

Transmission Business Model

Pro Forma/Industry Standard Gap
Assessment:

Summer Workshop Kickoff

WE ENERGIZE THE PACIFIC NORTHWEST

Transmission Value Proposition

Operating a High
Performing Grid

Enabling Economic
Growth in the Region

Providing Access to Federal
and Non-Federal Resources
And Markets

Through Excellence in Offering and Managing

Product Portfolio

Providing standardized options
Value-based price profiles
Drawing from integrated regional planning

Infrastructure

Advanced situational awareness
Right-sized investments in assets
Value and risk-based asset management

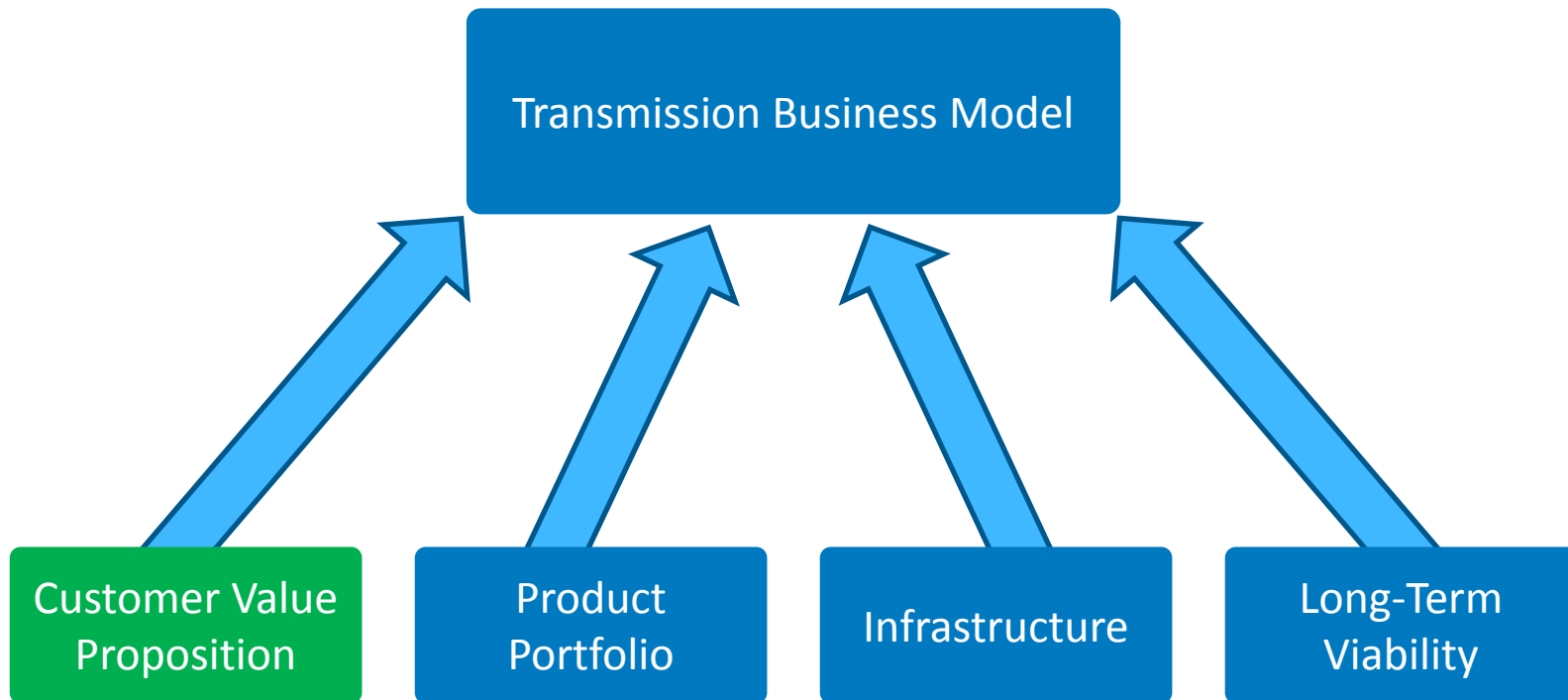
Long-Term Viability

Data-driven decision making
Integrated and efficient processes
Innovation and continuous improvement

A Dependable and Responsive Business Partner



How this all fits together?



