

MONTANA RENEWABLE DEVELOPMENT ACTION PLAN



Steering Committee Guidance – March 6, 2018

Commercial Policy Subcommittee:

- It would be helpful to know when the PPLM and PWRX contracts West of Garrison (WOG) are currently expected to expire on BPA's system, absent any potential roll-over extensions. The total BPA WOG Capacity not committed to Colstrip participants is 230 MW. 50MW of this will be encumbered by Snohomish County PUD for 30 years beginning in April 2018.
- BPA and NorthWestern are currently in bi-lateral discussions regarding a disputed 184MW East of Garrison. The Steering Committee recognizes this is a separate and parallel effort, and ultimately, it is up to BPA and NorthWestern as to what avenues they are willing to take in resolving this dispute. That said, it is desirable for them to set a deadline for resolution as the eastern Montana resources need clarity on who holds this capacity.
- Explore a potential agreement between Montana Intertie owners to allow 3rd party wheeling and resources other than Colstrip to utilize the Intertie. This was examined some time ago and not concluded. Although these agreements reflect a delicate balance struck when they were put in place, and caution encouraged when considering reopening them, the time to reexamine may be right now.
- More detail on pancaked transmission rates would be helpful.
- Caution was advised regarding any BPA rate setting policy recommendation by this Project as there are downside implications for other BPA customers and stakeholders.
- The Commercial Policy Subcommittee is lacking participation by utility resource and procurement representatives. Consider additions to subcommittee membership. State Commission staff should also be included.
- Caution was advised regarding any potential anti-trust provisions, special interest lobbying, preferred status of any specific resource type, and separation of merchant and transmission sides of utilities.

- The Steering Committee agrees to prioritizing efforts on markets in the direction of eastern Montana to the Pacific Northwest ahead of markets to the north, east, or south.
- Focus on retirement of Colstrip 1 and 2, and not on replacing lost generation from Colstrip 3 and 4. As there is a short time frame for this Project, guard against scope creep.
- Service Across Multiple Transmission Systems (SAMTS) provisions have merit. Although there may be substantive differences between jurisdictional OATTs and non-jurisdictional OATTs, effort to see what may be achievable under the agreements that define the 500kV assets is encouraged.

Planning Subcommittee:

- Refresh the cost and timing of previous estimates for the Montana to Washington (M2W) and Colstrip Transmission System (CTS) combined incremental ATC efforts. Do not do new studies for this – just update with today’s dollars and apply current project knowledge to timing provisions.
- As there is limited time available before the end of June as well as to avoid concern about OATT provisions regarding how, when, and who pays for system impact and interconnection studies, the Steering Committee advises utilizing either existing studies or providing directional, high level assessments to answer assigned questions. The Steering Committee will be judicious in asking for additional planning information.
- High level non-discriminatory planning scenarios are recommended. Make maximum use of the existing studies such as NorthWestern’s Colstrip Shutdown Reports and the NTTG Studies. Consider the content of the Stigers report based on existing studies.
- Although Colstrip 3 and 4 commercial retirement is not a focus of this Project, post-June 2018 work should examine the potential impact of that retirement on the Total Transmission Capacity (TTC) for transmission planning purposes, as the Accelerated Trend Relays (ATR) will all be gone at that point. Prepare a study scoping document to assess the transmission system with retirement of Colstrip 3 and 4, and return to the Steering Committee when complete for consideration of this scope.
- OK to do the WECC Path Rating process on an advantageous schedule – with retirement of Colstrip 1 and 2 and identification of replacement resources examined together.
- The Steering Committee does not advise preparation of a broad specification of Remedial Action Scheme (RAS) as detailed specifications of replacement generation is required to do so.

Operations Subcommittee:

- The Steering Committee encouraged the work BPA is conducting regarding potential increases in Dynamic Transfer Capability (DTC) based on eliminating ramping that occurs in one direction only rather than movement within the hour as is currently the case.
- Examine the local frequency response issue in NorthWestern’s Balancing Authority (BA) and any potential solutions.