BPA Discussion

ATC Methods vs. Parking Lot Issues 8 and 9 and Motion 2

General Principles established from the discussions with the NAESB OASIS Subcommittee and FERC guidance (e.g., Entergy, Dynegy orders, etc…)

Unconditional Parent Reservation – capacity is ‘safe’, in P&C applications can only be a Challenger

Conditional Redirect 1

1. Unconditional Capacity is held on the parent until the child becomes unconditional
2. The Capacity Available to Redirect on the parent reservation is reduced by the amount granted capacity of the conditional redirect

4. During the evaluation of the path of a Conditional Redirect.  Two types of capacity may be potentially granted, first is the capacity that is shared with the parent, second the remaining capacity over and above that shared with the parent can come from the available transmission capability.5. For confirmed conditional redirect 1, any impacts to atc/afc that is required to go back to the parent should be preserved

Conditional Redirect 2 from Conditional Redirect 1

1. Entergy does not cover this case but there are two possible scenarios
2. Scenario #1 - Redirect 2 ‘stands on it’s own’ if it only considers the conditional components of parent and not the grand parent
   1. Capacity is only from TSP ATC Inventory and/or the incremental conditional capacity from Conditional Redirect 1 until Redirect 2 is confirmed
   2. Once Conditional Redirect 2 is confirmed, capacity is moved from Conditional Redirect 1 and there may be a hole in Redirect 1
   3. All capacity from Conditional Redirect 2 (once confirmed) is subject to P&C
   4. Simplifies TSP tracking
3. Scenario #2: Taking Entergy into account and applying it to the grand parent’s conditionality, Redirect 2 can use the unconditional capacity, conditional ATC from Conditional Redirect 1 and the TSP ATC inventory
   1. Only conditional ATC moved from Conditional Redirect 1 and the TSP’s ATC inventory are available for competition
   2. Capacity is moved from Conditional Redirect 1 and there may be a hole in Conditional Redirect 1
   3. Tracking is more complicated as the generations are added

Examples for TSP ATC Methods, Contract Path and Flowgate using the above General Principles

Example 1: ATC Contract Path Method: Independent Paths A, B, and C (little or no passive flow between paths A, B, and C)

Original Unconditional Parent – Path A for 100 MW

Confirmed Conditional Redirect 1 – Path B for 50MW

1. 100MW Unconditional Capacity remains on the Unconditional Parent Reservation until the Confirmed Conditional Redirect 1 becomes unconditional
2. 50MW ‘capacity available for redirect’ are available on the Unconditional Parent Reservation
3. Confirmed Conditional Redirect 1 has 50MW of conditional capacity from the TSP’s ATC Inventory which is also ‘capacity available for redirect’.
4. Capacity is ‘double encumbered’ e.g., unconditional capacity is held on the Unconditional Parent Reservation and the conditional capacity is held on Conditional Redirect 1
5. Conditional Redirect 1 can be in a P&C
   1. Conditional capacity can be preempted due to competition
   2. The reservation can be in a ROFR
      1. The Match Reservation is conditional capacity provided by the TSP’s ATC Inventory and is ‘capacity available for redirect’
      2. The Confirmed conditional Match Reservation can be preempted due to competition

* 6. Problem Statement: If the Match Reservation is not an extension of the Redirect 1 (e.g., keeps the same AREF #): release of unconditional capacity on the Unconditional Parent cannot occur; and, scheduling also cannot not occur

Confirmed Conditional Redirect 2 - Path C for 30MW

1. 100MW Unconditional Capacity remains on the Unconditional Grandparent Reservation
2. 30 MW of conditional ‘capacity available for redirect’ from Conditional Redirect 1 is redirected to Confirmed Conditional Redirect 2
3. Conditional Redirect 1 has a capacity ‘hole’ of 30MW
4. Confirmed Conditional Redirect 2 can be in a P&C (same as above)
5. Problem Statement: same as above

Example 2: ATC Flowgate Method using ATC Paths A, B, C

* Path A distributes power on 2 flowgates: FG1 and FG2
* Path B distributes power on 3 flowgates: FG2 and FG3
* Patch C distributes power on 2 flowgates: FG3 and FG4

Unconditional Parent Reservation: Path A for 100 MW distributes equally across FG1 and FG2

1. Unconditional Parent Reservation has 50MW AFC on FG2 required for 100MW ATC Path A

Confirmed Conditional Redirect 1, Path B for 60 MW distributes equally across FG2 and FG3

* 1. Shared capacity on FG2
     1. Confirmed Conditional Redirect 1 uses 30 MW of AFC on FG2 for its 60MW reservation on ATC Path B
     2. 80MW of AFC on FG2 is not needed to support either reservation (e.g., double encumbering) and the ‘Shared AFC capacity’ on FG2 is 50MW
     3. For the Unconditional Parent: 100MW of unconditional capacity remains but there is no scheduling available on ATC Path A; there is AFC capacity available to redirect from FG1

1. Conditional Redirect 1 can be in a P&C
2. Conditional capacity can be preempted due to competition would result in reducing/eliminating the Path B reservation
   1. Conditional AFC capacity on FG3 can be preempted
   2. Unconditional capacity on FG2 no longer needed to support the Path B reservation would be returned to the Unconditional Parent Reservation
3. The reservation can be in a ROFR
   1. The Match Reservation is conditional capacity provided by the TSP’s ATC Inventory and is ‘capacity available for redirect’
   2. The Confirmed conditional Match Reservation can be preempted due to competition
4. Problem Statement – same as above in Example 1

Confirmed Conditional Redirect 2 - Path C for 60 MW distributes equally across FG3 and FG4

1. Conditional Redirect 2 needs all of the 30MW of FG3 AFC from Conditional Redirect 1 to enable the reservation
   1. All of the conditional AFC capacity from Redirect 1 is moved immediately to enable Redirect 2
   2. Conditional Redirect 1 would be removed from the queue because the 30MW of AFC on FG3 needed to support the reservation was used
   3. IF only a portion of the conditional AFC capacity from FG3 on Redirect 1 was needed then Redirect 1 would have been reduced proportionally
   4. Unconditional Grandparent Reservation remains unchanged
   5. Conditional Redirect 2 ‘stands on its own’
2. Confirmed Conditional Redirect 2 holds only conditional ‘capacity available to redirect’
3. Confirmed Conditional Redirect 2 can be in a P&C and would follow rules associated with an original reservation

BPA Issues:

1. Double encumbering vs. sharing of capacity issue – FERC did not require for TSPs to develop a method to ensure double encumbering. They recognized that double encumbering could occur and that it was possible and problematic but they did not require it.
2. BPA currently tracks the capacity types (unconditional and ATC inventory) when the Redirect is in a ‘pending’ state. Only the part from ATC inventory is available for competition. BPA currently applies the credit of redirect BP. NAESB will need to adopt a tracking method similar to what is used for pending redirects with the point in time that the tracking ceases moved to the time when the redirect becomes unconditional.
3. Should a Confirmed Conditional Redirect grandchild be able to use any of the Grand Parent’s unconditional capacity? (see Parking Lot Issue 6 – capacity is only from the TSP ATC inventory)
4. The WEQ 001-9.1.3.1 (crediting) supports and allows the TSP to use a ‘shared capacity’ method where appropriate and NAESB currently does not force a single ‘double encumbering’ evaluation methodology. BPA will want to retain this NAESB standard.

\* From NAESB BPs - ‘Capacity Available for Redirect’ is capacity that is still on the Unconditional Parent Reservation and may be used for scheduling, resale, redirect