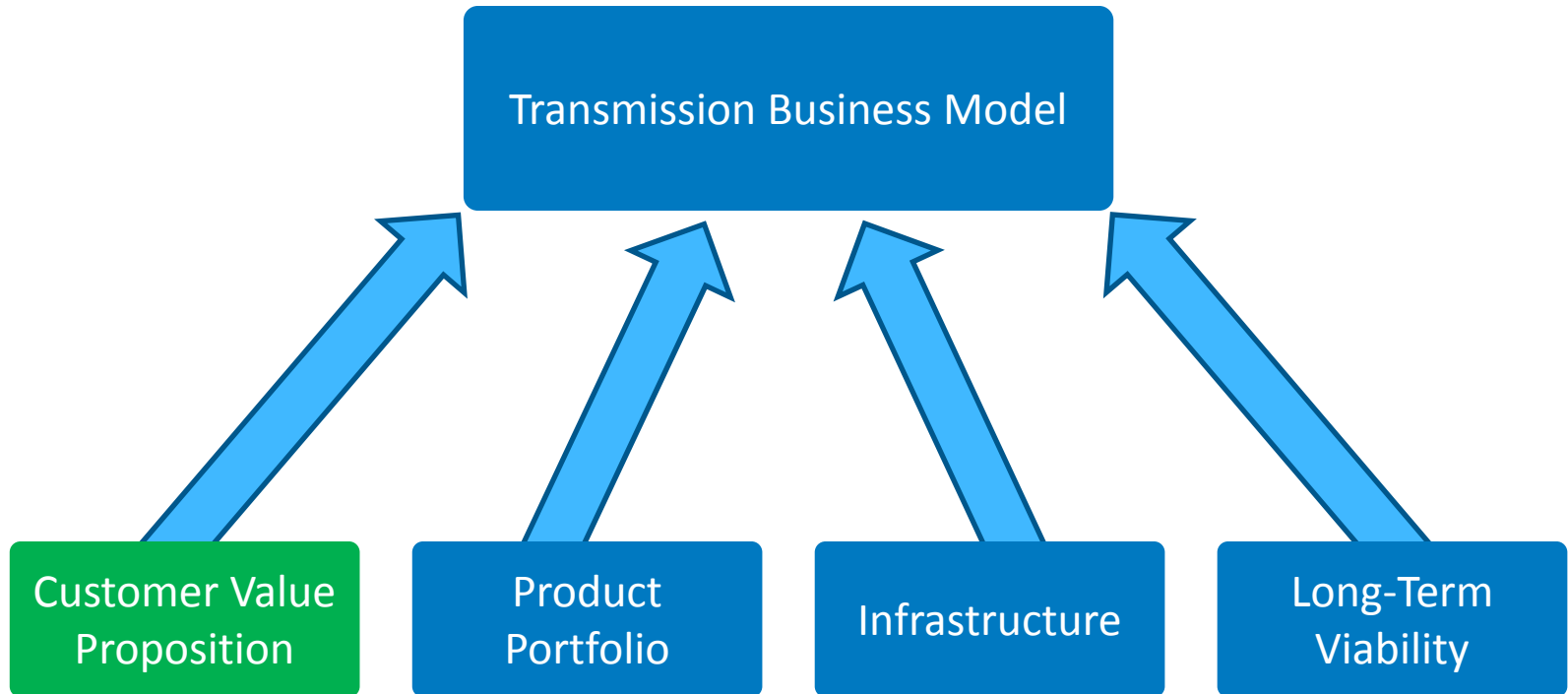
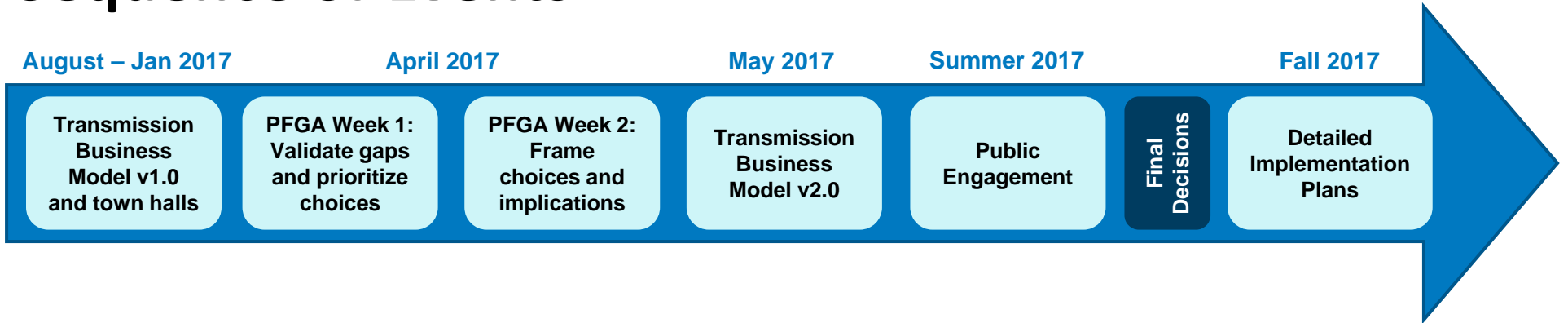
A collaborative approach through PFGA workshops



