

# Bonneville Power Administration

Customer Workshop  
on

Short Term Preemption & Competition for Transmission Rights  
March 1, 2012



# Agenda

- Introduction
- Regulatory References
- Overview
  - Definitions
  - High Level Process Overview
- Complex Issues
  - Competition Windows & Scheduling
  - Defending Previously Granted Capacity
  - Secondary Market Transactions
- Feedback Timeline

# Definitions

- **Challenger** – Holder of an accepted, preconfirmed TSR that can't be granted capacity due to insufficient ATC/AFC.
  
- **Defender** – The holder of a TSR which is not yet confirmed, or confirmed, but still in its conditional window, who, if they fail to match, would enable BPA to increase the offer made to the Challenger.
  - Enables Challenger
  - Same or similar:
    - Flowgate impacts
    - Time periods.
    - Shorter duration or lower priority
  
  - **Right of First Refusal (ROFR)** – The right awarded to a customer with a confirmed TSR, to defend capacity they have been awarded if challenged by a longer term request.

# Definitions

- Defender must actually help the challenger

	Flowgate 1	Flowgate 2	Flowgate 3	Flowgate 4
Challenger	X	X		
 TSR 1		X	X	X
 TSR 2	X	X	X	

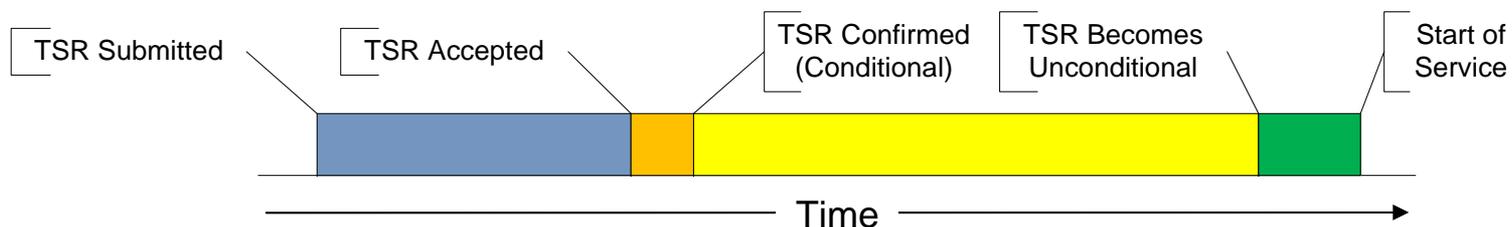
# Definitions

- Defender must have ATC available to defend

Simplified ATC Only Example						
	Day 1	Day 2	Day 3	Day 4	Day 5	Valid Defender?
ATC	50	50	50	50	50	
Challenger		100	100	100		
TSR 1			75	75		No - Not enough ATC to extend into day 5
TSR 2			25	25		Yes - Helps days 3 & 4 and can extend into day 5

# Definitions

- **Conditional window** – the period between when a TSR is accepted and the start of the unconditional window.
- **Unconditional window** – The period prior to start of service where a TSR is not subject to competition.

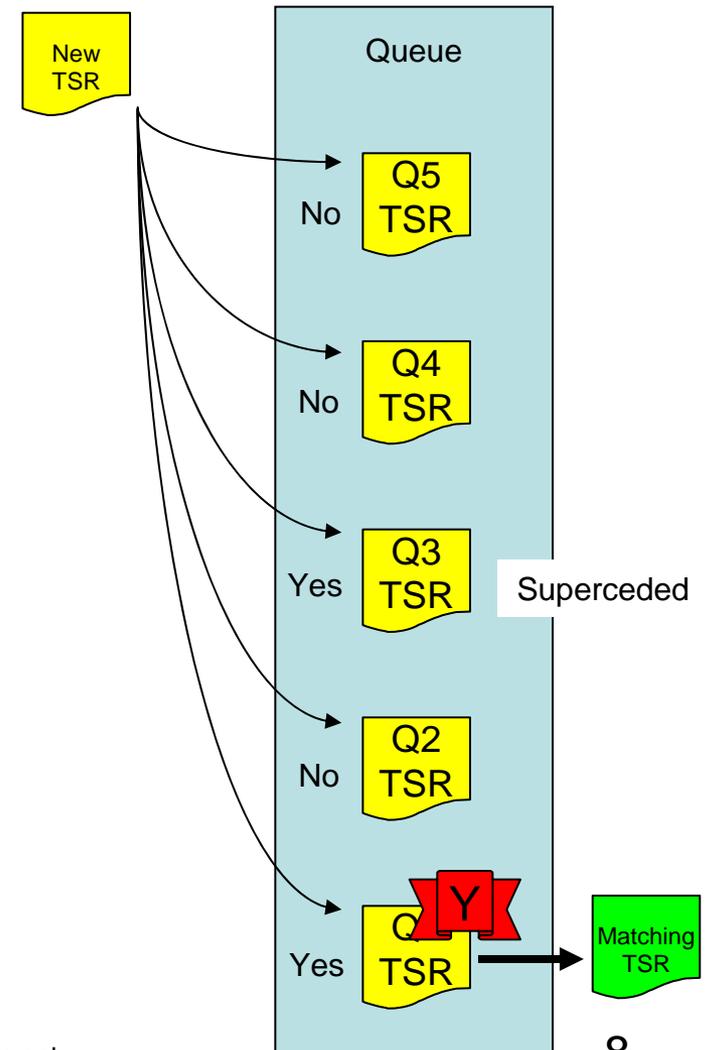


# Preemption & Competition Types

- Preemption (aka Bumping)
  - If a TSR is accepted, but not confirmed, the request can be preempted and the TSR holder DOES NOT have an opportunity to match (per S&CP table 4-3).
  - If a PTP TSR is confirmed and would normally have the opportunity to defend, they will lose that opportunity if they are challenged by an NT TSR (Higher Tier).
  - Preemption is done before ROFR matching.
  
- Competition – Right Of First Refusal (ROFR)
  - If a TSR is accepted and confirmed, the owner can match the term of a challenger and retain their capacity unless the challenger is a higher tier (Network challenging PTP).
  - What most people think of as Competition
  
  - Simultaneous Competitions
    - A challenging request will simultaneously impact the number of Defenders who, if all fail to match, would result in the best offer to the Challenger.

# Competition Process Overview

1. If there is insufficient ATC to satisfy a new preconfirmed request (a Challenger), search through earlier queued TSRs for one or more Defenders.
2. A TSR is considered a Defender if it meets the following criteria:
  - Not yet confirmed or still in the conditional window
  - Same or similar flowgates.
  - Same or similar time periods.
  - Has a shorter duration or lower priority
3. When a TSR has been identified as a Defender:
  - If the Defending TSR is not confirmed it is superseded immediately (preemption).
  - After preemption, determine if additional capacity is needed to satisfy the challenger.
  - If the TSR is confirmed and is lower priority on S&CP table 4-3, the competition flag is set to 'Yes' (allow for exercise of ROFR).
4. A Defender can match the Challenger's duration to retain their capacity.



