

BPAT Customer Forum - NAESB NITS, and Long-term Competition

July 16, 2015



Objectives

- Update customers about discussions
- Seek customer compliments, questions and concerns
- Describe rollover rights associated with NITS
- Identify open questions regarding representation of NITS in long-term competition process

Some Terms Used in Long-Term Competition

- **Reservation Priority** is where longer duration service requests will have priority over shorter duration service requests. BPA prefers to use this term to describe the long-term competition.
- A customer may submit a request to **rollover** or extend service. These requests have Right of First Refusal, which are associated with having Reservation Priority rights.
- **Right of First Refusal** is where a reservation has the right to match a longer duration request (challenger) in order to keep their service. This term is currently only described in the standards when referring to short-term competition.

Some Terms Used in Long-Term Competition

- **Renew or Extend** is where a customer submits a long-term request that has the same or similar attributes to an existing long-term reservation, and continued service for the time period immediately after the Stop Time of that existing reservation.
- Usually these terms are associated with long-term requests that have Rollover rights, and have additional timing requirements (i.e. request must be submitted one year prior to the Stop Time).
- Today, PTP renewals is a separate new request; for DNR renewals, it appears to be the existing “DNR” with a Stop Date that is for a future date (the same “reservation”).

NITS Rollover Rights

- NAESB standards recognize NITS rollover rights in two circumstances –
 - Rollover of a NITS Agreement
 - WEQ 001-107: Modification of a NITS Application
- Rollover of a Designated Network Resource (DNR)
 - WEQ 002-101.3.3.10 – provides for rollover of DNR by extending the term of the DNR.
 - Should WEQ 002 notion be explicitly recognized in WEQ 001?

FERC Guidance – Long Term Competition

- FERC – Order 890A, paragraph 666:
 - Between two competing requests for network resource designations, network customer seeking rollover must match the term of the competing network resource power contract.
 - A network customer seeking rollover of its network service for a designated resource should be able to match a competing PTP request by extending its network service agreement rather than the power contract supporting the network resource designation.
- FERC – Order 890B ¶ 150

NITS Application Concepts Proposed by the OASIS Subcommittee (OS) on July 9, 2015

- If a new NITS Application is a “new request”, then there had to be requests for DNR(s) concurrent with the new request (for it) to be a valid Challenger.
- If a NITS Application was a modification of service then the NITS Application is not a valid Challenger (it already has rollover rights)

DNR Concepts Proposed By The OS, July 9, 2015

- A new DNR request may be a valid Challenger to an extension/renewal DNR (Defender), and the Defender must match the duration of the new DNR request.
- A new DNR request is a valid Challenger and the PTP Defender will match the duration of the DNR (to retain rollover rights).
- An extension/renewal of DNR is not a valid Challenger...
- There is no scenario where two extensions/renewals of DNR may compete with each other.
- A new PTP request may be a Challenger to an incumbent extension/renewal of DNR. To retain rollover rights for the DNR, the NITS Defender will match the duration of the PTP through the duration of the NITS Application.

Other Concepts Proposed By The OS On July 9, 2015

- Renewal of a PTP request is not a valid Challenger...
- Extension of NITS Application will not be a Defender to a new PTP request*.
- When one of these scenarios have the Challenger and Defender be the same entity, the standards leave the capability for the entities to make appropriate choices.

* What does the OS assume about this type of request?