Preemption of Short-Term Transmission Service

BPA Transmission Business Practice

Version 6 10/4/2023

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Version 6

This business practice outlines the Preemption of Short-Term Transmission Service used by BPA to manage reservation priority for the Short-Term market, which includes Hourly service, when there is not sufficient Short-Term ATC to grant all Short-Term TSRs on a constrained path.

Sections 13.2 and 14.2 of the BPA Open Access Transmission Tariff (OATT) establish the reservation priority for awarding Short-Term service on constrained paths. Reservation priority allows a later-submitted Short-Term TSR with higher reservation priority (Challenger) to preempt one or more earlier-submitted Short-Term TSRs or conditional reservations with lower reservation priority (Defender) when there is not sufficient Short-Term ATC to grant all TSRs on a constrained path. A Defender of a conditional PTP reservation has a Right of First Refusal (ROFR) to match the challenging TSR's duration in certain circumstances.

BPA Policy Reference

Open Access Transmission Tariff (OATT): Section 13.2; 14.2

For more information, visit the <u>BPA Transmission Business Practices webpage</u> or submit questions to <u>techforum@bpa.gov</u>.

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A. Conditional and Unconditional Criteria

- 1. Pending Short-Term Point-to-Point (PTP) TSRs and conditional reservations may be preempted (taken) when ATC is not sufficient for all transactions on a constrained path. It is the Customer's responsibility to be aware of the status of this capacity.
 - a. Any pending Short Term PTP TSR (not yet CONFIRMED on OASIS) can be preempted at any time; and
 - Any Short-Term Firm PTP conditional reservation (CONFIRMED on OASIS) can be preempted up to the conditional reservation deadline (as defined in Section 13.2 of the BPA OATT).
- 2. Preemption eligibility terminology:
 - a. Once a conditional Short-Term Firm PTP reservation reaches its conditional reservation deadline, it is deemed to be 'unconditional' and no longer subject to the Short-Term Preemption process. The start of the unconditional time is provided in the Unconditional field of the reservation on OASIS.
 - b. Prior to the conditional reservation deadline, a conditional Short-Term Firm PTP reservation is deemed to be 'conditional' and available to be challenged as a potential Defender under the Short-Term Preemption process by a higher-priority TSR.
- 3. Pending Short-Term PTP TSRs (Firm and Non-Firm) are always conditional and subject to challenge.
- 4. Short-Term Non-Firm PTP reservations are conditional and available to be challenged up to one (1) hour prior to the scheduling deadline.
- Network Integration (NT) Transmission Service reservations of any duration are not subject to challenge. Requests for Short-Term Firm NT Transmission Service can be a Challenger. Short-Term Non-Firm NT Transmission Service is not subject to the Short-Term Preemption process.
- 6. Long-Term Firm is not subject to the Short-Term Preemption process.

B. Preemption Process

- 1. There are two types of Preemption in the Short-Term market: Preemption with ROFR and Preemption without ROFR.
 - a. Preemption with ROFR occurs when a higher-priority Short-Term PTP TSR challenges one or more conditional Short-Term PTP reservations. In this scenario, the Customer(s) with the conditional PTP reservation(s) may attempt to defend (retain) the conditional reservation(s) by matching the duration of the challenging TSR in OASIS.
 - b. Preemption without ROFR occurs when a Defender does not have a Right of First Refusal, meaning a Challenger takes a Defender's capacity without the option for the Defender to attempt to defend that conditional reservation by matching the duration of the Challenger's TSR in OASIS. Preemption without ROFR occurs in two scenarios:
 - i. When a Short-Term PTP TSR is pending and the Challenger is a higher-priority Short-Term PTP or NT service TSR.

- ii. When a Defender is a conditional Short-Term Firm PTP reservation and the Challenger is a Short-Term Firm NT TSR.
- 2. The process for both Preemption with and without ROFR is outlined in NAESB Wholesale Electric Quadrant (WEQ) Version 003.2 standards or subsequent versions incorporated by the Federal Energy Regulatory Commission's (FERC) regulations. BPA conducts the Preemption process as set forth in these standards. A simplified flow diagram representing the NAESB process is illustrated in the Preemption Process Flow Diagram.
- 3. To be considered a Defender, a conditional reservation or TSR must provide non-de minimis capacity to all paths (1:1 and/or flow-based) where there is a deficiency in meeting the Challenger request for a full offer.
 - a. A *de minimis* impact is an impact as set forth in Section D of the <u>Transmission Service Request (TSR) Evaluation Business Practice</u>.
- 4. There is no assurance that the outcome of the Preemption process will result in sufficient ATC to grant a full offer or even a partial offer to the Challenger. The <u>Transmission Service Request (TSR) Evaluation Business Practice</u> shows where Preemption occurs within the evaluation of a TSR.
- 5. The Preemption process is conducted the same for request types of Original and Redirect.
- 6. Resales are not subject to Preemption directly. However, as described in more detail in Section G, the capacity underlying the Resale is subject to Preemption on the Parent Reservation, while the parent is still conditional.
- 7. It is the responsibility of all Customers to monitor their TSRs and reservations throughout the Preemption process as Defenders or Challengers. See the <u>Preemption and ROFR User Guide</u>. Sections E and F also provide further information.

