

# Queue Management/Rollover

Feb. 21, 2018

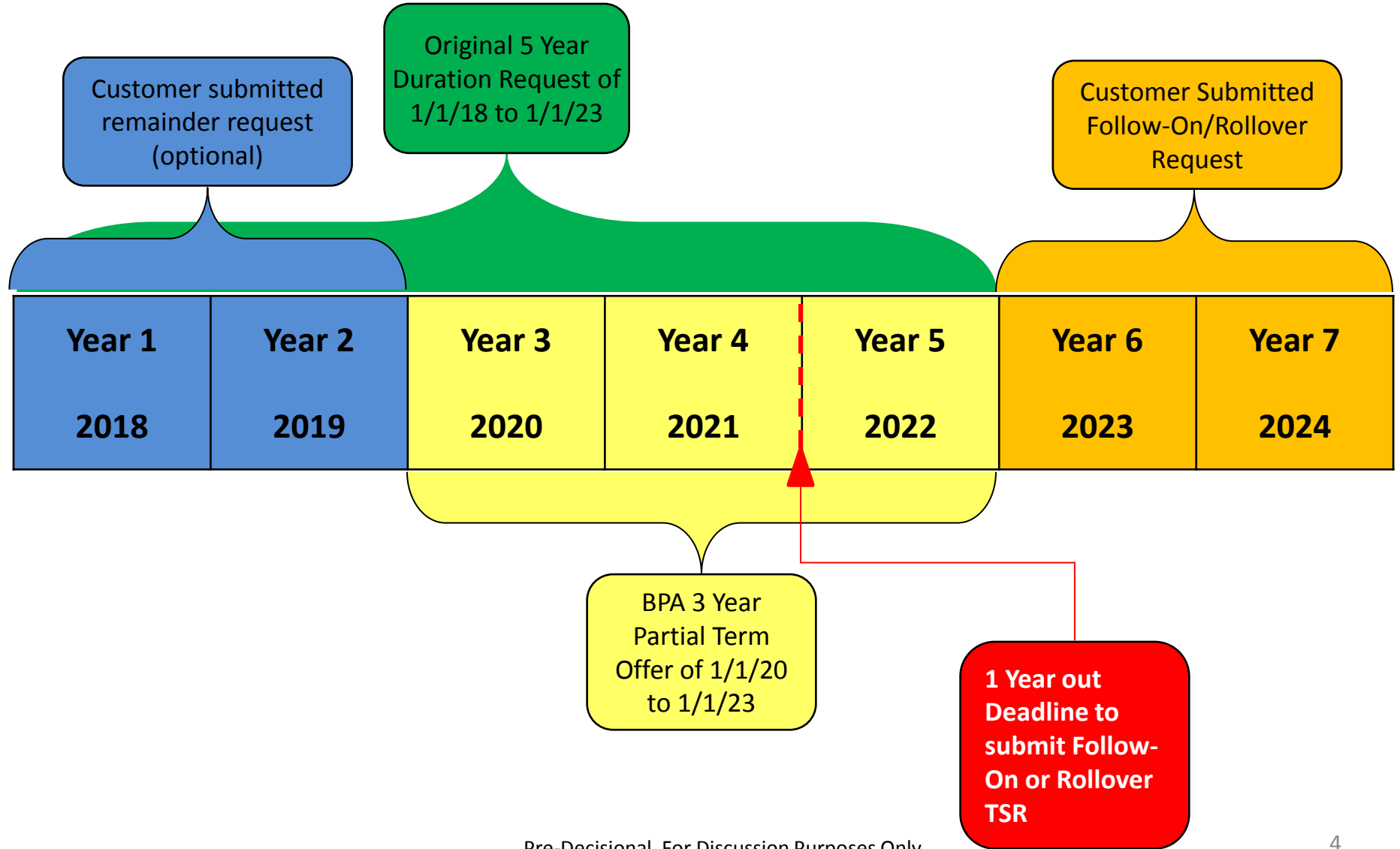
# Rollovers

- BPA is exploring how to close a tariff compliance gap regarding rollovers also known as Right of First Refusal (ROFR)
- Section 2.2 of both the BPA's and FERC's *pro forma* tariffs require a service (or contract) term of at least 5 years to be eligible for rollover.
- In addition to explaining BPA's current rollover policy, this presentation explains two options BPA is exploring to comply with section 2.2.
- Options BPA is exploring to close the gap:
  - *Pro Forma*
  - Customer Impacts – Potential Solutions

# Current Practice

- BPA currently uses the requested duration (not actual contract term) of a Transmission Service Request (TSR) to determine whether the TSR is eligible for rollover
- Customer receives rollover rights when BPA is able to make an offer of service that includes the last month of the requested term plus the period after the termination date of the request
  - This means that the active demand in the contract may be less than 5 years and the TSR still could be eligible for rollover
- Examples of TSRs that may be less than 5 years but retain rollover rights if the Parent had rollover
  - Industry standard:
    - Redirects to the end of the term of the parent
    - Transfers of service
  - BPA specific:
    - Remainder TSRs submitted for the unoffered portion of service due to a Partial offer
      - Currently BPA allows remainder requests
      - BPA is reviewing this policy as part of the pro-forma effort and possible implementation options will be discussed at a future workshop
- This current practice is not consistent with BPA's and FERC's *pro forma* tariffs nor industry standard.

