

Managing Available Transmission Capacity (ATC) on BPA's Internal Paths

Northwest Power and Conservation Council

October 15, 2003

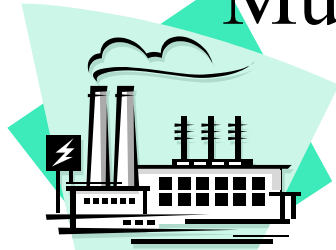
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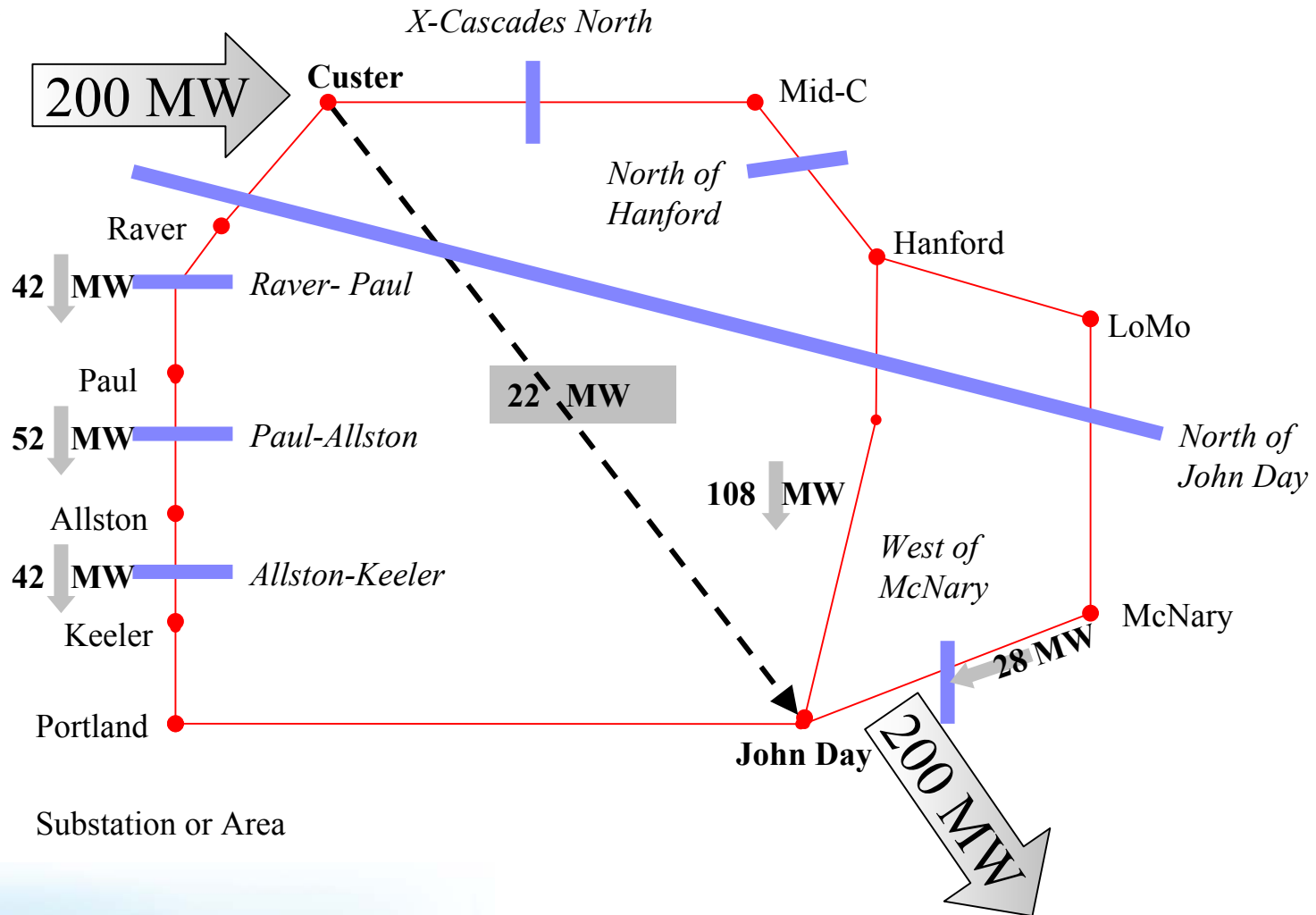
BPA Goals

- **Maximize use of BPA transmission assets while meeting current and forecast long-term obligations without significant cost or increase in curtailments compared to historical levels.**
- **Develop an approach to manage the grid that recognizes flows over an interconnected system. Eliminate weaknesses inherent in traditional contract-path model.**
- **Create a framework that could be applied more broadly.**

