

# Stakeholder Workshop on Implementing Short-term Preemption and ROFR for Hourly Service

CBPI

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# Agenda

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## Where Have We Been?

- Spring 2022: The Preemption and Right-of-First-Refusal (ROFR) process (*aka*, PCM) was implemented for Monthly, Weekly, Daily service in spring under Preemption BP v4.
- 08/04/22: Preemption BP v5 posted for comment.
  - Applies PCM to Hourly Firm and Hourly Non-firm (2-NH) products.
  - Secondary Non-firm PTP Redirects (1-NS) are not impacted by PCM as either Challengers or Defenders.
- 09/09/22: Comment period closed. 1 customer comment.
- 10/07/22: BPA response to comments were due. But...

...instead, BPA suspended BP v5 along with the planned go-live on Oct 18 because the process was intercepted by TC-24.

# TC-24 Change to the CRD for Hourly Firm

The Conditional Reservation Deadline (CRD) is defined in section 13.2 of the BPA OATT. It defines the point in time when a reservation is no longer subject to Preemption and ROFR (*i.e.*, becomes “unconditional”).

- The CRD drives all of the PCM timing for a given service.
- The CRD for Hourly Firm service was changed as follows as part of the TC-24 proceeding. ROD issued on 02/09/23.

Tariff	Effective Date	Conditional Reservation Deadline for Hourly Firm
Current	Oct 1, 2021	2pm of the WECC Preschedule Day
TC-24	Oct 1, 2023	12pm of the WECC Preschedule Day

# Relevant Terms of the TC-24 Settlement

1. BPA will not implement PCM using the 2pm CRD as outlined in the currently effective tariff.
2. The CRD for Hourly Firm service will be 12pm in the tariff that is effective on Oct 1 this year.
3. After the ROD is issued, BPA will hold a stakeholder workshop to discuss the possibility of implementing the 12pm CRD earlier than Oct 1 if no stakeholder opposes.

**Today's meeting is that stakeholder workshop.**

4. After implementing the 12pm CRD (whenever that is), BPA will provide customers an opportunity to provide feedback or report unexpected impacts at least once per quarter in the monthly CBPI meetings.

# Planned Approach

1. BPA proposes to implement PCM for Hourly service earlier than the tariff effective date of Oct 1, 2023.
  - Includes implementing PCM for Hourly Firm using the 12pm CRD.
  - The intent will be to complete the implementation by the usual Spring runoff (mid-May).
2. Customers will have 2 weeks to object to this timeline.
  - If no objections, BPA will implement by Spring 2023.
  - If any objections are received, BPA will implement this Fall to coincide with the effective date of the new tariff.
3. BPA will announce the decision via Tech Forum by March 8<sup>th</sup> and discuss further in the March 16 CBPI call.
4. Soon after, BPA will post a final Preemption BP v5 with response to comments and the applicable effective date.

# Proposed Spring Implementation

- March 8: Decision announced.
- March 10: Preemption BP v5 posted with BPA response.
- March 8 – 22: Additional training session (if needed)
- March 16: Answer any lingering questions in the CBPI call.
- April 5: BP v5 effective date.
- April 5: Start a phased implementation.
  - April 5: Hourly Firm NT vs Hourly Firm PTP - lowest volume and risk.
  - April 19: Hourly Firm PTP vs Hourly Firm PTP – first ROFR activity in the Hourly market. Customer timing and scheduling concerns.
  - May 10: Hourly Non-firm PTP vs Hourly Non-firm PTP - Highest volume and tightest timeframes. Only applies to 1:1 paths since ATC is still unlimited on flow-based paths.

# Rationale for Proposal

1. The software and BP are ready now.
2. The region was less than 2 weeks away from implementing last Oct before TC-24 intervened.
3. An earlier schedule benefits NT customers.
4. PTP customers have benefited from the goodwill of NT customers with an earlier CRD and they got a 6 month “reprieve” in the schedule via TC-24.
5. We are still working to implement the terms of the TC-20 Settlement. 😊



# Alternative Fall Schedule if there is an Objection

- March 8: Decision announced for a Fall schedule.
- March 10: Preemption BP v5 posted with comments.
- March 16: Answer any questions in the CBPI call.
- Sept: Additional training session (if needed)
- Oct 1: TC-24 tariff effective
- Oct 4: BP v5 effective date.
- Oct 4: Start a phased implementation.
  - Oct 4: Hourly Firm NT vs Hourly Firm PTP - lowest volume and risk.
  - Oct 18: Hourly Firm PTP vs Hourly Firm PTP – first ROFR activity in the Hourly market. Customer timing and scheduling concerns.
  - Nov 8: Hourly Non-firm PTP vs Hourly Non-firm PTP - Highest volume and tightest timeframes. Only applies to 1:1 paths since ATC is still unlimited on flow-based paths.

