FERC Order 676-I Update

CBPI
Sept 15, 2021

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Agenda

- Redirects BP

- Resales / Consolidation BP

- Requesting Transmission Service BP

- Preemption ROFR:

    o Preemption Credit policy

    o Overall Status

    o Reconciling Orphan Resales on OASIS

    o Open Questions

Redirects Business Practice

1. Version 25 is effective today at 1pm.

2. Implements FERC policy under the *Dynegy* ruling

    o   Customers do not lose their rights on a parent path until a short-term Redirect is unconditional.

3. No changes to how Redirects from conditional parents work.

4. Significant changes to how Redirects from unconditional parents work.

    o   Presentation from the May BP conference call has been posted again to the CBPI website.

Resale and Consolidation Business Practices

Resale version 12 and Consolidation version 1 are both effective on Sept 28, 2021 with a phased implementation.

- **Phase 1 (Sept 28, 2021):**   Status Quo permitted, but new functionality available.
    - Resales can be entered as either ACCEPTED or CONFIRMED.
    - Resales-to-Self will still be allowed.
    - Consolidation functionality will be available, but not mandatory.
- **Phase 2 (Oct 13, 2021):** Two-step Resale required.
    - Resales must be entered as ACCEPTED. Assignee must set to CONFIRMED.
    - Resales-to-Self will still be allowed. Consolidation will be available.
- **Phase 3 (Oct 26, 2021):** Transition complete.
    - Resales must be entered as ACCEPTED. Assignee must set to CONFIRMED.
    - Resales-to-Self will be disallowed. Consolidation must be used instead.

❖ New alarm to alert when a Resale is in ACCEPTED status.

Requesting Transmission Service BP

- The TSR Response Timing table in Section O is out of alignment with NAESB (WEQ-001 Table 4-2).
  - o Customer Confirmation Time Limit: The time a customer has to act on a Counteroffer (confirm, withdraw, or rebid).
  - o Gap found when testing Preemption and ROFR.

- Current BP gives customers less time than NAESB requires to act on a Counteroffer.
  - o Impacts Hourly / Weekly / Monthly Firm and Hourly Non-firm.
  - o If this timing gap is not closed in this BP, it will result in a corresponding NAESB gap for the Preemption BP.

- Revised BP is expected to be posted by end of Sept.
  - o The end result of the draft BP change is to give the Customer <u>more</u> time to make a decision on a Counteroffer.

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Current Section O: TSR Response Timing

Class	Increment	Queued Prior to Start	Evaluation Time Limit	Confirmation Time Limit[1] ACCEPTED or COUNTEROFFER[2]	Confirmation Time Limit[1] CR_ACCEPTED or CR_COUNTEROFFER	Transmission Provider Counter Time Limit after REBID[7]
Firm or Non-Firm	Hourly	>1 hour and < 24 hours	30 minutes	5 minutes	N/A	5 minutes
Firm or Non-Firm	Hourly	>24 hours	30 minutes	30 minutes	N/A	10 minutes
Firm	Weekly	< 86 Hours	30 Days	2 Hours[4]	N/A	30 minutes
Firm	Weekly	86 - 110 Hours	30 Days	24 Hours[4]	N/A	4 Hours
Firm	Weekly	N/A	Best effort[4]	48 Hours[3]	N/A	4 Hours
Firm	Monthly	< 86 Hours	30 Days	2 Hours[4]	N/A	30 minutes
Firm	Monthly	86-110 Hours	30 Days	24 Hours[4]	N/A	4 Hours
Firm	Monthly	110-158 Hours	30 Days	48 Hours[4]	N/A	4 Hours
Firm	Monthly	N/A	Best effort[4]	4 Days[3]	4 Days	4 Hours

- NAESB uses 8 hours (rather than 24 hours) for the Hourly rows.
- NAESB has a fixed response time for Weekly and Monthly Firm.

Preemption and ROFR

Preemption Credit Policy

- Current Preemption BP says this about credits issued when capacity is lost to Preemption.

E. Billing Process for Preemption

1. Customers granted transmission through Preemption or retaining transmission through exercising their Right of First Refusal (matching) will be billed in accordance with BPA Transmission Services' applicable rate schedule(s) in effect at the time.

2. PTP customers whose confirmed capacity is recalled, in whole or in part, due to Preemption will receive a credit based on the amount of time capacity was recalled. The rate applied to this credit will be based upon the actual time recalled rather than the rate paid for the original capacity. For example, a recall of five days will be credited at the Block 1 (days 1-5) Monthly, Weekly, Daily PTP rate, even if the customer is being billed at the lower Block 2 rate for the reserved capacity it originally requested.

