

Commercially Similar Paths

NAESB OS Preparatory Workshop
February 5, 2014



Commercially Similar Paths – Motion 47

- Motion 47 identifies the notion that Defenders should be those Reservations with Commercially Similar Paths as the Challenger.
- Concerns with current motion 47:
 - In application, it is overly restrictive when compared to the original intent behind the motion.
 - On BPA's flowgate based system, it may effectively eliminate the likelihood of conducting preemption and competition.
- With respect to rulemaking there is an interest in avoiding the disproportionate loss of MWs by single or multiple Defenders to satisfy much smaller total MWs sought by the Challenger

Motion 47 – Current Language

- When a Challenger cannot be accommodated because AFC is not available on one or more flowgates, the Transmission Provider must identify potential Defenders. A potential Defender must provide relief on all of the flowgates where AFC is not available for the Challenger. The capacity taken away from the Defender shall not be more than 105% (rounded to the nearest MW) of the capacity made available to the Challenger.

- Two Parts
 1. Commercially similar paths (must provide relief on all of the flowgates where AFC is not available for the Challenger)
 2. Make sure that not “too much more” capacity is taken from the Defender than will be made available to the challenger. (The capacity taken away from the Defender shall not be more than 105% (rounded to the nearest MW) of the capacity made available to the Challenger.

Part 1 – Commercially Similar Paths

Simplified AFC Only Example						
	FG 1	FG 2	FG 3	FG 4	FG 5	
ATC	100	50	50	50	100	Original Motion - Relieve 1 or more congested FGs Current Motion - Relieve all congested FGs
Challenger	100	100		100	100		Proposed Motion - Improve the offer to the Challenger
Capacity Needed	0	50		50	0	
TSR 1			50	50	50	Relieves FG4, but not FG2
TSR 2	50	50	50			Relieves FG2, but not FG4
TSR 3		50		50		Relieves both congested FGs, doesn't care about others
TSR 4	30	30	60	20	40	Looks at all FGs

Issues with the 1st part of the current Motion 47:

- It deals with flow gates, not reservations
- It is very confusing and hard to explain, let alone audit.

Part 2 – 105% Rule

- Purpose:
 - To make sure that not “too much more” capacity is taken from the Defender than will be made available to the challenger. (The capacity taken away from the Defender shall not be more than 105% (rounded to the nearest MW) of the capacity made available to the Challenger.

Defender Reservation Loss	10	53	54	90	105	106	5250
Challenger Reservation Gain	9	50	50	85	100	100	5000
105% of Challenger Gain	0.45	2.50	2.50	4.25	5.00	5.00	250.00
Max Recallable Using the Current 105% Rule	9	53	53	89	105	105	5250
Valid Defender using the Current 105% Rule?	No	Yes	No	No	Yes	No	Yes

Issues:

- Everyone agrees that you should not take away 100 MW from the Defender to provide 10 MW of relief to the Challenger, but can you take away 4 MW from a Defender to provide 3 MW of relief to the Challenger.
- 105% means that even if a Defender can provide the final 2 MW needed to give the Challenger a full offer, if that 2 MW for the challenger requires a 2.11 MW recalled from the Defender, the ratio of recalled to relief provided is too much.
- Paul’s comment, “literally stops competitions” – Too tight
- Stopping competition is contrary to FERC intent.

Part 2 – 105% Rule Examples

	Total Capacity	CCN	CCS	MEL	NOH	NOJD	P-A	Rav-P	SOA	WJD	WMN	WOS
Available		0	0	0	0	0	0	0	0	0	0	0
Challenger												
FCRPS - Tacoma 230	100	75.08	14.57	9.1	-16.15	-1.78	-9.81	-1.82	-19.26	2.33	3.76	1.39
Needs		75.08	14.57	9.10	0.00	0.00	0.00	0.00	0.00	2.33	3.76	1.39
% Available	0%	0%	0%	0%						0%	0%	0%
Best Counter-offer	0											
Short	100											
Defender												
FCRPS - Salem AL 150	100	19.4	61.5	-5.5	31.1	54.4	16.4	12.5	20.1	18.2	15.1	13.7
% of Challenger Need		26%	422%	-60%	0%	0%	0%	0%	0%	781%	402%	986%
Recall Factor	3.870103	3.8701	0.23691	-1.66667	0	0	0	0	0	0.12802	0.24901	0.10146
Calculation												
Percent of Defender Needed		100%	24%	-167%	0%	0%	0%	0%	0%	13%	25%	10%
Total Recall from Defender	100	3.8701	0.23691	-1.66667	0	0	0	0	0	0.12802	0.24901	0.10146
Total Increase for Challenger	25.84											
Recall/Gain Ratio	387%	387%	24%							13%	25%	

