

# Report of the OASIS Workgroup

## TIG Common OASIS Proposal

June 13, 2005

### 1. Introduction

The Transmission Improvements Group (TIG) has determined that adoption of a Common OASIS by the Northwest Transmission Providers (NWTP) would advance and improve the transaction of electric and transmission business by Northwest Transmission Customers (TC). The Common OASIS would provide a seamless “one stop shopping” for TCs that seek to purchase transmission, redirect or resale transmission, connect new resources or loads to the transmission systems of the Transmission Providers. The Common OASIS would have areas with information common to all participating TPs (e.g., business practices). It would also provide individual TPs the ability to maintain their individual business practices in a provider-specific area.

### 2. Proposal

The OASIS Workgroup proposes that the NWTPs adopt a Common OASIS by entering into a NWTP OASIS multilateral agreement (MOU) and by individually contracting with an OASIS service provider for Common Western OASIS service. The MOU would establish the means by which NWTPs along with the TCs can agree upon, pay for and implement those features and attributes that they determine to be unique or required to improve the transaction of electric and transmission business in the PNW. The individual TP agreements with the service provider would establish the means by which common west-wide features and attributes will be implemented on the Common Western OASIS.

The Common OASIS Proposal provides means by which the NWTPs can begin to provide a single point of access to transmission service across all of their transmission systems to the TCs in the Northwest. The TPs would initially continue to provide service under the current contract rights and the terms and conditions of their individual transmission tariffs and business practices. More importantly the Proposal provides the means and platform by which the NWTPs can migrate toward providing transmission services with common attributes for products and services, common tariff terms and conditions, a common queue for requests for connection of new resources or loads and better use of the existing transmission system and the implementation of a flow based model for determining available transmission capacity and mitigating short-term transmission constraints.

TP’s compliance with OASIS standards of conduct and business practice standards is on-going, and must remain the first priority in the development of a Common OASIS.

TPs have already been making improvements in their OASIS processes; indeed, many of the improvements listed below are being actively developed by NWTPs (e.g., Bonneville’s Commercial Business Process Improvement and Northwest participants in wesTTrans). The TIG proposal for a Common OASIS was designed to address the following needs from TC and TP perspectives.

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#### 3. Common OASIS Needs

This proposal provides a means by which the transmission needs of TPs and TCs can be met in a Common OASIS. In developing the proposal the work group identified the following needs:

##### Customer Needs:

- Consistent posting of individual TP business practices, etc
- Development and adoption of common business practices among TPs
- Common Queue – improve TCs' access to information relating to interconnection and long-term transmission requests that are being studied, including current status
- One stop shopping for TSR's
  - Buy transmission across the WECC regardless of TP or regional differences, (i.e., WestConnect/CAISO/Northwest)
- Common posting of ATC methodologies by all TPs
- Development of a uniform regional ATC calculation (Flow-based)
- Development of tutorials, description of PORs/PODs and help files that aid the TC's use of OASIS
- Improvement of user interface to eliminate difficulty in requesting transmission and reviewing status of requests
- Improve efficiency and speed of TPs processing of TC's requests

##### Transmission Provider Needs:

- Meeting OASIS business practice standards and requirements
- Transmission Service Request (TSR) processing
- Tracking of redirect and resale of TSRs
- Reconciliation of e-tags to TSRs
- Common Queue posting and administration
- Development of common transmission products and services among the TPs
- Development of common business practices among the TPs
- Development of applications to support calculation and posting of common flow-based ATC
- Effective management of OASIS functions, including processing of transmission service requests, interconnection requests, back office administration for credit, contracting and billing
- All communications between TPs and TCs will be via OASIS

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#### 4. Features of the TIG Common OASIS

The workgroup proposes that the transmission needs of TCs and TPs be met by first implementing those refinements and improvements of a Common OASIS which can be achieved in the first 6 months after it is adopted. Then those additional refinements and improvements which will take more time to implement or fully develop would be prioritized and implemented in the near term, beyond the first 6 months after adoption.

##### Short-Term Improvements

The following goals can be achieved in the short term (6 months or less):

- TCs can purchase transmission from individual or from multiple TPs at one time as necessary to move energy seamlessly from one point on the Western transmission system to another.
- TCs have greater visibility with respect to offerings including resale of other customers' transmission rights.
- TPs will be able to more easily manage transmission access and track redirect and resale activities of their TCs.

These goals will be accomplished through the implementation of the following refinements to and improvements of features<sup>1</sup> on a Common OASIS:

- NWTPs will be able to implement consistent posting of information relating to transmission service including notices, business, practices and other OASIS activities.
- TCs will have access to consistent logically-organized information.
- TCs will be able to view business practices of multiple TPs in a single interface.
- TCs will have access to improved training including workshops, on-line tutorials, etc.
- TC will be able to more easily access scheduled maintenance information.
- NWTPs will develop centralized administration and management of the Common OASIS business functions.
- NWTPs and NWTCs will continue coordinating with West-wide TPs and TCs to achieve OASIS improvements.
- NWTPs will develop a display of a Common Queue to facilitate TC's requests and TP's response for connection of new resources or loads and increased transmission capability across constrained paths in coordination with the regional transmission planning and interconnection study activities.

