



BPA's Transmission Service Request Study and Expansion Process (TSEP)

Oregon Public Utilities Commission

February 28, 2019

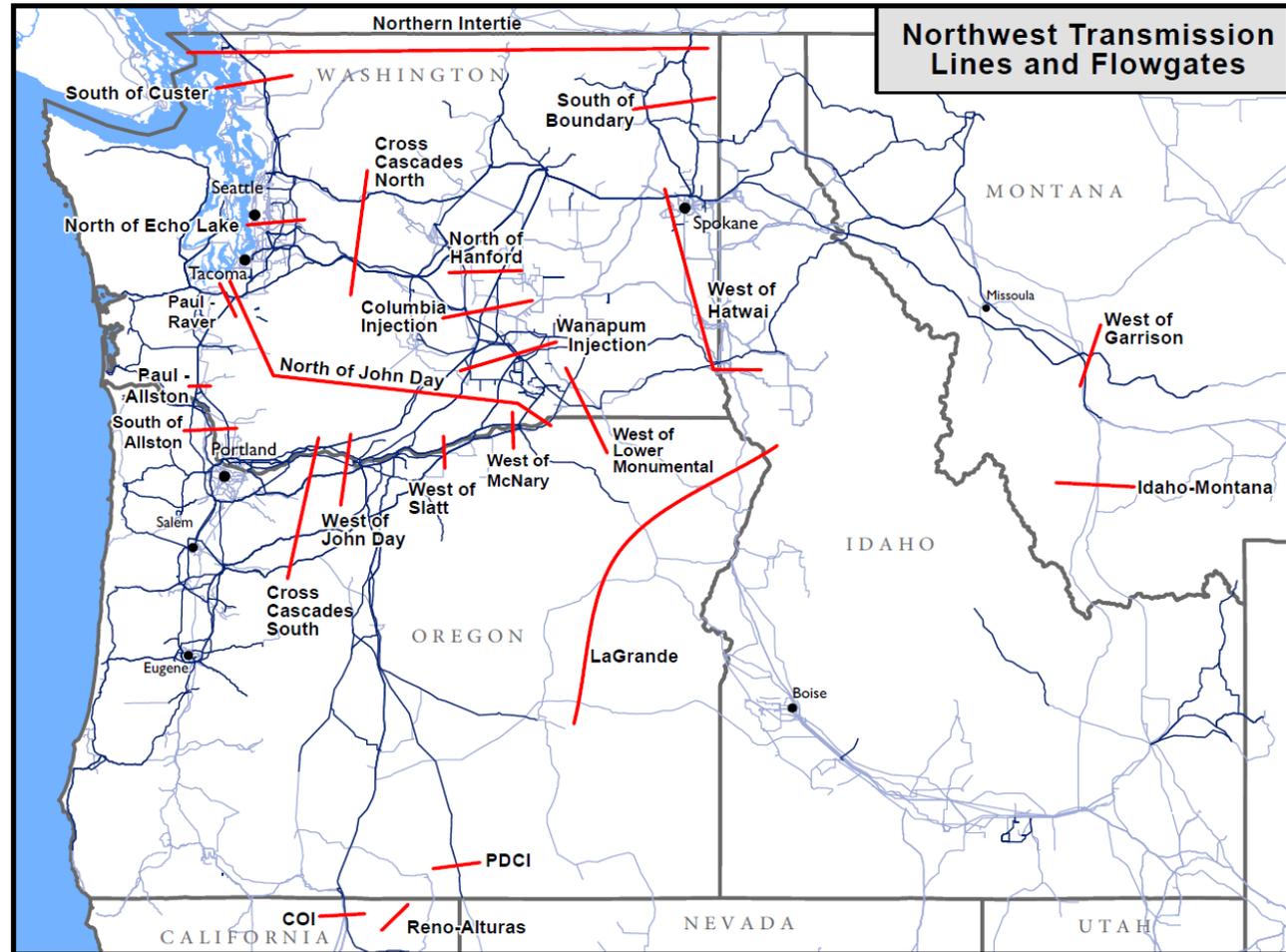


Tariff Context

- BPA provides wholesale transmission service in accordance with its Open Access Transmission Tariff (OATT) and supporting Business Practices
- BPA's process for evaluating and responding to transmission service requests (TSRs) largely mirrors the method defined by the Federal Energy Regulatory Commission's *pro forma* tariff
 - BPA has 30-day response requirement to notify the requesting customer whether BPA can provide requested service without requiring a study (section 17.5)
 - If the existing system cannot enable the TSR, BPA is obligated to offer to study and identify plans of service to upgrade the transmission system (sections 13.5, 15.4, 19 and 32 of its OATT)
 - The obligation to offer to study and upgrade its system is identically applied to Network Integration Transmission Service (NITS or NT) Customers (Section 32)