Pro Forma Gap Analysis

Key Steps and Summary of Results

Sequence of Events



An Integrated Approach

Transmission Business Model

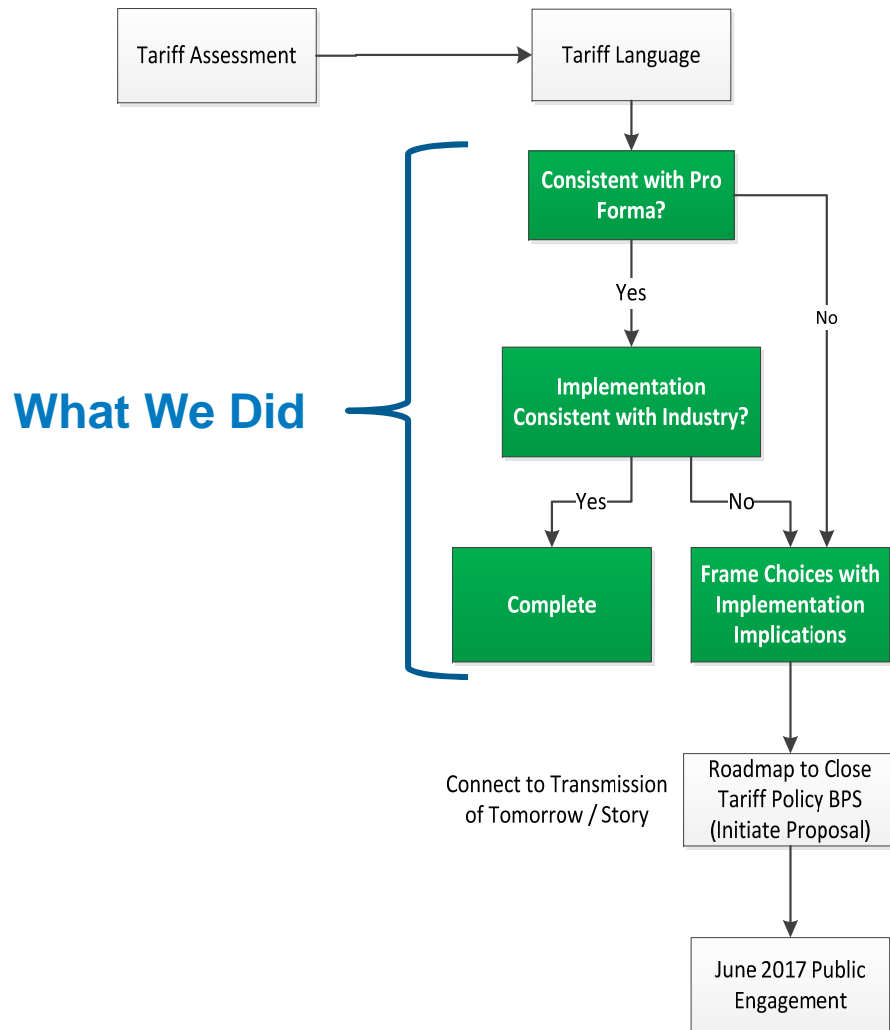
Pro Forma Gap Analysis

Agency Key Strategic Initiatives

Commercial Operations

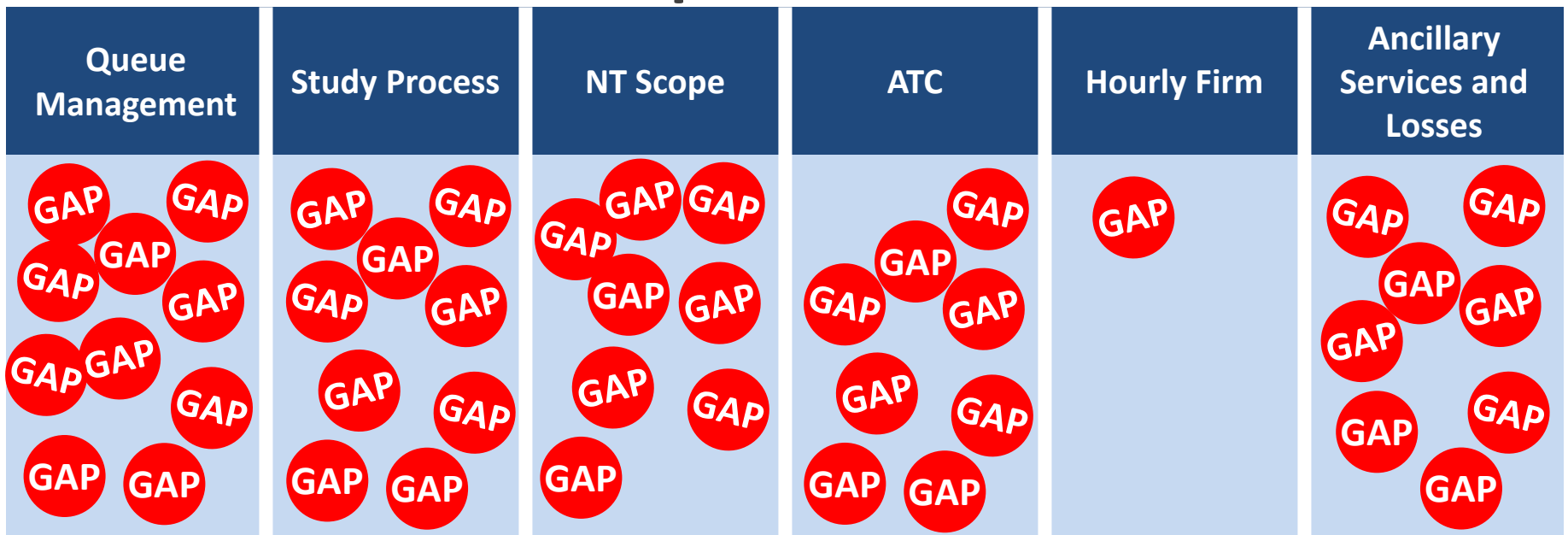
Utilicast Roadmap

Pro Forma Gap Analysis: The Approach

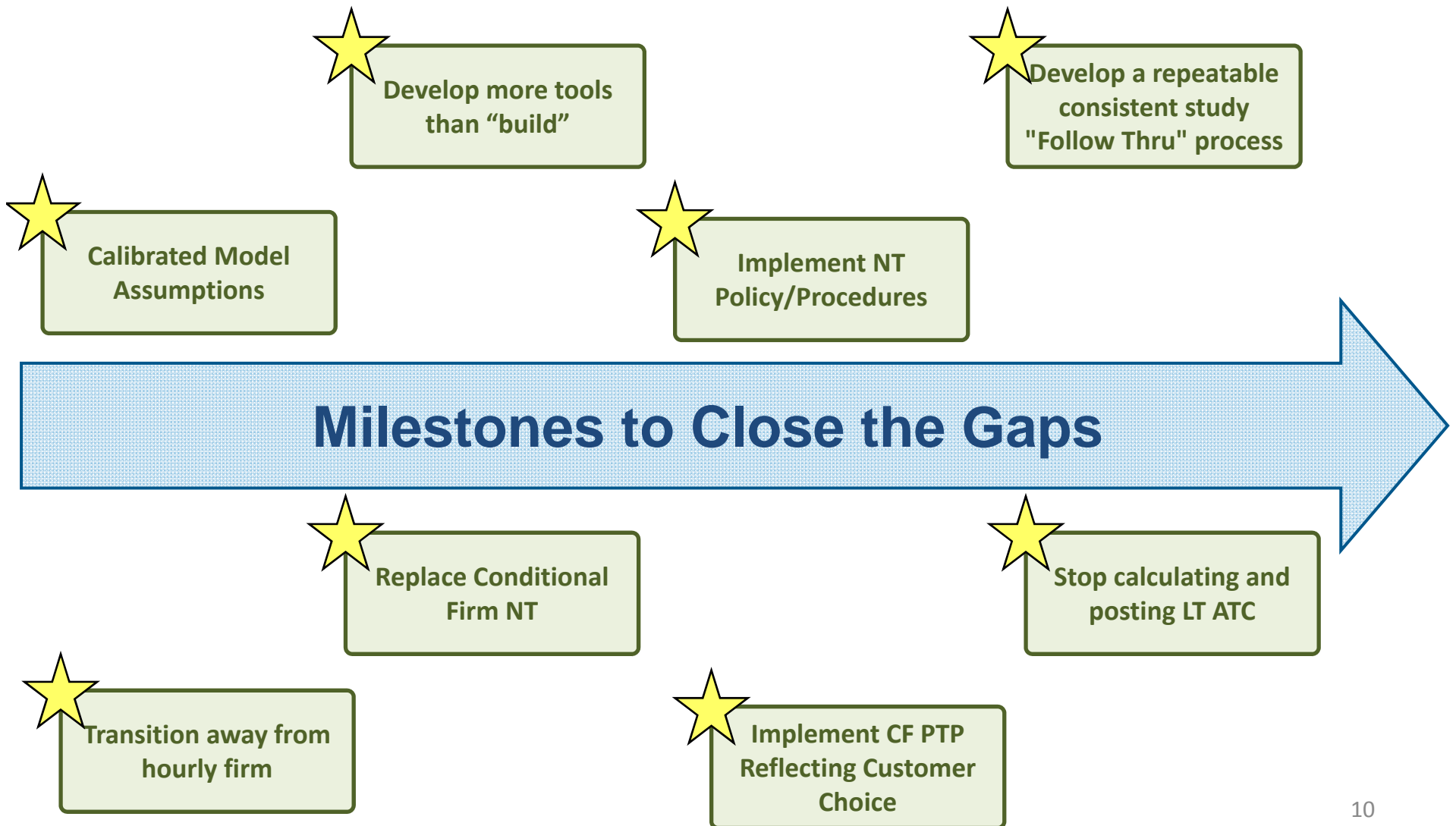


Pro Forma Gap Analysis: The Results

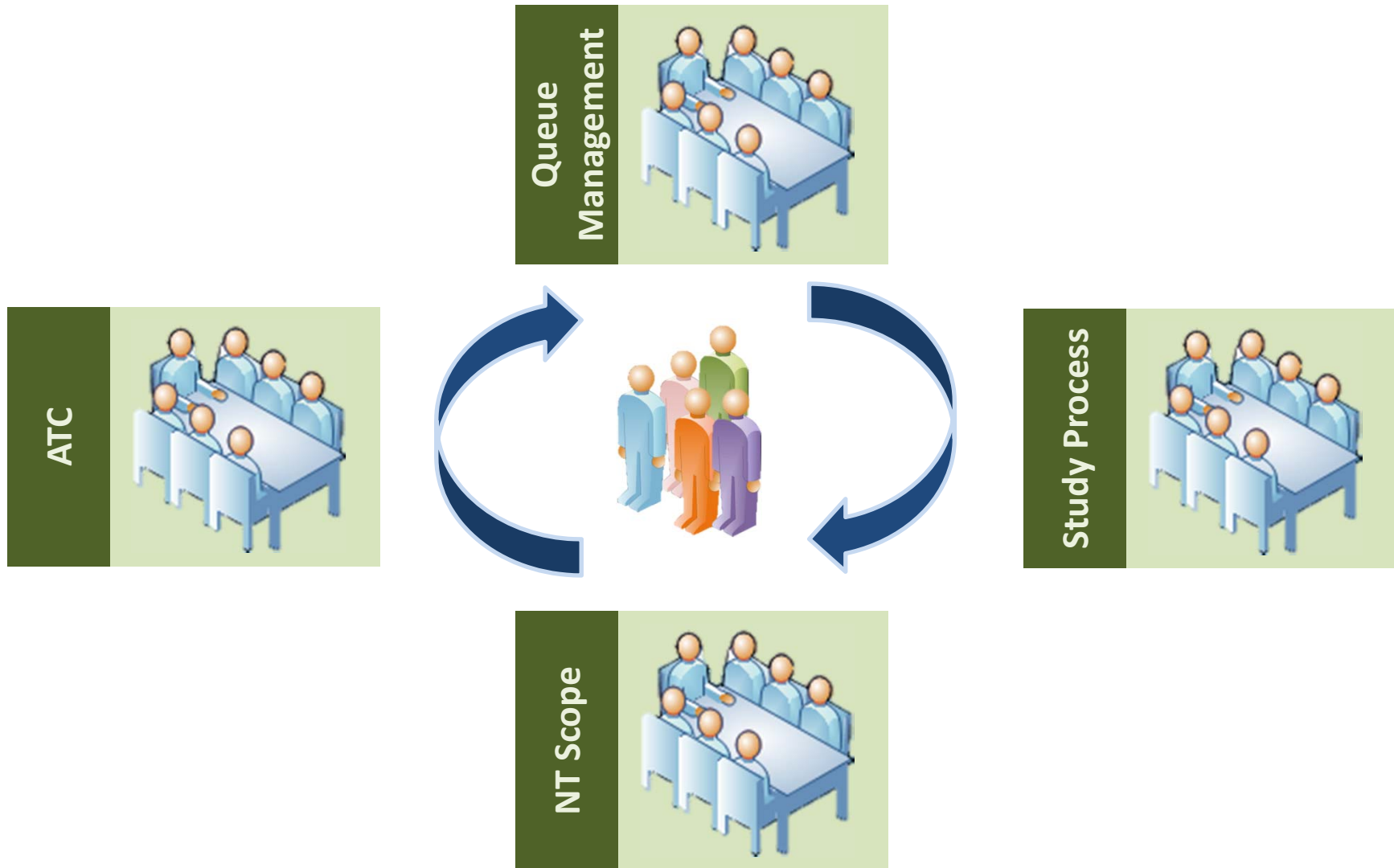
40 Gaps to Close



Pro Forma Gap Analysis Milestones



