BONNEVILLE POWER ADMINISTRATION

Point to Point Transmission Service (PTP)

An Overview

Value Proposition

Point-to-Point (PTP) transmission service is available in Firm and Non-Firm priorities as well as durations from one-hour to multiple years, while maintaining the ability for the customer to redirect or resell. This allows PTP service to maximize the customer's flexibility while delivering value for both load-service and marketing opportunities.

Overview

Point-To-Point Transmission Service is for the transfer of capacity and energy from Point(s) of Receipt (POR) to Point(s) of Delivery (POD). (i.e.- Point A to Point B) ¹

PTP can be purchased as:

- Long-Term Firm (LTF)
 - Yearly
- Conditional Firm Service (CFS)
 - o Yearly
- Short-Term Firm (STF) and Non-Firm (NF)
 - Monthly, Weekly, Daily or Hourly

PTP can be used to serve load or to market power to third parties. It can be resold amongst Transmission Provider customers and it can be redirected to alternative points on the transmission system on an as available basis. PTP Monthly bills are based on reserved capacity whether the reservations are scheduled or not (This is known as "Take or pay").

Reservations

PTP transmission service is reserved based on a specified MW value using a Transmission Service Request (TSR). Firm PTP service is available in yearly, monthly, weekly, daily, and hourly durations. Non-firm service is available in Monthly, Weekly, Daily and Hourly durations.²³

¹BPA OATT§13 (Firm) & 14(Non-Firm)

Scheduling

PTP customers may schedule reserved capacity using a confirmed TSR or their service agreement number in accordance with BPA's business practice.⁴ PTP has NERC curtailment priority codes ranging from 7F to 1NS. Specifically, firm PTP has a NERC priority code of 7F for all time horizons (i.e. yearly, monthly weekly, daily and hourly), whereas conditional firm and non-firm PTP have NERC curtailment priority codes of 6, 5, 4, 3, 2 and 1.^{5,6}

A customer may designate one or more scheduling agents to schedule transmission service on their behalf.⁷

Curtailment

In the event that a Curtailment is required to maintain reliable operation of BPA's transmission system and the reliability of systems directly or indirectly interconnected with it, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint.⁸ Firm NT Transmission by contrast would be simultaneously redispatched for.⁹ Curtailments are processed in ascending numerical priority order (0-7), exhausting each level before moving to the next.

STF Preemption and Competition

BPA Transmission Services' Open Access Transmission Tariff (OATT) allows a later-submitted short-term Transmission Service Request (TSR) with higher reservation priority (Challenger) to preempt an earlier-submitted request or conditional reservation with lower reservation priority (Defender) when there is not sufficient short-term capacity to grant a full offer. A Defender of a conditional PTP reservation has a Right of First Refusal to retain their reservation if challenged by a PTP request and the Defender agrees to match the duration of that PTP request.

⁹ <u>Business Practices</u> Redispatch and Curtailment Procedures, §D.5 Curtailment Procedures



² Business Practices Requesting Transmission Service, §F Reservation

³ <u>Business Practices</u> Requesting Transmission Service, §F Reservation Timelines

⁴ Business Practices Scheduling Transmission Service

⁵ Business Practices Scheduling Transmission Service, §A.3.c

⁶ BPA OATT §28.4 Secondary Service

⁷ <u>Business Practices</u> Scheduling Agent

⁸ BPA OATT §13.6 & §14.7

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Long Term Competition

When a Customer requests to defer¹⁰ taking Transmission Service that has been awarded to them, BPA's OATT allows BPA to seek another Customer willing to take and pay for the service through the competition process.

When a Customer requests to renew Transmission Service that will otherwise expire, BPA's OATT allows BPA to seek another Customer willing to take service for a longer duration through the competition process.

Unlike in the short-term, Preemption¹¹ is not a feature of long-term TSRs.

Redirect

A Transmission Customer may request to modify the POR and POD points on a firm or non-firm basis. The request shall be treated as a new request for service in accordance with Section 17¹² of BPA's OATT, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. When requesting firm service, while a new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.¹³

Resale

A Transmission Customer (Reseller) may resell all or a portion of their rights under their service agreement to another eligible transmission customer (Assignee). The cost, amount and duration of the resale transaction must be agreed upon by the Reseller and the Assignee and must be posted on the Open Access Same-Time Information System (OASIS). Resale transactions convey only scheduling rights to the Assignee. The

Reseller and Assignee are responsible for billing charges associated with a resale transaction.¹⁴

Conditional Firm Transmission Service

Conditional Firm is a form of LTF PTP transmission service that allows the Transmission Provider to curtail a reservation at the NERC Curtailment Priority 6 for reliability reasons during defined system conditions or up to a maximum number of hours each year. There are two types of Conditional Firm Service:

- Bridge Service is available to customers that are supporting the required transmission system expansion for Long-Term Firm service.
 - Conditions of service may not be changed once a customer accepts Bridge Conditional Firm Service.
- Reassessment Service is available to customers that choose not to support transmission system expansion required to provide Long-Term Firm service.
 - Conditions of service may be updated every two years based on a reassessment study.
 - A Transmission Provider may change conditions to meet the reliability needs of existing NT service and confirmed Firm Point-to-Point obligations.

Both Bridge and Reassessment Conditional Firm Service can utilize one of two types of conditions:

- System Conditions type allows the Transmission
 Provider to curtail the customer's transmission
 service at the NERC Curtailment Priority 6 at any
 time that an identified transmission system condition
 is occurring.
- Number of Hours type allows the Transmission
 Provider to curtail the customer's transmission
 service at the NERC Curtailment Priority 6 for up to a
 specified number of hours per year to mitigate
 transmission congestion.

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 $^{^{10}}$ <u>Deferral and Renewal BP</u> Customers are permitted to delay taking service for up to five years.

¹¹ Preemption allows a lower-queued Customer to take service ahead of a higher-queued request without a right of first refusal or competition.

¹² BPA OATT §17

¹³ Business Practices Redirects § C.15c -17c; BPA OATT section §22.2

¹⁴ BPA OATT §23 Schedule 7, § 2; Schedule 8, § 2