Transmission Business Model

Pro Forma/Industry Standard Gap Analysis:

Network Integration Transmission Service (NT)

Study Process
- Reflecting Customer Choice in System Impact Study
- Study Process for Long-Term Alternatives for SOA
- Study Follow Through
- Intertie Studies

NT Scope
- Managing BPA/Customer NT Relationships
- One point of contact for load and resource forecasts
- Managing Load Growth

ATC
- Short-Term ATC
- Model and Metrics
- Long-Term ATC
PFGA Milestone Contribution – Network Integration (NT) Transmission Service

Milestones to Close the Gaps

- Develop a repeatable consistent study "Follow Through" process
- Implement NT Policy/Procedures
- Implement CF PTP Reflecting Customer Choice
- Stop calculating and posting LT ATC
- Replace Conditional Firm NT
- Transition away from hourly firm
- Develop more tools than “build”
- Calibrated Model Assumptions
BPA Direction: NT Scope

First
- Use NOA to manage aspects of NT relationship
- Require undesignations for any firm market sales
- Replace Conditional Firm NT
- A repeatable and consistent study “Follow Through” process

Next
- Load and Resource forecasts for NT cust.
- All resources share NT redispatch responsibility
- Load growth

Adherence to application Information

Last
- Queue Attrition
  - TSR Alternatives
  - Required Study Information
- Implement NT Policy / Procedures

Resolving These Tariff Engagement Design Gaps
- Conditional Firm NT service
- BPA one-offs and silo’d work arounds to NT service
- Poor visibility of customer generation
- Highly customized processes and tools
- New network load definition and business processes
- Customers unable to request to be studied for Redispatch
Network Operating Agreement

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<td>Clarity on how service is provided and maintained</td>
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<td>Draft, negotiate and execute bilateral, Standard Network Operating Agreements</td>
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<td>Manage Network Operating Agreements, including Network Operating Committee</td>
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Implementation Considerations

- Enables replacement of NT conditional firm product
- Requires individual customer contracts
- Components of contracts may include:
  - Load/resource forecasts
  - Redispatch (Attachment M)
  - BPA Power Services contract impacts
  - Service arrangements
Replace Conditional Firm NT

Objective
Enable NT customers to know how service will be provided

Process for NT load service

Implementation Considerations
- Removal of Conditional Firm Inventory
- NT Resource assessment
- Customer choices
- Standard component of Network Operating Agreement
- Develop a transition plan

Steps
- Complete industry scan
- NT Resource Assessment to inform customers of service options
- Revise/Remove Conditional Firm product
- Service arrangement language in Network Operating Agreement

8/29/17
FY 2022
Undesignation of Firm Market Sales

Steps

- Conduct industry scan
- Develop provisions of undesignation
- Develop procedures
- Draft Tariff and Business Practice

Objective

- Accurate Short-Term ATC calculations and reliable NT redispatch

Implementation Considerations

- Usage in short term ATC methodology
- Requirements for undesignations
- Application to system DNRs
- Usage in NT redispatch
- Customer Outreach
NT Redispatch Responsibility

Steps

- Review and apply eligibility criteria
- NT Customer engagement
- Develop Procedures and Systems
- Develop Tariff language
- Incorporate into Network Operating Agreement

Objective

Assure that NT loads are reliably served

Mechanism to implement NT Redispatch

Implementation Considerations

- Resource capabilities
- Complete Network Operating Agreement
- Section 34.4 (Redispatch Charge) and Section 1.14 (definition of Load Ratio Share)
- Extensive data requirements and required coordination
- Revisions to Attachment M and other appropriate agreements
Load and Resource Forecasts

**Objective**

More efficient and consistent processes

**Steps**

- Perform industry scan
- Review processes for load and resource forecast
- Identify ways to streamline
- Modify Business Practices

**Implementation Considerations**

- Identify all applications and processes
- How to address updates to forecasts
Load Growth

Steps

- Industry scan
- Define Policy and Procedures
- NT Customer Engagement
- Modify Business Practices
- Implement Policy

Objective

Plan, Execute, and Manage risks for NT Load

Implementation Considerations

- Financial impacts
- NT Resource assessment
- Customer choices
Implement NT Policy

Steps

- Network Operating Agreement - How service is provided and maintained
- Replace Conditional Firm NT – Enable NT customers to know how service will be provided
- Undesignation of Firm Market Sales - Assure reliable ST ATC availability and reliable NT redispatch
- NT Redispatch Responsibility - Assure that NT loads are reliably served
- Load and Resource Forecasts – More efficient and consistent processes
- Load Growth Policy – Manage expectations for BPA and customers

Objective

Implementation of NT Service

Implementation Considerations

- Tariff changes will be required
- Has dependencies or dependent upon PFGA topics (Study Process, etc.)
How do you believe this change will affect your business?
What are your thoughts on the proposed timeline?
What Bonneville may not have considered in formulating this change?
How would you have seen NT done differently?