C. Reservation Priority for Preemption

1. Reservation priority is set forth in Sections 13.2 and 14.2 of the BPA OATT. Table A shows the reservation priority for Preemption, including whether the Defender has ROFR.

Table A: Reservation Priority and Preemption Scenarios ¹				
Defending TSR or Reservation	Challenging TSR	ROFR		
Firm NT and Long-Term Firm PTP	Not subject to Preemption	N/A		
Conditional Short-Term Firm PTP TSR or Reservation	Pre-confirmed Short-Term Firm NT	No		
Conditional Short-Term Firm PTP Reservation	Pre-confirmed Short-Term Firm PTP of higher service increment, or same service increment and longer duration	Yes		
Pre-confirmed Short-Term Firm PTP TSR	Pre-confirmed Short-Term Firm PTP of higher service increment, or same service increment and longer duration	No		
Not pre-confirmed Short-Term Firm PTP TSR	Pre-confirmed Short-Term Firm PTP of higher service increment, or same service increment and equal to or longer duration	No		

Defending TSR or Reservation	Challenging TSR	ROFR			
Conditional Short-Term Non-Firm PTP Reservation	Pre-confirmed Short-Term Non-Firm PTP of longer duration	Yes			
Pre-confirmed Short-Term Non-Firm PTP TSR	Pre-confirmed Short-Term Non-Firm PTP of longer duration	No			
Not pre-confirmed Short-Term Non-Firm PTP TSR	Pre-confirmed Short-Term Non-Firm PTP of equal or longer duration	No			
¹ This table sets forth the reservation priority for Preemption in descending order.					

- 2. The reservation priority outlined in Table A is consistent with NAESB WEQ Version 003.2 standards or subsequent FERC-approved versions.
 - a. Certain scenarios described in the NAESB standards are excluded from Table A because they would never occur due to how BPA manages ATC. For example, in theory Firm TSRs have reservation priority over Non-Firm TSRs and Non-Firm reservations. In practice, however, a Non-Firm TSR or reservation would never be a Defender for a Firm Challenger because BPA manages Firm and Non-Firm ATC separately, but in a manner that respects the higher reservation priority of Firm service.
- 3. Defenders with equal reservation priority will be considered for Preemption based on queue time (Defenders with a later queue time will be preempted before Defenders with an earlier queue time). If multiple Defenders have the same queue time, then Defenders will be considered for Preemption based on their AREF number (Defenders with higher AREF numbers will be preempted before Defenders with lower AREF numbers).

D. Preemption Timing Requirements

1. The Preemption process runs continually, including weekends and holidays. Tables B and C describe the processing timeframes for Challengers and Defenders in various Preemption scenarios involving Firm and Non-Firm service.

Table B: Preemption Processing Timeframes for Firm Service ¹						
Challenge	r Timeframes	Defender Timeframes ²				
Challenger	Must Be	Monthly	Weekly	Daily	Hourly	
Challerige	Queued By	Firm PTP	Firm PTP	Firm PTP	Firm PTP	
Monthly	5 Days ³ 80	35 Days	12 Days	5 Days prior to	NA	
Firm PTP	Minutes Prior to	Prior to	Prior to	12:00 AM of the		
FIIIIIFIF	Start	Start	Start	Preschedule Day ⁴	1	
Weekly	3 Days 80		10 Days	3 Days prior to		
Firm PTP	Minutes Prior to	NA	Prior to	12:00 AM of the	NA	
FIIIIFIF	Start		Start	Preschedule Day		
Daily	2 Days 80		NA	48 Hours prior to		
Firm PTP	Minutes Prior to	NA		12:00 AM of the	NA ⁵	
FIIIIIFIF	Start			Preschedule Day		
Hourly	11:00 AM of the		NA	NA	11:00 AM of the	
Firm PTP	Preschedule	NA			Preschedule Day	
1 111111 1 11	Day				i resoriedule Day	
Monthly	4 Days 80	34 Days	11 Days	4 Days prior to		
Firm NT	Minutes Prior to	Prior to	Prior to	12:00 AM of the	NA	
	Start	Start	Start	Preschedule Day		