# S&CP Table 4-3

ROW	Request or Reservation 1	Is Preempted by Subsequent Request 2	Right of First Refusal?
1	Tier 1: Long-term Firm, Native Load, and Network Firm	NA - Not preempted by a subsequent request.	NA
2	Tier 2: Pending (not confirmed) or confirmed but conditional Short-term Firm	Tier 1: Long-term Firm, Native Load, and Network Firm.  Once Request 1 is unconditional, it may not be preempted.	No
3a	Tier 2: Pending, preconfirmed Short-term Firm	Tier 2: Pre-confirmed Short-term Firm of higher service increment.	No
3b	Tier 2: Pending, preconfirmed Short-term Firm	Tier 2: Pre-confirmed Short-term Firm for the same service increment but of longer duration <sup>1</sup>	No
3c	Tier 2: Pending, preconfirmed Short-term Firm	Tier 2: Pre-confirmed Short-term Firm for the same service increment but of longer duration <sup>2</sup> but higher price	No
3d	Tier 2: Pending, not preconfirmed Short-term Firm	Tier 2: Pre-confirmed Short-term Firm of higher increment	No
3e	Tier 2: Pending, not preconfirmed Short-term Firm	Tier 2: Pre-confirmed Short-term Firm for the same service increment and of equal or longer duration <sup>1</sup>	No
3f	Tier 2: Confirmed but conditional <sup>2</sup> Short-term Firm	Tier 2: Pre-confirmed Short-term Firm of higher increment	Yes
3g	Tier 2: Confirmed but conditional <sup>2</sup> Short-term Firm	Tier 2: Pre-confirmed Short-term Firm for the same service increment but of longer duration <sup>1</sup>	Yes
3h	Tier 2: Confirmed but conditional <sup>2</sup> Short-term Firm	Tier 2: Pre-confirmed Short-term Firm for the same service increment equal duration <sup>1</sup> but higher price	Yes
4	Tier 3: Network Service From Non-Designated Resources	Tiers 1 and 2: All Firm (including Network).	No

# Timing Discussion

# Defender's Unconditional Window

Service Type	Service Duration	Unconditional Window
Non-Firm	Hourly	1 hour prior to start of service
Firm	Hourly	1400 of the preschedule day.
Firm	Daily	The earlier of 1400 of the preschedule day, or 1 day prior to start of service.
Firm	Weekly	1 week prior to start of service
Firm	Monthly	1 month prior to start of service

If a Defender moves into the unconditional window after the competition has started, they are required to respond or they will lose their capacity.

# Defender's Response Window

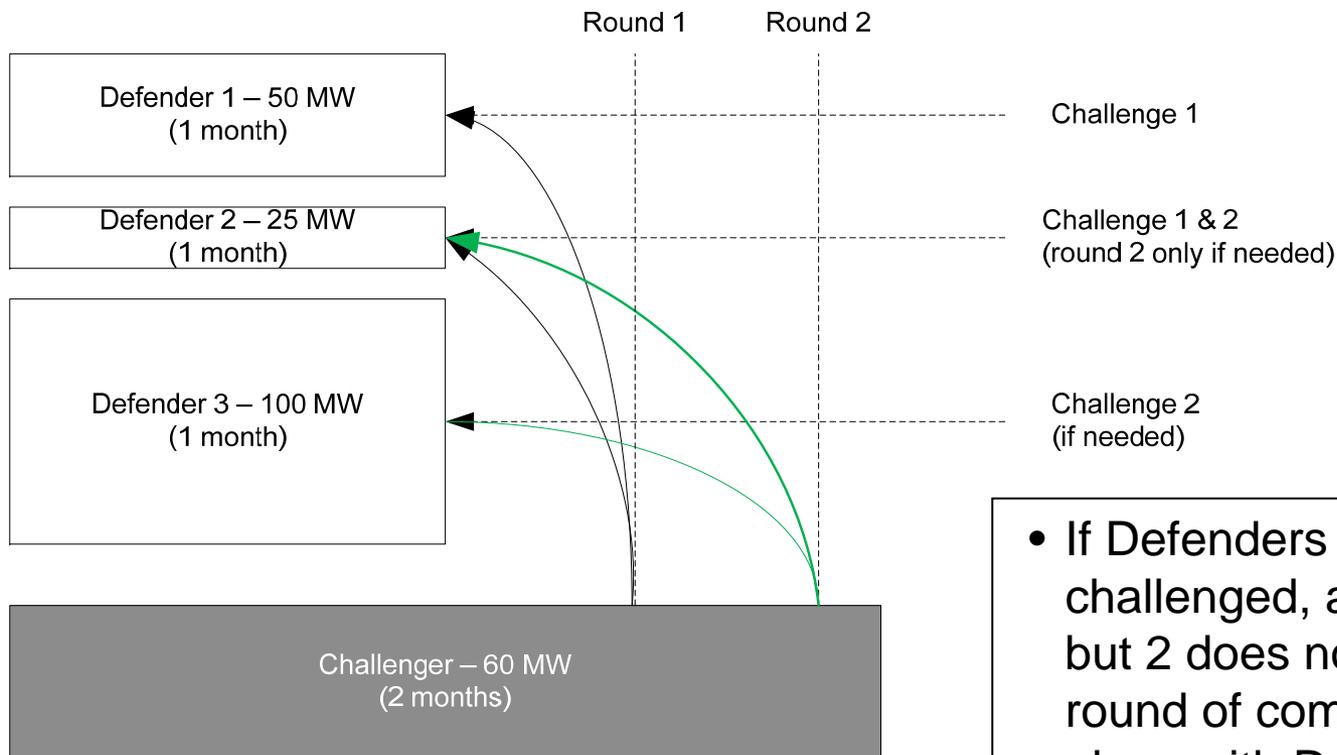
A Defender has been identified and their competition flag has been set to 'Yes'. They have a fixed amount of time based on their service type and duration to respond (submit a matching request).

Service Type	Service Duration	Response Window
Non-Firm	Hourly (<24 hours)	5 Minutes
Non-Firm	Hourly (>24 hours)	30 minutes
Firm	Hourly	30 minutes
Firm	Daily (>24 hours)	24 Hours
Firm	Weekly	24 Hours
Firm	Monthly	24 Hours

# Review of Complex Issues

# Number of Rounds of Competition

- If the initial competition is complete, and there is still not enough capacity to grant a full offer to the challenger, should the TP reevaluate the queue to find additional defenders?



- If Defenders 1 & 2 are challenged, and 1 matches, but 2 does not, should a 2<sup>nd</sup> round of competition take place with Defenders 2 & 3?
- If so, how many rounds should take place?

# Tagging & Competition

- Scenario
  - Customer A confirms TSR when offered by TP.
  - Customer A submits tag against TSR.
  - Customer A identified as Defender in competition with Customer B.
  - Customer A does not respond.
  - Customer A has capacity recalled to 0.
  
- What happens to the tag?
  - Customer is responsible for managing their Portfolio.
    - Risk of Unauthorized Increase Charge if not canceled.
  
- If Customer does not cancel the e-tag?
  - Potential system reliability issues.
  - How should the TP/BA deal with a potential Reliability issues?
    - Is Curtailment the only option?
      - If so, Should this type of tag be curtailed before others?
      - A Curtailed e-tag only puts a Reliability Limit on the e-tag.

