



GI Transmission Credits, Version 8

Effective: 08/08/12

The **Transmission Credits**¹ - Generator Large Business Practice describes how repayment will occur for Interconnection Customers entitled to Transmission Credits.

Version 8 changes the title from Transmission Credits to GI Transmission Credits.

A. Credit Balance

1. The initial Transmission Credit balance consists of the total funds advanced by the **Interconnection Customer**² to BPA Transmission Services for the construction of Network Upgrades.
2. BPA Transmission Services will adjust the Interconnection Customer's Transmission Credit balance within six months following the completion of the construction of Network Upgrades based on the final costs associated with the project.
 - a. If the actual cost of the Network Upgrades is less than the funds advanced by the Interconnection Customer, BPA Transmission Services will refund the unspent portion to the Interconnection Customer plus interest that has accrued on the unspent funds within 30 Calendar Days of completion of the Network Upgrades.
 - b. If the actual cost of the Network Upgrades exceeds the funds advanced by the Interconnection Customer, BPA Transmission Services will invoice the Interconnection Customer for the remaining amount. These additional funds will be added to the Interconnection Customer's Transmission Credit balance.
3. Interest begins to accrue at the 10-year **Government Agency Borrowing Rate**³ on all funds advanced for the construction of Network Upgrades from the date BPA Transmission Services receives the payment(s) for Network Upgrades from the Interconnection Customer.
4. Once repayment has begun, interest will continue to accrue on the remaining portion of the Transmission Credit balance at the 10-year Government Agency Borrowing Rate.

¹The credits earned by the Funding Customer for advance funding the costs of Network Upgrades.

²A customer who is submitting a Generation Interconnection Request to BPA

³The rate for 10-year bonds as posted on Bloomberg, L.P. under the United States Government Agency fair market yield curve (yield curve number 84) in effect on the first date of the month during which Transmission Services receives the first payment for Network Upgrades (Bloomberg Interest Rate)

5. Twenty years after the Commercial Operation Date of the generator, BPA Transmission Services will refund any remaining Transmission Credit balance in a single payment to the Interconnection Customer, or its assignee(s) eligible to receive such payment.
6. The Interconnection Customer can assign its right to receive Transmission Credits to another entity by providing its Account Executive with written notification at least 60 Calendar Days prior to the effective date of the assignment. The written notice must include the following information:
 - a. Written authorization consenting to the assignment of the right to receive Transmission Credits signed by both the Interconnection Customer and assignee.
 - b. The effective date of an assignment must be on the first day of a calendar month.
 - c. The portion of the Transmission Credit balance assigned to each assignee, the duration of the assignment, and any other material terms, reservations, limitations or obligations related to the assignment, including those that may affect a subsequent reassignment of the right to receive Transmission Credits.
 - i. Subsequent reassignments from the assignee to other entities shall also be subject to step 6.
7. Within 15 Calendar days of the receipt of a completed notice of assignment, the **Customer**¹'s Account Executive will provide both the assignor and the assignee written notification acknowledging the assignment.

B. Transmission Credit Repayment

1. The Interconnection Customer must select, prior to the Commercial Operation Date of the Generating Facility, one of the two Transmission Credit repayment methods identified.
 - a. Method 1: When transmission service commences, Transmission Credits will be applied to charges in the Interconnection Customer's, or its assignee(s), monthly transmission bill for Network Integration (NT) or Point-to-Point (PTP) Transmission Service on a dollar-for-dollar basis at the applicable transmission rates that are in effect when transmission service is taken. Under Method 1, the Interconnection Customer must have acquired transmission service by the start of commercial operations.
 - b. Method 2: Upon the Commercial Operation Date of the Generating Facility, as declared by the Interconnection Customer under the provisions of LGIA, Appendix E, Transmission Credits will be repaid to the Interconnection Customer, or its assignee

¹Any customer taking service under Use of Facilities (UFT), Formula Power Transmission (FPT), Integration of Resources (IR), Part II or Part III of the OATT.

(s), the monthly payment is based on the Generating Facility Capacity, multiplied by the **Plant Capacity Factor**¹, multiplied by the current PTP Long-Term rate.

- i. The length of assignment of cash payments must be a minimum of 12 months.
 - ii. A cash payment will be made only to the assignee of the Interconnection Customer.
 - iii. Assignments may be made only to those who have an existing contractual relationship with BPA Transmission Services.
2. The default Transmission Credit repayment method is Method 2. Customers preferring Method 1 must notify BPA Transmission Services in writing prior to the Commercial Operation Date of the Generating Facility. Otherwise transmission credits will be returned pursuant to Method 2.
 3. The Transmission Credits will be repaid exclusively by either Method 1 or 2. The methods may not be combined.
 4. The repayment method selected by the Interconnection Customer will remain in effect for the entire term over which Transmission Credits are repaid. The Interconnection Customer cannot switch between Methods 1 and 2.
 5. The assignee(s) of the Transmission Credits are bound by the repayment method selected by the Interconnection Customer. The assignee(s) cannot switch between Methods 1 and 2.

