

Reservation Priority

August 28, 2012

Pre-Decisional. For Discussion
Purposes Only.



BPA Tariff – Firm Transmission Service Reservation Priority

- Section 13.2 of BPA’s Tariff provides guidance on Firm transmission service Reservation Priority.
 - *Firm v. Non-Firm Reservation Priority*
 - Firm Point-to-Point (PTP) transmission service has reservation priority over Non-Firm PTP transmission service.
 - *Long-Term v. Short-Term Reservation Priority*
 - Long-Term Firm transmission service has reservation priority over Short-Term Firm service.
 - *Long-Term Firm Reservation Priority PTP & NT*
 - All Long-Term Firm PTP transmission service has equal reservation priority with Native Load Customers and Network Customers.



BPA Tariff – Firm Transmission Service Reservation Priority

- Competing Short-Term Firm Reservations

	<i>Provided by BPA</i>	<i>Required by FERC</i>	<i>Opening of BPA Reservation Window</i>	<i>BPA conditional reservation deadline</i>	<i>Pro Forma conditional reservation deadline</i>
<i>Monthly</i>	Yes	Yes	60 days before delivery	1 month before start of monthly service	1 month before start of monthly service
<i>Weekly</i>	Yes	Yes	14 days before delivery	1 week before start of weekly service	1 week before start of weekly service
<i>Daily</i>	Yes	Yes	7 days prior to delivery	2:00pm of pre-schedule day for daily service	1 day before start of daily service
<i>Hourly</i>	Yes	No	10:00am of the WECC pre-schedule day	2:00pm of pre-schedule day for day of delivery of hourly service	---



Firm Transmission Service - NT v. PTP Reservation Priority

- Short-Term Firm PTP Competition
 - Short-Term Firm PTP TSRs are competed in accordance with section 13.2(iii) of BPA's Tariff.
 - The table on slide 3 illustrates the conditional reservation deadlines under BPA's Tariff and the FERC *Pro Forma* Tariff.
- Firm NT Service Preemption
 - Firm NT Service, of any duration, has reservation priority over Short-Term Firm PTP Service.
 - A Firm NT Service TSR preempts any Short-Term Firm PTP TSR.
 - Preemption may be exercised up to the conditional reservation deadlines outlined in the table on slide 3.
- BPA and the Region are currently considering potential changes to the Daily and Hourly conditional reservation deadlines.



Non-Firm Transmission Service - NT v. PTP Reservation Priority

- Section 14.2 of BPA's Tariff provides guidance on Non-Firm Transmission Service Reservation Priority.
 - Secondary Network Transmission Service Priority
 - Transmission Service for NT Customers from resources other than designated Network Resources (secondary network transmission service) will have higher priority than any Non-Firm PTP Transmission Service.
 - Reservation Priority for Non-Firm PTP Transmission Service
 - Non-Firm PTP reservation with a longer duration of service have higher priority than non-firm PTP reservations of shorter duration.
 - A Non-Firm PTP reservation may be preempted by a secondary network transmission service reservation of any duration.



FERC Guidance on NT v. PTP Reservation Priority

- FERC Order 888 (1996):
 - “Network transmission customers are obligated to pay all of the costs of the transmission system without regard to the resources from which energy is scheduled. Therefore, it is appropriate that the transmission associated with a network customer’s economy purchase...enjoy a higher priority than non-firm point-to-point transmission service.” (Page 332)
- FERC Order 890 (2007):
 - FERC clarified that Firm NT Service may be reserved for as short a time period as the Transmission Provider permits the reservation of Short-Term Firm PTP transmission service. (Paragraph 1505)
 - BPA currently permits the reservation of monthly, weekly, daily, and hourly Firm transmission service.



FERC Guidance on NT v. PTP Reservation Priority

- FERC Order 676-E (2009)
 - “Standard 001-4.16 and Table 4-3, which govern the queue priorities of competing transmission service requests and reservations, reflects the Commission’s policies articulated in Order No. 890.” (Paragraph 89)
 - “As specified in the *pro forma* OATT, network service (regardless of contract duration) and long-term firm service (over a year) have equal reservation priority that is higher than any short-term firm service.” (Paragraph 89)
 - “Because the priority of network service of any duration is higher than that of short-term firm service, it will preempt short-term firm service during the conditional reservation period even if the short-term firm service is of longer duration.” (Paragraph 90)



Hourly Firm Transmission Service

- The FERC does not require that Transmission Providers offer Hourly Firm transmission service.
 - In Order 888-A, the FERC expressly rejected hourly firm point-to-point transmission service as a mandatory service to be provided under the Tariff.
 - In Order 890, after considering Hourly Firm transmission service, the FERC reiterated its previous conclusion that requiring hourly firm service is not needed to address undue discrimination and is thus not mandatory.
- In 2002, the FERC approved BPA's Tariff deviation seeking the provision of Hourly Firm transmission service.
 - In March 2012, BPA extended the availability of Firm Hourly transmission service to NT Customers.

