Short-term Preemption and ROFR Project Update

CBPI

Aug 17, 2022

Mike Steigerwald

Status of Preemption BP v5

- Aug 4: v5 posted for customer comment.

- Aug 11: Customer conference call held.

- Sept 9: Customer comments due.

- Oct 7: BPA response to comments due.

- Oct 18: Proposed BP v5 effective date - pending software readiness.
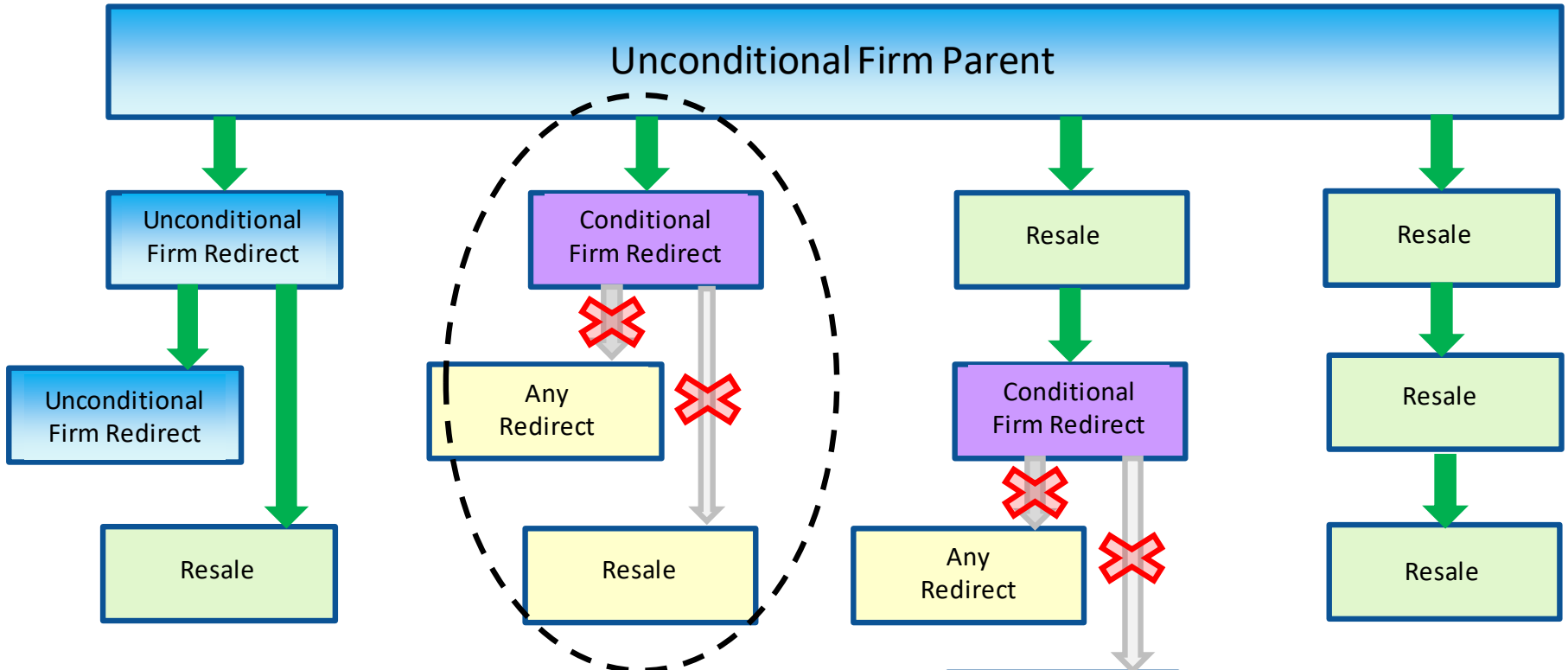
Proposed Implementation Plan v5

- Sept: Final PCM software released to Production.

- Oct 18: BP v5 effective date.

- Oct 18: Start a phased implementation.

  - ❖ Concerns: High TSR volume and short ROFR timelines in the Hourly market.

  - ❖ At least 3 weeks between phases:

    - o Oct 18: Hourly Firm NT vs Hourly Firm PTP - lowest volume and risk.

    - o Nov 8: Hourly Firm PTP vs Hourly Firm PTP – first ROFR activity in the Hourly market. Customer timing and scheduling concerns.

    - o Nov 30: 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.

    - o N/A: Secondary Hourly Non-firm Redirects: Cannot be Challengers or Defenders.

2pm Deadline for Hourly Firm

- Section 13.2 of the BPA OATT defines a 2pm conditional reservation deadline for Hourly Firm service.
  - This is not subject to comment in this BP comment period. Changing this 2pm deadline would require a tariff change.
  - BPA is not proposing to change this under TC-24.

- BP v5 will be the first time this 2pm deadline will be active. Hourly Firm will not be "unconditional" until 2pm.
  - Consolidation: Hourly Firm will not be able to be consolidated (aggregated with 'like' service) until 2pm.
  - Redirects: Conditional Redirects from unconditional parents will be prevented from further Redirects and Resales until this 2pm deadline is reached. (See Redirects BP A.4 to 6)

Redirects / Resales from Unconditional Parents

Unconditional Firm Parent

Unconditional Firm Redirect → Unconditional Firm Redirect → Resale

Conditional Firm Redirect ✗→ Any Redirect ✗ / Resale

Resale → Conditional Firm Redirect ✗→ Any Redirect ✗ / Resale

Resale → Resale → Resale

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.