

## Montana Renewable Development Action Plan Recommendations & Action Items September 2019 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 may memorialize/document their understanding that there can be third party use of the MI (transfer of a CTS party's surplus rights to BPA for sale under BPA's OATT) and how it can happen. Parties have not yet reached agreement on whether to and how to proceed.</p> <p>Under one option, third party usage may be enabled without a contract amendment under which a third 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. Parties to relook at the 5% losses on the MI and CTS to determine the "appropriateness" of the flat 5% contractual figure and update the agreements, if necessary. Parties have not yet reached agreement on whether to or how to proceed.</p> <p>There have been no further meetings or discussions between the CTS parties and BPA on these issues.</p>	<p>Brian Altman, BPA</p>

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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>• Haymaker Wind</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>The PGE RFP final short list included a Montana renewable resource that was not chosen for commercial reasons unrelated to access to transmission.</p>	<p>Shaun Foster, PGE / Brian Altman</p>
3	<p>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.</p>	<p>BPA</p>	<p><b>On-going:</b> BPA to be responsive as necessary.</p>	
4	<p>Pacific Northwest utilities that may have an interest in acquiring Montana renewables should include scenarios with Montana renewables when studying their flexible capacity needs.</p>	<ul style="list-style-type: none"> <li>• Avista</li> <li>• PacifiCorp</li> <li>• Portland General</li> <li>• Puget Sound Energy</li> </ul>	<p><b>On-going:</b> OPUC order 17-386 directed PGE to explore issues of transmission for and access to Montana and Wyoming high capacity wind resources in its 2019 IRP. Interested parties can find slides from PGE workshops on 11/28 and 12/19/18 at <a href="#">PGE’s IRP Public Meetings</a> page.</p>	<p>Shaun Foster</p>
5	<p>BPA and NorthWestern Energy should seek a negotiated solution to the 184MW transmission capacity dispute as soon as possible.</p>	<ul style="list-style-type: none"> <li>• BPA</li> <li>• NorthWestern</li> </ul>	<p><b>Completed June 2018:</b> Approved by FERC Sept 2018.</p>	

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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> In FY19 the SCD charge on the MT Intertie is zero and the settled rates in BP-20 also do not charge SCD. BPA will propose the same treatment in BP-22.	
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>• Haymaker Wind</li> <li>• NorthWestern (Lead)</li> <li>• Orion</li> <li>• Renewable NW</li> <li>• Other interested parties</li> </ul>	<b>Completed January 2019:</b> Parties memorialized the discussion/conclusions with a written document related to redirects, partial service and Service Across Multiple Transmission Systems (SAMTS).	
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	<b>Completed January 2019:</b> BPA notified parties in late 2018 that limited conditional firm offers on West of Garrison will now be available and a follow-up customer meeting addressing this is scheduled for January 31, 2019.	
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	<b>Completed January 2019:</b> After Internal BPA discussion, there will be no change to BPA’s OATT. NEPA costs will not be refunded.	

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<b>10</b>	BPA should complete its determination that resource movement in only one direction within an operating hour does not consume DTC.	BPA	<b>Completed March 2018</b>	
<b>11</b>	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
<b>12</b>	BPA should modify its existing business practice to specify the current Garrison interchange DTC limit as is currently done for the southern and northern interties.	BPA	This is moving forward. It is expected to be completed by June 2020.	Bart McManus/ Libby Kirby
<b>13</b>	<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	In response to TSEP and Cluster Studies, BPA has executed new Long-Term Conditional Firm offers totaling 150 MW. In addition, BPA has extended offers and will be making additional offers for Preliminary Engineering Agreements to lower queued parties for plans of service involving RAS and M2W.	Brian Altman
<b>14</b>	<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	<b>On-going:</b> Will be addressed as needed upon generation interconnection requests.	

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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>Completed April 2018</b>	
16	NorthWestern, with support from the other Colstrip Owners and BPA, should undertake timely blackstart, sub-synchronous resonance mitigation, RAS, and WECC 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>	<b>On-going:</b> Will be addressed as replacement generation is identified.	
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	To be completed Fall 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	<b>Completed:</b> NorthWestern filed this with its General Rate Review in September 2018.	
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 to 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.	NorthWestern/ Absaroka Energy