

Netting Resources for Operational Controls for Balancing Reserves (OCBR)

BPA Transmission Business Practice

Version ~~5~~6

~~40/1/2021~~5/16/2022

~~Language pertaining to the Energy Imbalance Market (EIM) included in this proposal will not apply and will be removed in a future update should the Administrator ultimately decide not to join the EIM.~~

Netting Resources for Operational Controls for Balancing Reserves **(OCBR)**

Version ~~56~~

This business practice describes the process and procedures for Customers to request netting of multiple generating facilities. Netting enables an aggregate operational response to BPA directives under Operational Controls for Balancing Reserves (OCBR).

For more information, visit the [BPA Transmission Business Practices webpage](#) or submit questions to techforum@bpa.gov.

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A. Background

1. BPA has developed operational and reliability protocols designed to maintain load and resource balance within the BPA ~~Balancing Authority Area Control Area~~. Pursuant to OCBR, BPA dispatchers provide reliability directives limiting Variable Energy Resource (VER) generation output when there is insufficient decremental balancing reserves available on a planning basis to offset VER over-generation (i.e., over-generation event) and/or under-consumption by load within the BPA Balancing Authority ~~e~~Area.
2. During periods when BPA is not operating in the Energy Imbalance Market (EIM), BPA Dispatchers also provide reliability directives to curtail non-federal plant schedules/e-Tags, including VERs, hydro and thermal plants, when actual generation output is less than the scheduled amount and there are insufficient incremental balancing reserves available on a planning basis to offset the under-generation (i.e., under-generation event) and/or over-consumption by load within the BPA Balancing Authority Area.

- ~~3.~~ During periods when BPA is operating in the EIM and an under-generation event occurs, there are no generator specific actions to take and ~~Netting~~ for OCBR does not apply.
- ~~2.4.~~ More information around OCBR can be found in the Balancing Reserve Capacity Business Practice or on BPA's [Operational Controls for Balancing Reserves webpage](#).
- ~~3.~~ ~~On behalf of the Netted Resources, the Netting Agent or Netting Participant is responsible for assuring that the aggregate operational response from the Netted Resources satisfy BPA's requirements.~~
- ~~4.~~ ~~The Netting Agent/Participant is, on behalf of the Netted Resources, responsible for all Failure to Comply (FTC) Penalty Charges related to compliance with dispatch directives under OCBR for each Netted Resource.~~

B. General Eligibility Requirements

1. To qualify as a Netted Resource, a VER must be within the BPA Balancing Authority Area.
 - a. A VER must meet all of the technical and communication equipment requirements necessary to receive limit to VER signals electronically or through use of BPA's iCRS Generation Advisor web application.
 - b. All generating facilities must meet all of the technical and communication equipment requirements needed to receive ~~C~~urtailments to schedules/e-Tags electronically or through use of BPA's iCRS Generation Advisor web application.
2. To be eligible for Netting Agent/Participant status, an entity must sign a Netting Agreement with BPA that designates two or more Netted Resources.
 - a. Netting Agents/Participants must be able to receive OCBR information for all Netted Resources electronically or through iCRS.
 - b. ~~Netting Agents/Participants must be an Eligible Customer of BPA.~~

C. Requesting Netting Agent or Netting Participant Status

1. ~~The Netted Resources owned by more than one entity may appoint a~~ Netting Agent ~~and~~ must provide BPA with a letter signed by both the ~~Generating Facility Netted Resources~~ (i.e., owners or operators) and the Netting Agent that specifies an agency relationship between the ~~Generating Facility Netted Resources~~ and the Netting Agent. The Netting Agent must have actual authority to:
 - a. ~~(1)~~ If applicable, control the output of the VER to respond to BPA dispatch directives under Operational Controls for Balancing Reserves; and
 - b. ~~(2)~~ Receive and pay FTC Penalty Charges on behalf of the ~~Generating Facility Netted Resources~~. ~~This step does not apply to a Netting Participant.~~
2. The Netting Agent/Participant must submit to BPA the [Netting Resources for OCBR Request form](#) (the "Netting Request") so that it is received at least 60 Calendar Days prior to the first day of the month in which any Generating Facility will become a Netted Resource. BPA may waive the 60-~~Calendar~~ ~~Day~~ notification requirement on a non-discriminatory basis.

3. After receipt of the Netting Request, BPA will tender a Netting Agreement to the Netting Agent/Participant for signature.
4. Netting Agreements must have a minimum term length of one (1) year, and a maximum requested term of five (5) years.
5. To renew a Netting Agreement, BPA must receive a new Netting Request in accordance with this business practice at least 60 ~~e~~Calendar ~~d~~Days prior to the term end date of the Netting Agreement.

D. Termination of Netting Agreement, Netting Agent or Netting Participant Status

1. The Netting Agreement will terminate upon the date:
 - a. ~~(1)~~ Ithe parties agree to terminate;
 - b. ~~(2)~~ BPA exercises its unilateral right to terminate the agreement to preserve ~~T~~Transmission ~~S~~System reliability; or
 - c. ~~(3)~~ aA party provides to the other party 60 Calendar Days advance written notice to terminate the Agreement.
2. The Netting Agent/Participant status for an individual Netted Resource may terminate pursuant to the procedures stated Section E, in the Adding and Removing Netted Resources from a Netting Agreement ~~below~~.

