

## Montana Renewable Development Action Plan Recommendations & Action Items October 2018 Update

	Recommendations & Action Items	Parties	Status	Contact
1	<p>BPA and the Colstrip Transmission System (CTS) owners should review the Montana Intertie Agreement (MIA) and the CTS Agreement and make modifications, as necessary, to facilitate future utilization of the Montana Intertie and CTS based on non-discriminatory, open access principles, and with the timing of production tax credits in mind. Possible modifications include:</p> <p>a) Addressing third-party and non-Colstrip use.</p> <p>b) Reviewing the appropriateness of the CTS and MIA five percent loss rate for third-party use.</p>	<ul style="list-style-type: none"> <li>• Avista</li> <li>• BPA</li> <li>• NorthWestern</li> <li>• PacifiCorp</li> <li>• Portland General</li> <li>• Puget Sound Energy</li> </ul>	<p>Parties have met several times between May and September.</p> <p>Third party usage may be enabled without a contract amendment under which a 3<sup>rd</sup> party can submit a single TSR to BPA.</p> <p>There is a single 5% flat loss rate for all non-CTS parties, no pancaked losses.</p>	Brian Altman, BPA
2	<p>Montana renewables project developers should present credible and executable transmission plans to potential purchasers. Purchasers considering Montana renewables should allow a reasonable period after a resource is identified for acquisition to work with the developer to execute the transmission plan.</p>	<p><u>Developers:</u></p> <ul style="list-style-type: none"> <li>• Absaroka</li> <li>• NaturEner</li> <li>• Orion</li> <li>• Pattern</li> </ul> <p><u>Potential purchasers:</u></p> <ul style="list-style-type: none"> <li>• Avista</li> <li>• PacifiCorp</li> <li>• Portland General</li> <li>• Puget Sound Energy</li> </ul>	<p>Work in progress, PGE’s RFP proposals are currently under evaluation.</p> <p>BPA and NorthWestern have met to address BPA’s RAS needs on the BPA Network to enable additional transmission service. The 2016 TSEP Close-out Letters and Preliminary Engineering Agreements forthcoming in late 2018.</p>	Brian Altman/ Brendan McCarthy, PGE

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3	As opportunities arise to meet flexible capacity needs for Montana renewables, BPA should consider requests for providing products and services for integrating resources located outside the BPA balancing authority.	BPA	<b>On-going;</b> BPA to be responsive as necessary.	
4	Pacific Northwest utilities that may have an interest in acquiring Montana renewables should include scenarios with Montana renewables when studying their flexible capacity needs.	<ul style="list-style-type: none"> <li>• Avista</li> <li>• PacifiCorp</li> <li>• Portland General</li> <li>• Puget Sound Energy</li> </ul>	PGE studied flexible capacity requirements for Montana wind in their 2016 IRP and will do so again in their 2019 IRP process (which is currently underway). The OPUC in Order 17-386 directed PGE to perform a number of studies to inform the next IRP, including accessing resources from Montana.	Brendan McCarthy
5	BPA and NorthWestern Energy should seek a negotiated solution to the 184MW transmission capacity dispute as soon as possible.	<ul style="list-style-type: none"> <li>• BPA</li> <li>• NorthWestern</li> </ul>	<b>Completed June 18, 2018;</b> approved by FERC Sept 2018.	
6	BPA should hold a pre-rate case workshop discussion on alternatives for the Montana Intertie rate.	BPA and stakeholders	<b>Completed September 2018;</b> Several workshops addressed the SCD charge, but did not directly address the IM rate. BPA is proposing to remove the SCD charge for service on the MT Intertie.	
7	Avista, BPA, NorthWestern Energy, and transmission customers should work together to evaluate possible comparable changes to transmission tariffs and business practices that may be impediments to exporting Montana renewables.	<ul style="list-style-type: none"> <li>• Absaroka</li> <li>• Avista</li> <li>• BPA</li> <li>• NorthWestern (Lead)</li> <li>• Orion</li> <li>• Renewable NW</li> <li>• Other interested parties</li> </ul>	Parties have met twice to discuss the specific issues (Redirects, Partial Service, and SAMTS) and discussions continue. Discussion continue with the next meeting is scheduled for October.	Andrew McLain, NWE/ Brian Altman

