

NT Forecasted Resources Study & Expansion Process

December 15th, 2015

Meeting Agenda

- Outline of NT Planning Dialogue Process for Resource Forecasts
- NT Forecasted Resources Study and Expansion Process - Description
- Financial commitments
- Next Steps

NT Planning Dialogue - Overview

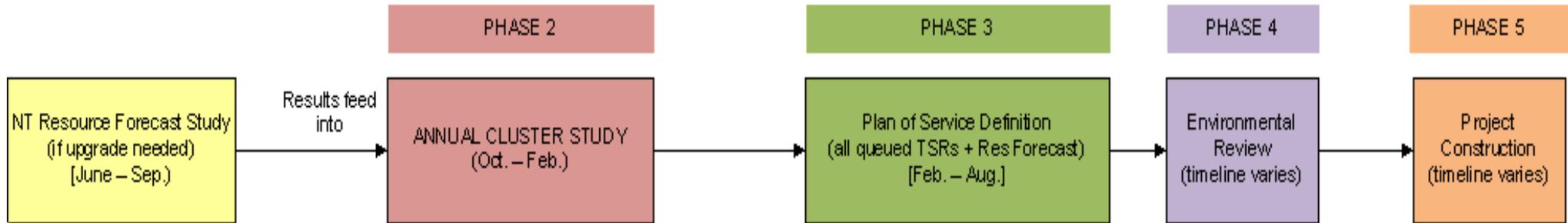
- BPA is developing an annual dialogue process with NT Customers to review 10-year resource forecasts and help inform the relevant assumptions within the ATC Methodology.
 - [See Appendix 1]
- Key attributes/benefits of the dialogue:
 - Annual Process – a repeatable and iterative dialogue process to 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.
- <http://www.bpa.gov/transmission/CustomerInvolvement/TransmissionLoadService/Documents/TLS-forum-NT-planning-dialogue.pdf>

NT Resource Forecast – Study Process

- BPA may identify that an upgrade would be required to accommodate the forecasted resources, and a more detailed study offered.
- BPA will study the NT Customer forecasted resources needing an upgrade.
- Characteristics of the study for NT forecasted resources:
 - Forecasted resources will be studied in a cluster.
 - Level of detail of the study is commensurate with a System Impact Study (SIS) and will identify:
 - Facilities needed
 - Estimated project timeline (typical)
 - Estimated cost of facilities (typical)
 - BPA will share the results of the study with the customer.
- The results of the study will be incorporated into the annual Cluster Study (which includes queued requests), at which point the annual Cluster Study process and successive phases would apply.

Complete Study Process

Commercial Study and Expansion Process



Components of BPA's Commercial Study and Expansion Process

Phase 2 (P2): Cluster Study

P2 - Cluster Study:

- BPA tenders Study Agreements following TSR deadline;
- BPA commences and completes study (120-day study period);
- Results: preliminary plan of service scope, cost, and schedule;
- \$ - Customer pays its pro rata share of costs by MW
 - No additional financial commitment for NT Resource Forecasts (already paid for study costs)

Phase 3 (P3): Preliminary Engineering

P3 - Plan of Service Validation and Preliminary Engineering:

- Refinement of cost and scope of Cluster Study results;
- Estimation of Environmental Review scope and costs;
- \$ - Customer pays its pro rata share of costs by MW

Phase 4 (P4): Environmental Review

P4 - Environmental Review:

- Required NEPA review of environmental impacts based on identified plan of service
- Includes Record of Decision on preferred route, and whether to build the project;
- \$ - Customer pays its pro rata share of costs by MW

Phase 5 (P5): Project Construction

P5 - Project Construction:

- Construction and Energization of identified transmission project;
- \$ - Customer secures its pro rata MW share of construction costs (letter of credit, etc.)