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<sup>1</sup> Many of these features are required for a single TP but there is a benefit from bringing the information together in one place.

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- NWTPs will post NWTP creditworthiness criteria.
- Items that are common to NWTPs (e.g., business practices) will be posted in the common area of Common OASIS.
- NWTP contact information will be available in one place.
- User-definable queries regarding transmission availability will be improved.

#### Near-Term Improvements

In the near term (6 months and out) the Common OASIS proposal provides for the adoption of the following additional features:

- TPs will further develop alternatives for administrative and governance improvements proposed by the work group including: centralized administration and management of the Common OASIS business functions.
- Implementation of a Common Queue.
- Development of common transmission products and services among the TPs.
- Development of common OASIS business practices including ATC methodologies and other common tariff terms and conditions.
- Implementation of centralized administration and management of the Common OASIS business functions.
- Improvements in mapping of the transmission system (including making them user-friendly (zooming, etc.) without adding processing time.
- Enhancements to provide for ease of interpretation of acronyms, e.g., POR/POD.
- Enhancements will provide opportunity for NWTCs to more easily access transmission and power markets in other sub-regions in the Western Interconnection.
- Develop and implement proposals to implement changes to the OASIS functions related to the adoption of options for regional operation and management of the reliability functions and transmission operations (flow based ATC, congestion management).

#### **5. Organizational/Contractual Form(s) Required to Implement Common OASIS**

- Alternatives investigated or considered:
  - wesTTrans, initially under current administration and governance
  - wesTTrans, with improved administration and governance
  - Multi-lateral agreement (e.g., WSPP agreement) or a new entity
  - new separate “NWTTTrans”, new contracts for administration and governance with a NWPP/PNSC, etc entity
  - Hybrid organization with components for both WECC-wide OASIS and Northwest specific functions and features
- Proposed Organization (see attached charts)

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- Multilateral agreement (MOU) establishes a means by which NWTPs (with input from TCs) can agree on and implement common attributes of Common OASIS. These discussions will also highlight areas where individual improvements might be appropriate. NWTPs retain sole decision-making authority with respect to Common OASIS relating solely to their system.
- Enhanced option provides access to one-stop shopping throughout Western Interconnection by NWTPs participating in a common Western Interconnection OASIS.
- Term sheet or outline of contractual approach to implementation
  - Participation in TIG Common OASIS Organization
    - MOU among Transmission Providers to jointly develop and determine cost allocation of features and administrative activities as required that are unique to NWTPs and Customers
    - Committee Structure (executive, technical, and customer)
    - Could be structured similarly to Northwest Power Pool or in conjunction with the planning and reliability governance structure
  - Enhanced Option -- Common Western OASIS
    - Each participating Transmission Provider would contract with OASIS service provider for Common Western OASIS service
    - Each participating Transmission Provider would have a representative to the Common Western OASIS executive and technical committees to participate in the development of the WECC OASIS platform (a/k/a Common Western OASIS)
      - The Executive Committee (EC) proposes changes to the Common Western OASIS, approves proposals to changes and commits the participants to pay for EC-approved enhancements.
      - The Technical Committee (TechC) coordinates the implementation of Common Western OASIS compliance, practices and features and proposes enhancements to the EC.
    - NWTPs can also participate in the Common Western OASIS Users Focus Group to propose customer features and enhancements to the EC and TechC.
- Who will implement functions
  - Guidance from Northwest Common OASIS Organization (committees), OASIS service provider (vendor) implements common software functions and administers OASIS
- NWPP/PNSC/other existing entity roles, if appropriate
  - Existing entities
    - Northwest Power Pool could be used for TIG Common OASIS Organization
    - For enhanced option, WestTTrans for development of Common Western OASIS features and functions

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- How will the functions be implemented
  - What contracts are required
    - MOU with NWTPs (analogous to MAPP or WestConnect agreements, umbrella over all TIG functions)
    - Common Western OASIS agreements between Transmission Providers and the OASIS service provider (vendor)
  - Who the signatories to such contracts should be
    - Transmission Providers
- Description of modifications to NWPP/PNSC/other agreements, if necessary
- Description of new NWPP/PNSC/other agreements, if necessary
- Tariff changes required, if any
  - Initial improvements would not require tariff amendments.
  - As NWTPs develop common products and services, corresponding changes would need to be made to tariffs. In additions, some business practices may require tariff revisions (may require further research).
  - As NWTPs agree to Common Western OASIS improvements, need to evaluate whether tariff changes are required.
  - The adoption of a flow based ATC methodology by NWTPs may require the filing of a common tariff (analogous to MAPP)
- Governance, decision-making and dispute resolution
  - Due to cost, efficiency, and timing considerations, majority of work group recommends adoption of the TIG Common OASIS plus the enhanced option (which be implemented through wesTTrans).
  - TIG Common OASIS: Each entity has one vote. Executive Committee can commit all Transmission Providers to pay OASIS service provider for improvements (up to aggregate of “X” per year) upon a 90% vote of Executive Committee members. Unanimous vote is required for expenditures beyond the “X” ceiling.
    - Description of decision-making process (see above)
    - Roles of signatory/non-signatory parties
      - Signatory parties are decision-makers
      - Non-signatory parties have input via the wesTTrans Users Focus Group
  - Enhanced Option – wesTTrans Governance: Each entity has one vote. Executive Committee can commit all Transmission Providers to pay OASIS service provider for improvements (up to aggregate of \$200,000 per year) upon a 90% vote of Executive Committee members. Unanimous vote is required for expenditures beyond the \$200,000 ceiling.
    - Description of decision-making process\* (see above)
    - Roles of signatory/non-signatory parties\*
      - Signatory parties are decision-makers
      - Non-signatory parties have input via the wesTTrans Users Focus Group