The Key is Involvement



Break

15 Minutes

Pro Forma Gap Analysis

Workshops, Gaps and BPA Direction

High Level Roadmap of Workshops

July	August	September
07/18/2017	08/29/2017	09/20/2017
<p>Summer Workshop Kickoff</p>	<p>Study Process NT Scope ATC</p>	<p>Hourly Firm Ancillary Services Losses</p>
07/26/2017		
<p>Conditional Firm Queue Management Tariff Engagement Design</p>		

Gaps Overview: July 26th Workshop

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

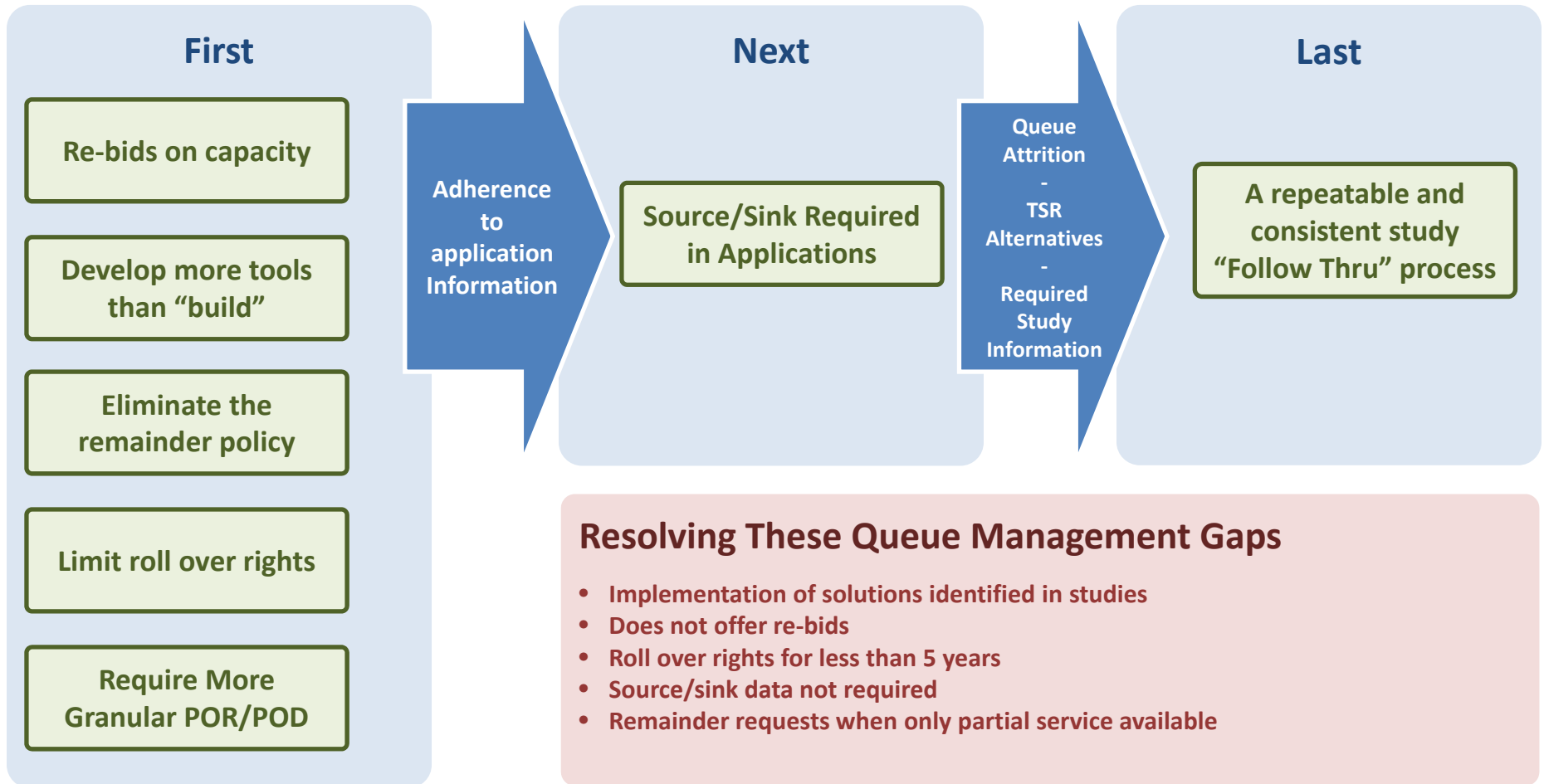
- Conditional Firm Overview – current state
- Conditional Firm as a solution going forward
- Integration into BPA TSEP and queue processing

Tariff Engagement Design

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

Non Pro Forma Gap Analysis Updates

BPA Direction: Queue Management



Gaps Overview: August 29th Workshop

Study Process

- Implementation of solutions identified in studies
- New network load definition and business processes
- First come/first serve principles
- Customers unable to request to be studied for Redispatch

