Discussion Items for NITS Updates (2018 AP Item 3.d)

1. Rollover Rights

Pertinent excerpts from FERC Orders (acknowledgement to NWMT for providing information on some of these citings):

Order 890 P 1215

…The Commission also has held that a transmission provider may restrict a right of first refusal based on pre-existing contracts that commence in the future if the transmission provider knows at the time of the execution of the original service agreement that ATC used to serve a customer will be available for only a particular time period, after which time it is already committed to another transmission customer under a previously confirmed transmission request.Once a transmission provider evaluates the impact on its system of serving a long-term firm transmission customer and grants the transmission customer existing capacity, the transmission provider must plan and operate its system with the expectation that it will continue to provide service to the transmission customer should the transmission customer exercise the right of first refusal.

Order 890-A P 645

…A point-to-point customer need not have a five-year power contract in order to secure a five-year transmission service contract. Similarly, it is the length of a network customer’s network service agreement, not the length of the power contract supporting a network resource designation, that determines whether the customer is eligible for rollover.

Order 890-B P 148

The Commission affirms the determination in Order No. 890-A that the length of a network customer’s network service agreement, not the length of a power contract supporting a network service agreement, determines whether the network customer is eligible for rollover rights.A network customer’s eligibility for rollover rights is distinct from its ability to rollover a particular resource designation. In order for a network customer to qualify for rollover rights, it must have a network service agreement that satisfies the minimum term necessary for rollover rights. The network customer may then continue to designate and undesignate resources pursuant to that service agreement, subject to the availability of adequate transmission capability to accommodate the request.

Order 890-A P 648

…As the Commission explained in Order Nos. 888 and 888-A, “if the customer chooses a new power supplier and this substantially changes the location or direction of the power flows it imposes on the transmission provider’s system, the customer’s right to continue taking transmission service from its existing transmission provider may be affected by transmission constraints associated with the change.”Thus, a transmission provider must allow a rollover, even where a transmission customer changes power suppliers, so long as there is no substantial change in the location or direction of the power flows imposed on the transmission provider’s system.

Possible conclusions from above:

* An initial set of rollover rights must be identified and planned for at the time of execution of the network service agreement. Assume this would be based on the initial set of DNRs supplied in the application and assumed to be on-going through the initial term of service unless otherwise known.
* Clearly the NITS Application has a rollover provision that is distinct from any rollover rights for a specific DNR.
* Any rollover rights associated to a DNR must only be loosely tied to that DNR to accommodate the customer changing power suppliers assuming these would be associated with addition of new NITS resources.
* If a DNR has rollover rights, the DNR itself may be for less than five years in duration since the attestation could only cover the term of the power contract and the term of the power contract does not appear to be key determinant of whether the customer has rollover rights or not.

Questions to be answered:

* Is there a need to post on OASIS on-going rollover rights associated with the NITS Application similar to the ***rollover*** template for PTP? 09/19/18 decided to set up a template structure for NITS Application similar to PTP and allow the TP to enter the data required to show rollover rights (renewal due time, start, stop, etc.).
* Do DNRs have rollover rights?
* How do DNRs acquire rollover rights?
	+ Minimum term requirement?
	+ Does DNR request have to include information documenting that customer is requesting rollover rights?
* Is there a need to post on OASIS information on rollover rights associated with a DNR?
* How does customer denote that they are exercising rollover rights for a DNR?
	+ What if DNR is for a new resource representing customers option to change suppliers but using existing rollover rights?
1. Scheduling Rights (SR)

Changes already proposed based on NITS implementation:

* Ease restriction on SR Source/POR and Sink/POD to not necessarily match the DNR and/or load service points, but should be associated with a scheduling path from resource to load.
* Allow SR capacity to be different (exceed) from DNR
* Add support for submission of SRs with termination requests.

Questions to be answered:

* Should the posting of SRs be required – either by virtue of customer submission or TP allocation/assignment?
* Should there be a capability to request SRs separately and apart from the DNR request?
* Should there be a capability to request SRs with the AddNITSLoad requests?
* What other operational issues need to be addressed through the BPs or OASIS requirements for management of SRs?