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- Opportunities for regional input and accountability - TBD – but likely covered under role of non-signatory parties
- Dispute resolution
  - TIG Common OASIS Organization: Dispute resolution provided under MAPP/WestConnect structure
  - WesTTrans: Committee structure; no formal dispute resolution
- Overview of the role of the states (a preview of section 11): To the extent they are interested, can participate as non-signatories.
- Overview of the legal issues (a preview of section 10)

#### **6. Linkages to Other Charters**

- Common Queue requires coordination with Planning and Expansion
- Method of calculating and posting of ATC requires coordination with “FLOS”
- Central administration and implementation would be enhanced with a linkage to the Market Monitor for recommendations regarding improving TCs access and their ability to transact across multiple TPs

#### **7. Cost/Benefit Analysis**

- FERC-jurisdictional Transmission Providers and those with reciprocity tariffs are required to have an OASIS. It is more cost effective for Transmission Providers to either pool and own and operate a single OASIS or contract with an OASIS service provider to provide OASIS service. This proposal provides the latter.
- It may be cost effective for a non-FERC jurisdiction entity to sell transmission via OASIS, and the proposal provides for their participation.
- With respect to joining wesTTrans, the expectation is that this approach is more economic than establishing an individual Common Northwest OASIS separately operated and managed by a Northwest Transmission Providers. In addition, it is to the customer’s benefit to have access across the entire WECC via a single OASIS.

#### **8. Costs and Flow of Funds**

- What are the estimated costs (initial costs, annual):
  - Includes OASIS initialization and monthly services fees with the vendor, customer-side interfaces as necessary to integrate OASIS into their scheduling and other activities. The latter will vary widely depending upon preexisting contracts with the vendor and the complexity of integration required.
  - The costs of Northwest-specific enhancements would be based upon a complete product specification and quotes from vendors. Note that in wesTTrans there is a ceiling of \$ 200,000 per year aggregate limit on on

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expenditures). We anticipate that there would be a similar budgetary limit in the Northwest.

- Who pays for what
  - Transmission Providers will fund their prorated share of establishment of Common OASIS enhancements or full cost of individual enhancements
  - Where a customer(s) desires an interface enhancement or front-end OASIS application that can be justified to the Transmission Providers' regulator as appropriate for inclusion in transmission rates, the customer(s) may opt to fund the improvement.
- How the funds are collected
- How the costs are covered or paid
- Budgeting and budget review (see also #5 above)

#### 9. Schedule for Implementation

- General discussion of phased approach, if needed See above
- Schedule for implementation (stated in calendar quarters) See above
- Notation of changes requiring/not requiring regulatory approval: Potential tariff changes (over time); Common Queue?

#### 10. Legal Issues and Their Potential Resolution

- Jurisdiction: federal and state - None anticipated beyond existing requirements of jurisdictional entities and reciprocity tariffs [*common queue?*]
- Authority N/A
- Corporate (e.g., NWPP, PNSC, other) See above proposal
- Liability/indemnification Corporate structure desired to limit liability (FERC has asserted that accuracy, completeness, and compliance of information posted is the Transmission Providers' non-delegable duty)
- Environmental compliance, if appropriate N/A
- Other

#### 11. Roles of the States - See above.

- PUCs, Energy Offices, State Siting Councils, etc.
- Interaction with state processes and procedures (identification of points at which the TIG proposal and those state processes intersect and description of opportunities for participation or coordination)

#### 12. Discussion of "Seams" Issues

wesTTrans is by its very nature a seams-resolution forum. There are negotiations currently underway with CA ISO regarding the use of wesTTrans by its transmission

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rights holders. To the extent transmission customers want to schedule across the WECC, it is in their interest to have a single OASIS for WECC transactions.

- Potential seams issues (new or existing) see above
- Interaction with Cal-ISO, if necessary see above
- Interaction with other entities or organizations within the WECC see above

#### **13. Follow-on Work and Possible Plan see above**

- Issues that we expect to be addressed after implementation of above recommendations
- Rough schedule for addressing those issues

#### **14. Discussion of Other Ideas or Recommendations Specific to the Charter Group**

#### **15. Appendices**

- Charter for work group
- Charts showing implementation
- Contract outlines or term sheets