



TC-20 Customer Workshop

March 19, 2019

TC-20 Customer Workshop Agenda

March 19, 2019

TIME	TOPIC	PRESENTERS
9:00 - 9:10 AM	Agenda Review & Safety	Katie Sheckells
9:10 – 9:15 AM	Ancillary Services	Katie Sheckells
9:15 - 10:05 AM	Transmission Business Practice Process	Sarah Arison
10:05 - 10:20 AM	Hourly Firm & Short Term ATC update	Kevin Johnson
10:20 - 10:30 AM	Break	
10:30 - 11:00 AM	Network Service – Designation of Seller’s Choice Resources	Toni Williams
11:00 - 11:45 AM	Product Conversions	Toni Williams
11:45 - 12:00 PM	Wrap up and Next Steps	Katie Sheckells



Ancillary Services

Ancillary Services Settlement Requirements Status

ANCILLARY SERVICES		
TC-20 Settlement Agreement Term Number	TC-20 Settlement Agreement Description	Status
4.a. Schedule 3	Bonneville shall adopt the language in Schedule 3 as reflected in those respective schedules of the Settlement tariff, Attachment 2	Schedule 3 changes have been made and will be adopted on 10/1/19
4.b. Schedule 9	The Settlement Tariff will include the language for Schedule 9, Generator Imbalance Service that is written in to the Settlement Tariff Agreement.	Schedule 9 language will be adopted on 10/1/19
4.c. Schedule 10	The Settlement Tariff will include the language for Schedule 10, Capacity for Generator Balancing Services, that is written in to the Settlement Tariff Agreement.	Schedule 9 language will be adopted on 10/1/19
4.d. Balancing Reserve Capacity Business Practice	Bonneville will adopt the Balancing Reserve Capacity Business Practice (Settlement agreement -attachment 5)	Business Practice language will be adopted on 10/1/19



Transmission Business Practice Process

Agenda

- Provide an update to customers on the new business practice development process and obtain feedback
- Take an online tour of BPA's website and review the new business practice initiation form with customers
- Wrap up and discuss next steps for customer engagement in business practice development