Challenger Timeframes		Defender Timeframes ²			
Weekly Firm NT	2 Days 80 Minutes Prior to Start	32 Days Prior to Start	9 Days Prior to Start	2 Days prior to 12:00 AM of the Preschedule Day	NA
Daily Firm NT	1 Day 80 Minutes Prior to Start	NA	8 Days Prior to Start	1 Day prior to 12:00 AM of the Preschedule Day	NA⁵
Hourly Firm NT	11:30 AM of the Preschedule Day	NA	NA	NA	11:30 AM of the Preschedule Day

¹ The timeframes apply to scenarios where the Defender is a confirmed reservation. Pending TSRs can be preempted at any time.

⁵ Daily vs Hourly not applicable due to timing considerations. Use Hourly service to challenge Hourly.

Table C: Preemption Processing Timeframes for Non-Firm Service ¹						
Challenger	Timeframes	Defender Timeframes ²				
Challenger ^{4,5}	Must Be Queued By	Monthly Non-Firm PTP	Weekly Non-Firm PTP	Daily Non-Firm PTP	Hourly Non-Firm PTP⁵	
Monthly Non-Firm PTP	2 Days ³ 80 Minutes Prior to Start	49 Hours 20 Minutes Prior to Start	NA	NA	NA	
Weekly Non-Firm PTP	2 Days 80 Minutes Prior to Start	NA	49 Hours 20 Minutes Prior to Start	NA	NA	
Daily Non-Firm PTP	27 Hours 20 Minutes Prior to Start	NA	NA	27 Hours 20 Minutes Prior to Start	NA	
Hourly	100 Minutes Prior to Start	NA	NA	NA	100 Minutes Prior to Start	
Non-Firm PTP⁵	8 Hours Prior to Start	NA	NA	NA	140 Minutes Prior to Start	

¹ The timeframes apply to scenarios where the Defender is a confirmed reservation. Pending TSRs can be preempted at any time.

² The Defender timeframes indicate the latest time a reservation can be identified as a Defender.

³ All references to "Day" in this table refer to Calendar Days except where specifically noted as "Preschedule Day" (defined in footnote 4).

⁴ "Preschedule Day" means WECC Preschedule Day, which starts at midnight PPT.

² The Defender timeframes indicate the latest time a reservation can be identified as a Defender. There is no conditional reservation deadline for Non-Firm service, so this timing is based on NAESB standards requiring Preemption to be completed one (1) hour prior to the scheduling deadline.

³ All references to "Day" in this table refer to Calendar Days.

⁴ Non-Firm NT (6-NN) can never be a Challenger because BPA's ATC methodology already gives this service the highest Non-Firm reservation priority. Likewise, each of the Non-Firm PTP services can only challenge Defender reservations of the same service because of BPA's ATC methodology (which respects reservation priority).

⁵ Non-Firm Hourly PTP (2-NH) is subject to the Preemption process, but Non-Firm Secondary Hourly PTP (1-NS) is not. It (1-NS) is excluded as a Challenger per NAESB and is excluded as a Defender per BPA's ATC methodology as noted in footnote 4.