Available Transmission Capability Evaluation

- BPA manages 13 internal network flowgates, in addition to its external interties/interchanges
- In addition to managed constraints on the bulk grid network, new requests are also screened for local sub-grid area reliability limitations
 - Constraints generally associated with Receipt or Delivery Points at lower voltage levels
- Consequently, a large proportion of new requests are identified as requiring a System Impact Study



GIS Analyst: RLW Map Production Date: 6/23/2015

BPA's Cluster Study Process

- Once BPA determines a study is required, Sections 19 and 32 apply
 - System Impact Study (SIS)
 - Facilities Study (FS)
- BPA has historically (since 2008) relied on a 'cluster study', aggregating all eligible requests and combining the SIS and FS into a single study
 - The customer always has the option to request to be studied on an individual basis
- Benefits of clustering:
 - Participant cost sharing;
 - More efficient sizing of upgrades;
 - More efficient queue processing and response (queue re-stacking);
 - Higher project subscription helps project business case and rate treatment
- Risk to clustering:
 - Cost allocations can fluctuate over time based on participation levels (good or bad);
 - Customers awaiting the next BPA cluster study can sit in queue for a lengthy period of time

BPA's Cluster Study Process (continued)

- To initiate a cluster study, BPA posts a notice to its OASIS (and emails all stakeholders) of its intent to conduct a cluster study
 - Notice is generally posted 45-60 days in advance of the deadline for customers to submit TSRs
 - This notice will include the rationale, eligibility requirements, and the deadline for customers to submit TSRs
 - For the 2019 Cluster Study, the deadline was August 31, 2018
 - BPA strives to complete the study within a 120-day period (4 months)
- Study results include:
 - Costs of any directly assignable facilities that will be charged to the customer;
 - Customer's estimated pro rata share of network upgrade costs;
 - Estimated time to complete the network upgrades.
- BPA performed a cluster study in 2008, 2009, 2010, 2013, 2016 and is currently conducting one now in 2019

Deviations from *pro forma*

- BPA's tariff contains provisions related to its Federal obligation to conduct environmental review under the National Environmental Policy Act and Endangered Species Act
- These Federal obligations require BPA to perform environmental studies and develop any necessary environmental mitigation related to transmission actions/upgrades
- BPA's environmental review must be completed prior to BPA offering a Transmission Service Agreement
 - The timing for BPA to complete its environmental obligations must be considered in the time required from TSR submittal to project completion
- From a timing perspective, this is a significant deviation from the *pro forma* study and expansion process

Elements of BPA's TSR Study and Expansion Process

Phase 1: Pre-Study

Pre-study:

- Customer TSR submittal and ATC assessment;
- Period between close of last TSR deadline and next TSR deadline for Cluster Study participation (typically June-May)
- \$ - TSR deposit and processing fee

Phase 2: Cluster Study

Cluster Study:

- BPA tenders Study Agreements following TSR deadline;
- BPA commences and completes study (120-day study period);
- Results: preliminary plan of service scope, cost, and schedule;
- \$ - Customer's pro rata share of costs by MW

Phase 3: Preliminary Engineering

Preliminary Engineering/Plan of Service Validation:

- Refinement of cost and scope of Cluster Study results;
- Estimation of Environmental Review scope and costs;
- \$ - Customer's pro rata share of costs by MW

Phase 4: Environmental Review

Environmental Review:

- Required NEPA review of environmental impacts based on identified plan of service
- Includes Record of Decision on proposed action, and whether to build the project;
- \$ - Customer's pro rata share of costs by MW