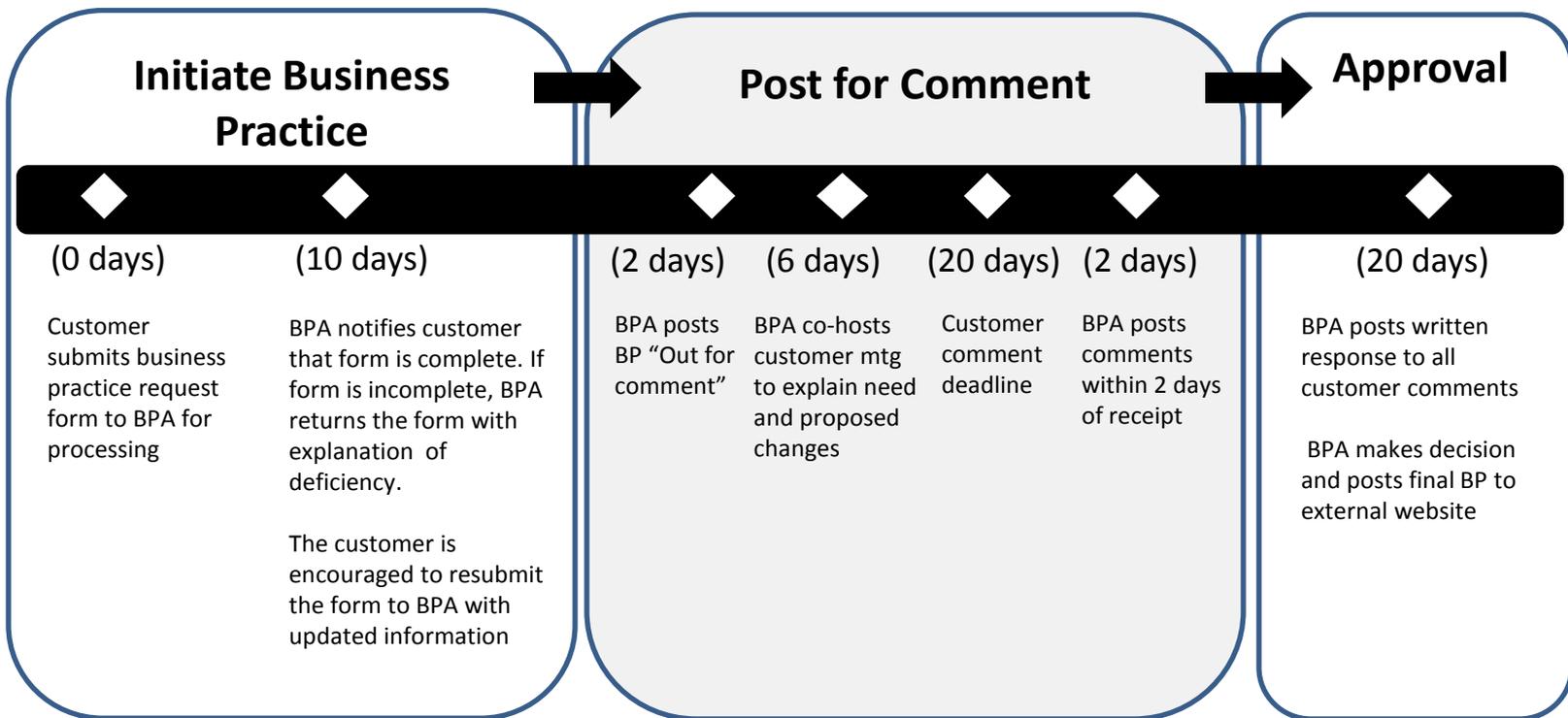
Getting started

- As part of the TC-20 Settlement package, BPA agreed to implement a new process for the development and revisions of its Business Practices (BP).
- The updated business practice process is an important commitment that BPA made to customers because it provides a more transparent and disciplined approach to the development and revisions of business practices.
- The new process establishes clear customer comment window and response deadlines.

The TC-20 Settlement is an important commitment that BPA made to customers!

BP process schedule for Category B

(Please note that Days = Business Days)



BPA expects the majority of business practice development will fall under Category B

Customer initiated BPs

- Customers can submit proposed BPs to BPA for consideration:
 - BPA will provide the BP initiation form for customer to fill out and/or the template to use to draft business practice language.
 - BPA must determine the form is “complete” before it is required to initiate the Business Practice Process.
 - BPA will schedule meetings and send Tech Forum announcements to notify customers of upcoming conference calls and/or customer meetings related to BP development.
 - After the comment period closes, BPA will post responses to comments to our external website and make the final decision to adopt the BP or not.

Customers can now identify the need and submit proposed business practice language to BPA

Classifying Business Practices

The TC-20 settlement identified the following three categories for BPA to classify each proposed business practice into:

Category A “Clarifications of existing language, grammatical corrections, and/or revisions with minor significance.”

Category B “Material revisions to existing business practices and new business practices.” Staff propose this category as the “default” should criteria for Category A or C not apply.

Category C “For proposed business practices that are necessary to address emergencies or an urgent need.” Staff will apply the following criteria: any impact to statutory obligations or imposes operational, security and/or reliability concerns that require immediate action.

