

Long Term Competition May OS Meeting Recap

June 3, 2014

Mike Norris, Deb Rowe, Rebecca Berdahl



Overview

- Review OS Subcommittee May decisions
- OS Subcommittee Assignment (BPA)
- BPA Policy
- Review BPAT's Preferred Path (April 2014)
 - Does it still have validity?

OASIS Subcommittee Decisions

- Long Term Competition is within the scope of the C&P project
 - New Rule Set for Rollover Rights (Renewal)
 - No industry automation standard
 - Deferrals are outside the project scope
 - Recognize OATT Section 2.2
 - Elected to Trigger a LTC from the submission of a Renewal Request
- 

OASIS Subcommittee Assignment

- Submit a new 'straw man' to the OASIS Subcommittee which:
 - Is in Business Practice Standard format
 - Addresses Renewal (Rollover) Rights competition only
 - No motions currently contemplated for LTC

BPA's Policy - Long Term Competition Renewal Rights

- Duration is the single criteria used to determine the LTC 'winner'
- Reservation types that qualify for LTC
 - Tier 1 only,
 - firm only, and
 - no distinction between NT and PTP

BPAT's Preferred Path, April 2014

- Nature of Long Term and Short Term Rule Sets are Different
 - Limit the existing NAESB OS C&P project scope to Short Term C&P only
 - Complete the outstanding work related to the STCP project
 - Create a new independent project for Long Term C to begin once the STCP BPs are completed (e.g., after the NAESB STCP BPs are ratified)

BPAT's Preferred Path cont'd

Implementation Issues, April 2014

- *WEQ-001.4.1* 'All reservations and price and/or capacity negotiations shall be conducted on OASIS.'
 - OASIS is not currently capable of applying the LT C Rule Set
 - The lack of a standardized industry tool could lead to haphazard and inconsistent treatment of LT C
 - Could lead to market inefficiencies
- Addressing LT C properly requires a thoughtful approach including time needed to craft LT C BPs. Therefore, to not separate the LT from the ST would likely result in either:
 - Delaying the NAESB OS STCP project significantly or,
 - Lead to employing an interim or "band-aid" approach to keep the NAESB OS STCP project delay to a minimum likely resulting in delivering a less than optimal LT C BP.

BPAT's Preferred Path

Impact on the STCP Project, April 2014

- LT C is more complicated than originally thought:
 - ST C&P rules don't lend themselves to LT C rules
 - ✓ Reservation priority (Table 4-3) does not apply
 - ✓ New WEQ-001 BPs and supporting descriptions (table) will be needed
 - ✓ Significant WEQ-013 changes are needed
 - ✓ None of the existing STCP project motions apply
 - Project timing and Resource Issues:
 - ✓ There is still a lot of work to do just for STCP
 - ✓ Final ST C&P standard language just in drafting stage

Reference - Long Term OATT Sections 2.2

- Request type Renewal submitted over OASIS to request continuation of existing transmission service
- **2.2 Reservation Priority For Existing Firm Service Customers**
“... If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more.”

Next Steps

1. Finalize the NAESB BPs
2. Create NAESB Implementation Standards
 1. Identify time needed for this step
 2. Consistency between WEQ-001 and -013
3. Finalize NAESB Implementation Standards