

# Update on Short-Term Preemption and Competition Based on FERC's Dynergy/Entergy Ruling For the NAESB OS Customer Meeting

BPA Staff

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# Changes Due to Dynergy/Entergy Ruling

- The following 4 slides were part of a BPA presentation on short-term preemption/competition presented to Customers on May 6, 2014.
- These slides were done before the NAESB OS considered the impacts of FERC's Dynergy/Entergy ruling on short-term preemption/competition.
- While the words won't change, the number of times competition and preemption take place and the amount of megawatts involved will likely be less than thought in 2014.
- This is due to the competitions and preemptions involving conditional redirects that come from unconditional parents will only involve ATC available from the transmission provider and not the ATC that the parent contributed to the redirect. The Dynergy/Entergy ruling makes ATC from an unconditional parent unavailable for a short-term competition or preemption.

# OS Competition and Preemption Project

- C&P rule set will establish how to prioritize and assign service of Requests over Reservations when there is insufficient transmission capacity and distinguishes the following:
  - Firm vs. Non Firm
  - NT and LT PTP Reservation priority
  - Requests vs. Reservations
  - Conditional vs. Unconditional Reservations
- FERC's Key Principle of Competition:  
Transmission should go to the customer who values it most.

# Competition Business Practices – Key Items

- Confirmed Short-Term PTP Reservations can be preempted without ROFR, as can pending Short-Term PTP requests.
- NT and Long Term PTP\* – Preempts conditional Short Term PTP reservations (never a Defender).
- Right of First Refusal (ROFR) only applies to a PTP Defender (reservation) being challenged by a PTP Challenger (request).
- Timing margins are established to supports market operations and outcomes on OASIS such as:
  - When a reservation is conditional,
  - When a new request can challenge a reservation
  - Response times for the Transmission Customer and Transmission Provider in a ROFR activity
  - TP Notifications provided to TC's involved in a preemption or competition

\*Long Term PTP  $\geq$  1 year

# Revising Standards

- A new table in WEQ-001 (Business Practices) will address the timing requirements for the ROFR activity and C&P Business Practices.
- Additions to WEQ-002 (Templates) will address the new TP to TC notification requirements
- WEQ-013 (Implementation Guide) does not support WEQ-001 (Business Practices)
  - Conditional Resales

# Customer Operation Changes

- Recalled Transmission (Capacity preempted or lost due to ROFR)
- Timing considerations
  - Lead times to challenge,
  - Unconditional deadlines
  - Response to a challenge,
  - Waiting for prior competition to complete
- During ROFR, if the Challenger receives a partial offer and does not accept it, the Defender's original reservation is restored.