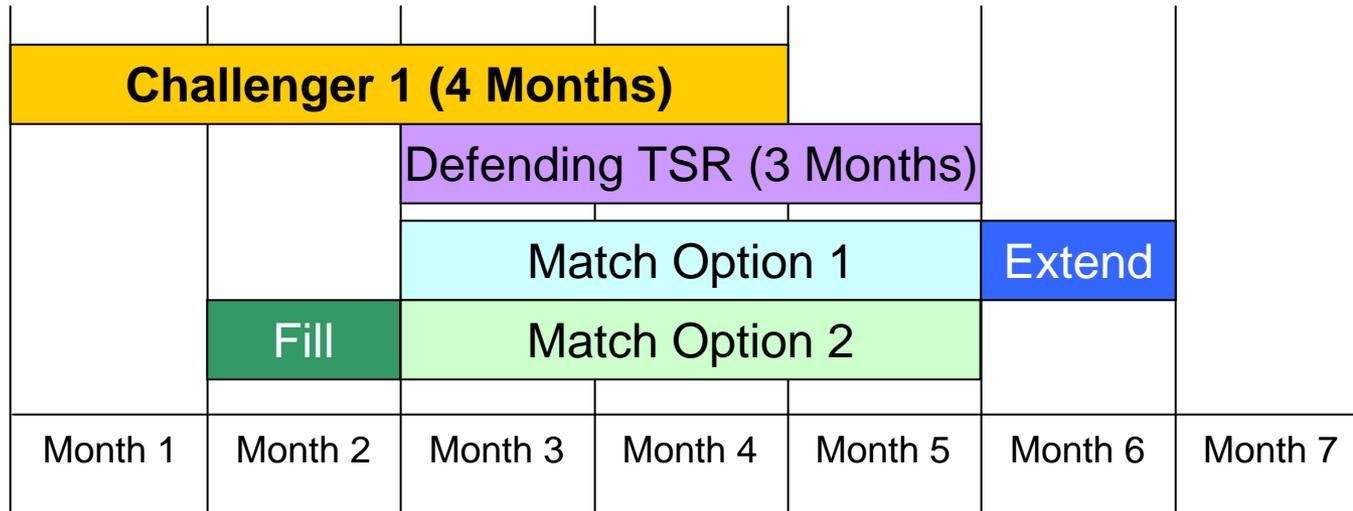
# Issues with Matching TSRs

# Matching Issues

- Meet vs. Exceed
  - Defender with 3 day duration is challenged by a 7 day duration request.
  - Defender decides they want to retain their capacity.
  - Defender needs to extend to 7 day duration to retain capacity.
  - **Should Defender be allowed to request a longer duration (i.e.. 10 days)?**
  
- Issues:
  - What if capacity is not available for 10 days?
  - Should Defender have multiple opportunities to submit a matching request?
  - Should automation be used to automatically create matching requests for minimum required and require Defender to submit another TSR for additional duration if desired?

# Matching Issues

Fill vs. Extend : Defender starts after the challenger.

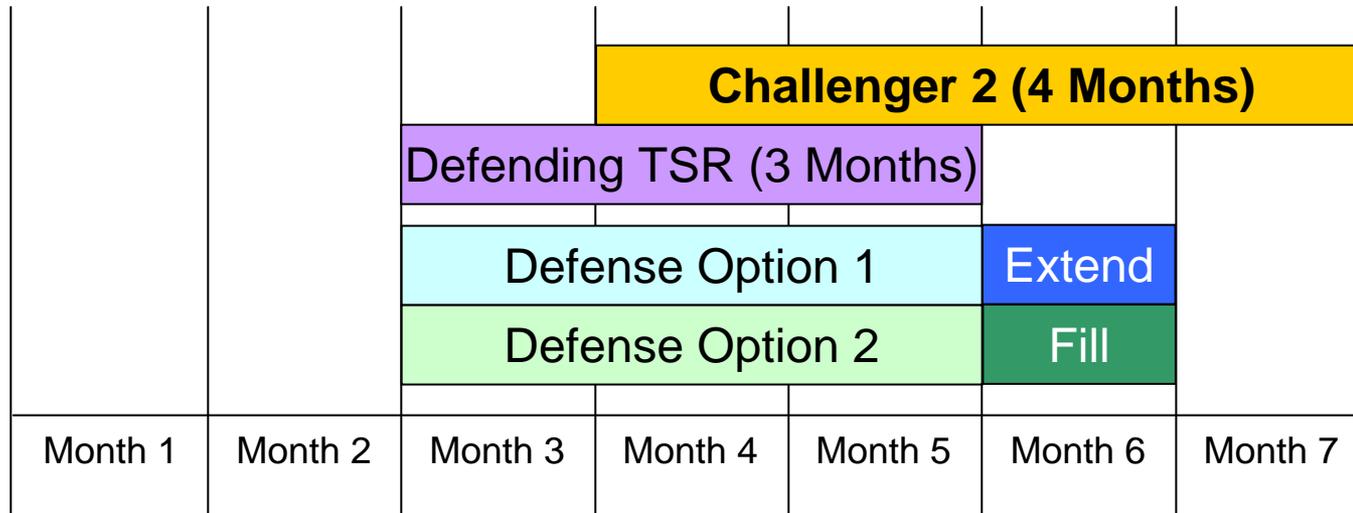


EXTEND: Change the Defenders END time to meet required duration

FILL: Change the Defenders START time to meet required duration

# Matching Issues

Fill vs. Extend : Defender starts before the challenger.

