

Business Practice #28: Conditional Firm Service

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Effective: September 16, 2021
Revision No.: 3.0

NOTICE

A redline version of the most recent revisions to this business practice is available at:
<https://www.oasis.oati.com/woa/docs/PPW/PPWdocs/BP28red.pdf>

Policy Reference

In Order No. 890, dated February 16, 2007, the Federal Energy Regulatory Commission (“FERC” or “Commission”) adopted a requirement for Transmission Providers to offer conditional firm service (“CFS”) (Order No. 890 ¶ 925).¹

The following sections of PacifiCorp’s Open Access Transmission Tariff (“OATT” or “Tariff”) address CFS at least in part: Part I – Common Service Provisions, Section 1.52; Part II - Point-To-Point Transmission Service, Sections 13.4 – Service Agreements, 13.6 – Curtailment of Firm Point-To-Point Transmission Service, 14.7 – Curtailment or Interruption of Service, 15.4 - Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch Transmission Customer or Conditional Curtailment, 19.1 – Notice of Need for System Impact Study, 19.3 – System Impact Study Procedures and 19.7 – Partial Interim Service. *See also* North American Energy Standards Board (“NAESB”) business practice standards WEQ-001-21.1-Limitations and Conditions of Service and WEQ-001-21.3-Biennial Reassessment.

Definitions

No definitions other than the following and those currently contained in the OATT are required for this business practice.

Bridge – The contract period which spans the gap in time between when the Conditional Long-Term Firm PTP Transmission Service Agreement (“CFS Service Agreement”) is executed and when the relevant transmission upgrades become operational providing the Transmission Customer Long-Term Firm Point-To-Point Transmission Service (“PTP Service”) at some point in the future, as stated in the CFS Service Agreement. In order to receive a Bridge agreement, the Transmission Customer must commit to participate in the necessary Transmission System upgrades.

¹ To review the Commission’s discussion and determination regarding CFS, see Order No. 890, ¶¶ 962 to 1094. In Order No. 890, the Commission requires each Transmission Provider to work together with other Transmission Providers to develop regional practices for the implementation of CFS (Order No. 890 ¶ 1046).

Conditional Curtailment – Curtailments that occur at the non-firm/secondary network Transmission Service priority level based on either the system conditions (“System Conditions Option”) specified in the Transmission Customer’s CFS Service Agreement or on the number of curtailment hours (“Number of Hours Option”) specified in the Transmission Customer’s CFS Service Agreement.

Conditional Firm Service (CFS) – A form of Long-Term Firm PTP Service that can be offered, upon request, when a Transmission Provider does not have Long-Term Firm PTP transmission capacity available to meet the request. CFS includes less-than-firm service defined by a lower curtailment priority in either a defined number of hours in a year or during predefined system conditions. If the service is accepted, the terms are defined and included in the Transmission Customer’s CFS Service Agreement. CFS does not preclude PacifiCorp’s obligation to offer other forms of Tariff service (*i.e.*, partial MW offers, partial duration offers, or a combination of the two). PacifiCorp is obligated to make an offer of partial firm service, if possible, pursuant to Section 19.7 of its OATT. The remainder can then be studied to determine whether a CFS offer is possible if the customer desires a System Impact Study for CFS.

Number of Hours Option – A CFS option in which the Transmission Customer’s Conditional Curtailments are tied to a specified number of hours during the contract year and can be exercised by the Transmission Provider any time curtailment is required to relieve actual or anticipated reliability problems on the Transmission System.

Reassessment – A biennial (every other year) right of PacifiCorp to determine whether the system conditions or number of hours specified in the Transmission Customer’s CFS Service Agreement need to be modified for purposes of maintaining reliability. Reassessment only applies to Transmission Customers who have selected not to commit to system upgrades that would allow them to receive Long-Term Firm PTP Service. Transmission Customers that have made the commitment are called “Bridge” customers and are not subject to reassessment.

