



NT NOA and Attachment G

1. What is the *pro forma*?

- FERC *pro forma* Attachment G is blank. This allows jurisdictional utilities to determine requirements and mechanisms for Network Integration Transmission (NT or NITS) customers to coordinate with Transmission Provider on operational needs.
- FERC requires NOA to be filed with FERC.

What is BPA's Current Tariff Language?

- Attachment G of BPA's tariff spells out the “contractual requirements related to Network Integration Transmission Service over the Transmission Provider's Transmission System.”
- This is a blanket approach, rather than bilateral contracts with customers.

3. What are we proposing?

Since presenting to BPA customers last August, a team has been brought together to:

- Complete and review benchmarking with a variety of utilities.

Attachment G Contents	Simple list	Some terms	Substantial terms	Full NOA
Entities using this format	WAPA PacifiCorp Puget NYISO	Southern Co.	Avista Duke	BPA

- Evaluate customer contracts that are potentially impacted by selected proposal.
- Complete analysis and assess alternatives.

Contract Benchmark Analysis

- Existing Transmission contracts among NT customers were evaluated against topics identified in the NOA benchmark analysis to determine areas where active contract provisions may intersect with identified NOA topics, as well as to determine whether additional topics should be considered for incorporation within a new NOA.
- Observations:
 - Approximately 190 contracts in 12 contract categories were identified as having NOA-related provisions.
 - 11 contract categories contained provisions that may be suitable for inclusion in a NOA (access, reliability standards, modification and/or removal of equipment, etc.).
 - In addition to standard provisions, many of these agreements contain specific equipment lists and/or billing arrangements for services between customers (Maintenance Obligations and Ownership 'MO&O', Operation and Ownership 'O&O', Access and Ownership 'A&O', etc.).
 - Approximately 80 additional short-term agreements have been identified under a separate contract initiative as requiring long-term documentation within an existing or new A&O agreement.
- Shifting to bilateral NOAs could create an opportunity for BPA and customers to fold some of these agreements into a single NOA. While initially resource-intensive, this could mean fewer contracts for BPA and its customers to administer.

3. What are we proposing? (Continued)

- Alternatives:
 - **Status quo** – No change to BPA’s current Attachment G.
 - **Simplified Approach** – A simple, high-level list of topics in Attachment G to be covered in bilateral NOAs with customers. BPA would develop standard NOA template(s) as a starting point for negotiations with individual customers for bilateral NOAs.
 - **Middle of the Road** – Attachment G includes some standard terms along with a list of topics to be covered in bilateral NOAs with customers. BPA would develop standard NOA template(s) as a starting point for negotiations with individual customers on the customer-specific topics.
 - **Full NOA Template in Attachment G** – Attachment G includes many standard terms that would not be negotiable. BPA would negotiate with individual customers for any customer-specific terms in bilateral NOAs.
- Bonneville is not proposing to file bilateral NOAs with FERC.

5. Why are we proposing this position?

- BPA proposes the **Simplified Approach** alternative for its Attachment G.
- Key considerations included:
 - A simplified Attachment G would defer details or customer-specific needs to the individual NOAs.
 - Bilateral NOAs will provide flexibility for BPA and customers to address unique operational or other needs.
 - This approach was found to be consistent with industry practices through BPA's benchmarking efforts.

6. What are the change impacts?

- Replacement of Attachment G with a list of topics. These topics will be covered in bilateral NOAs with individual customers.
- Subsequent development of standard NOA template(s).
 - Includes incorporation or replacement of agreements with overlapping terms and conditions.
- Execution of bilateral NOAs with customers.
- The timeline for developing template(s) and executing bilateral NOAs with customers will depend on BPA and customer availability.

7. Is there a rate case impact?

- There is no rate case impact.

Proposed Tariff Language

Attachment G

Network Operating Agreement

The Transmission Provider will provide the Network Operating Agreement when it negotiates and offers a Network Integration Transmission Service Agreement.

The Network Operating Agreement will set forth the terms and conditions under which the Network Customer will be required to operate its facilities as well as technical and operational matters associated with the provision of Network Integration Transmission Service.

The Network Operating Agreement will include, but is not limited to the following:

Authorized Representatives of the Parties

Network Operating Committee

System Protection

System Regulation and Operating Reserves

Service Conditions

Management of Transmission Constraints

Emergency Procedures

Maintenance of Facilities

Data, Information, and Reports

Metering

Communications

Transmission Losses

Administrative Provisions

Operational Regulatory Compliance

Other Operational and Technical Matters as Needed

Proposed Tariff Language (Continued)

Section 29.1: Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that

- (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff,
- (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4,
- (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider begin to initiate service in the absence of an executed Service Agreement pursuant to Section 15.3, and
- (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G

Proposed Tariff Language (Continued)

Section 35.2: The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to

- (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment),
- (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data),
- (iii) use software programs required for data links and constraint dispatching,
- (iv) exchange data on forecasted loads and resources necessary for long-term planning, and
- (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols.

The Network Operating Agreement will recognize that the Network Customer shall either

- (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, the regional reliability organization, and the Northwest Power Pool (NWPP),
- (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or
- (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO, the regional reliability organization, and the NWPP.

The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

NT NOA and Attachment G Tariff Proposal Summary

<p>1. What is the <i>pro forma</i>?</p>	<ul style="list-style-type: none"> • FERC <i>pro forma</i> Attachment G is blank. This allows jurisdictional utilities to determine requirements and mechanisms for Network Integration Transmission (NT or NITS) customers to coordinate with Transmission Provider on operational needs. • FERC requires network operating agreements to be filed with FERC.
<p>2. What did we hear?</p>	<p>TBD</p>
<p>3. What are we proposing?</p>	<p>Simplified Approach – a simple, high-level list of topics in Attachment G, plus standard NOA template(s). NOA’s would allow for some customization with customers.</p>
<p>4. If not proposing <i>pro forma</i>, then which TC-20 tariff principles apply?</p>	<p><i>Pro forma</i></p>
<p>5. Why are we proposing this position?</p>	<ul style="list-style-type: none"> • Flexibility to make NOA changes in the future (e.g. changing markets or operational needs) without tariff proceedings. • A simplified Attachment G would defer details or customer-specific needs to the individual NOAs. • Consideration of current resource demands for both BPA and its customers, given on-going initiatives (e.g., Rate Case and other TC-20 proceedings).
<p>6. What are the change impacts?</p>	<ul style="list-style-type: none"> • Replacement of Attachment G • Development of standard NOA template(s) – Includes incorporation or replacement of agreements with overlapping terms and conditions. • Execution of NOAs with customers.
<p>7. Is there a rate case impact?</p>	<p>There is no rate case impact.</p>

NT TC-20 Workshop Timeline

APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
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Develop industry analysis

BPA NT team identifies alternatives


 June 26th
 Customer Workshop

Discuss alternatives


 Aug 14th

Post proposed tariff language

Customers review alternatives and provide feedback

Customers review proposed tariff language and provide feedback