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8	For service on the existing BPA network, BPA should evaluate the feasibility and business case for offering conditional firm service for Montana exports, especially as a bridge product to long-term firm on its external interconnections.	BPA	In progress and intend to be able to make offers by January 2019 on a limited basis; inventory being determined and limited to West of Garrison only.	Brian Altman
9	BPA should consider modifying its tariff terms and conditions to allow for developer-funded National Environmental Policy Act (NEPA) costs to be refunded if long-term firm service is ultimately purchased at rolled-in embedded cost rates. This would be consistent with how environmental and permitting costs are treated by other transmission providers under the Federal Energy Regulatory Commission’s “greater of” pricing policy.	BPA	Internal BPA discussion in progress re OATT Sec 19.1.1 and TSEP Business Practice; to be completed by December 1, 2018.	Brian Altman
10	BPA should complete its determination that resource movement in only one direction within an operating hour does not consume DTC.	BPA	<b>Completed March 6, 2018</b>	
11	BPA should implement a new business practice and required systems to operationalize its DTC decision.	BPA	To be completed by June 1, 2021	Bart McManus/ Libby Kirby
12	BPA should modify its existing business practice to specify the current Garrison interchange DTC limit as is currently done for the southern intertie and the northern intertie.	BPA	Completion date modified: Still deciding how to move forward. To be completed in FY2019.	Bart McManus/ Libby Kirby

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13	<p>BPA should undertake actions to increase available transfer capacity on the BPA network in order to allow imports from Montana to reach I-5 load centers.</p> <ul style="list-style-type: none"> <li>a) Consider administrative changes resulting in additional ATC availability</li> <li>b) Consider flexible, scalable options to meet service requests across network flowgates:                             <ul style="list-style-type: none"> <li>i. Non-wires</li> <li>ii. Planning re-dispatch</li> <li>iii. Battery storage</li> <li>iv. Demand-side management</li> </ul> </li> </ul>	BPA	<p>a) Commercial assessment report out on Aug 29 with new ATC, queue process and timing – <a href="#">ATC Methodology meetings web site</a>. See slide #11. <a href="#">ATC is available on many BPA transmission paths, including South of Alston</a>. The assessment resulted in an increase in the commercial long-term firm Total Transfer Capability for SOA.</p> <p>b) BPA will continue to look at various options to increase TTC and ATC on the BPA network.</p> <p>Corresponding cluster studies: Tentatively planned to be completed in Spring, 2019.</p>	Brian Altman
14	<p>Studies must be done in a formal interconnection process when specific generators are identified to include:</p> <ul style="list-style-type: none"> <li>a) Local voltage control</li> <li>b) Sub-synchronous resonance</li> <li>c) RAS design</li> </ul>	NorthWestern	As needed upon generation interconnection requests.	NorthWestern
15	A scope of work should be developed to guide the studies needed should a future retirement or an unexpected, sustained outage of Colstrip units 3 and 4 occur.		<b>Planning Subcommittee Completed April 27, 2018</b>	

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16	NorthWestern, with support from the other Colstrip Owners and BPA, should undertake timely blackstart, sub-synchronous resonance mitigation, RAS, and WECC (Western Electricity Coordinating Council) Path Rating requirements when specific replacement generation for Colstrip unit retirement is identified and the technical attributes are known.	<ul style="list-style-type: none"> <li>• BPA (if requested)</li> <li>• Colstrip Owners</li> <li>• NorthWestern (lead)</li> </ul>	As replacement generation is identified.	NorthWestern
17	Studies should be completed using actual Montana wind data to confirm the diversity characteristics and balancing reserve requirements of new Montana wind resources.	BPA	Completion date modified: March 2019	Bart McManus/ Libby Kirby
18	NorthWestern’s studies should be finalized that identify: <ul style="list-style-type: none"> <li>a) Regulation and load following needs for existing wind resources; and,</li> <li>b) Regulation and load following needs for additional wind and solar resources.</li> </ul>	NorthWestern	To be released by NorthWestern with filing of General Rate Review in late September/ October 2018	NorthWestern
19	The viability of utilizing Colstrip units in condensing mode as well as the Gordon Butte pumped storage facility to provide voltage support, inertia, and frequency response should be studied as appropriate.	<ul style="list-style-type: none"> <li>• Absaroka Energy (pumped storage)</li> <li>• NorthWestern (lead)</li> </ul>	NorthWestern has reached out to INL, PSE and Talen on the Synchronous Condenser at Colstrip. Discussions are in very early stages.	NorthWestern/ Absaroka Energy