

BPA OATT Attachment K Changes

September 18, 2012



Purpose for revising Attachment K

- BPA is revising its OATT Attachment K, titled “Transmission Planning Process,” in order to:
 - 1) Comply with FERC’s Order 1000 and incorporate the amended ColumbiaGrid planning process; and
 - 2) Make minor non-Order 1000 changes to BPA’s local planning process.
- BPA plans to file these changes in time for the October 11, 2012 Order 1000 compliance filing deadline.

Order 1000's Regional Transmission Planning Mandates

- Order 1000 was issued on July 21, 2011.
- Order 1000's mandates:
 - 1) Each jurisdictional TP must participate in a regional transmission planning process that produces a regional plan;
 - 2) Local and regional transmission planning processes must consider transmission needs driven by public policy requirements; and
 - 3) Cost allocation requirements:
 - Each public utility transmission provider must participate in a regional transmission planning process that has a regional cost allocation method for new transmission facilities selected in the regional transmission plan for purposes of cost allocation. The method must satisfy six regional cost allocation principles.

BPA's Order 1000 Compliance Background

- BPA worked as a member of ColumbiaGrid to update the Planning and Expansion Functional Agreement (PEFA), to comply with Order 1000.
 - The PEFA is the primary tool that enables ColumbiaGrid to perform its planning function.
 - The PEFA changes were developed prior to BPA tariff changes and are the basis for the Order 1000 Attachment K changes.
- ColumbiaGrid, with BPA as a member, held a public process with stakeholder participation to discuss changes to the PEFA.
- BPA also updated customers through customer calls and during the June 20th Customer Forum.

Attachment K Changes: BPA Planning Process section, “Part III”

- The Order 1000 changes to BPA’s local planning process include:
 - 1) The identification and evaluation of transmission needs driven by Public Policy Requirements; and
 - 2) Additional Attachment K language on cost allocation.

Attachment K Changes: BPA Planning section, “Part III”

Proposed local planning process changes addressing transmission needs driven by Public Policy Requirements

- 1) Customers and other stakeholders may identify transmission needs driven by Public Policy Requirements during Planning Meeting I (*revised Attachment K Part III sections 2.1.6 and 5.2.1*);
- 2) BPA will select, on a non-discriminatory basis, transmission needs driven by Public Policy Requirements for further evaluation using the non-exclusive list of factors identified in revised Part III section 2.1.7;
- 3) BPA will consider the selected transmission needs driven by Public Policy Requirements in the system assessment (*revised Part III section 2.2.1*);
- 4) BPA may develop conceptual solutions for those needs evaluated in the system assessment (*revised Part III section 2.3.1*);
- 5) BPA may develop plans of service for the conceptual solutions addressing the selected needs (*revised Part III section 2.4*) and include those plans of service in the BPA Plan (*revised Part III section 2.5*);
- 6) Customers and other stakeholders may comment on the system assessment, conceptual solutions, draft plans of service and the BPA Plan and may propose alternative solutions (*revised Part III sections 2.3.2, 2.4.2, 2.5, 5.2.2 and 5.2.3*).

Attachment K Changes: BPA Planning Process section, “Part III”

- The proposed additional language on cost allocation clarifies that BPA will not be responsible for any ColumbiaGrid cost allocation that it has not accepted.
- The proposed language reads:
The Transmission Provider shall consider for inclusion in the BPA Plan, Projects, including cost allocations for such Projects, adopted in the ColumbiaGrid planning process. Any costs of such Projects that are allocated to the Transmission Provider by ColumbiaGrid, as described in section IV.13 and IV.11 below, will be allocated if, and to the extent that, the Transmission Provider: (i) includes such Project(s) in the BPA Plan, (ii) accepts such cost allocation, and (iii) includes such costs in rates adopted in rate proceedings under section 7(i) of the Northwest Power Act, 16 U.S.C. § 839e(i). Part III section 8.1

Attachment K Changes: BPA Planning Process section, “Part III”

- The non-Order 1000 changes to BPA’s local planning process include a general shift from a biennial cycle to an annual cycle for the Planning Process. The sequence of steps in the Planning Process would be carried out each year and the opportunities to share information with interested persons, have been adjusted accordingly.
- Other changes to Attachment K Part III:
 - 1) The description of the BPA Plan (formerly Part III section 4) was moved to Part III section 2.5 consistent with where the BPA Plan fits sequentially into the local planning process;
 - 2) Part III section 5, titled “Participation,” was modified to describe the sequence of meetings and postings that will be used to share information and invite input from customers and stakeholders; and
 - 3) The description of Economic Studies was consolidated and moved into revised Part III section 3 (formerly section III.8 and portions of other sections) for clarity.

Attachment K Changes: ColumbiaGrid section, “Part IV”

- The language in BPA’s Attachment K Part IV, “The ColumbiaGrid Transmission Planning Process,” describes the ColumbiaGrid regional planning process and generally mirrors the language found in the PEFA.
- The changes to Part IV of Attachment K mirror the amendments to the PEFA. The new language incorporates the changes that the PEFA parties are proposing to make to the ColumbiaGrid planning process to comply with Order 1000’s regional planning mandates.

Attachment K Changes: ColumbiaGrid section, “Part IV”

- Order 1000 changes to ColumbiaGrid’s regional transmission planning process include:
 - 1) Expanded consideration of needs, including explicit consideration of transmission needs driven by public policy requirements;
 - See revised Attachment K Part IV sections 3.2, 3.3, 4, 5 and the revised definition of “Need”
 - 2) New Order 1000 cost allocation alternative with a process that includes:
 - a. Selection of Order 1000 projects
 - See revised Part IV section 11.1
 - b. Sponsor qualifications
 - See revised Part IV section 11.1
 - c. Order 1000 cost allocation methodology
 - See revised Part IV section 11.3

Public Comments and Follow-up

- The public comment deadline is COB Wednesday September 26, 2012.
- Please submit comments to techforum@bpa.gov.
- A follow-up conference call will take place the week of October 1-5, 2012. A notice will be sent out via techforum email.