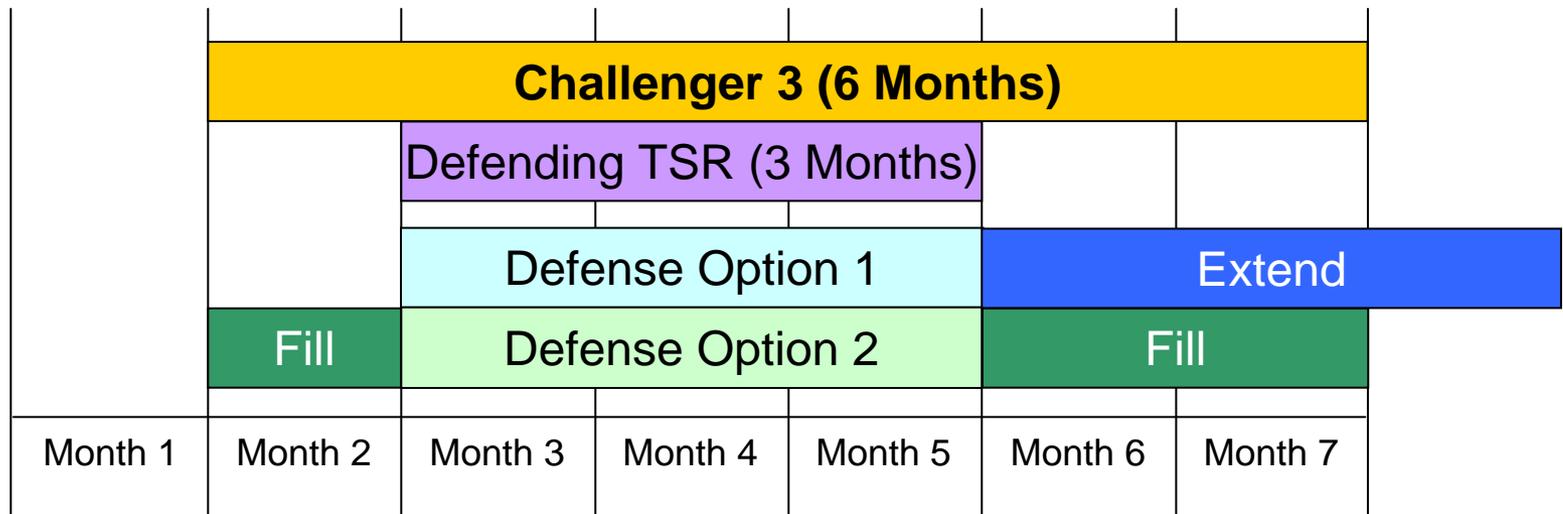


EXTEND: Change the Defenders END time to meet required duration

FILL: Change the Defenders END time to meet required duration

# Matching Issues

Fill vs. Extend: Defender starts and ends within the span of the challenger



EXTEND: Change the Defenders END time to meet required duration

FILL: Change the Defenders START and END time to meet required duration

BPA's proposal is to use the Extend option.

# Matching Issues

Time 1	Time 2	Time 3	Time 4	Time 5
				1
50 MW				

Original Request

Time 1	Time 2	Time 3	Time 4	Time 5
2	3			4
10 MW	40 MW	20 MW	30 MW	20 MW

After Failing to Match

TSR gets challenged again.

**Question 1:** How many MWs does the Defender have to match?

1. The MW of their original request (50 MWs).
2. The lowest MW on their current profile (10 MWs).
3. The highest MW on their current profile (40 MWs).
4. The MW in the last period of their current profile (20 MWs).
5. The MW subject to recall to enable the challenger (say 15 MW from time 2)
6. Some variable between the high and low above.

**BPA recommends #5** to allow for minimal impact to the defender.

**Question 2:** How would a defender determine how to create their matching request?

# Matching Issues

## Duration vs. Effective Duration

Hourly Market																							
Request - 10 hours of service across a 24 hour period.																							
							12 hours																
							5 hours							5 hours									
																							30
																							25
																							20
																							15
																							10
																							5
																							0
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
Is it daily service?							No																
Is it 24 hour duration?							Yes							Is it 24 hour effective duration?							No		
Is it 12 hour duration?							No							Is it 12 hour effective duration?							No		
Is it 10 hour duration?							No							Is it 10 hour effective duration?							Yes		
When does the unconditional window begin?												Based on product and first non zero period. In this example, based on preschedule day.											

# Matching Issues

## Duration vs. Effective Duration

<b>Weekly Service</b>																											
Request - 4 weeks of weekly service. 2 weeks is offered (weeks 2 & 4)																											
28 days																											
							21 days																				
							7 days														7 days						
Not available														Not available													
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Is it weekly service?		Yes																									
Is it 28 day duration?		Yes							Is it 28 day effective duration?							No											
Is it 21 day duration?		No							Is it 21 day effective duration?							No											
Is it 14 day duration?		No							Is it 14 day effective duration?							Yes											
When does the customer become unconditional?														7 days prior to day 8 (day 1)													
Is matching based on duration or effective duration?														effective duration													
Unconditional window starts based on first non zero date of service starts and service type.																											

# Matching Issues

- Tariff Section 13.2 states:
  - When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have **simultaneous opportunities** to exercise the right of first refusal.

# Matching Issues

- Matching Feasibility

- An existing TSR will only be identified as a Defender if there is sufficient capacity to allow the holder to match the duration of the challenger.
- If it is not feasible for a defender to match, do we keep searching for a higher priority defender? Would this be considered Queue jumping?

Simplified ATC Only Example						
	Day 1	Day 2	Day 3	Day 4	Day 5	Valid Defender?
ATC	100	100	50	50	50	
Challenger		100	100	100		50 MW short on day 3 & 4
TSR 1			75	75		No - Not enough ATC to extend into day 5. Do you stop or continue
TSR 2			25	25		Yes if you continue, No if you stop after the first non feasible TSR defender is found.
TSR 3			25	25		Same

# Matching Issues

## Simultaneous Matching Feasibility

- It is possible that although there could be sufficient capacity to allow each potential Defender to match when evaluated by themselves, there is insufficient capacity to allow **ALL** the potential Defenders to match.
- Do we challenge all defenders knowing that they may not all be able to exercise their ROFR?

	One Day		
	0:00 - 08:00	08:00 - 16:00	16:00 - 24:00
Defender 1	50		
Defender 2		50	
Defender 3			50
Challenger	100		
	Assume ATC is 50 for the day		

# Complex Issues

## Redirects & Resales

# Regulations - Redirects

## S&CP

- **013-2.6.5.1** - The Primary Provider shall evaluate each REDIRECT on a Firm basis as any other new request for firm point-to-point transmission service.
- **001-11.6 REDIRECT OF A RESALE** - The Assignee shall have the right to Redirect firm rights acquired through a Resale. Any such request shall be submitted directly to the TP and will be queued and evaluated in the same manner as any other Redirect. (Subject to any limitations otherwise identified in these standards).

# Regulations - Resales

## **S&CP 001-11.1**

- The confirmation of a Resale shall convey the rights to schedule Point-To-Point Transmission Service from the Reseller to the Assignee, but shall also convey any outstanding conditions that may exist on the Parent Reservation (such as conditional approval pursuant to Section 13.2(ii) of the OATT).

## **Order 890-A Paragraph 819**

- With regard to reassignments of capacity in the secondary market, we clarify that the associated right of first refusal under sections 13.2 and 14.2 of the pro forma OATT to match a competing transmission service request applies to the primary transmission service, not the reassignment of scheduling rights.

# Displacement of a Resale

## S&CP 001-11.7

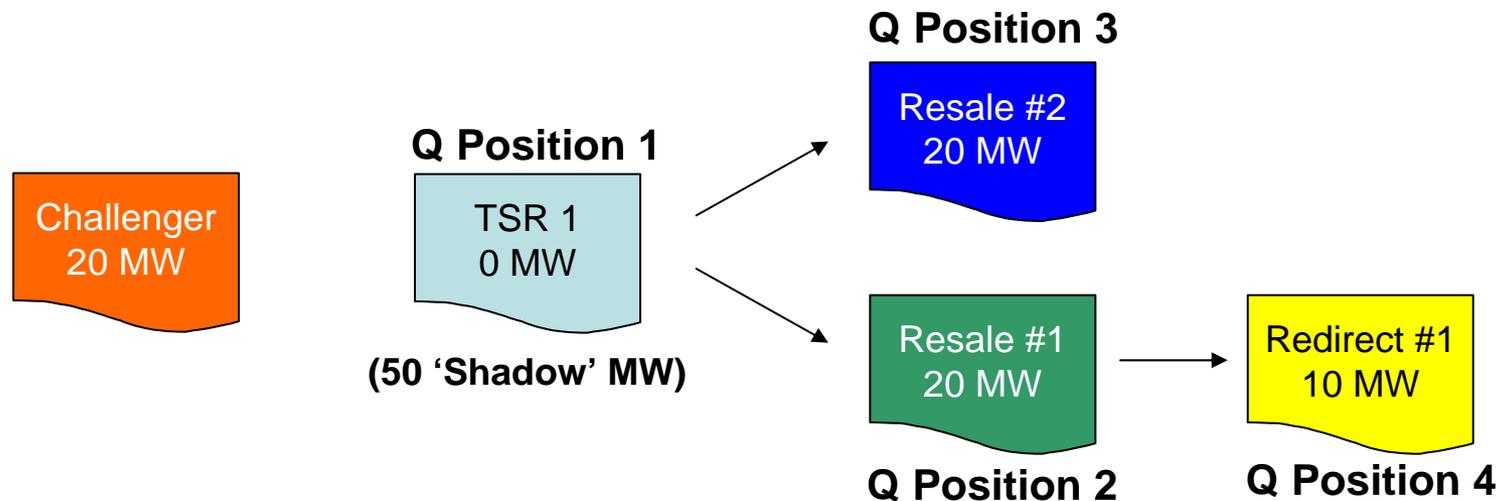
In the event a Transmission Provider's Tariff requires that a higher priority, competing transmission service request must displace all or a portion of a confirmed lower priority reservation, the TP shall have the right to nullify any Resales that reference the displaced reservation as their Parent.

