



# Transmission Business Model

Pro Forma/Industry Standard Gap Analysis:

*Conditional Firm*



- Queue Management**
- Implementation of solutions identified in studies
  - Does not offer re-bids
  - Roll over rights for less than 5 years
  - Source/sink data not required
  - Remainder requests when only partial service available

**Conditional Firm**

- Conditional Firm Overview – current state
- Conditional Firm as a solution going forward
- Integration into BPA TSEP and queue processing

**Tariff Engagement Design**

- Update on process BPA will follow to implement necessary tariff changes

Non Pro Forma Gap Analysis Updates

# Conditional Firm Story

What is Conditional Firm?

How is it used?

What are the attributes?

June 14  
Public  
Meeting

Conditional  
Firm  
Background

Conditional  
Firm Defined

Bridge and  
Reassessment  
Conditional  
Firm

Conditional  
Firm "Firm  
Ups"

Limitations  
of Offers

# June 14 Public Meeting

7/26/17

## Talking Points

I-5 Corridor Reinforcement Project Decision

Conditional Firm identified to meet SOA impacts

BPA seeks common understanding for how we calculate, offer and manage product<sup>1</sup>

Conditional Firm Service for SOA flowgate will serve as interim product until BPA develops and implements an alternative study methodology for increasing firm capacity on the SOA flowgate<sup>2</sup>

## Implementation Considerations

1. Understanding of attributes should help facilitate more effective discussions
2. BPA is developing an alternative study process and will seek to align interim SOA CF service to long-term study and planning objectives of the Transmission Business Model

# Conditional Firm Background

7/26/17

## Talking Points

In order 890, FERC adopted requirement to offer Conditional Firm to address “all or nothing” problem in requesting Long-Term Firm Transmission - Order 890 ¶1925

Transmission paths are often “sold out” on a firm basis but have physical capacity available in all but a small percentage of the year during peak loads<sup>1</sup>

More customers can use existing paths under long-term contracts

Generation developers require long-term firm service to secure financing for new generation projects

Enables new generation resources to come online which otherwise would not get Long-Term Firm Transmission Service

## Details

### 1. Consider:

- 8760 hrs year firm service = long-term firm service
- 8750 hrs year firm service = short-term firm service

# Conditional Firm Defined

7/26/17

## Talking Points

A form of Long-Term Firm Transmission Service subject to one of two types of curtailment (cannot be subject to both)<sup>1</sup> - Order No. 890 ¶ 1064

If not firmed-up it is curtailed, schedule for impacted hours at priority 6 rather than 7<sup>2</sup> - Order No. 890 ¶1074

Service conveys the same rights as Long-Term Firm Transmission Service<sup>3</sup>

Transmission Provider charges rate same as standard Long-Term Firm PTP or NT Rate<sup>4</sup> - Order No. 890 ¶1047

## Details

1. Two types of curtailment:
  - Contract-specified maximum number of hours per year (e.g. 400 hrs.)  
If the maximum number of curtailments is reached, the reservation will be firmed up for the remainder of the calendar year
  - Contract-specified system condition(s) (e.g. SOL on flowgate)
2. CF Schedules are curtailed only if curtailment of other lower-priority schedules is insufficient to relieve congestion event
3. E.g, CF for long-term PTP can be deferred, redirected, resold and transferred just like any other long-term firm contract
4. Rate has no adjustments for the times curtailments take place

# Bridge Conditional Firm

7/26/17

## Talking Points

For Customers that support a Transmission Project, service will be available as a bridge until BPA completes the project<sup>1</sup> Order No. 890 ¶ 915

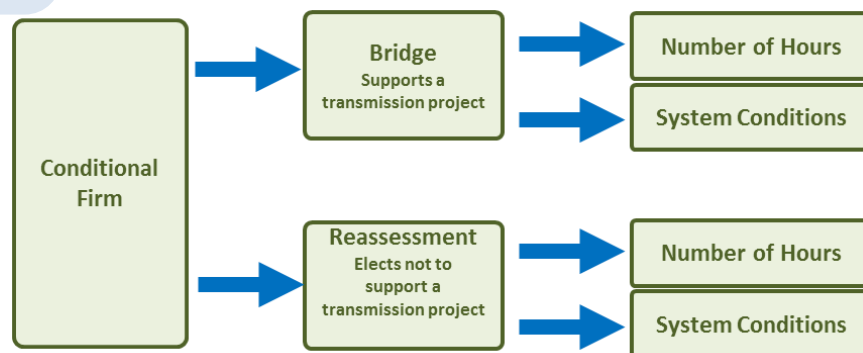
BPA generally offers Bridge CF after System Impact, Facility or Cluster Study when associated plan of service is moving forward