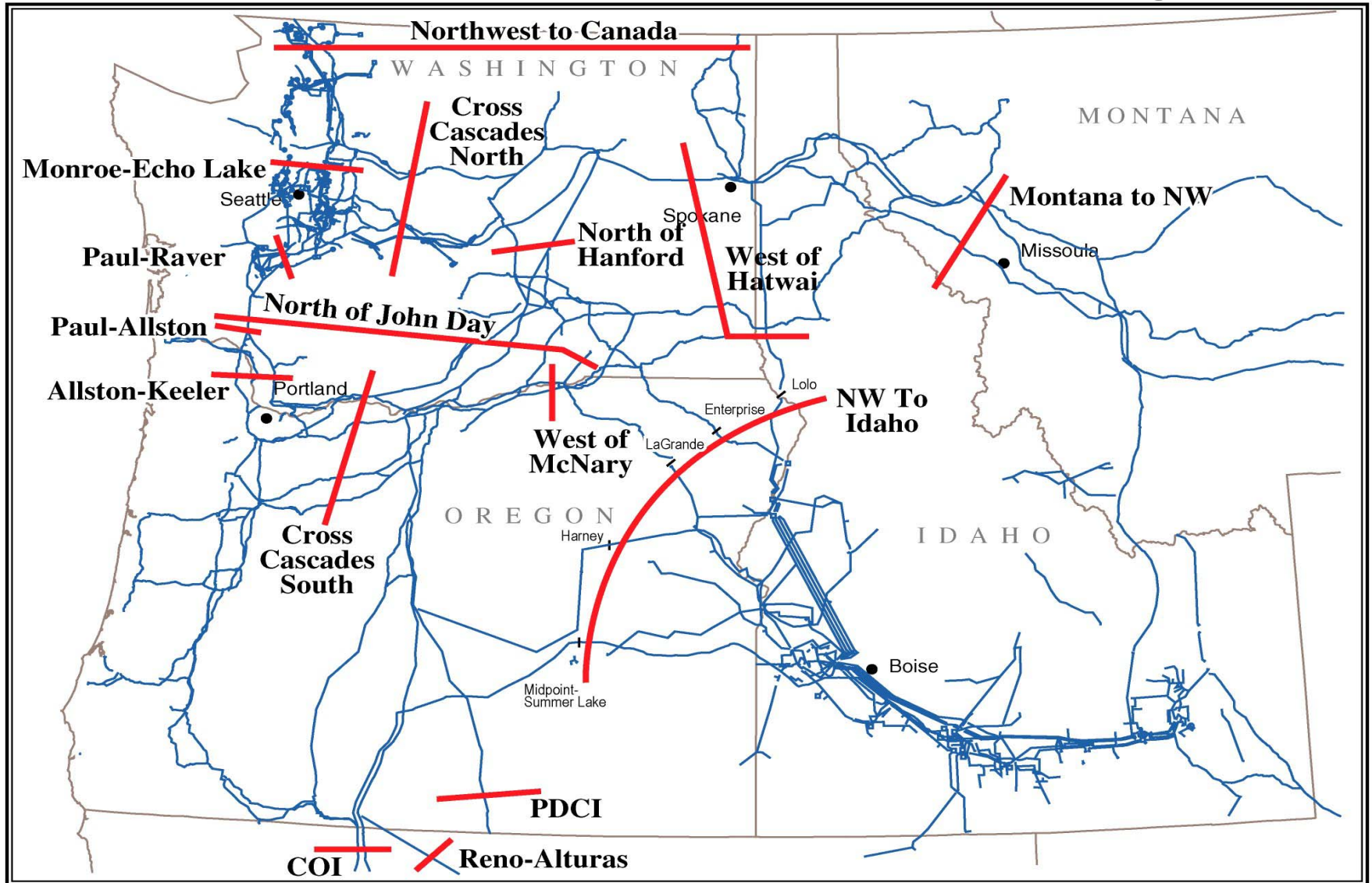
Depiction of How Single Transaction Uses Multiple Flowgates on Internal System



Hypothetical
Case: 200 MW
Custer to John
Day



Interties and Potential NW Flowgates



Decision Criteria for ATC Methodology

1. Consistency with the Tariff in providing just, reasonable and not unduly discriminatory or preferential treatment of all transmission users and minimizing disputes.
2. Ensure BPA Biological Opinion obligations are met.
3. Combined planning/contract-accounting method provides reasonable results when compared to actual flows.
4. Provide timely responses to long-term transmission service requests.
5. Encourage new generation projects to locate where transmission capacity is available.
6. Maximize assets through long-term sales and potential new product offering consistent with reliability requirements.
7. Preserve existing obligations over constrained paths with minimal degradation of service.
8. Provide basis for cataloguing existing transmission obligations and congestion management assets.

Findings and Next Steps

- Phase I (Oct '03)

- Final methodology presented including Transmission Reliability Margin (TRM) and deadband.
- Preliminary ATC results for summer 2004 (including Schultz caps and Kangley-Echo Lake) show transmission system is fully subscribed.
- New limited long-term firm service may be offered

- Phase II (Dec '03)

- Expecting some ATC relief in 2006 due to Coulee-Bell and Schultz-Wautoma projects (200-400 MW).
- Current and future long-term transmission requests will require additional network upgrades or non-wires solutions.
- These upgrades require participant funding with credits.