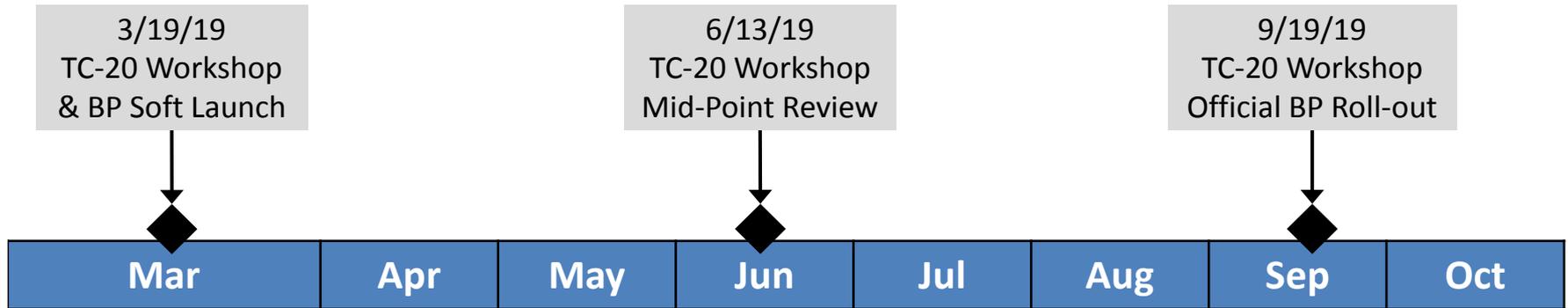
The TC-20 settlement defined three types of proposed business practice developments

BP Classification Summary

	Category A	Category B	Category C
Type of proposed change	Grammatical errors, clarifications/ revisions with minor significance	Material revisions to existing BPs; all new proposed BPs	Requires immediate attention due to urgent or emergency operational, security, or reliability concern; to comply with law
Effective date	Effective upon adoption after completing the Business Practice Process	Effective upon adoption after completing the Business Practice Process, unless the BP is related to a pending tariff change in a TC proceeding or a pending rate proposal in a BP proceeding	BPA can unilaterally implement before completing the Business Practice Process
Customer meeting	No	Yes, within 6 business days of tech forum notice initiating the process	Yes, as soon as possible
Comment period	10 business days after tech forum notice	20 business days after customer meeting	10 business days after customer meeting
BPA's response	20 business days	20 business days	20 business days

Classifying the type of business practice development defines the length of the comment period

Consolidated BP Release - *PROPOSED*



Batch 1: March

Modified BP

- Conditional Firm Service (final posting pending)
- Deferral Service
- Committed Scheduling
- Uncommitted Scheduling
- Balancing Service for DERBS and VERBS
- Oversupply Management Protocol

Withdraw Proposed BP Changes

- Partial Long Term Firm
- Reservation Priority
- Redirects

Batch 2: April

Modified BP

- Partial Long Term Firm Service
- Requesting Transmission Service
- LTF Queue: Evaluation of Requests and Offer of Service
- TSR Study & Expansion Process
- Network Integration Transmission Service – Seller’s Choice

Batch 3: July

Modified BP

- Scheduling Transmission Service
- Redispatch & Curtailment Procedures
- Netting Resources for Operating Controls for Balancing Reserves
- Large Generator Interconnection
- Small Generator Interconnection
- Line and Load Interconnection Procedures
- Generation Integration Services

Batch 4: Sept.

Modified BP

- Self-Supply of Balancing Services
- Balancing Services Resources Prequalification
- Oversupply Management Protocol

Retired BP

- Customer Supplied Generation Imbalance Pilot Program

Heads Up: timing to be determined

- Unauthorized Increase Charge
- Generation Imbalance Service
- Redirects

The proposed batch-release of BPs to post “out for comment” is open for discussion

Wrap up and next steps

- Customers are encouraged to submit comments to Tech Forum using “Business Practice” in the subject line.
- Customers are encouraged to consult their AE with questions regarding the new business practice process.
- Customers may also call the new dedicated business practice phone number located on the website.
- Customers are encouraged to attend or call into the following TC-20 Settlement Update meetings where the business practices process will be discussed:
 - BPA will host a customer meeting on Jun 13th
 - BPA will host a customer meeting on Sep 19th

Thank you for your participation today and commitment to standing up the new BP process



Hourly Firm and Short Term ATC Update

Hourly Firm Update

- Held the first customer workshop on February 26, 2019, to discuss the monitoring and evaluation plan
 - Materials are posted:
<https://www.bpa.gov/transmission/CustomerInvolvement/HourlyFirm/Pages/Meetings.aspx>
 - Customers were invited to give their first round of comments
 - BPA is developing responses to those comments
- BPA is developing the materials for the second customer workshop
 - Workshop is scheduled for April 11, 2019 from 9am to 12pm in BPA's Rates Hearing Room plus WebEx
 - Materials will be posted April 4th