- Once the conditional window on the Parent Reservation has closed, Resales for firm service are not subject to displacement in accordance with Standard WEQ-001-11.

# Scenario Under Current Regulations

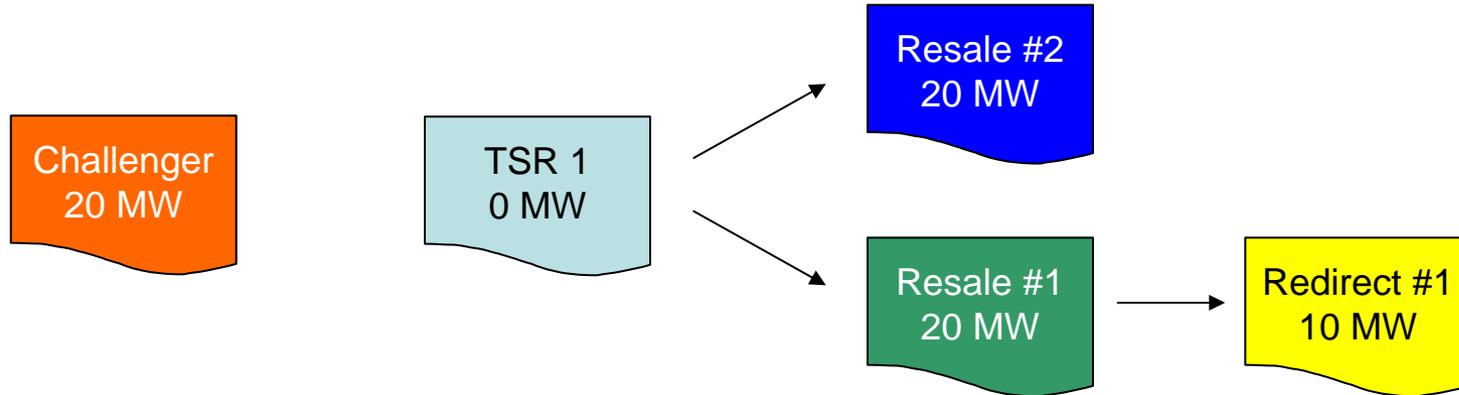
## Assumptions:

- Redirect treated as an original request.
- Resales can not be challenged.
- Resale can be annulled by TP if parent fails to defend and is still in the conditional window.



# Competing a Redirect of a Resale

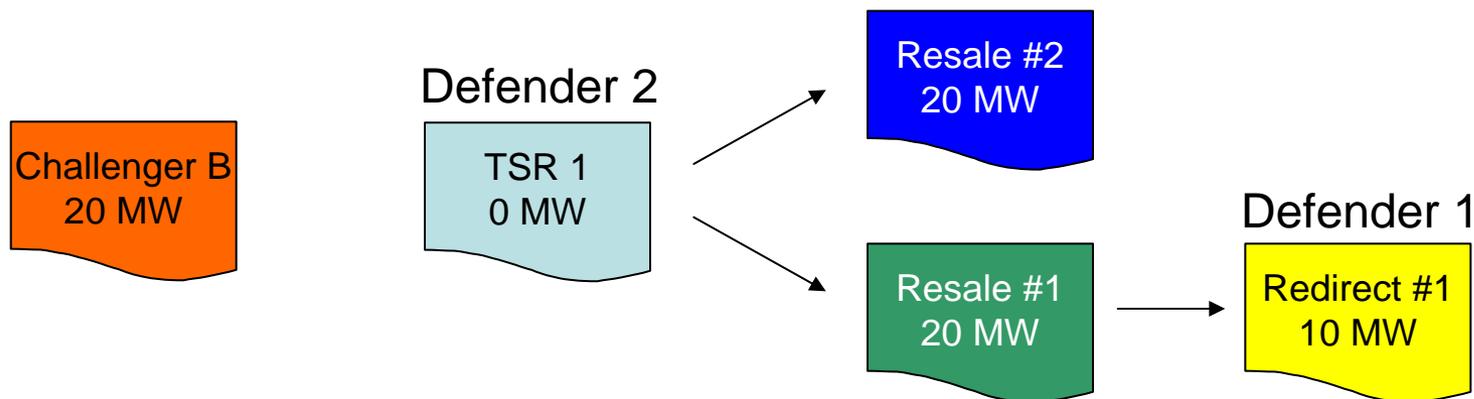
(Current Regulations)



- Challenger needs more capacity than is available from the last TSR in the queue, so we need to conduct a simultaneous competition.
- Defender 1 is last in the queue, and a Redirect TSR so it can be challenged.
- Resales 1 & 2 are not valid defenders due to their resale status, so we need to “associate” their capacity with their parent.
- TSR 1 is next in the queue. It is a valid Defender because it is an original request. However it is also the parent of the 2 Resales.

