

# Talking Points

## 2020 Network Operating Agreement

### Background

As part of the TC-20 Settlement Agreement, finalized on March 1, 2019, BPA and its long-term transmission customers agreed to revise Attachment G of BPA's Open Access Transmission Tariff (OATT). Prior to the Settlement Agreement, Attachment G contained BPA's Network Operating Agreement (NOA), applicable to customers with Network Integration Transmission (NT or NITS) contracts.

FERC's *pro forma* Attachment G is blank. This allows Transmission Providers and Network Customers to determine requirements, mechanisms and operational needs for the provision of NT service. In TC-20, BPA and customers agreed to replace Attachment G with a list of topics to be addressed in NOAs with individual customers. BPA then developed a template NOA by working with NT customers who chose to participate in the Network Operating Committee (NOC). Details of the NOC are available in [NOC Charter](#).

### Key Information

- BPA worked collaboratively with customers to revise Attachment G through the TC-20 process.
- BPA then worked closely with customers over the course of nearly a year, and through multiple NOC meetings, to draft, review, and revise the NOA in several cycles. The template agreement was finalized in spring of 2020.
- BPA staff reviewed a variety of large utility examples and found this approach to be a good fit to meet its needs with customers.
- The new NOA template seeks to memorialize operational terms and conditions related to NT service.
- When they chose to take NT service, customers agreed to adhere to the NT Service requirements (e.g., OATT, Business Practices, Policies, etc.), even when requirements change.
- The NOA is a requirement for NT Service under the OATT. This was an identified change in the TC-20 Settlement that all customers signed.

### Q&A

#### In a nutshell, what is the NOA?

- An agreement that describes how BPA will interact operationally with NT customers.
- Definition in BPA's Open Access Transmission Tariff:
  - **1.24 Network Operating Agreement:**
  - An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.
- The NOA is a requirement of taking NT service, spelled out in the OATT Section III, 29.1(iv) "the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G."

#### What's in it for customers?

- An opportunity to cross-check operational information between the parties to capture customer-specific details in a unified way and ensure that BPA and customers are up-to-date.
- The new NOA template provides an updated set of operational terms and conditions related to NT service.
- The NOA allows some customization (in the exhibits) for individual customer needs to better align with BPA's operational requirements (vs. the blanket approach under the previous NOA in Attachment G).

### **How was the template created?**

- BPA staff worked closely with NT customers and their representatives (e.g., NRU, PNGC, WPAG), over multiple meetings and cycles of redlines through the Network Operating Committee over the better part of a year to develop the template.
- The new NOA template is a result of a collaborative effort with customers and representatives that reflects the interests of both BPA and its NT customers.

### **Do customers served by (only) Transfer service still need to sign a NOA?**

- Yes. The NOA is a requirement of taking NT service, spelled out in the OATT Section III, 29.1(iv) “the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.”
- BPA considered adding language specific to Transfer service provisions but concluded that it was an overstep to speculate how another Transfer Service provider may address their own operational requirements via a NOA (or other agreement) or to spell out requirements for a third party.
- The NOA recognizes that “Part of the power and energy being delivered under this Agreement and the Service Agreement may flow through such other systems rather than through the Transmission Provider’s facilities.” It’s inherent that provisions of the NOA are in effect where applicable. Further, the NOA includes provisions for BPA and NT customers beyond interconnected facilities.

### **What if customers want to make changes?**

- The body of the agreement (terms and conditions) is intended to remain consistent across customers to the extent possible. The Exhibits are intended to capture unique requirements.
- BPA is collecting customer feedback for consideration in future reviews of the NOA through the NOC.
- BPA’s goal is to provide consistency among NT customers, and to consider future template changes through a collaborative and transparent process (the NOC).

### **How often might this agreement be revised?**

- There is no current schedule for revising the template agreement.
- Customers have flexibility to revise as needed should requirements change in the Exhibits.
- The term of the NOA matches the NT Service Agreement and is subject to review upon renewal.

### **What if customers already have an embedded NOA?**

- The new NOA is a standalone agreement rather than an exhibit; it now allows for customization per each customer in its exhibits, and is associated with a customer’s NT service agreement.
- BPA will draft a revision to NT Service Agreements with embedded NOAs to remove the related language.