



Western Area Power Administration Planning Redispatch Service Business Practice

Background: In Order No. 890, dated February 16, 2007, the Federal Energy Regulatory Commission ("FERC" or "Commission") adopted a requirement for Transmission Service Providers ("TSP") to offer Planning Redispatch Service ("PRS") (Order No. 890 ¶ 923). To review the Commission's discussion and determination regarding PRS, see Order No. 890, paragraphs 962 to 1036 and 1079 to 1084. Further, the Commission added language in Sections 13.5, 15.4, 19.1, and 19.3 of the Order No. 890 pro forma Open Access Transmission Tariff ("OATT") regarding PRS.

Purpose: The purpose of this Business Practice ("BP") is to establish the procedures by which a Transmission Customer ("TC") may elect to request a System Impact Study ("SIS") for PRS from the TSP. It also establishes the procedures by which the TSP will study PRS as part of the SIS and associated implementation requirements. This BP should be viewed as an initial "procedures" document, and as a result, this BP may be modified from time to time as various issues surrounding PRS are addressed and practices are improved.

Business Practice Content: This BP is divided into three sections. Section 1 contains definitions specific to the PRS product. Section 2 provides general information regarding the characteristics of PRS, including TSP and TC rights and obligations. Section 3 describes the HOW TO Procedures a TC must follow when requesting a PRS study and the procedures a TSP must follow when doing a reassessment of an existing PRS reservation. Because the purpose of this BP is to implement Commission policy and directives announced in Order No. 890, Order No. 890 will control in the event of a conflict between this document and Order No. 890.

Section One: Definitions

Bridge: The contract period which spans the gap in time between when the PRS Service Agreement is executed and when the relevant transmission upgrades become operational giving the TC long-term firm Point-to-Point ("PTP") transmission service. In order to receive a Bridge transmission product the TC must commit to participate in the necessary system upgrades in its service agreement.

Planning Redispatch Service ("PRS"): A form of long-term firm PTP service that is offered when the TSP does not have long-term firm available transfer capability ("ATC") to meet the request. PRS involves a determination of whether out-of-merit order generation resources can be used to maintain firm PTP service (Order No. 890 ¶ 911). PRS does not preclude the TSP's obligation to offer other forms of partial interim service (i.e., partial MW offers, partial duration offers, or a combination of the two). The TSP is obligated to make a partial offer of firm service if



possible. The remainder can then be studied to determine whether a PRS offer is possible if the customer desires a PRS SIS.

Reassessment: A biennial right of the TSP to determine whether the conditions under which PRS is provided need to be modified for purposes of maintaining reliability. Reassessment does not apply to TCs who have selected to commit to system upgrades that would allow them to receive long-term firm PTP service. Customers that have made this commitment are called “Bridge” customers (Order No. 890 at footnote 574 and ¶¶ 959, 980, 981). Customers will be responsible for the costs of the TSP conducting their individual biennial reassessments (Order No. 890-A at footnote 230).

Section 2: PRS Characteristics

- If the TSP is unable to provide long-term firm PTP service for all or a portion of the transmission service request, the TC can request a SIS of PRS 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”). The TSP is then obligated to conduct the SIS. The TC is responsible for paying for these studies.
- TSPs are not obligated to offer PRS if reliability would be negatively impacted by provision of such service. Under this BP, examples of negative impacts on reliability include, but are not limited to:
 - Violation of one or more of the NERC or WECC/MRO Reliability Standards.
 - Violation of a TSP’s written reliability requirements.
 - Creation of chronic unscheduled flow that cannot be predicted on a long term basis.
- TSPs are not obligated to offer PRS from resources that are not available to provide the service. Under this BP, examples of such unavailability include, but are not limited to:
 - Resources that are fully employed to meet the needs of bundled retail native load and thus are not available to provide redispatch during peak periods.
 - Resources that are expected to provide reliability redispatch in response to constraints.
 - Resources with restricted run times that are required to meet the reliable service needs of native load, including reliability redispatch needs.



- Federal power marketing administration resources which are fully committed to satisfy Federal statutory and/or contractual obligations (Order 890 ¶¶ 945 and 948-949, and Order 890-A ¶ 539).

