

Transmission Business Model

Pro Forma/Industry Standard Gap
Assessment:

Direction and Next Steps

Time	Topic	Presenter
9 to 9:15	Welcome and Introductions	Rachel Dibble
9:15 to 10:15	BPA Transmission Business Model <ul style="list-style-type: none"> Overview/Context 	Jeff Cook Michelle Manary Michelle Cathcart
10:15 to 10:30	Break	
10:30 to Noon	Pro Forma Gap Analysis <ul style="list-style-type: none"> Gaps identified between BPA tariff and FERC pro forma tariff/industry standards Recommendations for gap closure 	Jeff Cook Michelle Manary Michelle Cathcart
LUNCH		
1 to 2	2016 Cluster Study Overview <ul style="list-style-type: none"> Study Content Plans of Service TSR Study & Expansion Process Next Steps 	Chris Jones Ryan Jones
2 to 3:45	South of Allston Commercial Alternatives <ul style="list-style-type: none"> I-5 Decision Review Future commercial study discussion Interim commercial alternatives 	Jeff Cook Michelle Manary Bob King
3:45 to 4	Next Steps	All
End of Meeting		

BPA Transmission Vision

BPA Transmission is committed to being a dependable and responsive business partner as we proactively navigate a changing environment to achieve economic and reliability benefits for our customers and the region.

To achieve this we will:

- Streamline and modernize processes and systems to support enhanced situational awareness and data-driven decision making
- Offer open access transmission service through standardized and value based products
- Support a culture of innovation and continuous improvement

WE ENERGIZE THE PACIFIC NORTHWEST

Transmission Value Proposition

Operating a High
Performing Grid

Enabling Economic
Growth in the Region

Providing Access to Federal
and Non-Federal Resources
And Markets

Through Excellence in Offering and Managing

Product Portfolio

Providing standardized options
Value-based price profiles
Drawing from integrated regional planning

Infrastructure

Advanced situational awareness
Right-sized investments in assets
Value and risk-based asset management

Long-Term Viability

Data-driven decision making
Integrated and efficient processes
Innovation and continuous improvement

A Dependable and Responsive Business Partner



New Approaches to Transmission Business Model

- 1) Review enhanced alignment with FERC *pro forma* tariff and industry standards
 - Develop more accurate available transmission capacity calculations based on a flow based model
 - Implement policies and practices that facilitate timely and efficient processing of the queue
 - Evaluate commercial assumptions for planning studies
 - Align ancillary service schedules with *pro forma*, where possible
- 2) Evaluate and implement new state awareness tools for effective monitoring of the transmission system
- 3) Use of non-wires measures to reduce peak congestion and enable long term firm requests

Pro Forma Product Offerings

- Align long-term Available Transfer Capability (ATC) approach with industry standard
- Conform Conditional Firm offerings to *pro forma*
- Transition away from Hourly Firm as a product
- NT Service Implementation
 - Implement NT policy and procedures consistent with NAESB standards
 - Eliminate Conditional Firm NT service by including the attributes in NT service
- Use Network Operating Agreements as a tool to manage the planning and operational aspects of NT service, including NT redispatch
- Require undesignations for sales to non-designated third-party loads in order to improve visibility of customer generation to efficiently manage and maximize transmission availability and reliability
- Implement rebids on capacity (not on price)

Planning Study Solutions

- Calibrate commercial modeling assumptions based on studied risk tolerance and metrics
- Develop process for creating diversified plans of service for PTP and NT service requests that include non-wires options
- Allow customer to request to be studied for planning redispatch as part of system impact study for both PTP and NT service
- Study PTP Conditional Firm on request as part of system impact study
- Develop a planning process that incorporates load and resource forecasts and interconnection studies for NT customers
- Investigate potential study treatment for NT load growth
- Offer customer funded Intertie Studies to requests in the intertie queue

Queue Issues

- Develop a more robust follow through process for planning studies to achieve an end state for requests in the queue
- After implementing solutions to effectively manage transmission queue
 - Eliminate the Remainder Policy
 - Stop offering roll over rights to contracts with service term of less than 5 years.
- Source/Sink information
 - Require more granular POR/POD information
 - Require applications to identify source/sink in order to establish the queue date
- Generation Interconnection Queue
 - Currently validating requests in the queue

Ancillary Services and Losses

- Transition terms and conditions from Rate Schedule to Tariff Schedules
 - Change Schedule 9 from Loss Factor to Generation Imbalance
 - Create Tariff Schedule 3A/10 to document Generation Imbalance Capacity Charges terms and conditions (VERBS and DERBS)
- Loss Payback
 - Transition to OATI standard product and industry standard processes

Next Steps

- **Summer 2017**
 - Develop and publish workshop schedule
- **Fall 2017**
 - Tariff Process
 - Commercial Operations Roadmap to Inform FY18 and Beyond
Sequence of Actions
 - Resource Implementation Plan