# Competing a Redirect of a Resale

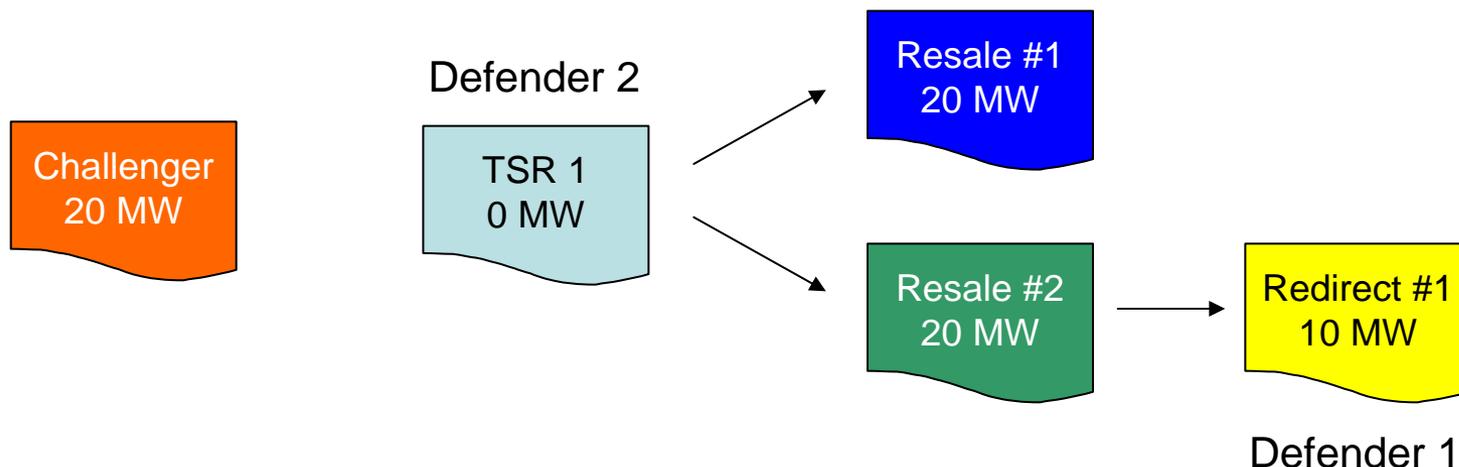
(Current Regulations)



- Assume Defender 1 matches the Challenger's duration.
- If Defender 2 doesn't match, the capacity they sold must be recalled.
- To recall the capacity back to Defender 2, Resale 1 & 2 need to be annulled.
- Resale 1 can't be annulled because they redirected 10 MW. The redirect must be annulled first, even though they already agreed to match.
- Resale 2 can be annulled.
- Then Resale 1 can be annulled.
- Now Defender 2 has their original 50 MW.
- Now 20 MW can be recalled to enable the Challenger.

# Competing Resales & Redirects

(Option 1 - Delink Redirect from Resale)

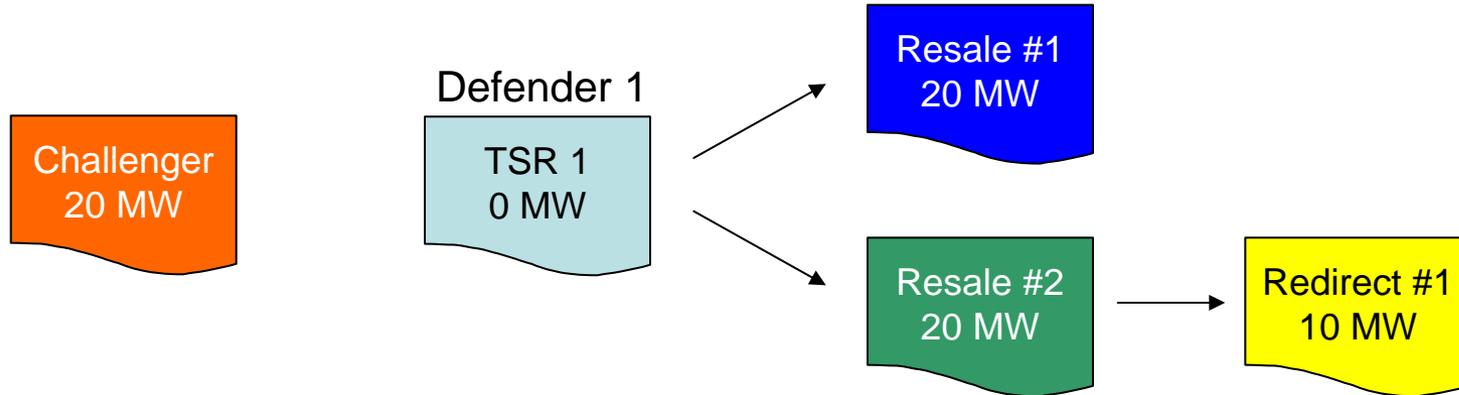


De-link Redirect from the Resale.

- Redirect 1 becomes a 'peer' to the parent TSR.
- Redirect is lowest in the queue, so it becomes Defender 1.
- Resales can not be identified as a Defender (the capacity remains associated with the parent for the purpose of competition). The capacity needs to be returned to the parent for competition, so the Resales are annulled.
- The parent is identified as Defender 2 (based on queue time).
- If Defender 1 doesn't defend, his capacity is recalled to 0.
- If Defender 2 doesn't defend, his capacity is recalled to 30.
- 10 MW from Defender 1 and 10 MW from Defender 2 enables the Challenger.

# Competing Resales & Redirects

(Option 2 - Don't compete Resales or Redirects)



Don't consider Resales or Redirects as valid Defenders

- Resales 1 & 2 can't be identified as a defender.
- Redirect 1 can't be identified as a defender.
- Need to annul Resales & Redirects to get the capacity back to the parent.
- The parent is identified as Defender 1.
- If Defender 1 doesn't match, their capacity is recalled to 30 to enable the Challenger.

# Competing Resales & Redirects

(Option 3 – Limit window for Resales or Redirects)

- Limit redirects & resales to the unconditional window
  - If a defender matches during the conditional window a new request is created
    - Any actions taken against the original TSR must be ‘undone’ and recreated.
  - If a defender fails to match, any actions taken against the original TSR are ‘undone’ because the capacity has been lost.
  - Limiting the window for when resales & redirects are submitted would prevent the need to recreate resulting transactions every time the parent is identified as a participant in a competition.

# Competition when a Full Offer is not Possible

# Competition to Make Counteroffer

Should a competition take place if there is no possibility of making a full offer to the Challenger?

S&CP indicates Yes.

Risks:

- Even though a challenger must be preconfirmed, if they receive a counteroffer from the TP, they may decline to accept it.
- If preemptions take place and defenders are impacted, SUPERSEDED is a final state that can not be undone.
- This could result in the TP having sold less capacity than prior to the competition.

# Competition to Make Counteroffer

There is a possibility that a longer term request could result in a shorter term request being preempted, and then the challenger declines to accept a counteroffer for service.

Should this be allowed to occur? How can the situation be mitigated?

Existing features in vendor solution:

- Full Service Required
  - Requires that there be a possibility of making a full offer to the challenger before beginning any competition
  - If there is no way a full offer can be made, no preemption is done, and no competitions are held, but a counteroffer may be made if there is available capacity.
- Grant Before Match
  - Confirms a challenger's request, and then initiates preemption and competition to acquire capacity for the challenger.
  - Issues recalls against the challenger as defenders match.
- Combining both Full Service Required and Grant Before Match
  - Ensures that there is a possibility of making a full offer.
  - Ensures that capacity offered will be accepted.
  - May not result in Challenger receiving all the capacity requested.



# Interaction of Vendor Features

Full Service Required = No Grant Before Match = No

Scenario 1	
Customer Request:	100 MW
ATC:	20 MW
Avail. from Bumping:	30 MW
Avail. From Competition:	50 MW
Min Customer Receives:	50 MW
Max Customer Receives:	100 MW
Counteroffer Possible:	Yes

Scenario 2	
Customer Request:	100 MW
ATC:	20 MW
Avail. from Bumping:	30 MW
Avail. From Competition:	40 MW
Min Customer Receives:	50 MW
Max Customer Receives:	90 MW
Counteroffer Possible:	Yes

Comment:  
 Current process.  
 ATC flagged.  
 Preemption flagged.  
 Competition started.  
 Counteroffer or full offer made  
 depending on outcome of competition.  
**Customer can decline counteroffer.**

Comment:  
 Same sequence of events as scenario 1.  
 Only difference is max award to  
 customer.