Contracts have the same Rollover rights as any other firm contract (5-years)

Number of Hours or System Conditions are not subject to change upon contract execution

## Details

1. Relevant conditions are specified in the initial service agreement and are not subject to change



# Reassessment Conditional Firm

7/26/17

## Talking Points

For Customers that elect not to support a Transmission Project, transmission provider re-evaluates (reassesses) the conditions under which services are provided, every two years. Order No. 890 ¶ 915

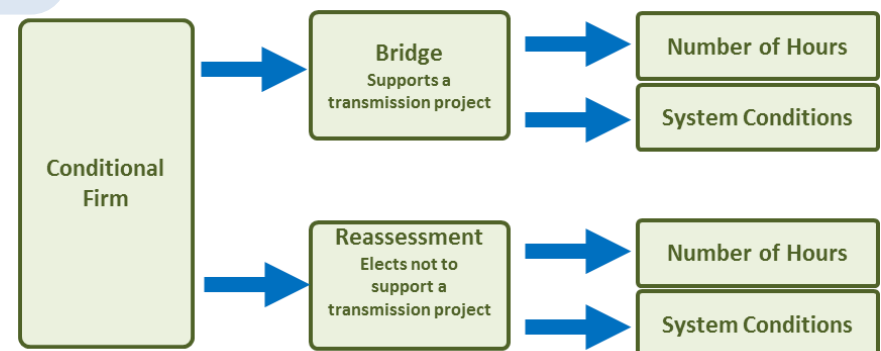
Reassessment Conditional Firm can be offered at any time  
– Pre or Post Cluster Study

Reassessment Conditional Firm contracts have same Rollover rights as any other firm contract (5-years)

Number of Hours or System Conditions are subject to change every two years<sup>1</sup>

## Details

1. BPA will notify the customer 90 days in advance of reassessment. If customer does not agree to reassessment, Conditional Firm contract will be terminated



# Conditional Firm – “Firm Ups”

7/26/17

## Short-Term “Firm-ups”

Conditional Firm has a priority to short-term firm capacity in the queue before it is offered to the short-term market for sale - Order No. 890 ¶1078

BPA will firm-up a *Number of Hours* customer’s Conditional Firm reservation as short-term capacity becomes available

Once a reservation has been firmed up, schedules are curtailed with all other firm schedules for that period

System Conditions always scheduled NERC Priority 7 but curtailed for contract-defined condition at Priority 6 for duration of condition

## Details

- BPA firms up Conditional Firm reservations up to 120 days out from the start of the reservation

## Long-Term “Firm-ups”

Bridge Conditional Firm reservations maintain their place in BPA’s long-term queue and firm-up if ATC becomes available

Reassessment reservations do not maintain their place in BPA’s long-term transmission queue, and not eligible for long-term firm-up



# Limitations of Conditional Firm Offers

7/26/17

## Talking Points

Conditional Firm not available to be requested over OASIS like other forms of service - Order No. 890 ¶11048

Conditional Firm is only for delivery of specific generation resource, not for a system sale

Customers may only receive one offer of either type of Conditional Firm<sup>1</sup>

BPA offers Conditional Firm on all flowgates<sup>2</sup>

Conditional Firm not offered on Southern Intertie – ISO curtails schedules based on economics

BPA is exploring viability of Montana Intertie, Northern Intertie and external paths<sup>4</sup>

## Details

1. CF is offered in queue order. Types of offers:
  - Bridge/Reassessment
2. Exception=North of Echo Lake due to operational excursions
3. Offers may be considered as long as receiving party curtails on NERC priority