E. Adding & Removing Netted Resources from a Netting Agreement

1. To add or remove a Netted Resource from Exhibit A of a Netting Agreement, the Netting Agent/Participant must submit a Netting Request ~~to BPA,~~ in accordance with Section C, Requesting Netting Agent or Netting Participant Status ~~section above, to BPA.~~
 - a. If adding a Netted Resource that has not yet reached its “In-Service Date,” the Netting Request must specify the Netted Resource’s expected In-Service Date.
 - ~~2-b.~~ _____ If adding a Netted Resource, the new Netted Resource must satisfy the eligibility requirements under Section B, General Eligibility Requirements ~~section above.~~
 - ~~3-c.~~ If acting as a Netting Agent, ~~the Netting Agent must also provide BPA with a~~ letter meeting the requirements of Section C, ~~the~~ Requesting Netting Agent or Netting Participant Status, ~~section above must be submitted to BPA. This requirement does not apply to Netting Participants.~~
 - ~~4-2.~~ _____ BPA will prepare a revised Exhibit A for Customer signature. Upon execution, BPA will send the Netting Agent/Participant one executed original of the Exhibit revision and retain one executed original for BPA ~~Transmission Services’~~ records.
 - ~~5-3.~~ _____ An executed Exhibit revision will replace any preexisting Exhibit A to the Netting Agreement.

~~6.4.~~ The term of the Netting Agreement (i.e., one (1) to five (5) year term) will continue to apply to any revision to Exhibit A.

F. Responsibilities of the Netting Agent or Netting Participant

- ~~The Netting Agent/Participant, on behalf of the Netted Resources, is responsible for ensuring that Netted Resources provide the net aggregate required operational response to BPA dispatcher directives under OCBR.~~

On behalf of the Netted Resources, the Netting Agent or Netting Participant is responsible for ~~assuring~~ensuring that the aggregate operational response from the Netted Resources satisfy BPA's requirements.

- ~~The Netting Agent/Participant, on behalf of the Netted Resources, is also responsible for payment of any FTC Penalties associated with Netted Resources and BPA dispatch directives under OCBR.~~

The Netting Agent/Participant is, on behalf of the Netted Resources, responsible for payment of all Failure to Comply (FTC) Penalty Charges related to compliance with dispatch directives under OCBR for each Netted Resource.

G. Generation Imbalance Accounting for Netted Resources

- BPA will not net Generation Imbalance charges for a Netting Agent's/Participant's Netted Resources. Each Netted Resource is responsible for its individual Generation Imbalance account for all applicable imbalance bands. Applicable Persistent Deviation Penalties or Intentional Deviation Penalties will apply to the output of individual Netted Resources.

H. OCBR Limitations & Curtailments

- For OCBR Limitation and Curtailments, BPA will treat multiple Generating Facilities as a single virtual resource (i.e., as Netted Resources) under the control of a Netting Agent or Netting Participant.
- During an over-generation event, the Netted Resources' aggregate response must be equivalent to the sum of the response that would be required from each Netted Resource.
- During an under-generation event:
 - While BPA is not operating in the EIM, the Netted Resources' aggregate ~~e~~Curtailment ~~to~~of e-Tags will be equivalent to the difference between the sum of the schedules of each individual resource in the net and the sum of the output of each individual resource in the net (plus the total reserve allocation for each individual resource in the net for OCBR Level 1 events). The aggregate Curtailment will be assessed on a *pro rata* basis to those individual resources whose e-Tag schedules are in excess of their individual targets ~~;~~ or
 - While BPA is operating in the EIM, netting of resources does not apply to OCBR under-generation events.

I. ~~Submittal~~ **Contact Information**

1. Completed and signed Netting ~~R~~ requests, Netting Agreements, and requests for revisions to Exhibit A must be submitted to the BPA ~~Transmission Services~~ contact ~~either~~ by one of the following methods:

<p>Overnight Delivery Service -(physical delivery: UPS, Fed Ex, etc.)</p>	<p>Bonneville Power Administration – Attn: (Addressee) Organization Mailstop: (e.g. TSE/TPP-2; TPC/TPP-4, TPP/OPP-3) <u>Transmission Marketing and Sales - TSE-TPP-2</u> 905 NE 11th Avenue Portland, OR 97232 This address above should be used if the Interconnection Customer requests a return receipt.</p>
<p>Email</p>	<p>Email to: TxRequests@bpa.gov Enter the “Netting Request,” “<u>Netting Agreement</u>,” or “<u>Netting Revision</u>” in the subject line of the email <u>as applicable</u>. This email address provides an automated reply indicating that the application was received.</p>
<p>Facsimile (fax)</p>	<p>Faxed Interconnection <u>Netting</u> Requests will be accepted only at (360) 619-6940.</p>
<p>US Postal Service</p>	<p>Bonneville Power Administration Transmission Marketing and Sales - TSE-TPP-2; P.O. Box 61409, Vancouver, WA 98666-1409 The Interconnection Request transmitted by fax or email should be followed by an executed hard copy of that request to be received by BPA Transmission Services within five Business Days of receipt by BPA Transmission Services of the faxed or emailed request to the above address.</p>

2. ~~The Interconnection~~ A Netting Request transmitted by fax or email should be followed by an executed hard copy of that request sent to the applicable address, above. The hard copy must be ~~to be~~ received by BPA ~~Transmission Services~~ within five (5) Business Days of BPA's receipt ~~by BPA Transmission Services~~ of the faxed or emailed request ~~to the above address.~~

J-Form

1. Netting Resources for Operational Controls for Balancing Reserves Request