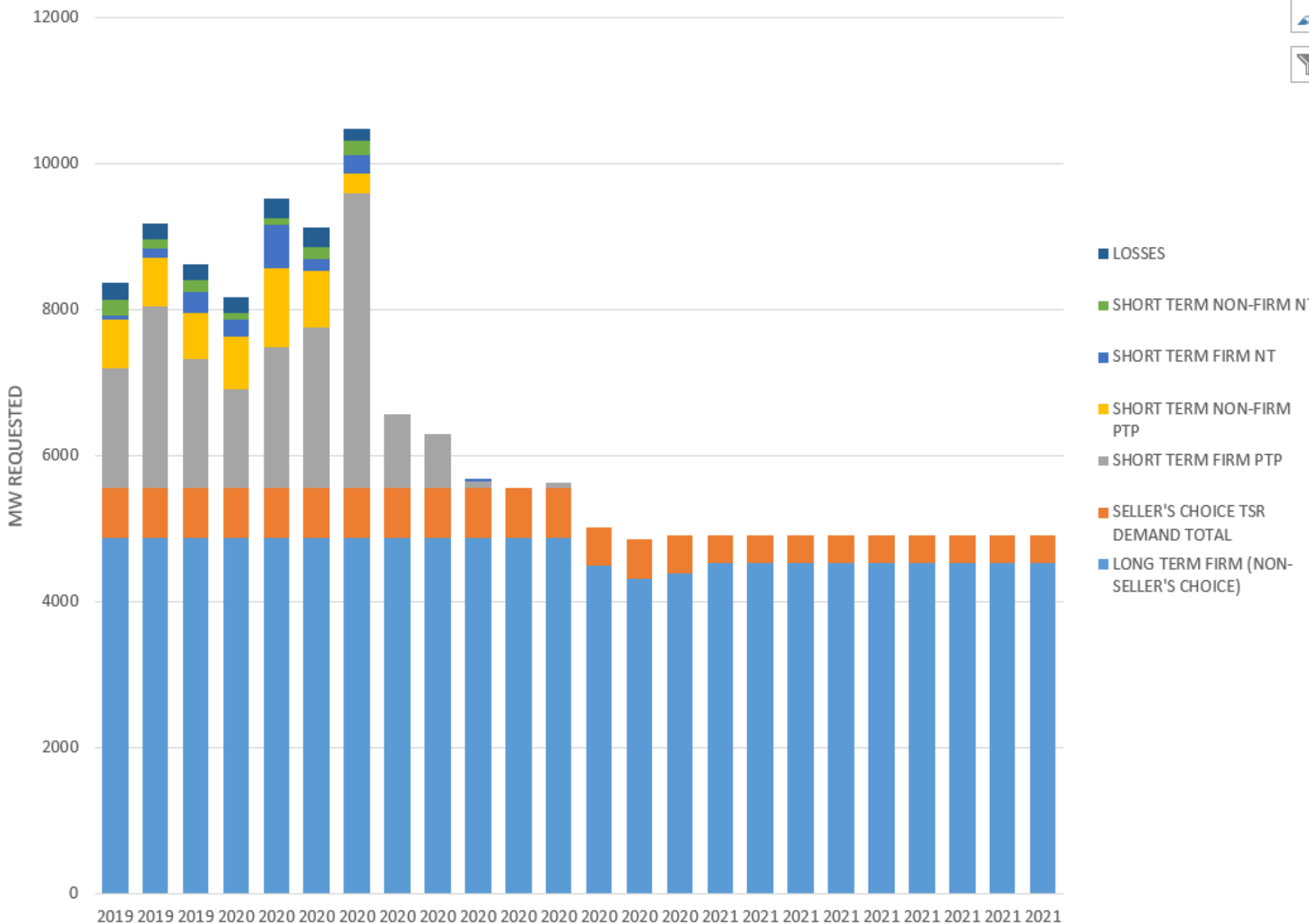
- MIDCREMOTE
- NWH
- BPAT.CHPD
- BPAT.GCPD
- BPAT.DOPD