# Filing an Objection

Any customer can object to the proposed Spring timeline. Send objections by Friday March 3 to: [techforum@bpa.gov](mailto:techforum@bpa.gov)

1. Comments and commenters will not be made public without express consent by the commenter.
2. A customer can object for any reason. It is not necessary to provide a basis for your objection. However, BPA would appreciate providing such a reason if it would mean we are all better prepared for the alternate Fall timeline.
3. Any objection raised by any stakeholder will mean the implementation will be rescheduled to the Fall.

# Summary of Hourly PCM Considerations

- Hourly Firm PTP can only be challenged by another Hourly Firm (NT or PTP). 2-NH can only challenge 2-NH.
- A noon CRD for Hourly Firm means:
  - PTP must challenge by 11am of the WECC Preschedule day.
  - NT can challenge up until 11:30am of the WECC Preschedule day.
- Hourly profiles allowed, including leading/trailing zeros.
  - However, TSR must have a flat profile in order to be a Challenger.
  - A profiled PTP reservation can still be a Defender based on the total duration between start and stop times (irrespective of zeros).
- ROFR timelines are tight:
  - Hourly Firm is 30 minutes to exercise ROFR.
  - Hourly Non-firm is 10 minutes when queued less than 8 hours from start time; 30 minutes otherwise.