System Conditions Option - a CFS option in which the Transmission Customer’s Conditional Curtailments are tied to conditions of the Transmission System and can only be exercised when those system conditions are occurring or are anticipated to occur.

Purpose

The purpose of this business practice is to establish the conditions under which PacifiCorp will study and offer the option for CFS to Transmission Customers and the procedures a Transmission Customer must follow when requesting a CFS study. This business practice applies to all Transmission Customers unless explicitly contradicted by contract terms.

Practice

CFS Characteristics

- Where a request for Long-Term Firm PTP Service of at least one year is made by a Transmission Customer and all or a portion of that request cannot be satisfied out of existing capacity, the Transmission Provider shall, at the request of the Transmission Customer and in the System Impact Study, identify: (1) the transmission upgrades necessary to provide the service, and (2) the options for providing service during the period prior to completion of those transmission upgrades. If upgrades cannot be completed, the options subsequently studied must include conditional firm options and planning re-dispatch.
- The Transmission Customer can request a System Impact Study of CFS as an alternative to the construction of transmission upgrades required for Firm PTP Transmission Service or during the interim period prior to the completion of required upgrades (a “Bridge”). PacifiCorp is then obligated to conduct the System Impact Study to define the requirements for CFS service. The Transmission Customer is responsible for paying the actual costs for such studies.
- PacifiCorp is not obligated to offer CFS if reliability will be negatively impacted by the provision of such service. Examples of negative impacts on reliability include, but are not limited to, the following:
 - Violation of one or more of the North American Electric Reliability Corporation (“NERC”) or Western Electricity Coordinating Council (“WECC”) Reliability Standards.
 - Violation of a Transmission Provider reliability requirement.
 - Creation of chronic unscheduled (or “loop”) flow that cannot be anticipated on a long-term basis.
 - Interference with a Transmission Provider’s statutory obligations.

CFS Study Requirements

- PacifiCorp will determine the availability of CFS by performing a System Impact Study. PacifiCorp shall study both the System Conditions Option and Number of Hours Option, unless otherwise requested by the Transmission Customer.
- If the System Impact Study determines that CFS can be offered, the Transmission Customer must accept or reject CFS. The Transmission Customer must decide if it desires to accept CFS as a Bridge product until the construction of study-defined upgrades to the Transmission System are completed or, for Transmission Customers

electing not to support construction, as a product subject to Reassessment. If the Transmission Customer accepts CFS as either a Bridge or Reassessment product, it must choose either the System Conditions Option or the Number of Hours Option in its CFS Service Agreement. The Transmission Customer may not choose both options.

- PacifiCorp will determine the CFS study methods and, if applicable, the CFS Available Transfer Capability (“ATC”) at the constrained points on its system.
- For the Number of Hours Option, the System Impact Study will state the hours that PacifiCorp may conditionally curtail service. Additionally, PacifiCorp may add a risk factor to this calculation of annual curtailment hours to account for forecasted risk.
- For the System Conditions Option, the System Impact Study will state with specificity any acceptable system conditions during which CFS will apply including, but not limited to, designation of limiting transmission elements, such as a transmission line, substation or flowgate, or load levels linked to a specific constraint or transmission element that is associated with the request for service.

Procedure for Requesting a CFS Study

The System Impact Study Process:

- Transmission Customers must submit a Transmission Service Request (“TSR”) on PacifiCorp’s Open Access Same-Time Information System (“OASIS”) website requesting Long-Term Firm PTP Service.
- If PacifiCorp does not have sufficient ATC to provide Long-Term Firm PTP Service, it shall inform the Transmission Customer within 30 days of the completed TSR and offer a System Impact Study Agreement (“SIS Agreement”).
- The Transmission Customer and PacifiCorp will determine the scope of the System Impact Study and execute a SIS Agreement. For the System Impact Study to include a study of CFS, the scope of the study must include those provisions outlined below at the time the SIS Agreement is executed by both parties.
- The System Impact Study must identify the following:
 - Transmission additions or upgrades required to provide the requested Long-Term Firm PTP Service.
 - System constraints, identified by each transmission facility that caused the Transmission Provider to be unable to provide Long-Term Firm PTP Service.