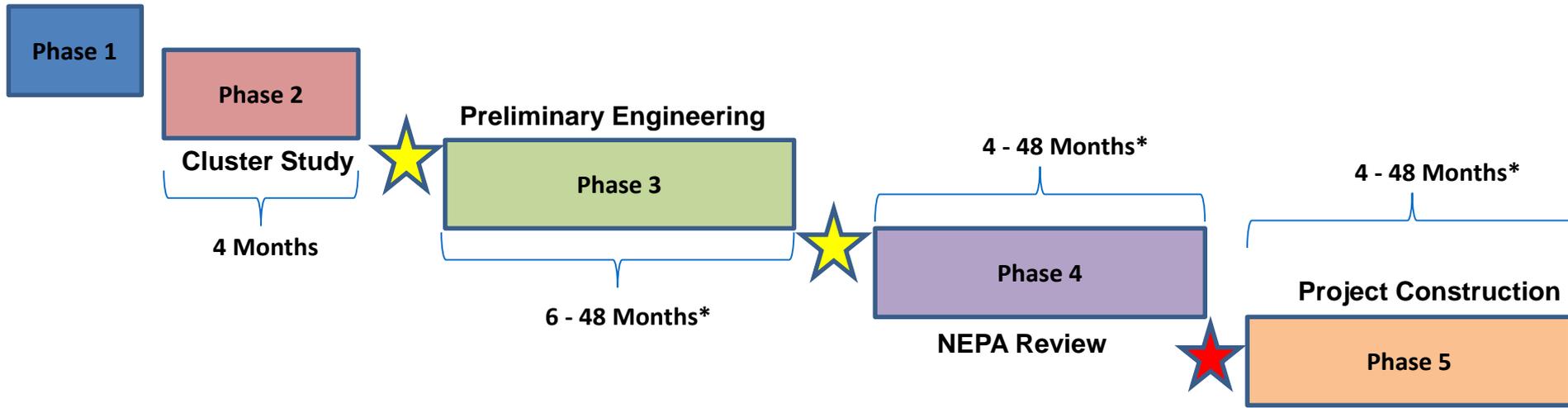
Phase 5: Project Construction

Project Construction:

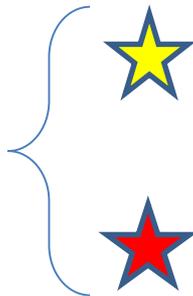
- Construction and Energization of identified transmission project;
- \$ - Customer secures its pro rata MW share of construction costs (letter of credit, etc.)

TSEP Overview – Sequence and Order

Pre-Cluster Study



At each of these points BPA refreshes project-specific information so customers can make informed business decisions.

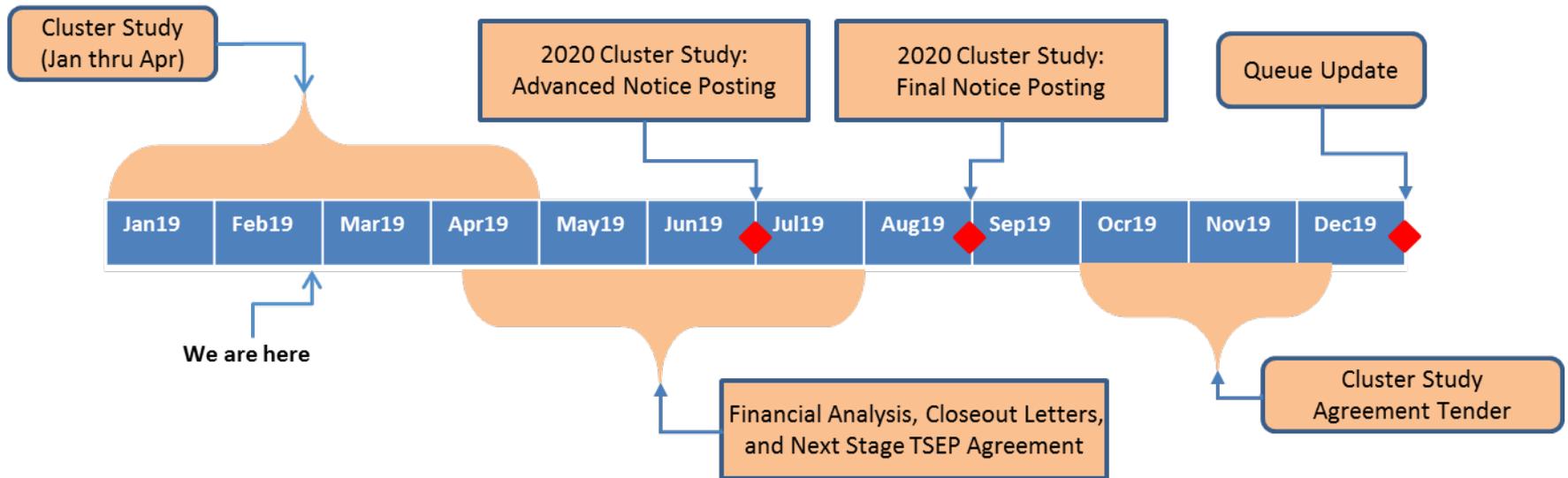


Informational Financial Guidance - Prior to the commencement of a next phase, BPA will provide customers with informational analysis on updated rate impacts and non-binding information on whether service might be provided at rolled-in rates

Formal determination of rate treatment (rolled-in or incremental) - Prior to the construction decision, BPA will perform formal rate analysis and determination of whether service can be provided at rolled-in rate based on best available information. BPA offers the Customer a Service Agreement for the requested service.

***Estimated range; actual timelines vary based on project scope or environmental impacts**

Current Cluster Study Cycle



- BPA plans to conduct a 2020 Cluster Study
- Aligns with BPA’s objective of providing a more repeatable, dependable study process
 - BPA is seeking to conduct cluster studies no less frequently than on an annual basis