- In principle, this policy is less than ideal. In practice, the situation rarely occurs.

- Decision made to keep this existing practice for now, but note that it will be revisited sometime in 2022.

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Overall Preemption and ROFR Status

- About 40% through our testing.

- Expect to be posting the Preemption business practice for the start of the comment period in early Oct.
  - All major items from the BP have now been tipped out in the monthly CBPI calls, so there should be no surprises.

- Billing changes
  - We are moving ahead with the billing changes discussed Aug. We will bill for the ROFR Extensions for Redirects.
  - OATI already makes this data available on OASIS via template.
  - We made enhancement requests to OATI to make this data a bit more accessible.   No ETA yet, though.

Count of ROFR Extensions on OASIS

- Consider a reservation that is challenged twice and successfully exercises ROFR both times.

- ROFR extension information is available by querying the *transstatus* template with the obscure "ExtraData=2".

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Query:
https://demo.oasis.oati.com/OASIS/BPAT/data/transstatus?VERSION=2.2&TEMPL
ATE=transstatus&PRIMARY_PROVIDER_CODE=BPAT&PRIMARY_PROVIDER_DUNS=95901096
8&OUTPUT_FORMAT=DATA&RETURN_TZ=PD&ASSIGNMENT_REF=71120695&ExtraData=2&use
r=MLS3709&passwd=xxxx
```
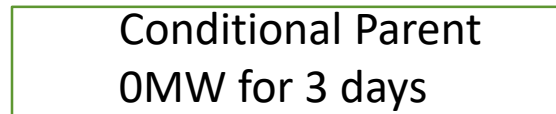
- Return data might look like this:

  o ExtensionFlag = 0 denotes the initial profile before ROFR.

  o ExtensionFlag = 1 and 2 identify additional segments added for each successful ROFR.

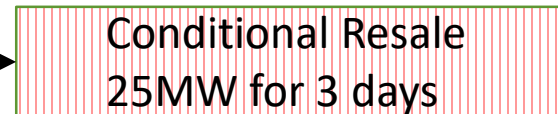| Start Time	Stop Time	MW Grant	ExtensionFlag
2021-07-28 00:00:00:000	2021-07-29 00:00:00:000	100	0
2021-07-29 00:00:00:000	2021-07-30 00:00:00:000	50	1
2021-07-30 00:00:00:000	2021-08-02 00:00:00:000	15	2

Reconciling Orphan Resales on OASIS

- In the June CBPI call, the concept of an "Orphan Resale" was discussed: Resale in which the parent capacity has been preempted.

Customer A - Reseller

Conditional Parent 0MW for 3 days

→

Customer B - Assignee

Conditional Resale 25MW for 3 days

25MW is recalled from parent.

Assignee still shows a 25MW CONFIRMED Resale. But there is no ATC for this Resale.

- It is the Reseller's responsibility to update the Resale on OASIS to reconcile the lost capacity.
  - The functionality to perform this "reconciliation" is being deployed with the OASIS 3.8 release on Sept 29.
  - We hope to be able to demo this in the Oct CBPI call.

Open Questions

- Any open questions from the Billing topic in Aug?

- Why type of lead time might you need to prepare your own settlement systems for the Billing changes we discussed in Aug?

- Any open questions from prior CBPI calls?

- This is a chance for us to hear from you what else you might need to prepare for PCM.

- We welcome feedback at techforum@bpa.gov.

Background Reference

Terminology Recap

- Preemption and ROFR: The overall process that carries out Section 13.2 of the tariff in which a higher priority request may challenge lower priority requests and reservations for constrained capacity.

- Right of First Refusal (ROFR): The ability for PTP customers to defend their existing reservation by agreeing to match the terms of a challenging request.

- Defender: Request or reservation holding conditional capacity that is at risk from higher priority requests.

- Challenger: The higher priority request that can challenge.

- Preemption without ROFR: Scenario in which the Defender really has no defense. Their capacity can simply be taken by the Challenger. Most commonly involves an NT Challenger against any PTP Defender.

- Preemption with ROFR: Scenario in which the Defender may choose to exercise ROFR to keep their existing reservation.   Only occurs between a PTP Challenger and a PTP Defender holding a reservation.

- PCM: The OATI software that carries out Preemption/ROFR.