The Transmission Provider may determine whether to consider physical, schedule and/or contractual congestion.

- If a study of CFS is requested, PacifiCorp will also provide information on both the Number of Hours Option and System Conditions Option unless otherwise requested by the Transmission Customer.
- Unless otherwise agreed, PacifiCorp will use due diligence to complete the System Impact Study within 60 calendar days after receipt of both the study deposit and the fully-executed SIS Agreement, including the additional analysis required to identify capacity available as CFS.
- If the Transmission Customer chooses CFS, it must select either the Number of Hours Option or the System Conditions Option for Conditional Curtailment (but not both). The Service Agreement offered by the Transmission Provider must contain a description of the system conditions or number of conditional curtailment hours.
- PacifiCorp will file a signed CFS Service Agreement with the Commission as a non-conforming service agreement.
- PacifiCorp and Transmission Customer will comply with the time requirements specified in Section 19 of the OATT.

Reassessment:

- PacifiCorp may perform a Reassessment of the curtailment conditions and/or hours on a biennial (every other year) basis. If PacifiCorp elects to perform a biennial Reassessment, a Reassessment Study will be provided no less than ninety (90) days prior to the end of the biennial period, and the Transmission Customer must pay all actual study costs.
- The following rules will apply to Reassessments:
 - Hours/conditions worsen – If system conditions (for System Conditions Transmission Customers) decline or the number of conditional hours (for Number of Hours Transmission Customers) become more onerous to the Transmission Customer, the Transmission Customer may choose to either continue with the service under the new conditions or to discontinue the service. If the Transmission Customer informs PacifiCorp in writing that it chooses to discontinue the service on the date on which the system conditions or number of hours associated with the CFS change, the Transmission Provider will annul the reservation as of the effective date of the more onerous conditions (*i.e.*, the date on which these conditions materialize). Written notice of the choice to discontinue the reservation must be received by PacifiCorp at least ninety (90) calendar days in advance of the date upon which the system conditions or conditional hours would change.

- Hours/conditions improve – If system conditions (for System Conditions Transmission Customers) improve or the number of conditional hours (for Number of Hours Transmission Customers) become less onerous to the Transmission Customer, the Transmission Customer shall not terminate the CFS Service Agreement; rather, both parties will remain contractually bound to continue the service until the next Reassessment or until the CFS Service Agreement terminates, whichever comes first.
 - PacifiCorp will amend the CFS Service Agreement to reflect the results of the biennial Reassessment. PacifiCorp will file the amended CFS Service Agreement with the Commission pursuant to the Commission’s filing requirements.
 - If there are no changes in the conditions or hours of curtailment, as applicable, both parties are obligated to continue the service through the term of the CFS Service Agreement.
- In situations in which the Transmission Customer commits to paying the costs associated with upgrades necessary to provide the service on a fully firm basis, the conditions or hours identified by the Transmission Provider shall remain in effect until such time as the upgrades have been completed.
- PacifiCorp may choose to waive the option for Reassessment. Notice of waiver will be provided by PacifiCorp to the Transmission Customer no less than ninety (90) calendar days prior to the start of the next two-year portion of the service reservation, pursuant to established NAESB guidelines. Waiver will be posted as a discretionary action on PacifiCorp’s OASIS. The waiver is not to be applied to the entire term of the agreement unless explicitly agreed to by PacifiCorp.

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Revision History

Version	Date	Change Summary
3.0	9/16/21	Removing cost estimate language from System Impact Study
2.0	2/22/13	Revised to add further clarity and reformatted to standard template. In the Reassessment section, revised timing requirement needed to provide written notice for discontinuance of reservation. (BP posted for comments, to become effective on March 9, 2013.)
1.0	2/21/08	Added waiver information to Reassessment section
0.0	10/27/07	Finalized draft – no comments received
Draft		