Hourly Firm Evaluation Schedule

- February 26th – 1st customer workshop to look at initial draft evaluation plan **COMPLETE**
- April 11th – 2nd customer workshop to review plan (materials will be sent 1 week in advance)
- Late April – Post evaluation plan for comment
- Early June – Post final evaluation plan
- September '19, March '20, June '20 – Evaluation results workshops

Hourly Firm Changes

- BPA will begin limiting Hourly Firm on July 1st, 2019
- Customers have requested a workshop to understand the impacts to their processes and ask questions about new processes (e.g. redirecting)
- BPA would like to gather your feedback for this workshop during the already scheduled CBPI call on April 3 - we will design based on your needs
- The Workshop date will be determined after all Customer Feedback has been received

Short-Term ATC

- BPA has created a dedicated Short-Term ATC (ST ATC) group in Transmission Operations
 - A cross-functional GridMod project team to support this effort is being assembled
 - The team is evaluating the current ST ATC process, with an eye for any potential improvements that could be implemented before October 1, 2021
- Consistent with the TC-20 Settlement, BPA will hold a ST ATC workshop in FY19 Q4, and Q2 and Q4 of each fiscal year until October 1, 2021
 - First meeting will be noticed via Tech Forum
 - BPA will share timelines and parameters for making specific improvements to its ST ATC methodology



Break



NT Work Stream Update

TC-20 NT Work Stream Update

NT Work Stream Roadmap - DRAFT

V7 03/11/19

Work Stream	FY19				FY20				FY21				FY22						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sept	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sept	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sept	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sept			
TC20	TC 20 Settlement	Implementation																	
NOA Attachment G	Draft NOA Template	<p>Network Operating Committee meetings to review Standard NOA template</p>			Execution of NOA with Customers														
Remove NT CF	TC-20 Decision	Implementation																	
	Enhanced Commercial Assessment																		
	Improved NT Dialogue – MOD 31 (Load & Resource Forecasts)																		
	2019 Cluster Study		Planned Cluster Study		Planned Cluster Study														
	ATC Methodology Updates				TIPP effort to begin Planning Redispatch evaluation														
Seller's Choice	Update Network Integration Transmission Service Business Practice to reflect Seller's Choice			Implement															

Legend:

- text Not started
- text Started
- Network Operating Committee
- text Completed



Seller's Choice

Agenda

- TC-20 Seller's Choice Commitment
- Next Steps and NITS Challenges

TC-20 Seller's Choice Commitment

As part of the TC-20 settlement, BPA agreed to allow NT customers to designate Seller's Choice purchases as off-system Network Resources in certain circumstances.

Attachment 1, Part 2(g) of the TC-20 Settlement Agreement:

Seller's Choice

- i. The Settlement Tariff will include the following language:
 1. Tariff Section 29.2(v): For each off-system Network Resource, such description shall include: . . .
 - Identification of the control area from which the power will originate. The customer is not required to identify the control area for designations at Mid-Columbia Points of Receipt for designations with a term ending prior to October 1, 2021.
- ii. Bonneville will list the Mid-Columbia Points of Receipts in the Network Integration Transmission Service business practice.
- iii. Starting October 1, 2019, Bonneville will monitor and evaluate the implementation of this section g as indicated in Attachment 1, section 2.d hourly firm evaluation. Bonneville will share the results of its evaluation with customers at least once before July 2020. Based on the hourly firm evaluation, Bonneville may, in its sole discretion, include in its TC-22 Initial Proposal, Network Resource designation at Mid-Columbia Points of Receipt.

TC-20 Seller's Choice Commitment

- **What are Seller's Choice purchases?**
 - A Seller's Choice contract is a type of Power Purchase Agreement in which the seller agrees to deliver energy at a certain point, and can choose to source the energy from any number of different generators. It allows the seller to obtain lower cost generation for their customers. Generally, the customer is not informed of the specific generator until the day before delivery.

