

# 2013 Cluster Study Preliminary Overview

## Customer Conference Call

July 15, 2013



# 2013 Network Open Season: Overview of Eligible TSRs

- Submitted TSRs for 2013 NOS Cluster Study = 7,327 MW
  - NT requests = 834 MW (19 TSRs)
  - PTP requests = 6,493 MW (61 TSRs)
- 21 customers
  - 3 customers represent over 55% of the eligible MW to be studied

# Overview of Data Exhibit Validation

- Of the 7,327 MW of TSRs that are required to submit a data exhibit, 2,645 MW are associated with currently-deficient Data Exhibits (23 TSRs).
  - BPA Transmission is engaging with customers to work through deficient exhibits.
- A number of the deficient TSRs are at risk of being unable to be validated
- TSRs that are unable to be validated will be moved to DECLINED in OASIS.

# Summary Stats of Eligible TSRs for 2013 NOS Cluster Study

MW Breakdown by Customer Class		
	MW	% of Total Study
LSE (including all IOU and NT Customers)	2819	36.0%
Marketer/IPP/DSI	4508	57.6%
SILS TSN	500	6.4%
Total	7827	
NT	834	10.7%
PTP	6493	83.0%
Original PTP Requests	50	
Redirect PTP Requests	11	
NT Requests	19	

- We note that the amount of capacity associated with wind developers is significantly less than Cluster Studies in 2008, 2009 and 2010
- Based on our limited information, roughly 2% of the total PTP MW are associated with wind

# Cost Estimate Scenarios

- Cost Forecast for Performing Cluster Study: \$600,000
- Advance funding obligation will be based on estimated MW participating
  - Number of participating MW is under refinement due to TSR validation process
  - Table below depicts upper and lower bounds of advance funding requirements based highest and lowest final participation amounts

	\$/MW Range
All Current MW Participate (7,827)	\$ 76.66
All Deficient MW Removed (5,182)	\$ 115.79

# Next Steps – Cluster Study

- Complete Data Exhibit validation process and remove TSRs that fail validation from the queue
- Tender Cluster Study Agreements
- Begin Cluster Study re-stack – early to mid-August
- Share Cluster Study assumptions with Customers – August Customer meeting
- Commence Cluster Study – beginning of September
- 2013 NOS Bulletin release – August timeframe

# 2013 NOS Implementation Update

- BPA continues to develop the future version of the Precedent Transmission Service Agreement (PTSA)
  - Encompasses the terms and conditions of both the Environmental Review/Preliminary Engineering phase, and the Construction phase of all identified NOS projects
- Under the process resulting from NOS Reform, BPA would offer the PTSA prior to the Environmental Review/Preliminary Engineering phase, and the terms and conditions of the agreement would govern both that phase and the Construction phase of all identified NOS projects
- However, in implementation discussions, staff has questioned the perceived value of offering a PTSA prior to the Environmental Review/Preliminary Engineering phase rather than just prior to BPA's decision to proceed to the Construction phase
  - Due to the phased approach of the new NOS process, there are multiple points at which Customers and/or BPA can elect not to proceed and the PTSA would terminate (formal rate decision following the NEPA review process, multiple points of financial commitment, etc.)
  - This results in an Agreement that primarily commits the parties to undertaking a process but is otherwise non-binding until after the Environmental Review/Preliminary Engineering phase
- Staff would like to engage Customers on the timing of offering the PTSA

# Next Steps

- BPA intends to hold a Customer meeting around the end of July to further engage on the appropriate point to offer the PTSA
- Meanwhile, Staff continues to further develop contractual language to embody the NOS reform elements as previously presented