Chart 1:

TSR Count “Confirmed” Status (Active 10/1/19-10/1/20)	Yearly	Monthly	Weekly	Daily	Hourly
All Service	291	216	34	123	28335
Network Service	131	69	7	19	3015
Seller’s Choice	65	0	0	0	0

Chart 2:

CONFIRMED TSR DEMAND PER MONTH BY PRODUCT



Schedules

Customer Comment: Identify the total number of Mid-C schedules that are using the Seller's Choice option relative to all other Mid-C schedules

- Count of schedules
- MW Demand of schedules

BPA Response: *All MWh scheduled through NWH between 10/1/2019 – 3/31/2020*

Seller's Choice Transactions:

Total Schedules (distinct tag IDs) – **2,354**

Total MW – **569,274**

All Mid-C Transactions:

Total Schedules (distinct tag IDs) – **55,564**

Total MW – **20,284,685**

Planning Impacts of Seller's Choice

Customer Comment: Does the Seller's Choice product have any significant impact to BPA's planning visibility relative to all of the PTP TSRs that ultimately get redirected through the Mid-C?

BPA Response:

- Planning evaluates **long-term NT** designated network resources at the time of designation to ensure the resource can serve the NT customer designated load on firm transmission.
- **Short-term PTP** redirects are evaluated based on the ATC available at the time and duration of the redirect.
- Seller's Choice deliveries at NWH compared to Mid-C PTP redirects:
 - **Similarity:** The evaluation of firm transmission is not done at the same time as the transaction from NWH to load is evaluated.
 - **Difference:** Planning has an obligation to ensure NT designated resources have a firm path to load, where BPA does not have the same obligation for PTP service.

Planning (continued)

Customer Comment: Explain the Seller's Choice impacts on planning visibility vs. the impact of PTP redirects on planning

BPA Response:

- Seller's Choice designated resources at NWH allow NT customers to be granted long-term firm capacity when Planning cannot ensure the resource (or any resource) can be delivered on firm transmission.
- Seller's Choice at NWH (internal BPA transmission system point) does not allow planning to identify the off-system delivery point for evaluation.
- PTP redirects may be used to enable the current Seller's Choice implementation or to serve other PTP sales sourcing from NWH.
- BPA has a different planning obligation and evaluation timing for PTP service versus NT service.

Alternatives

Decision Criteria

1. Considers current and future customer needs.
2. Preserves BPA's ability to meet its obligation to plan for resources used to serve NT customer load.
3. Minimizes complexity, costs, and increases feasibility of both initial implementation and ongoing maintenance in BPA's commercial systems.
4. Aligns with the *pro forma* tariff and/or industry standards or industry best practices.

Industry Standard

Common practice of neighboring Transmission Providers:

- Removal of the requirement to identify the source BA
- Continuation of requirement to identify the point where power enters their system
- Idaho Power, Nevada, PAC, and Puget

Alternatives

Alternative 1: Status Quo: Seller's Choice ends, returning to pre TC-20 status

Alternative 2: Extend Seller's Choice as implemented through TC-22, re-evaluate for TC-24

Alternative 3: Allow Seller's Choice for off-system purchases only at the Mid-Columbia area through TC-22, re-evaluate for TC-24

Next Steps

Phase One: Approach Development

Step 1:
Introduction & Education

Step 2:
Description of the Issue

✓ March 17
Workshop

Phase Two: Evaluation

Step 3:
Analyze the Issue

Step 4:
Discuss Alternatives

✓ Today's
Workshop

Phase Three: Proposal Development

Step 5:
Discuss Customer
Feedback

Step 6:
Staff Proposal

June 23
Workshop

June 2 – Feedback due on Seller's Choice

Please submit to techforum@bpa.gov (with copy to your Account Executive)

Long-term Constraints Map