- The Challenger and Defender are both for 100 MW, but on dissimilar paths.
- There is zero AFC on any of the Flowgates.
- Of the 100 MW needed by the Challenger, 75 MW goes through CCN.
- Of the 100 MW held by the Defender, 19.4 goes through CCN
- 100% of the Defender capacity is needed to satisfy 26% of the Challenger need, so 100 MW will need to be Recalled to increase the Challenger by 26 MW.
- Defender Recall (100 MW) / Challenger Gain (26 MW) = 387%, well over the 105% Rule

Part 2 – 105% Rule Examples

What about very similar paths?

	Total Capacity	CCN	CCS	MEL	NOH	NOJD	P-A	Rav-P	SOA	WJD	WMN	WOS
Available		0	0	0	0	0	0	0	0	0	0	0
FCRPS - Bethel 115	100	17.0	57.9	-4.4	33.5	55.3	14.4	10.9	17.5	12.4	15.0	15.4
Capacity Short by		17.0	57.9	0.0	33.5	55.3	14.4	10.9	17.5	12.4	15.0	15.4
FCRPS - Salem AL 150	100	19.4	61.5	-5.5	31.1	54.4	16.4	12.5	20.1	18.2	15.1	13.7
FG Recall Percentages		88%	94%	0%	108%	102%	88%	87%	87%	68%	99%	112%
Total Recall from Defender	112.4											
Total Increase to Challenger	100.00											
Recall/Gain Ratio	1.12409	0.8763	0.9415	.	.	.	.	.	.	0.6813	0.9934	1.1241

	Total Capacity	CCN	CCS	MEL	NOH	NOJD	P-A	Rav-P	SOA	WJD	WMN	WOS
Available		0	100	100	100	100	100	100	100	100	100	100
FCRPS - Bethel 115	100	17.0	57.9	-4.4	33.5	55.3	14.4	10.9	17.5	12.4	15.0	15.4
Capacity Short by		17.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCRPS - Salem AL 150	100	19.4	61.5	-5.5	31.1	54.4	16.4	12.5	20.1	18.2	15.1	13.7
FG Recall Percentages		88%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Highest Percentage	88%	.										
Total Recall from Defender	87.6											
Total Increase to Challenger	100.00											
Recall/Gain Ratio	0.87629	0.8763	0.9415	.	.	.	.	.	.	0.6813	0.9934	1.1241

Key Take-Aways on Motion 47

1. It is complicated and hard to explain.
2. It only looks at deficit paths, so does little to insure commercially similarity.
3. It is too restrictive when applied to BPA competitions.
4. It will significantly limit the frequency of potential preemptions and competitions.

Proposed New Motion 47

- A potential Defender must be on a commercially similar path as the Challenger. Commercial similarity will be established by the following:
 1. A potential Defender must in and of itself be able to provide an improved offer to the challenger.
 2. The TP shall have the right to further define similarity by establishing a relationship of MWs lost by the Defender compared to MWs gained.
 3. The TP shall post on OASIS their Commercially Similar Path methodology.

- A-list defenders that meet the above criteria will be Superseded, consistent with current procedures.

Step 2 – 105% Rule Illustration

Defender Loss	10	53	55	56	90	105	106
Challenger Gain	9	50	50	50	85	100	100
Difference	1	3	5	6	5	10	6
105% of Challenger Gain	0.45	2.50	2.50	2.50	4.25	5.00	5.00
Max Recallable With Current 105% Rule	9	53	53	53	89	105	105
Marginal Loss Capacity for this Example	5	5	5	5	5	5	5
Max Recallable using New Rule	14	55	55	55	90	105	525
Current 105% Rule	No	Yes	No	No	No	Yes	No
5 MW or 105% Rule	Yes	Yes	Yes	No	Yes	Yes	No

Proposed New Rule: The capacity taken from a defender cannot be more than the greater of 105%, or some marginal loss capacity set by the TP, than what is gained