- **Why BPA is committed to this change?**
 - Currently, BPA does not permit the designation of off-system Seller's Choice contracts if the NT customer cannot specify the generator's control area when the customer requests to designate the contract as a Network Resource, consistent with *pro forma* tariff requirements.

 - Customers requested an exception allowing designation of Seller's Choice purchases as off-system Network Resources.

 - BPA agreed to do so for a limited period, and to evaluate the implementation of this exception to the *pro forma* tariff requirement as part of the evaluation of hourly firm service (see TC-20 Settlement excerpt, above).

Next Steps and NITS Challenges

- NT Customers must submit a designation of resource on the same day they procure transmission service. Under the unlimited hourly firm paradigm, the NT customers could procure a Seller's Choice agreement and be able to procure hourly firm in a timeline aligned with identification of the actual resource.
- When BPA limits hourly firm, NT customers will seek to procure transmission ahead of time for their business needs. Customers will likely want to utilize capacity held out in the NT forecast process, which requires at least 60 days advance submittal. Under a Seller's Choice contract, the actual resource is undetermined until the preschedule day, causing an issue when submitting designations under the current system.
- To address this challenge, BPA is exploring the ability to allow a more generic resource description to accompany Seller's Choice contracts, in order to align the timing of obtaining transmission farther out with the ability to properly designate.
- BPA staff is working with NT customers to clearly define the requirements as well as testing the outcomes in the OATI system.

Questions

What questions do you have?



Product Conversions

Agenda

- TC-20 Product Conversion Commitment
- Product Conversion Guidelines
- Timeline
- Next Steps

TC-20 Product Conversion Commitment

- During TC-20 Settlement discussions with customers, BPA committed to provide two opportunities for customers to convert from PTP to NT or NT to PTP.
 - Excerpt from the TC-20 Settlement Agreement:

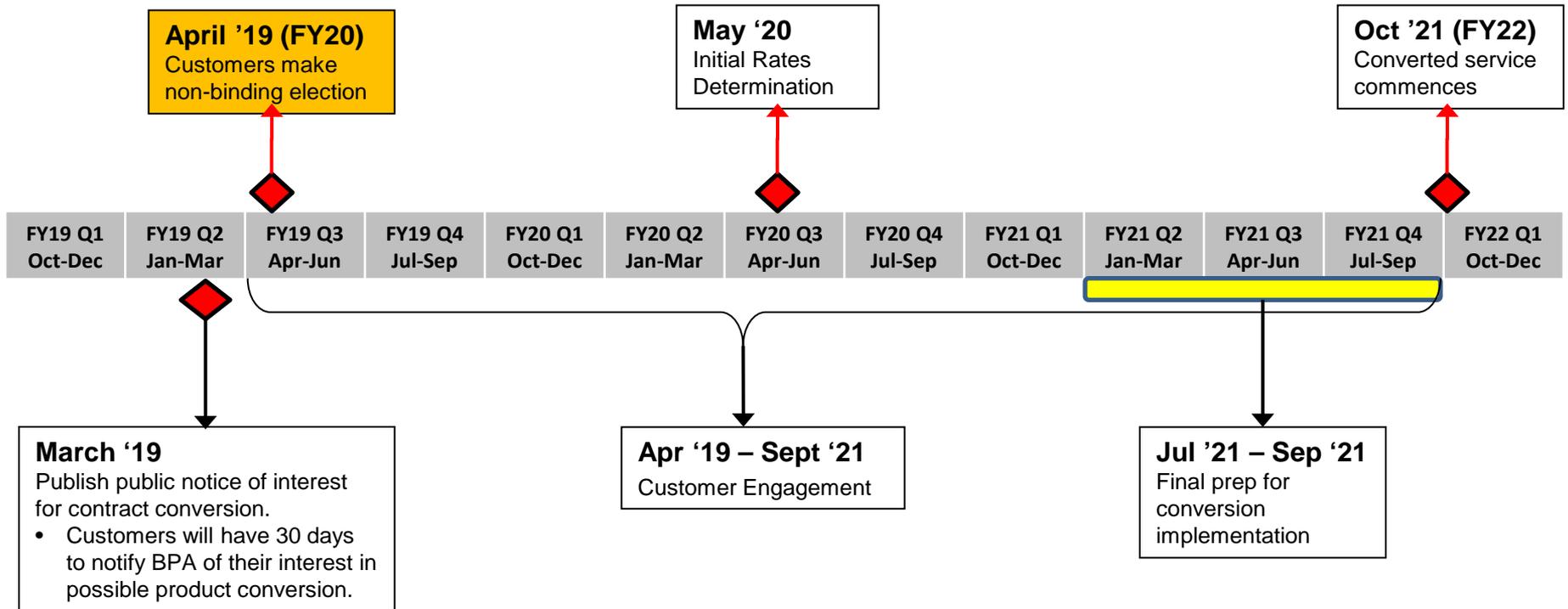
“Bonneville will provide at least two conversion windows, including one prior to the start of the BP-22 proceeding and one prior to the start of the BP-24 proceedings, for customers desiring to switch their long-term firm transmission product designation from either NT to PTP or PTP to NT.”
- Our current policy allows customers to request conversion to another product type at the time they provide notice to BPA of renewal of their service agreement.
 - This more than likely would not be the case for customers converting during the proposed conversion windows.
- At a TC-20 Settlement customer meeting we verbally provided information on what would need to be taken into consideration, at a high level, to implement conversion from one product type to another.