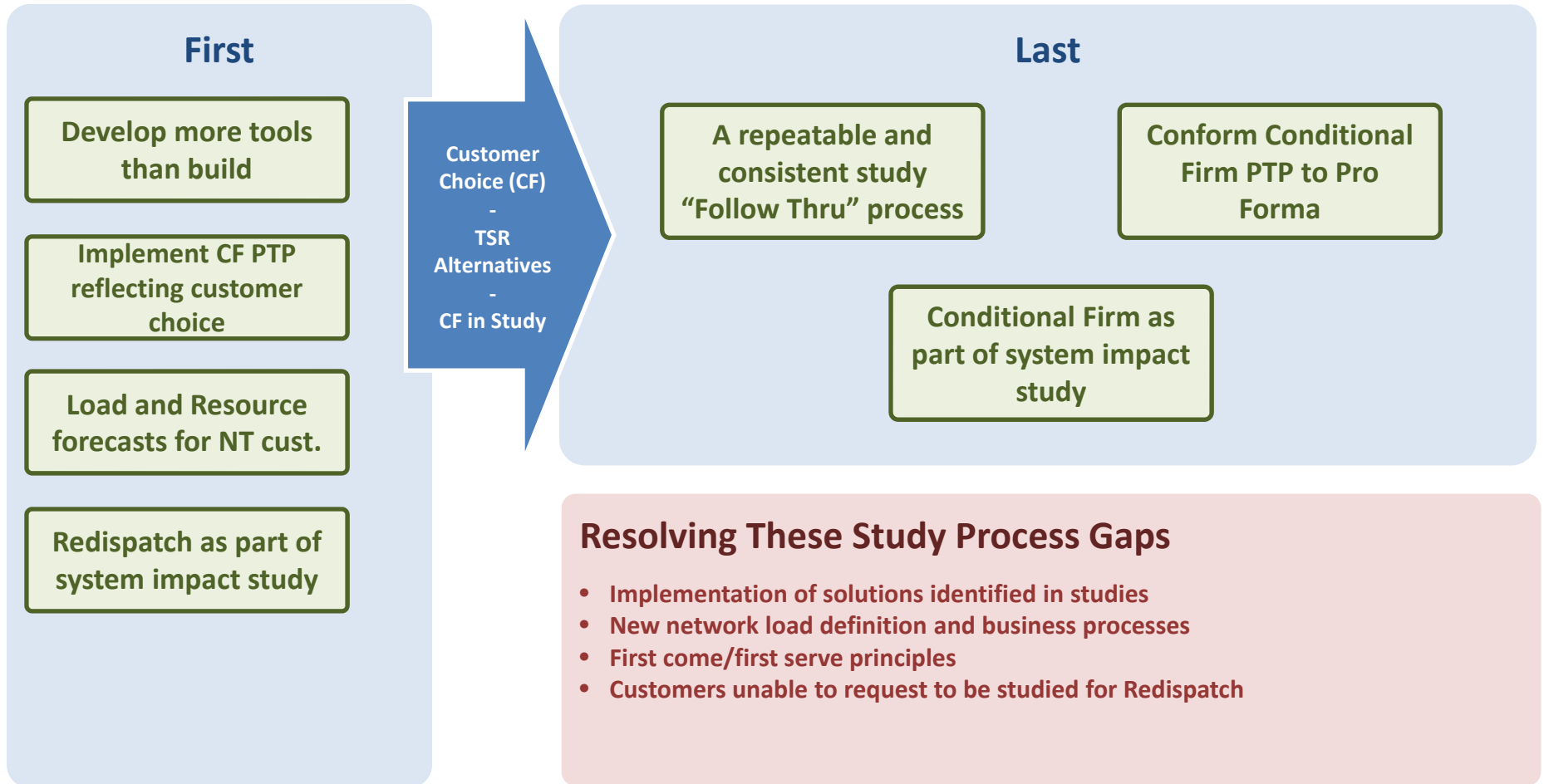
NT Scope

- Conditional Firm NT service
- BPA one-offs and silo'd work arounds to NT service
- Poor visibility of customer generation
- Highly customized processes and tools
- New network load definition and business processes
- Customers unable to request to be studied for Redispatch

