OVERVIEW OF NETWORK INTEGRATION TRANSMISSION SERVICE ("NITS")
AGENDA

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• GENERAL CHARACTERISTICS OF NITS
• INITIATING NETWORK SERVICE
• DESIGNATED NETWORK RESOURCES
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BACKGROUND ON LADWP PROPOSED TARIFF CHANGE TO OFFER NITS

• Network Integration Transmission Service (NITS) – posted on February 21, 2017

• Patterned after FERC pro forma NITS
GENERAL CHARACTERISTICS OF NITS

- NITS allows customers to deliver energy from Designated Network Resources (DNRs) to designated Network Load (Sections 1.23 and 31)
- LADWP is not responsible for Network Customer resource adequacy (Order 890-A, at P904)

- Network Customers pay for NITS based on a load ratio share of LADWP’s transmission revenue requirement (Section 34.1)
- Also must pay for applicable ancillary services (Section 34)

- LADWP is responsible for planning, constructing, operating and maintaining LADWP’s Transmission System to provide NITS (Section 28.2)
INITIATING NETWORK SERVICE

- Load serving entities are eligible to request NITS (Sections 1.12 and 28.1)
- Application must be submitted (Section 29.2)
- Network service agreement must be signed (Section 29.1)
- Network Operating Agreement must be signed (Section 35.2)
- With first Network Customer, LADWP will establish a Network Operating Committee to coordinate operating criteria (Section 35.3)
DESIGNATED NETWORK RESOURCES

• Network Resources (Section 30)
  – May only be used to serve network load
  – Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract
  – External resources must be delivered to the BAA using firm transmission
  – No limit to MWs that can be designated as network resources

• Sales to Third Parties (Section 28.6)
  – May not be sourced from designated network resources
  – Must be sourced from undesignated network resources using Point-to-Point service
SECONDARY NETWORK SERVICE (SECTION 28.4)

• Network customer may use LADWP’s Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources on an as available basis at no additional charge.

• Use of Secondary Service to deliver from resources other than Network Resources to Network Loads will have a higher priority than Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.
OTHER OBLIGATIONS OF NETWORK CUSTOMERS

• All network resources participate in redispatch for system emergencies (Section 33.2 and 33.3)
  - Costs of redispatch are allocated among LADWP and network customers on a load ratio share basis

• Forecast of network load and resources must be provided annually and updated for material changes (Section 31.6)
QUESTIONS?