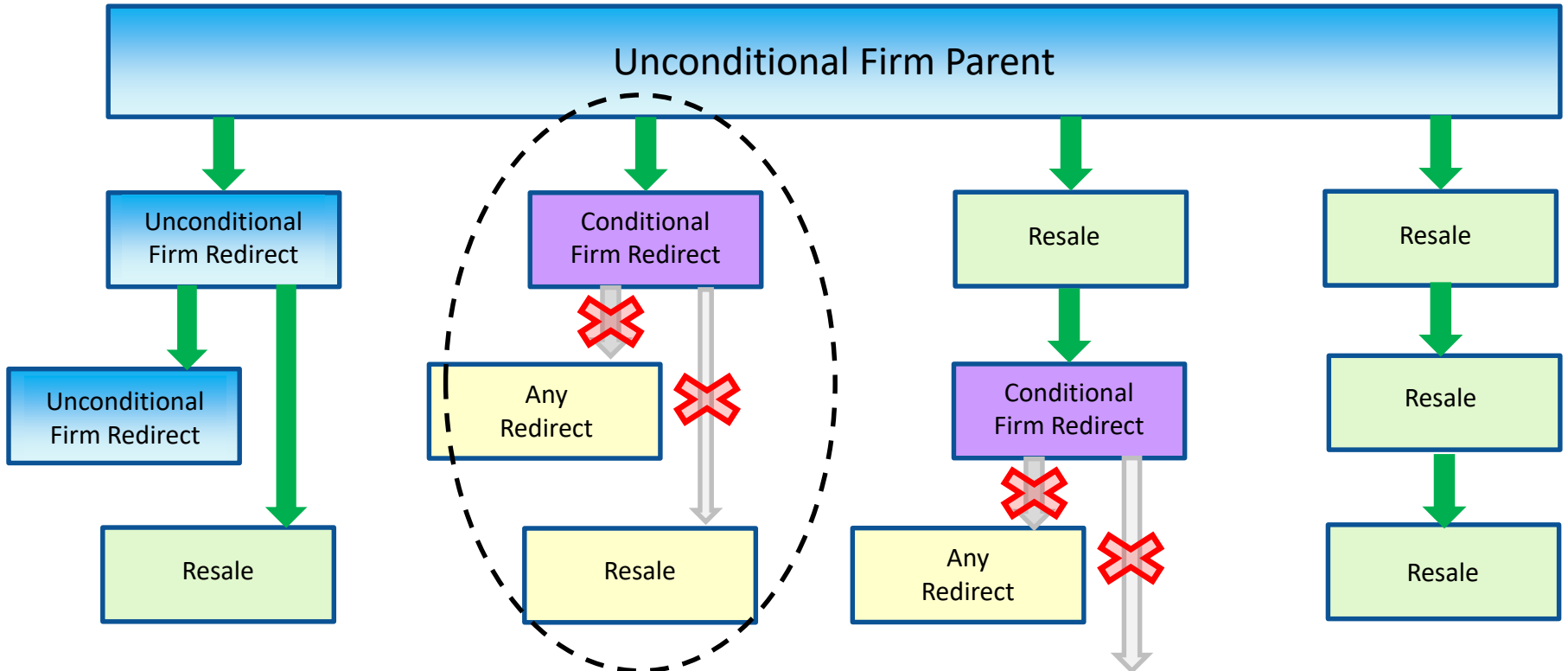
## Other Considerations of a Noon CRD

The conditional reservation deadline is primarily used in the Preemption and ROFR process.

However, this will be the first time that any CRD for Hourly Firm will be enforced for the following:

- Consolidation: Hourly Firm will not be able to be consolidated (aggregated with 'like' service) until 12pm.
- Redirects: Conditional Redirects from unconditional parents will be prevented from further Redirects and Resales until this 12pm deadline is reached. (See Redirects BP A.4 to 6)

# Redirects / Resales from Unconditional Parents



An Unconditional Redirect works the same as any Unconditional parent: Resales and Redirects allowed.

This is the basic *Dynegy* situation: Resales and Redirects are blocked from Conditional Redirects when they come from an Unconditional parent.

The same is true if one or more Resales are in between the Conditional Redirect and the Unconditional parent.

There is no change to Resales from Resales.

# Background

# TC-24 Language

1. **Tariff Section 13.2(iv).** Bonneville will change the conditional reservation deadline for (a) hourly firm point-to-point (PTP) service from 2:00 p.m. of the preschedule day to 12:00 p.m. of the preschedule day and, subject to section 7(d)(i) below, may implement the 12:00 p.m. conditional reservation deadline before October 1, 2023; and (2) daily firm PTP service from 1:00 a.m. to one preschedule day before the commencement of service. Section 13.2(iv) language is included in the Tariff in Attachment 2.
  - d. With regard to Tariff section 13.2(iv),
    - i. Bonneville will not implement the 2:00 p.m. conditional reservation deadline for hourly firm PTP service that is in section 13.2(iv) of the currently effective tariff. Following the issuance of the Administrator's Record of Decision in the TC-24 proceeding, Bonneville will hold stakeholder workshops to discuss the implementation timeline for the 12:00 p.m. conditional reservation deadline for hourly firm PTP service that is in the Tariff in Attachment 2, including an implementation timeline before October 1, 2023 if no stakeholder opposes that timeline during the stakeholder workshops.
    - ii. Following implementation of the 12:00 p.m. conditional reservation deadline for hourly firm PTP service, Bonneville will include its business process implementation in the agenda for Bonneville's Customer Business Process Improvement meetings at least once per quarter and provide customers an opportunity to provide feedback on the implementation. If any customers report unexpected impacts from the implementation, Bonneville and customers will work together to identify the cause and identify potential solutions for consideration in a future tariff proceeding.

# Terminology Recap

- Preemption and ROFR: The overall process that carries out Section 13.2 of the tariff in which a higher priority request may challenge lower priority requests and reservations for constrained capacity.
- Right of First Refusal (ROFR): The ability for PTP customers to defend their existing reservation by agreeing to match the terms of a challenging PTP request.
- Defender: Request or reservation holding conditional capacity that is at risk from higher priority requests.
- Challenger: The higher priority request that can challenge.
- Preemption without ROFR: Scenario in which the Defender really has no defense. Their capacity can simply be taken by the Challenger. Most commonly involves an NT Challenger against any PTP Defender.
- Preemption with ROFR: Scenario in which the Defender may choose to exercise ROFR to keep their existing reservation. Only occurs between a PTP Challenger and a PTP Defender holding a reservation.
- PCM: The OATI software that carries out Preemption/ROFR.