# Interaction of Vendor Features

Full Service Required = Yes Grant Before Match = Yes

Scenario 1	
Customer Request:	100 MW
ATC:	20 MW
Avail. from Bumping:	30 MW
Avail. from Competition:	50 MW
Min Customer Receives:	50 MW
Max Customer Receives:	100 MW
Counteroffer Possible:	No

Comment:  
 ATC evaluated and flagged.  
 Preemption evaluated and flagged.  
 Competitions evaluated and flagged.  
 Determine if there is possibility to fully satisfy request - in this case YES.  
**Customer TSR Accepted/Confirmed.**  
 ATC flagged.  
**Preemption flagged.**  
**Competition held.**  
**Recall(s) issued for the amount equal to the total of all defenders who matched.**

Scenario 2	
Customer Request:	100 MW
ATC:	20 MW
Avail. from Bumping:	30 MW
Avail. from Competition:	40 MW
Min Customer Receives:	20 MW
Max Customer Receives:	20 MW
Counteroffer Possible:	Yes

Comment:  
 ATC evaluated and flagged.  
 Preemption evaluated and flagged.  
 Competitions evaluated and flagged.  
 Determine if there is possibility to fully satisfy request - in this case NO.  
**No competition takes place.**  
**Customer receives counteroffer for 20 MW ATC**

# Interaction of Vendor Features

Full Service Required = Yes Grant Before Match = No

Scenario 1	
Customer Request:	100 MW
ATC:	20 MW
Avail. from Bumping:	30 MW
Avail. From Competition:	50 MW
Min Customer Receives:	50 MW
Max Customer Receives:	100 MW
Counteroffer Possible:	Yes

Comment:

ATC evaluated and flagged.  
 Preemptions evaluated and flagged.  
 Competitions evaluated and flagged.  
 Determine if there is possibility to fully satisfy request - in this case YES.  
 ATC is allocated, bumping takes place, and competitions are started.  
 Customer counteroffer for 50 + amount won in competition (or full offer if no defenders defend).  
**Customer can decline counteroffer.**

Scenario 2	
Customer Request:	100 MW
ATC:	20 MW
Avail. from Bumping:	30 MW
Avail. From Competition:	40 MW
Min Customer Receives:	20 MW
Max Customer Receives:	20 MW
Counteroffer Possible:	Yes

Comment:

ATC evaluated and flagged.  
 Preemption evaluated and flagged.  
 Competition evaluated and flagged.  
 Determine if there is possibility to fully satisfy request - in this case NO.  
**No competition takes place**  
 ATC to fully satisfy the challenger.  
 Preemption does not take place.  
**Challenger receives counteroffer for ATC (20 MW).**

# Interaction of Vendor Features

Full Service Required = No Grant Before Match = Yes

Scenario 1	
Customer Request:	100 MW
ATC:	20 MW
Avail. from Bumping:	30 MW
Avail. From Competition:	50 MW
Min Customer Receives:	50 MW
Max Customer Receives:	100 MW
Counteroffer Possible:	No

Scenario 2	
Customer Request:	100 MW
ATC:	20 MW
Avail. from Bumping:	30 MW
Avail. From Competition:	40 MW
Min Customer Receives:	50 MW
Max Customer Receives:	90 MW
Counteroffer Possible:	No

Comment:

**Customer TSR immediately Accepted/Confirmed.**

Preemption takes place.

Competitions take place.

**Recall is issued for the amount equal to the total of all defenders who matched.**

Comment:

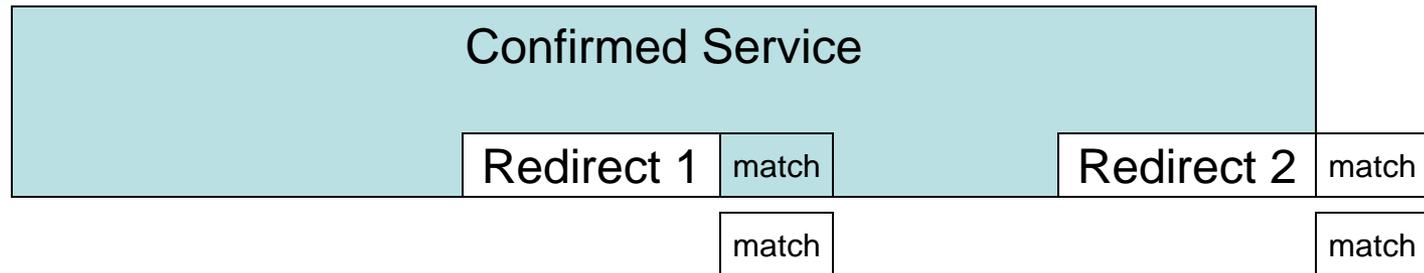
Same sequence of events as scenario 1.

**Only difference is max award to customer.**

# Competition to Make Counteroffer

- New Concept - Partial Parameters
  - Current problem
    - A challenger can decline a counteroffer. This may result in unnecessary impacts to the defenders.
    - The TP would also end up with less capacity sold after a competition than before.
  - Benefits
    - If a full offer cannot be made, this would allow a customer to declare a minimum MW threshold for a counteroffer.
    - Would help reduce possibility of some types of gaming
- Could require changes to S&CPs.
- Not possible to have in near future.

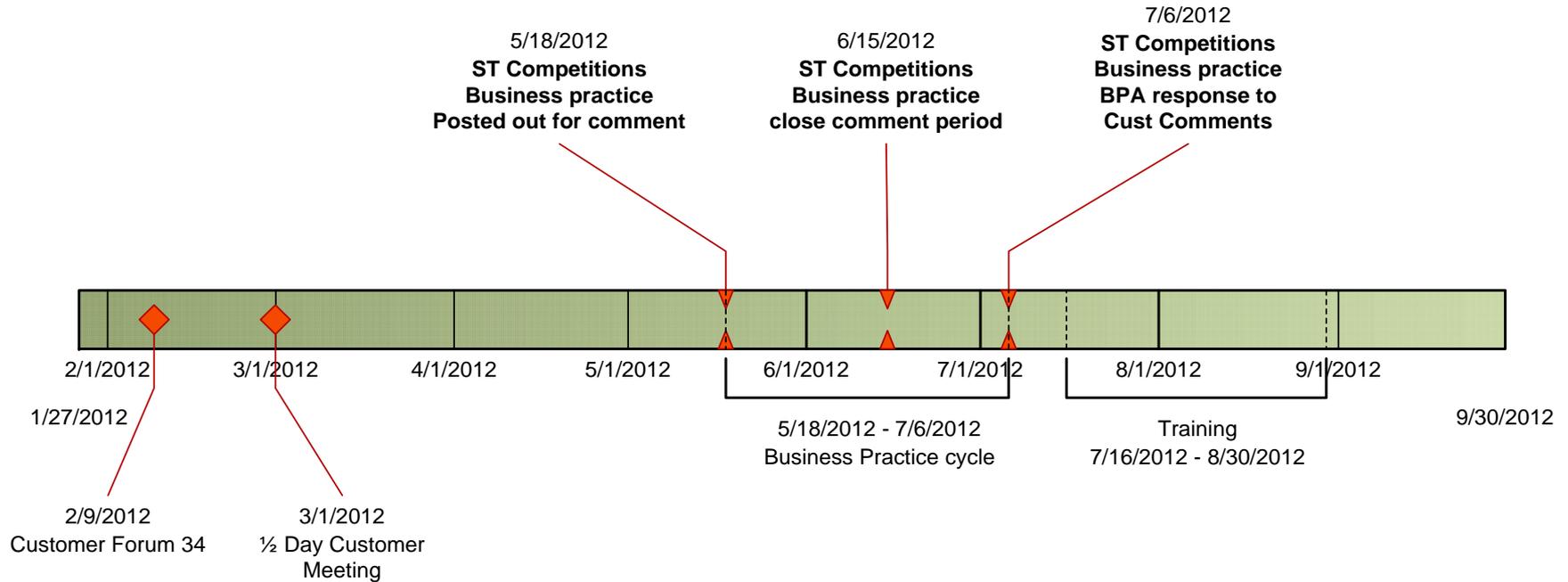
# Redirecting Capacity from Longer Duration to Shorter Duration