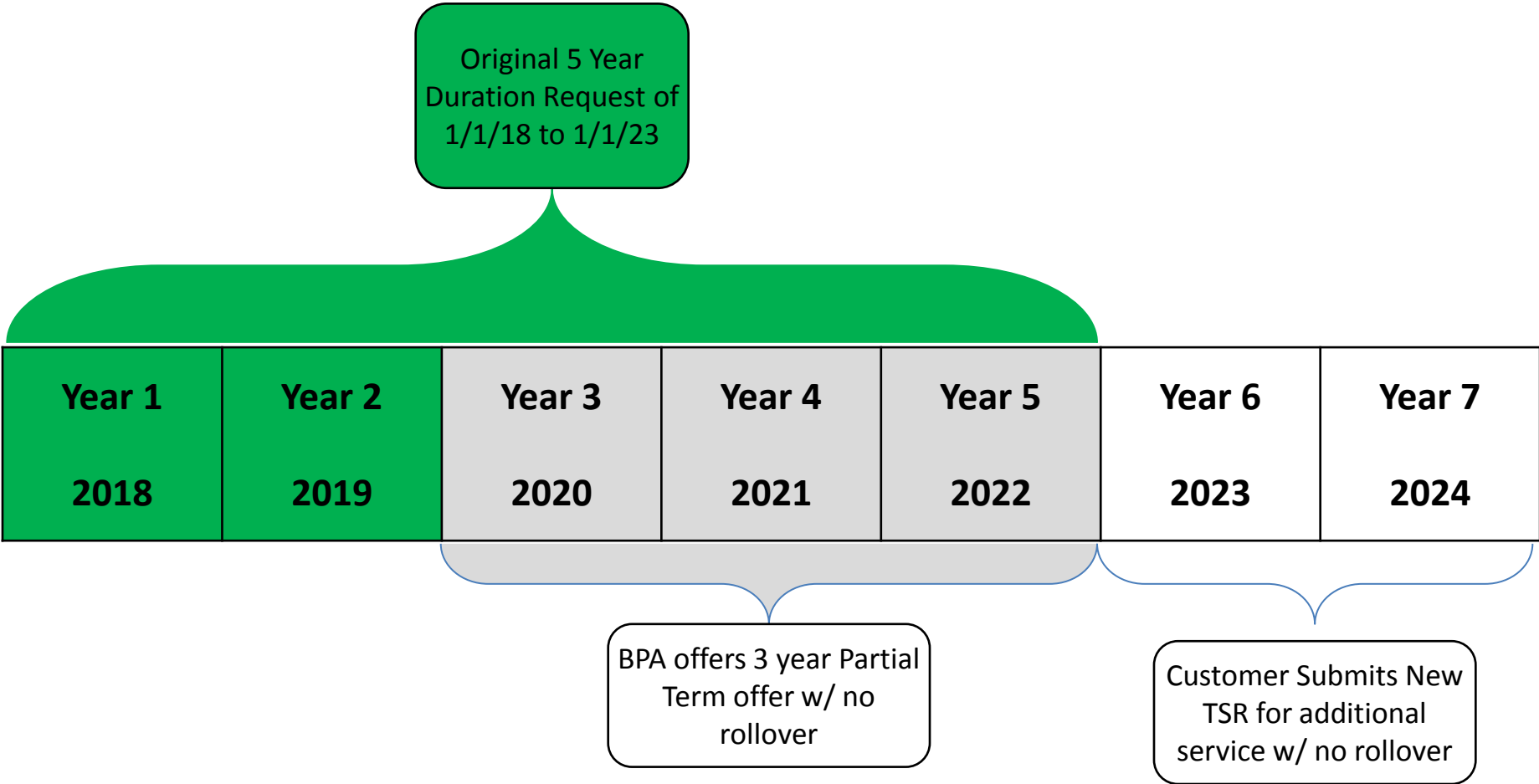
# Current Practice



# Pro Forma Option

- Bonneville would begin limiting rollover based on whether a reservation has a contract term of five years or more
- Rollover consideration would be removed from TSRs in the queue once an offer of at least five years was no longer possible
  - Capacity being held out for the rollover consideration would then be applied to lower queued requests in queued order
- Consistent with industry standards and would not require a Tariff change.

# Pro Forma Option



# Customer Impacts - Potential Solutions

- Specify ROFR rules based on study participation
  - BPA exploring if this can be accomplished under the *pro forma* tariff or meet the criteria for deviations
  - Remainders would be eliminated
    - Implementation timing still needs to be explored
- TSRs not actively participating in a study/build/upgrade process would be awarded ROFR utilizing the same ruleset as *Pro Forma* Option
- TSRs actively participating in a study/build/upgrade process would have an option to maintain their requested service duration which, if 5 years or longer, would result in being rollover eligible (i.e., this may require a tariff change)
  - Requested TSR duration would be kept intact to be eligible for ROFR consideration; customers would be required to conform TSRs
  - Partial Offer options are being explored for customers participating in the study and expansion process:
    - Limit partial demand offers to only those that include ROFR
    - Allow customers to choose a minimum MW threshold for their partial offers

# Customer Impacts - Potential Solutions

Original 5 Year  
Duration Request of  
1/1/18 to 1/1/23

BPA 3 Year  
Partial Term  
Offer of 1/1/20  
to 1/1/23

<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>

5 Year  
Conformance of  
1/1/20 to  
1/1/25

1 year out  
Deadline to  
submit ROFR



# Customer Feedback

- Is there a way to meet customer needs under the pro forma solution?
- Does this issue meet the criteria for pro forma deviations?
- Are the option timelines clearly understood and acceptable?
- Submit your questions and comments to [techforum@bpa.gov](mailto:techforum@bpa.gov)
- We are accepting comments on our Rollover policies from Feb. 21 – March 7, 2018.
- Our goal is to let customers know what direction BPA is leaning in May 2018.

# Q & A