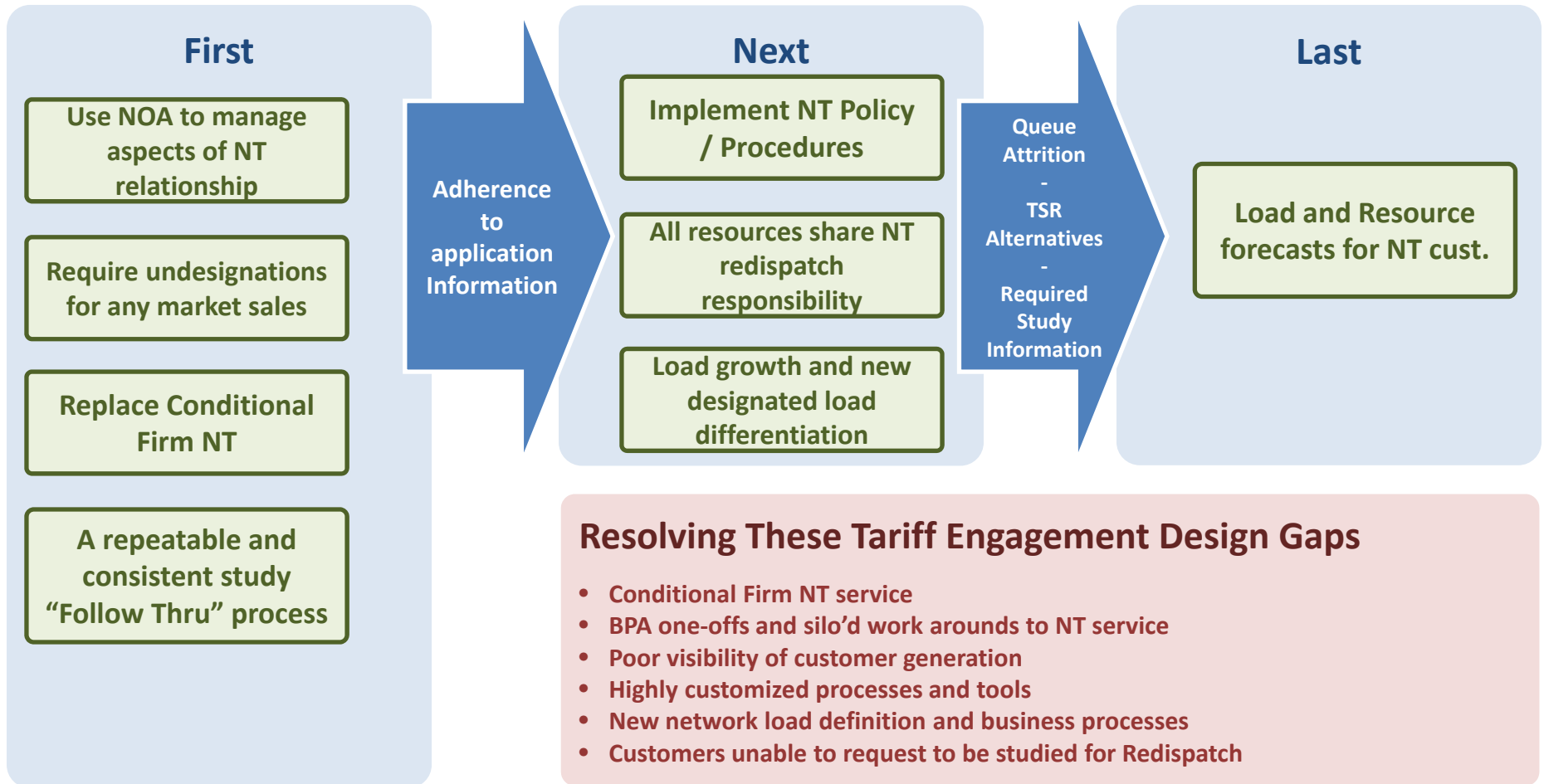
ATC

- Implementation of solutions identified in studies
- For internal network: use adjusted contractual dispatches
- For seams (adjacent TOs), we use negotiated dispatch agreed upon in 2003
- ST: seasonal, manual updates of data

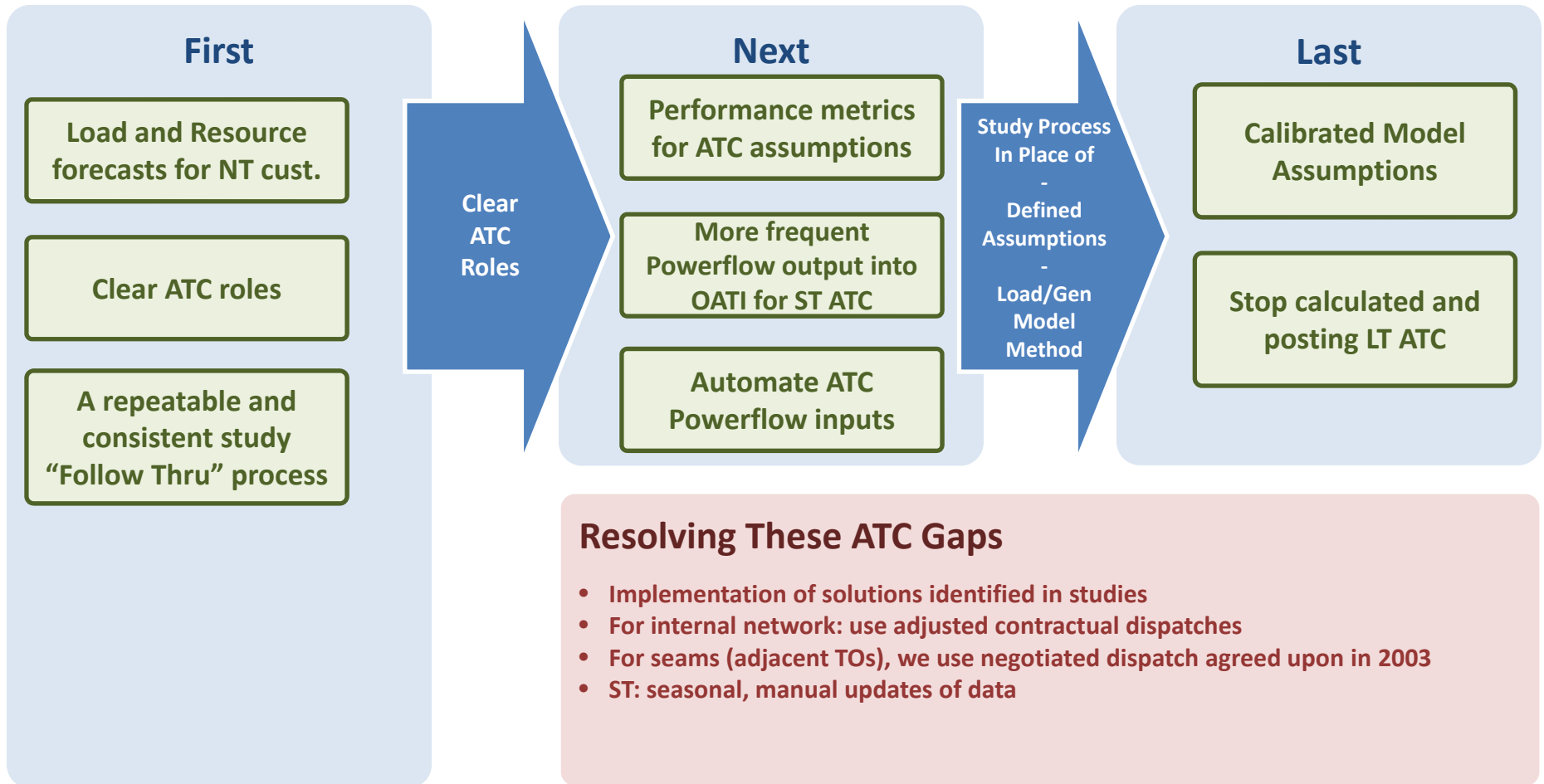
BPA Direction: Study Process



BPA Direction: NT Scope



BPA Direction: ATC



Gaps Overview: September 20th

Hourly Firm

- Address Hourly Firm Product. It sends the wrong price/congestion signals, requires high customization and undercuts/derails curtailment priorities with all other NT/PTP products