C. Repayment Method 1

1. An Interconnection Customer that selects Method 1 repayment must have an executed LGIA and either a PTP Service Agreement with the Point-of-Receipt (**POR**²) at the Generating Facility or an NT Service Agreement in order to receive Transmission Credits.
2. If the Interconnection Customer assigns its right to receive Transmission Credits, the assignee must have either a PTP Service Agreement with the POR at the Generating Facility or an NT Service Agreement.

¹The greater of: (1) the plant capacity factor published in Table 6.3: Key Planning Assumptions for Reference Power Plants, of the Sixth Northwest Conservation and Electric Power Plan for the appropriate reference plant; or, (2) the historical capacity factor on BPA's system of Generating Facilities receiving transmission credits as described in section D.5 of the Transmission Credits Business Practice.

²Point of Receipt is an interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available by the Delivering Party; An OASIS field on a TSR that is the scheduling POR.

3. The table below specifies the transmission services that are eligible for Transmission Credits:

Eligible for Credits	
Firm PTP Transmission Service, when:	<ul style="list-style-type: none"> • The POR is at the Generating Facility • The POR is at the Generating Facility and the POD¹ is redirected on a firm or non-firm basis • The POR is at the Generating Facility and is redirected on a non-firm basis • The POR is not at the Generating Facility and the POR is redirected to the generator
Non-Firm PTP Transmission Service, when:	The POR is at the Generating Facility
NT Transmission Service, when:	The Generating Facility is a designated Network Resource
Secondary NT Service, when	The POR is at the Generating Facility
Other Services	None

4. Eligible transmission service is limited to the **Nameplate Capacity**² of the Generating Facility for all Transmission Customers receiving Transmission Credits associated with the same resource.
5. For Firm PTP Transmission Service (POR at the Generating Facility) that is, in part, redirected on a firm basis to another POR, the Transmission Credit will be prorated based on the duration of the redirect and the amount of capacity being redirected.
6. For Transmission Customers taking NT Transmission Service that are eligible to receive Transmission Credits, the Transmission Credit repaid in a given month is determined from the ratio of a Transmission Customer's monthly maximum hourly scheduled energy from the Generating Facility to the Transmission Customer's maximum Network Load on the hour of the Monthly Transmission Peak Load during the past 12 months, including the

¹Point of Delivery is a point on the The Transmission Provider's Transmission System where capacity and energy transmitted by the Provider will be made available to the Receiving Part; An OASIS field on a TSR that is the scheduling POD.

²The MW capacity of a Generating Facility, as specified in Attachment A of the Generating Facility's Interconnection Agreement.

month in which the Transmission Credit is applied. The Transmission Credit will be applied to the NT Base Charge and Load Shaping Charge on the Transmission Customer's invoice.

7. Example: If a Transmission Customer scheduled an hourly maximum of 10 MW from a resource for which the Transmission Customer holds Transmission Credits, and the Transmission Customer's maximum Network Load on the hour of the Monthly Transmission Peak Load during the past 12 months (i.e., the current billing month plus the last 11 months) was 200 MW, then the Transmission Credit applied for the month is 10/200, or five percent of the Transmission Customer's NT Base Charge and Load Shaping Charge.

D. Repayment Method 2

1. If an Interconnection Customer selects Method 2 repayment, the recipient receives a monthly cash payment, based on estimated transmission usage related to the generation facility.
2. The monthly cash payment shall be calculated using the following equation: (Generating Facility Capacity * Plant Capacity Factor) * Current PTP Long-Term rate
3. The monthly cash payment will be established prior to the Commercial Operation Date of the Generating Facility.
4. The monthly cash payment may be adjusted from time-to-time based on changes to the PTP Long-Term rate and/or updates to the metrics used by BPA Transmission Services to establish Plant Capacity Factor in Table 6.3 of the Northwest Electric Power and Conservation Plan.
5. For the purposes of determining the Plant Capacity Factor, BPA Transmission Services calculates the average historical percentage of nameplate capacity purchased as firm transmission by Generating Facilities that have received Transmission Credits under Method 1. The calculation of the historical capacity factor is shown in the table below in subsection (b). BPA Transmission Services then compares the historical capacity factor with the plant capacity factor published in Table 6.3 of the Sixth Northwest Conservation and Electric Power Plan for the appropriate reference plant, and uses the greater of the two to calculate the monthly cash payment.
 - a. BPA Transmission Services will review the capacity factor calculation each rate period and update the historical capacity factor as needed.
 - b. Historical Capacity Factor of Generating Facilities receiving transmission credits

under Method 1 on BPA’s System:

	Average MW of PTP Service Purchased	Nameplate	% of Nameplate Purchased as PTP Transmission
Generator 1	263	301	88%
Generator 2	49	76	64%
Generator 3	127	126	101%
Generator 4	276	275	100%
Generator 5	446	450	99%
Generator 6	66	96	69%
Generator 7	110	200	55%
Generator 8	144	250	58%
Generator 9	27	103	26%
Generator 10	62	63	98%
Generator 11	50	101	50%
Generator 12	312	266	117%
Generator 13	97	100	97%
Generator 14	30	100	30%
Generator 15	40	100	40%
Generator 16	101	97	104%
Generator 17	27	100	27%
Generator 18	87	157	55%
Generator 19	18	30	61%
Resulting Historical Capacity Factor for Method 1 Customers:			70%
(Average % of Nameplate Purchased as PTP Transmission for Method 1 Customers)			