How does a Defender match? Where does the capacity come from?  
What if the Defender doesn't match?  
Who is billed for what?

# Timeline for Customer Feedback

Note: All dates are preliminary.



# Next Steps

- Questions we want feedback on (including but not limited to):
  - Who is considered a valid defender?
    - Does a defender have to enable a challenger?
    - Does there have to be sufficient capacity for a defender to match?
    - Does there have to be sufficient capacity for ALL defenders to match?
  - How many rounds of competition should take place?
  - How should tags be managed if the related TSR loses its capacity?
  - Matching
    - Should a defender be allowed to request a longer duration than is required to match?
    - Would it be preferable to have the matching request created automatically?
    - Would it be preferable to change both the start and end dates of a TSR when matching?
    - What is the minimum capacity (MW) required to match a challenging request?
    - Duration vs. Effective Duration
  - Redirects & Resales
    - Should resales & redirects be treated the same for the purpose of competition?
    - Should redirects be de-linked from a parent resale for the purpose of competition?
    - Should redirects & resales be limited to the unconditional window?
    - Redirecting capacity from longer duration to shorter duration
  - Should competitions take place if a full offer to the challenger is not possible?
    - Declaring a minimum MW threshold
    - Other ideas?
- Please submit your comments to [TechForum@BPA.gov](mailto:TechForum@BPA.gov) by March 16, 2012.
- Would you like to have a 2<sup>nd</sup> meeting?

# Appendix

# Tariff Section 13.2

If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: at 2:00 p.m. of the preschedule day for the day of delivery for the hourly service; at 2:00 p.m. of the preschedule day for daily service; one week before the commencement of weekly service; and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

# Tariff Section 14.2

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-to-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request:

(a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and,

(b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider.

Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

# S&CP Table 4-2

001-4.13

The following timing requirements shall apply to all Point-to-Point transmission service requests:

TABLE 4-2  
REQUEST TIMING REQUIREMENTS

Class	Service Increment	Time QUEUED Prior to Start	Provider Evaluation Time Limit <sup>1</sup>	Customer Confirmation Time Limit <sup>2</sup> after ACCEPTED or COUNTEROFFER <sup>3</sup>	Provider Counter Time Limit after REBID <sup>4</sup>
Non-Firm	Hourly	<1 hour	Best effort	5 minutes	5 minutes
Non-Firm	Hourly	>1 hour	30 minutes	5 minutes	5 minutes
Non-Firm	Hourly	Day ahead	30 minutes	30 minutes	10 minutes
Non-Firm	Daily	N/A	30 minutes	2 hours	10 minutes
Non-Firm	Weekly	N/A	4 hours	24 hours	4 hours
Non-Firm	Monthly	N/A	2 days <sup>5</sup>	24 hours	4 hours
Firm	Daily	< 24 hours	Best effort	2 hours	30 minutes
Firm	Daily	N/A	30 days <sup>6</sup>	24 hours	4 hours
Firm	Weekly	N/A	30 days <sup>6</sup>	48 hours	4 hours
Firm	Monthly	N/A	30 days <sup>6</sup>	4 days	4 hours
Firm	Yearly	60 days <sup>7</sup>	30 days	15 days	4 hours

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# S&CP Table 4-3

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TABLE 4-3  
PRIORITIES FOR COMPETING RESERVATION REQUESTS

ROW	Request or Reservation 1	Is Preempted by Subsequent Request 2	Right of First Refusal?
1	Tier 1: Long-term Firm, Native Load, and Network Firm	N/A - Not preempted by a subsequent request.	N/A
2	Tier 2: Pending (not confirmed) or confirmed but conditional Short-term Firm	Tier 1: Long-term Firm, Native Load, and Network Firm,  Once Request 1 is unconditional, it may not be preempted.	No
3a	Tier 2: Pending, pre-confirmed Short-term Firm	Tier 2: Pre-confirmed Short-term Firm of higher service increment.	No
3b	Tier 2: Pending, pre-confirmed Short-term Firm	Tier 2: Pre-confirmed Short-term Firm for the same service increment but of longer duration <sup>1</sup>	No
3c	Tier 2: Pending pre-confirmed Short-term Firm	Tier 2: Pre-confirmed Short-term Firm for the same service increment, equal duration <sup>1</sup> but higher price	No
3d	Tier 2: Pending, not pre-confirmed Short-term Firm	Tier 2: Pre-confirmed Short-term Firm of higher service increment	No

# S&CP Table 4-3

	Confirmed Short-term Firm	Higher Service Increment	
3e	Tier 2: Pending, not pre-confirmed Short-term Firm	Tier 2: Pre-confirmed Short-term Firm for the same service increment and of equal or longer duration <sup>1</sup>	No
3f	Tier 2: Confirmed but conditional <sup>2</sup> Short-term Firm	Tier 2: Pre-confirmed Short-term Firm of higher service increment	Yes
3g	Tier 2: Confirmed but conditional <sup>2</sup> Short-term Firm	Tier 2: Pre-confirmed Short-term Firm for the same service increment but of longer duration <sup>1</sup>	Yes
3h	Tier 2: Confirmed but conditional <sup>2</sup> Short-term Firm	Tier 2: Pre-confirmed Short-term Firm for the same service increment, equal duration <sup>1</sup> but higher price.	Yes
4	Tier 3: Network Service From Non-Designated Resources	Tiers 1 and 2: All Firm (including Network).	No
5	Tier 4: All Non-Firm PTP	Tiers 1 and 2: All Firm (including Network).	No
6	Tier 4: All Non-Firm PTP	Tier 3: Network Service from Non-Designated Resources.	No
7	RESERVED		
7a	Tier 4: Pending, pre-confirmed Non-firm	Tier 4: Pre-confirmed Non-firm of higher service increment.	No
7b	Tier 4: Pending, pre-confirmed Non-firm	Tier 4: Pre-confirmed Non-firm for the same service increment but of longer duration <sup>1</sup>	No