Ancillary Services and Losses

- Stale FERC language in the Tariff
- PD/ID is unique penalty revenue
- Tariff Schedule 9 does not include Generator Imbalance
- BPA does not include the Physical Feasibility Language
- Third party acquisition is addressed in rate case settlement
- BPA includes VERBS and DERBS as GI capacity charges in rate schedule
- BPA processes more in kind returns than financial
- BPA uses custom IT system and unique processes to accomplish loss returns (payback 168 hours after flow, tracking to kWh level)

BPA Direction: Hourly Firm

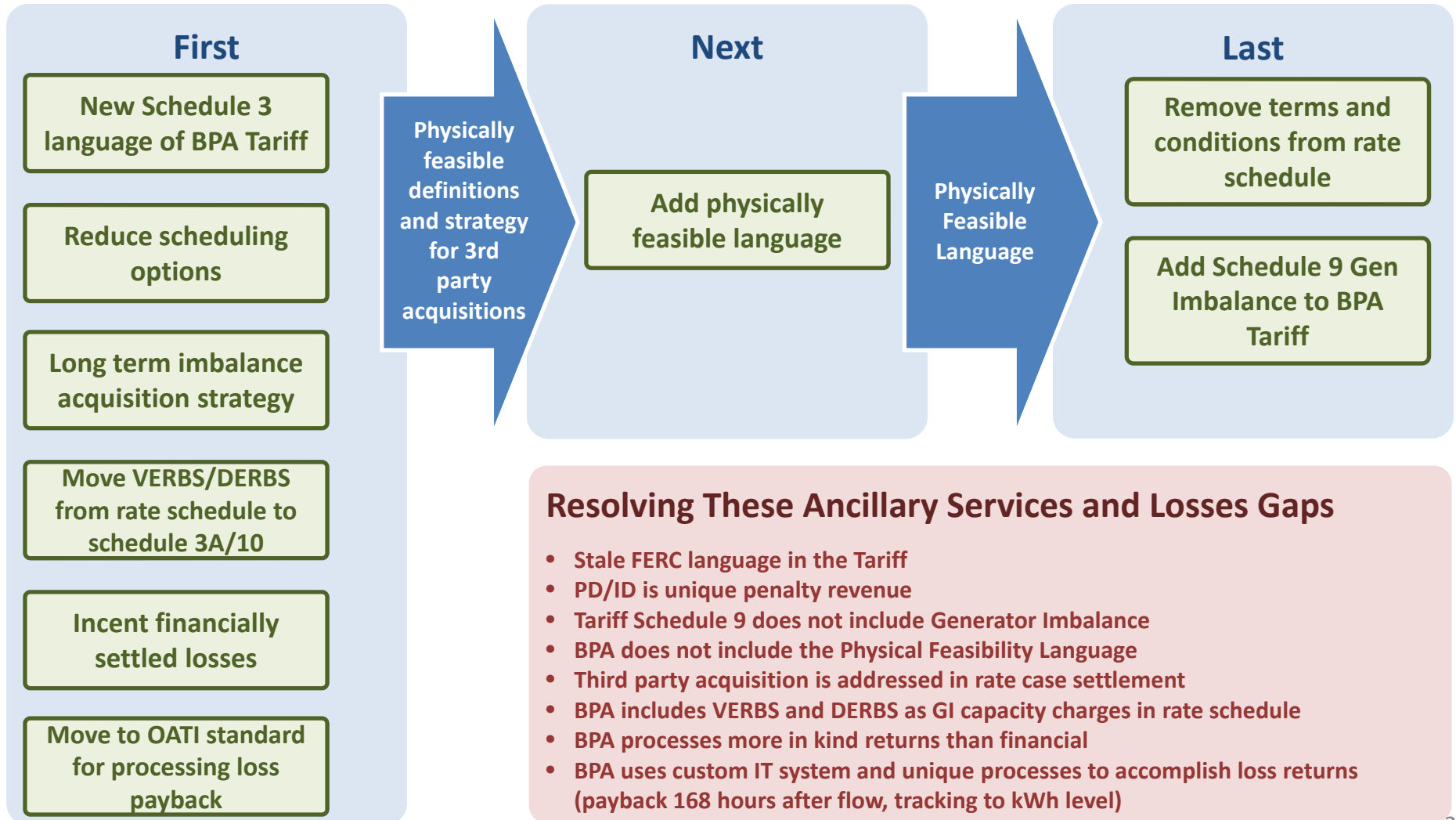
Last

Transition away from
hourly firm

Resolving These Hourly Firm Gaps

- Address Hourly Firm Product. It sends the wrong price/congestion signals, requires high customization and undercuts/derails curtailment priorities with all other NT/PTP products

BPA Direction: Ancillary Services and Losses



Next Steps – See You Then!

July	August	September
07/18/2017	08/29/2017	09/20/2017
Summer Workshop Kickoff	Study Process NT Scope ATC	Hourly Firm Ancillary Services Losses
07/26/2017		
Conditional Firm Queue Management Tariff Engagement Design		

Pro Forma Gap Analysis

THANK YOU!