E. Additional Information

Policy References

- [OATT](#): Attachment L

Related Business Practices

- New Customer Application Process for Transmission Service
- Redirects
- Generator Interconnection - Large
- Generator Interconnection - Small

Version History

Version 8	08/08/12 Changed title from Transmission Credits to GI Transmission Credits for clarity.
Version 7	06/12/22 Version 7 includes the following changes: Title changed from Transmission Credits - Generator Large to Transmission Credits, New definition added for Plant Capacity Factor; Section A - Step 3 and 4: Replaced “ Bloomberg Interest Rate ¹ ” with “Government Agency Borrowing Rate; Section B-Step 1.b: replaces “times” with “multiplied by”, Deleted step 1.b.i, Moved step 5 to step 2; Section D-Step 1: Added “related to the generation facility.”, Rewrote step 5, added steps a-b and chart; Section E-Added Generator Interconnection - Small to Related Business Practices list.
Version 6	01/28/10 Version 6 of the Transmission Credits - Generator Large Business Practice sets the default credit repayment to Repayment Method 2 (step 4.5) as described in Section 6, if none is specified. Other updates in this version include: • Deleted the definition of Nameplate Capacity and replaced the term with Generating Facility Capacity throughout. Generating Facility Capacity is defined in the Large Generator Interconnection Procedures (LGIP). • Added the definition for Plant Capacity Factor, step 2.3, which replaced Operating Availability ² • Added the definition Bloomberg interest rate in step 2.1 • Replaced the term with Plant Capacity Factor for Operating Availability throughout • Replaced generator with Generating Facility throughout • Step 4.1.1: Added language that the

¹The rate for 10-year bonds as posted on Bloomberg, L.P. under the United States Government Agency fair market yield curve (yeild curve number 84) in effect on the first date of the month during which Transmission Services receives the first payment (Bloomberg Interest Rate).

²The percentage of time in which a particular type of generating facility is expected to produce output.

	Interconnection Customer must have acquired transmission service by the start of commercial operations • Step 4.2.1: Added language regarding the provisions of the LGIA, Appendix E • Deleted the footnote at the bottom of section 6.
Version 5	01/25/10 Version 5 of the Transmission Credits - Generator Large Business Practice sets the default credit repayment to Repayment Method 2 (step 4.5) as described in Section 6, if none is specified. Other updates in this version include: • Deleted the definition of Nameplate Capacity and replaced the term with Generating Facility Capacity throughout. Generating Facility Capacity is defined in the Large Generator Interconnection Procedures (LGIP). • Added the definition for Plant Capacity Factor, step 2.2, which replaced Operating Availability • Replaced the term with Plant Capacity Factor for Operating Availability throughout • Replaced generator with Generating Facility throughout • Step 4.1.1: Added language that the Interconnection Customer must have acquired transmission service by the start of commercial operations • Step 4.2.1: Added language regarding the provisions of the LGIA, Appendix E • Deleted the footnote at the bottom of section 6
Version 4	12/01/09 This version eliminates section six and all references to Sheltering.
Version 3	7/29/08, V3 The following Sections and/or Steps of this Business Practice were revised: Section 3 • Step 3.8 - Provided timeframe for a Customer’s Account Executive to provide written notification to the Customer acknowledging an assignment. Section 4 • Step 4.1.2.1 thru 4.1.2.3 - Added additional provisions to Method 2 including length of assignment, cash payment made only to the assignee, and assignments may only be made to those with an existing contractual relationship with Transmission Services. Section 5 • Step 5.1 and 5.2 - Deleted “with the generator listed as a Network Resource”. • Step 5.3 - Added Secondary NT Service as being eligible for credits when the POR is the generator. • Step 5.6 - Deleted “share of the” and “specified in the NT Service Agreement”. • Step 5.7 - Deleted “percent share of 100MW”. Section 6 • Added “and Secondary NT” to the title of the Section. • Step 6.1.1.1- Added Secondary NT Service to Option 1.
Version 2	9/4/07, V2 The following revisions were made to this Business Practice: A second methodology was added for repaying Large Generation Interconnection Customers for the funds they advance Transmission Services to construct Network Upgrades. Those Interconnection Customers currently being repaid in accordance with the original version of the Business Practice will be given the option to convert to this second repayment methodology 60 days from the effective date of this revision. Renamed the Business Practice from Transmission Credits for Generation Interconnections to Transmission Credits- Generator Large. Replaced BPA Transmission Services with Transmission Services.
Version 1	11/30/06, V1 The Large Generation Interconnection Agreement, Tariff Attachment L, specifies that Interconnection Customers receive Transmission Credits as repayment for funds advanced for Network Upgrades that are required to interconnect new generation. This Business Practice specifies those transmission services that BPA Transmission Services considers eligible for

	Transmission Credits and describes the procedures for applying Transmission Credits to transmission charges.
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