Financial Commitments – NT Resource Forecast Study Process

- BPA is considering the study process consistent with the Tariff for NT forecasted resources needing an upgrade.
- Study for NT Forecasted Resources
 - Financial commitment – study costs
 - Consistent with the Tariff
- Phase 2 of Commercial Study and Expansion Process (Cluster Study)
 - No additional financial commitment for NT forecasted resources– customer already paid for study costs and was studied.
 - Participating requests will be required to pay for their share of study costs.
- Phases 3 through 5 – same financial commitments for all in Commercial Study and Expansion
 - All Customers fund their share of the study costs
 - All Customers securitize their share of construction costs

Aspects to Consider

- Should the nature of the financial commitments be different if the NT Customers designates as a network resource (DNR) the previously forecasted resource going through the upgrade process?
 - In previous Network Open Season (NOS) processes, if the resource is designated (attested that have purchased generation), BPA did not impose additional financial commitments since the customer purchase of generation provided assurance facilities would be utilized.
- Embedded Rates Test Assumptions
 - Potential consideration of NT Service-specific factors.
 - Overall assumptions for upgrades will be discussed at future forums.

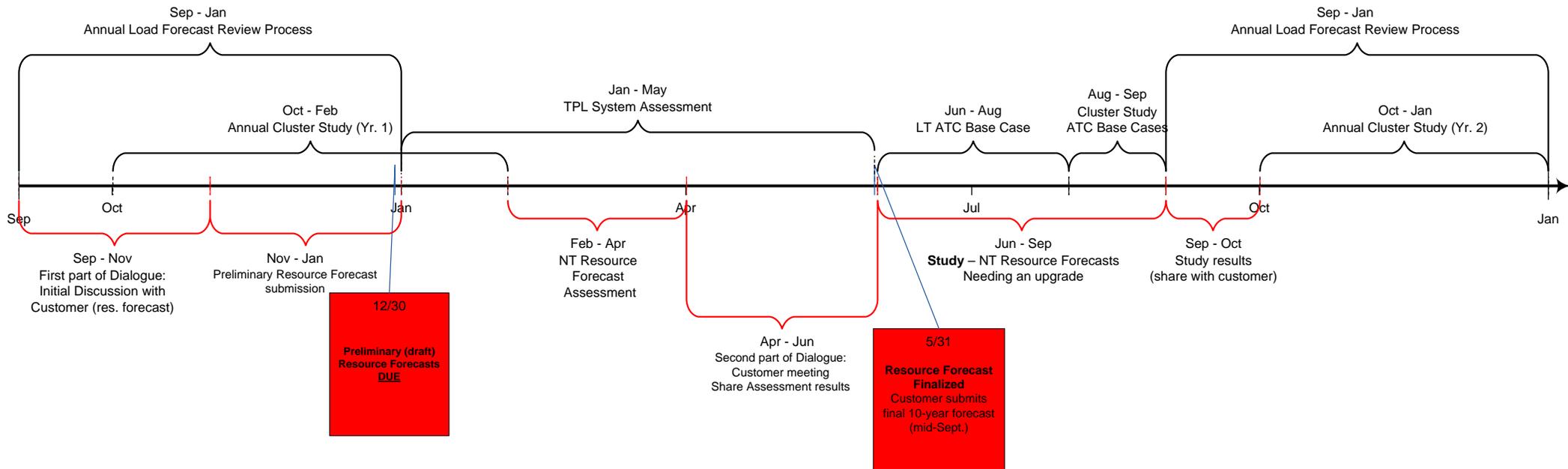
Next Steps

- BPA will continue vetting internally the overall NT Forecasted Resources Study and Expansion process.
- BPA is seeking comments and customers suggestions on the outlined process by 1/20/2016 .
 - Please send comments to techforum@bpa.gov
 - In the title of the correspondence please note – “NT Forecasted Resources Study and Expansion Process.”
- At upcoming TLS Customer Workshops, BPA will continue providing updates on the structure of the overall process and seek customer review and input.

APPENDIX



TLS – NT Planning Dialogue – Annual Process



NOTES: Red brackets indicate new processes (dialogue portion of TLS proposal). Bottom part of map indicates new processes, while upper part indicates existing processes.