# Conditional Firm Inventory as of 7/6/17

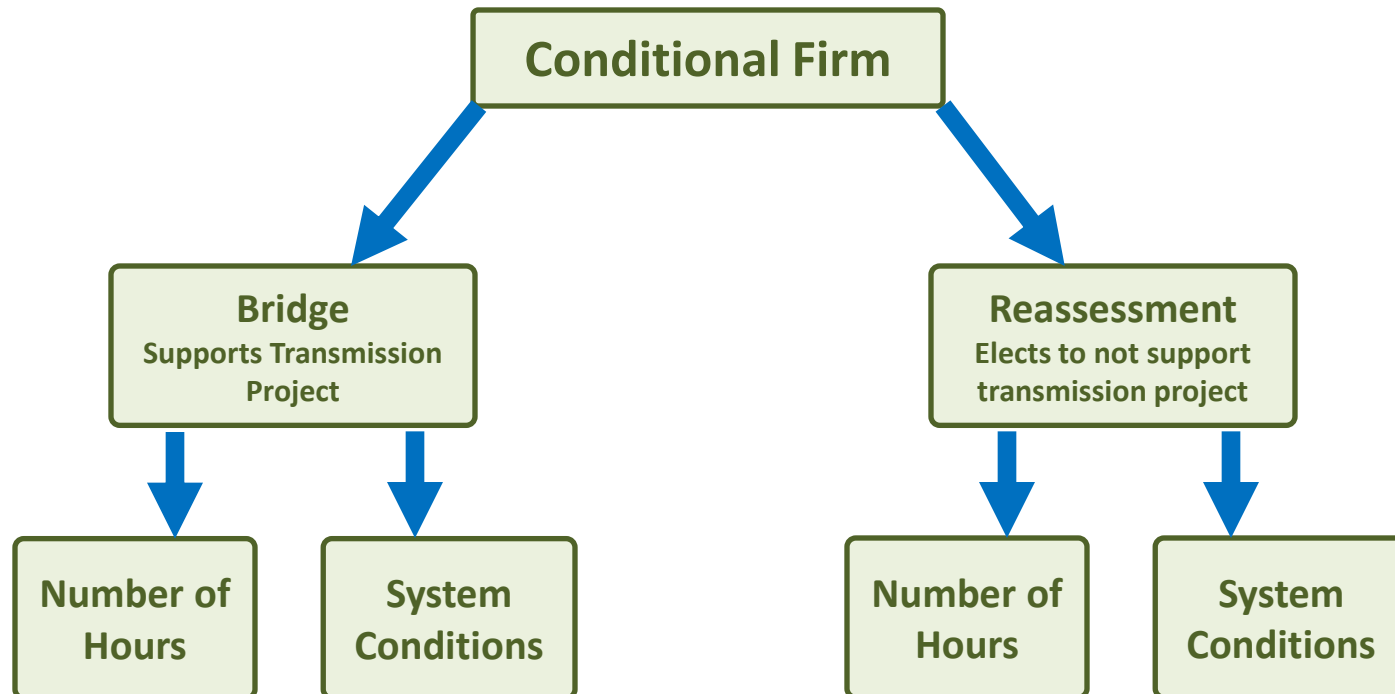
7/26/17

PATH NAME	TTC (MW)	CONDITIONAL FIRM INVENTORY (CFI)									
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
South of Allston	2001	336	336	336	336	336	336	336	336	336	336
Cascades North	10250	807	807	807	807	807	807	807	807	807	807
West of Lomo E>W	4200	1063	1063	1063	1063	1063	1063	1063	1063	1063	1063
Cascades South	7500	970	970	970	970	970	970	970	970	970	970
North of Hanford	4450	369	369	369	369	369	369	369	369	369	369
North of John Day	8400	552	552	552	552	552	552	552	552	552	552
Paul-Allston	2400	469	469	469	469	469	469	469	469	469	469
Raver-Paul	1450	244	244	244	244	244	244	244	244	244	244
West of McNary	4500	349	349	349	349	349	349	349	349	349	349
West of Slatt	4200	449	449	449	449	449	449	449	449	449	449
West of John Day	4300	1078	1078	1078	1078	1078	1078	1078	1078	1078	1078
South of Custer N>S	1850	1173	1173	1173	1173	1173	1173	1173	1173	1173	1173
North of Echo Lake S>N	2800	0	0	0	0	0	0	0	0	0	0

### Details

- Conditional Firm is calculated based on 5-minute flowgate data (SCADA)
- 97% of heavy load hour load duration curve of the highest two consecutive months flow
- \* These numbers are subject to change. Current data is posted on the BPA web site at [https://www.bpa.gov/transmission/Reports/TransmissionAvailability/Documents/long\\_term\\_atc.xls](https://www.bpa.gov/transmission/Reports/TransmissionAvailability/Documents/long_term_atc.xls)

# Conclusion and Questions



## Details

- OATT Policy Reference: Sections 1.46, 13.6, 14.7, 15.4, 19.3, 28.3, 28.7; Definitions (a), (c), (d); Attachment O; Section 8
- Order No. 890, see paragraphs 962 to 1094.