NT Planning Dialogue

October 28, 2015

Background – Tariff Obligations

- As a Transmission Provider, under section 28.2 of the Tariff, BPA has the responsibility to plan the transmission system for the future load and resource needs of its customers taking NT Service.
- To enable this responsibility, under section 31.6 of the Tariff, NT Customers are required to annually provide:
  - 10-year load forecasts, and
  - 10-year resource forecasts.
- Load and resource forecast, provided by NT Customers, are key inputs for informing the Transmission Provider Planning and ATC Studies.

Pre-decisional. For Discussion Purposes Only.

Planning for NT Service – Historical Approach

- In 2002, BPA developed the key components and assumptions to the ATC Methodology.
- For purposes of calculating Existing Transmission Commitments (ETC), BPA utilized the following information and assumptions regarding NT Service:
  - Load Forecasts: 1-in-2 non-coincidental peak (10-year)
  - Resources assumptions:
    - Currently designated resources (confirmed TSRs)
    - Default assumption that remaining load and load growth will be met by the FCRPS.
- The default assumption in the long-term ATC Base Cases is that FCRPS would serve future load growth – default forecasted resource.
- Today, BPA has a robust dialogue review process with the customer regarding the 10-year load forecasts but lacks a similar process for resource forecasts.

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Planning for NT Service – Changing Landscape

- The assumptions developed in 2002, that FCRPS will serve all future load growth, are no longer representative of how NT Customers' designated and forecasted resources would utilize the transmission system to serve load.
- Over the last 4-5 years, NT Customers have increasingly moved toward non-federal generation to serve their load, including load growth. Drivers include:
  - Renewable Portfolio Standards (RPS)
  - Regional Dialogue Contracts
  - Low Costs of Market Generation
- To effectively continue meeting its Tariff obligation and the transmission needs of its NT Customers, BPA will be relying on NT Customer 10-year load and resource forecasts to help inform the relevant assumptions within the ATC Methodology.

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NT Planning Dialogue - Overview

- BPA is developing an annual dialogue process with NT Customers to review 10-year resource forecasts and help inform the relevant assumptions within the ATC Methodology.
- Key attributes/benefits of the dialogue:
  - Annual Process – a repeatable and iterative dialogue process to review and understand the 10-year resource forecast plans for serving load.
  - Information Sharing – enables the sharing of information about system constraints and impacts, resource location choices, customer underlying goals/needs.
  - Reliance on Existing Processes – leveraging of existing processes and forums for conducting the dialogue.

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Review of Draft NT Planning Dialogue Timeline

[See attachment]

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Utilization of Final Resource Forecasts

- Upon finalization of the annual 10-year resource forecast, BPA will incorporate the assumptions into the ATC calculation.
  - In developing resource assumptions, BPA will rely on:
    - Currently designated resources (confirmed TSRs); and
    - Forecasted resources – the "greater of" flowgate impacts between the FCRPS and forecasted resources.
- If a transmission upgrade/reinforcement is needed to accommodate the forecasted resource identified in the 10-year resource forecast:
  - BPA will identify a high level plan of service for the upgrade/reinforcement.
  - NT Customer will be required to demonstrate commitment to the resource (i.e., financially or otherwise) if BPA is to proceed with further studies and the upgrade.

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Next Steps

- BPA is seeking feedback on the timing and sequence of the different components of the NT Planning Dialogue.
  - Any comments or suggestions on this topic please send to techforum@bpa.gov or mxbosanac@bpa.gov.
    - In the title of correspondence please note "NT Planning Dialogue."
    - Comments appreciated by November 11th.
- BPA is currently working on defining more in detail the following:
  - NT Resource Forecast assessment process;
  - Processes of identifying upgrades for forecasted resources and the associated financial considerations; and
  - Representing resource forecasts within the ATC calculation.
- Further updates on the above identified processes will be presented at upcoming TLS Forums.

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