



Capacity Benefit Margin Implementation Document^{*} (CBMID)

CBM is the amount of firm transmission transfer capability preserved by the Transmission Provider Load-Serving Entities (LSEs), whose loads are located on that Transmission Provider's system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. Entergy does not reserve CBM in its Base Case Models and, therefore, a CBM value of "zero" is used in evaluating and reviewing transmission service requests.

Due to the approximately 17,000 MW of merchant generation that has connected to the Entergy transmission system since 1999, Entergy has determined that sufficient generation exists within the Entergy Balancing Area Authority and embedded Balancing Area Authorities such that it is not necessary to hold back transmission capacity over interfaces with external Balancing Area Authorities.

This determination is confirmed by historical usage of the transmission system and the fact that, to date, LSEs within the Entergy Balancing Area Authority have not identified the need for Transmission capacity to be set aside as CBM. This indicates that resource planning criteria (capacity margins, LOLE, etc.) are adequate without additional reliance on external resources. Entergy currently has no contractual obligations that would mandate the use of a non-zero CBM.

CBM is reviewed at least every 13 months to determine if a recalculation is necessary. If requests from LSEs or RPs within the Entergy BA area are received to set aside Transmission capacity as CBM, TOP will work with the requestor on how to best accommodate their needs. Alternatives will include setting aside Transmission capacity CBM.

If it is determined that Entergy will change from a zero value for CBM, this procedure will be modified to include the details and assumptions for establishing and allocating CBM on the Flowgates. Entergy will not modify the use of a zero value for CBM unless it submits a filing under Section 205 of the Federal Power Act for a higher value.

Because Entergy does not hold back firm transmission capacity for CBM in evaluating transmission service requests, there is no additional non-firm capacity that can be made available by releasing CBM. In the future, if a non-zero value for CBM is used, Entergy will develop and document the use of CBM per the applicable Reliability Standards.

^{*} Excerpt of Entergy's TO-OP-MOD-003 R04 procedure