E. Challenger Eligibility & Responsibilities

- 1. A Short-Term TSR for NT and PTP service must meet the following conditions to be eligible to be a Challenger.
 - a. The TSR must be "Preconfirmed."
 - b. A PTP TSR must have a flat MW profile over time. An NT TSR may have a varying MW profile over time and still be eligible to be a Challenger.
 - c. The TSR cannot have a leading or trailing zero (0) MW profile segment.
 - d. It must at least be possible to grant a full offer to a PTP Challenger considering all available Defenders (but without considering whether any Defender will exercise ROFR). NT TSRs are not subject to this requirement to be a valid Challenger.
- 2. When a TSR has been identified as a Challenger, the Competing Request Flag will be set on OASIS for that TSR to a unique reference identifier for that Preemption process.
 - a. Customers may use this unique reference number to identify all TSRs and conditional reservations involved in this particular Preemption process on OASIS, as well as to guery the status of the overall process.
 - b. The Competing Request Flag will be cleared once the Preemption process has completed.
- 3. Only one Preemption process (challenge) can be active at a time for a given path and a specific time period of constrained ATC.
 - a. If there are multiple Challengers vying for the same constrained ATC from the same Defender(s) for the same time period, the Preemption process will proceed one at a time for each Challenger in queue order.
 - b. The other Challengers will remain in QUEUED status awaiting the completion of the earlier-queued Preemption processes.
- 4. Once a TSR has been identified as a Challenger, it cannot be withdrawn until the Preemption process is complete and unless the result is a partial offer.
- 5. A Customer may waive their right to challenge lower-priority TSRs and conditional reservations at the time their TSR is submitted on OASIS in order to avoid being stuck behind other Challengers. With this waiver in place, the Preemption process will not be initiated, regardless of whether sufficient ATC is available to grant an offer. See the Preemption and ROFR User Guide for how to waive all rights to challenge.
- 6. A Customer may waive their right to challenge their own lower-priority TSR or conditional reservation at the time their TSR is submitted on OASIS. With this waiver in place, the Preemption process will not be initiated if one of the Customer's own TSRs or conditional reservations would otherwise have been identified as a Defender. See the Preemption and ROFR User Guide for how to waive the right to challenge the Customer's own TSR or conditional reservation.

- Customers that receive a partial offer after the Preemption process has completed are required to respond within the Customer Confirmation Time Limits as defined under the Reservation Response Timing Requirements table in the <u>Requesting Transmission</u> <u>Service Business Practice</u>.
 - a. Customers may respond by accepting the counteroffer, rebidding to a lower capacity, or withdrawing their TSR.
- 8. Customers are encouraged to subscribe to alarms and/or email notifications on OASIS in order to receive status updates as the Preemption process is initiated and completed. See the Preemption and ROFR User Guide.

F. Defender Responsibilities

- Customers holding Short-Term TSRs or conditional reservations on constrained paths
 must be prepared to respond accordingly if their TSR or conditional reservation is
 identified as a Defender in the Preemption process.
- 2. If a TSR or conditional reservation has been identified as a Defender, the Competing Request Flag will be set on OASIS to a unique reference identifier for that Preemption process.
 - a. Customers may use this unique reference number to identify all TSRs and conditional reservations involved in this particular Preemption process on OASIS, as well as to guery the status of the overall process.
 - b. The Competing Request Flag will also be set to the same reference identifier for any Dependents of an identified Defender (*i.e.*, Resales and pending Redirects).
 - c. The Competing Request Flag will be cleared for the Defender and all associated Dependents once the Defender has completed the Preemption process.
- 3. While the Competing Request Flag is set to a non-blank value for a given Defender and related Dependents (if any), no Customer-initiated transactions are permitted for that TSR or conditional reservation until the flag is cleared. This includes:
 - a. Status changes on OASIS are blocked, such as moving a TSR from ACCEPTED to CONFIRMED; and
 - b. Creation of new TSRs (such as Resale, Redirect, Transfer, or Consolidation) is prevented.
- 4. Defenders with and without ROFR may lose their capacity from a Short-Term PTP TSR or conditional reservation through the Preemption process in order to grant an improved offer to a Challenger.
 - a. If the Defender is a pending TSR, it is re-evaluated following Preemption and may result in a different offer, such as a COUNTEROFFER or SUPERSEDED.
 - b. If the Defender is a conditional Original reservation, capacity is preempted in full or in part through a Recall of the Defender.
 - c. If the Defender is a conditional Redirect reservation from a <u>conditional</u> Parent Reservation, capacity is preempted in full or in part through a Recall of the Defender. No rights are restored to the Parent Reservation.