Product Conversion Guidelines

Below are guidelines, for customers that express an interest in conversion, to consider:

- Conversion will be offered to all transmission customers on a non-discriminatory basis.
- The OATT and associated Business Practices will apply to the prospective service.
- BPA will:
 - Offer educational information in order to prepare customers for a decision to convert and to help with the transition
 - Share with stakeholders the rate impacts of the overall conversion
 - Share an example of the customer's revised service bill
 - Evaluate the path impacts of converting service, reflective of the resources expected to serve load
 - Evaluate any CF, TSRs, participation in builds, etc. and determine their applicability to the converted service
- For conversion to NT:
 - Resources must be identified and attested to as owned, purchased or leased
 - Only long-term PTP capacity currently serving load is eligible for conversion
 - The customer must identify how all load service will be accomplished
 - NT service cannot be used for 3rd party marketing purposes
 - To the extent that the converting companies elect to retain existing PTP service for 3rd party marketing purposes, they can retain it as is under their existing PTP contract and are subject to all of its terms and conditions
 - If a customer has insufficient capacity rights to serve their load at the time of conversion, a request will need to be entered into the queue over OASIS
- Early termination of the non-converted PTP rights will not be considered as part of the conversion process.
- If there is any additional metering or equipment required by the conversion, customer responsibility will be made in alignment with our current business practices and Cost Allocation Guidelines.

Product Conversion Window Timeline – Draft First Window



Next Steps

- Once the Product Conversion window closes on April 9, 2019:
 - The team will begin evaluation of individual customer information.
 - As the team completes its analysis, Transmission Account Executives will engage customers to begin discussions on product conversion.
- The team will begin developing materials on topics which may assist customers with their transition, should they choose to convert products. Topics may include:
 - Regional Dialogue Contract
 - Annual NT Planning Dialogue
 - Commercial Assessment
 - Billing, etc.
- BPA would like to know if there are specific topics customers would like to discuss.
 - Please contact your Account Executive with additional topics.
- More information will be shared as materials are developed.

Questions

What questions do you have?



Wrap up and Next Steps

Next Customer Workshop - Proposed Agenda for June 13

TC -20 Topics:

- Network service:
 - Network Operating Agreements
 - Seller's Choice
- Product Conversions
- Hourly Firm & Short Term ATC
- Business Practice Process

Other TBM Topics:

- Losses
- Queue Management