- d. If the Defender is a conditional Redirect reservation from an <u>unconditional</u> Parent Reservation, capacity is preempted in full or in part through a Firm Relinquish from the Defender. Rights are restored back to the Parent Reservation.
- 5. Customers must be diligent to avoid over-use penalties if they choose to submit an e-Tag against a reservation that is still conditional.
 - A conditional reservation can still be identified as a Defender or a Dependent of a Defender even if an e-Tag against that conditional reservation has already been approved.
 - b. An e-Tag can still be approved against a conditional reservation even if the Competing Request Flag has already been set for that reservation.
 - c. An e-Tag submitted against a conditional reservation that is subsequently preempted will be at risk of no longer having a sufficient reserved capacity to support the e-Tag, since the capacity needed for the Challenger will be recalled or relinquished from the conditional reservation.
 - i. It is the Customer's responsibility to adjust any e-Tags where capacity has been recalled or relinquished.
 - ii. Customers will be assessed over-use penalties for any e-Tags for which there is insufficient reserved capacity following Preemption, even if that e-Tag had previously been approved. See the <u>Unauthorized Increase</u> <u>Charge Business Practice</u>.
- Customers are strongly encouraged to subscribe to alarms and/or email notifications on OASIS in order to receive alerts as the Preemption process is initiated and completed for Defenders and/or Dependents of a Defender. See the <u>Preemption and ROFR User</u> Guide.
- 7. The following provisions apply to conditional Defender reservations that are eligible for ROFR. See the <u>Preemption and ROFR User Guide</u> for related OASIS procedures.
 - a. An eligible Customer will have the right to exercise ROFR, but there is no assurance that the ROFR will be successful. There may not be sufficient ATC to grant ROFR to all eligible Defenders.
 - b. BPA will provide simultaneous notification of ROFR eligibility through an OASIS posting for each conditional Defender reservation. That ROFR Notification will indicate:
 - i. Matching Profile: This indicates the minimum profile required by the Customer to exercise ROFR to match the terms of the Challenger.
 - Remaining Profile: This indicates the default profile that will remain on the conditional Defender reservation if capacity is preempted by the Challenger.
 - c. To indicate their intent to exercise ROFR, the Customer must submit a valid ROFR request on OASIS by the following ROFR deadlines (all time measured starting from when the notification of ROFR eligibility is posted on OASIS, irrespective of weekends and holidays):
 - i. For Daily, Weekly, and Monthly Defenders: Within 24 hours.

- ii. For Hourly Firm Defenders: Within 30 minutes.
- iii. For Hourly Non-Firm Defenders: Within 10 minutes if the Challenger is queued less than 8 hours prior to start; Within 30 minutes otherwise.
- d. Customers holding a conditional Defender reservation eligible for ROFR have the following options to consider for their ROFR request. The ROFR decision is binding and may not be reconsidered later based on the actions of other Defenders or the Challenger.
 - Default ROFR: Customers may exercise ROFR by returning the minimum Matching Profile and the default Remaining Profile as specified in the initial ROFR Notification provided by BPA.
 - ii. Exceed Challenger Duration: Customers may exceed the <u>duration</u> of the Challenger request by returning a Matching Profile with a longer duration than required to match (defend). Note that the <u>capacity</u> of the Matching Profile may not exceed the default MW profile provided by BPA.
 - iii. Lower Remaining Profile: Customers may modify a Remaining Profile to be <u>lower</u> than the default provided by BPA.
 - 1. This would be used in the event that the Matching Profile cannot be granted (*i.e.*, the ROFR attempt is unsuccessful). If capacity must be preempted from a conditional Defender reservation, the Customer may wish to avoid having an unusable MW profile remaining on their reservation.
 - The lower Remaining Profile indicates to BPA the capacity that the Customer would like to retain on their conditional reservation after preemption by the Challenger, including the possibility of a Remaining Profile of zero (0) MW.
 - iv. Best Offer: Customers may indicate to BPA that they will accept the best available offer if their Matching Profile cannot be granted. This would also be used in the event that the ROFR attempt is unsuccessful.
 - 1. This option indicates that the Customer will accept any offer equal to or higher than the default Remaining Profile and less than or equal to their current reservation profile.
 - v. Decline ROFR: Customers may also explicitly decline to exercise ROFR. The conditional Defender reservation will be preempted down to the default Remaining Profile. Their participation in the Preemption process would then end immediately.
- e. To successfully exercise ROFR, a Customer's ROFR request must be considered both valid and be accepted by BPA following an ATC evaluation.
- f. The first valid ROFR request submitted on OASIS will be used in the subsequent ATC evaluation of ROFR for that Defender.
 - i. Customers will be able to see on OASIS within a few minutes whether the ROFR attempt is deemed valid or not.
 - ii. Customers will be able to submit additional ROFR attempts if the initial attempts are deemed invalid.

- iii. If no valid ROFR request is received on OASIS by the ROFR deadline, the conditional Defender reservation is preempted down to the default Remaining Profile.
- g. An ATC evaluation of each ROFR request is performed to determine whether the ROFR is successful or unsuccessful.
 - The ATC evaluation is performed once all Defenders eligible for ROFR have returned a valid ROFR request or once the ROFR deadline has expired (whichever comes first).
 - ii. The ATC evaluation is performed using Short-Term ATC at the time of the evaluation.
 - iii. The ATC evaluation is performed using the Matching Profile included in the ROFR request.
- h. If the ROFR is successfully exercised, the existing conditional Defender reservation is updated on OASIS with the Matching Profile. Customers will keep their existing AREF.
- If the ROFR attempt is unsuccessful or the Customer chooses to explicitly decline ROFR, then the existing conditional Defender reservation will be preempted down to the Remaining Profile with a Recall or Relinquish transaction on OASIS. Customers will keep whatever capacity may remain on their existing AREF.
- 8. A Defender TSR or conditional reservation may be subject to the Preemption process multiple times until reaching the conditional reservation deadline (if applicable). However, a Defender can only be subject to a single Preemption process at a given time.

G. Defender Responsibilities for Resellers

- 1. A conditional Resale reservation is exempt from the Preemption process. However, the capacity supporting the Resale is subject to Preemption if the Parent Reservation is conditional.
- 2. If a conditional Parent Reservation of a Resale is identified as a Defender, then the Reseller has the responsibilities noted in this section and all the responsibilities identified in the Defender Responsibilities Section F.
- 3. If the conditional Parent Reservation is eligible for ROFR, it is the Reseller (not the Assignee) that makes the ROFR decision.
- 4. The Assignee will be made aware if the conditional Parent Reservation of a Resale becomes involved in a Preemption scenario. The Competing Request Flag will be set for all Defenders and Dependents (including Resales) while the Preemption process is ongoing.
- 5. Both Resellers and Assignees (like all Customers) are strongly encouraged to subscribe to alarms and/or email notifications to monitor the Preemption process.
- 6. It is possible for a conditional Parent Reservation of a Resale to lose capacity through Preemption. This may create an "orphan Resale" situation in which there is no longer sufficient capacity on the conditional Parent Reservation to support the Resale.

- 7. It is the responsibility of the Reseller of the conditional Parent Reservation to correct an orphan Resale.
 - a. The Reseller must reconcile and post correct information for any impacted Resale(s) for which there is no longer sufficient capacity on the conditional Parent Reservation. See the <u>Preemption and ROFR User Guide</u> for how to reconcile Resales on OASIS.
- 8. The Reseller will be financially responsible for any over-use penalties as a result of an uncorrected orphan Resale where there remains insufficient capacity on the conditional Parent Reservation due to lost capacity through Preemption.
- 9. If an Assignee has in turn resold a Resale from a conditional Parent Reservation, the Assignee becomes a Reseller themselves. As such, they have inherited the Reseller responsibility for reconciling and posting correct Resale information on OASIS for orphan Resales in which they are the Reseller, including any over-use penalties for not doing
- 10. As a result of the complexity and financial penalties involved with the reconciliation of orphan Resales from Preemption, both potential Resellers and Assignees must pay particular attention to the Unconditional time on OASIS when considering the Resale of a conditional Parent Reservation.

H. Billing Process for Preemption

- 1. Customers granted transmission through Preemption or retaining transmission through exercising their ROFR will be billed in accordance with BPA applicable rate schedule(s) in effect at the time.
 - a. Customers who successfully exercise ROFR will be granted new service as an extension of their existing transmission (*i.e.*, the ROFR extension). This applies to both Original and Redirect reservations.
 - b. In addition to any current charges for existing transmission, Customers will be billed for this new service using the Block rate based on the total duration of the updated reservation (rather than the duration of just the ROFR extension).
 - i. For example, consider a conditional Original or Redirect reservation that is five (5) Calendar Days duration and successfully exercises ROFR to add four (4) additional Calendar Days. Those four (4) Calendar Days will be billed starting at the lower Block 2 rate (days 6+), considering that the ROFR extension represents day six (6) through day nine (9) of a now nine (9) Calendar Day reservation. This approach is applied consistently to new service granted as a ROFR extension to both Original and Redirect conditional reservations.
- 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.
 - a. The rate applied to this credit will be based upon the actual time recalled rather than the rate paid for the original capacity.
 - i. For example, a recall of five (5) Calendar 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.

3. With regard to Redirects of Resales that are subsequently preempted, BPA will credit the Assignee of the Resale as described in Section H.2 based on the amount of capacity recalled from the Redirect. The Reseller of the original resold capacity is still billed in full consistent with the <u>Resale of Transmission Service Business Practice</u>. The Assignee and Reseller may negotiate a bilateral agreement with respect to the final disposition of the credit provided to the Assignee by BPA.