2.1 PRS Study Requirements

- The availability of PRS is determined by the TSP by performing a SIS. The SIS must identify the following within the TSP's control area:
 - Generation resources, including its own resources, that can relieve the congested transmission facility at issue; and
 - The impact of each identified resource on the congested facilities, e.g., the generator shift factor (Order 890 ¶ 1003).
- In addition to identifying generation resources within the TSP's control area, the SIS must also identify resources outside the control area that may be able to relieve congested transmission facilities. This does not require the TSP to undertake any additional investigation or study to identify generation options located outside of the control area; rather, to the extent the TSP has such information, it must provide it to the TC (Order 890 ¶ 1003).
- The resources identified in the SIS need not be available to provide the redispatch. TCs must simply be provided with the set of generators that could, if available, make a significant contribution toward relieving the constrained facility at issue (Order 890 ¶ 1003).
- If the SIS determines that PRS can be offered, the TC must accept or reject PRS within the timeframe specified in the TSP's OATT. The TC must also decide if it desires to accept PRS as a Bridge product until the installation of study-defined upgrades to the transmission system are completed.
- Each TSP determines the PRS study methods.

2.2 PRS In Lieu of or In Addition to Service from the TSP

- Network TCs and third parties may voluntarily provide PRS in the TSP's control area. A seller may post its price to relieve a specific congested transmission facility and its ability to relieve the congestion, but the TSP is not required to accommodate such posting on its



OASIS until the appropriate standards are developed by the North American Energy Standards Board (Order 890 ¶ 1005).

- TCs may contract in advance with third parties or use their own resources to secure PRS in lieu of or in addition to service from the TSP. The TSP has the right to review and require the amendment of such arrangements, and they must be sufficiently detailed to allow the TSP to maintain reliability. It is the TC's ultimate responsibility to ensure that all the necessary contractual and technical arrangements are in place to maintain reliability (Order 890 ¶¶ 1006-1007).
- The TSP shall have primary responsibility for overseeing the coordination of third-party PRS. For example, if third-party PRS adversely impacts ATC, the TSP will make this determination and notify the TC and direct the appropriate remedial action (Order 890-B ¶ 132).
- TSPs may curtail TCs if a third-party resource fails to perform its contractual PRS obligation. This or any other remedy for non-performance will be specified in writing between the parties prior to commencement of the service (Order 890 ¶ 1007).

2.3 Biennial Reassessment

- PRS is subject to biennial Reassessment, unless PRS was selected as a Bridge product.

2.4 Miscellaneous Characteristics of PRS

- PRS TCs have the option of paying: (1) the higher of actual incremental costs of PRS or the TSP's applicable embedded cost transmission rate; or (2) a fixed rate for PRS to be negotiated between the TSP and TC, subject to a cap representing the total fixed and variable costs of the resources expected to provide the service. If the TC selects the higher of incremental cost or the embedded-cost rate, the TSP shall calculate the costs of PRS monthly and charge the higher of incremental cost or the embedded cost rate each month (Order 890 ¶¶ 1023-1024).
- PRS reservations have rollover rights under the same conditions in which rollover rights are available for a long-term firm PTP reservation.

Section 3: HOW TO Procedure for Requesting a PRS Study

3.1 The System Impact Study Process:



- The TC must submit a Transmission Service Request (“TSR”) on OASIS requesting firm PTP transmission service for a period of at least one year, and meet any other requirements specified in the TSP’s OATT.
- If the TSP does not have sufficient ATC to provide long-term firm PTP service, the TSP shall inform the TC and offer a SIS Agreement.
- The TC and TSP determine the scope of the SIS and sign a SIS Agreement. For the SIS to include a study of PRS, the scope of the study must include those provisions at the time the SIS Agreement is signed.
- The SIS must identify the following:
 - Transmission additions or upgrades required to provide the requested long term firm PTP service.
 - Cost estimates for all transmission additions or upgrades.
 - Specific system constraints that caused the TSP to be unable to provide long term firm PTP transmission service. The TSP may determine whether to consider physical and/or schedule congestion.
 - If PRS is studied, the SIS shall identify all resources located within the TSP’s control area that can significantly contribute toward relieving the system constraint, and provide a measurement of each resource’s impact on the system constraint. If the TSP possesses information indicating that any resource outside its control area could relieve the constraint, it shall identify each such resource in the SIS.
- Unless otherwise agreed, the TSP will use Reasonable Efforts (as that term is defined in the TSP’s OATT) to complete the SIS within 60 days of execution of the SIS agreement, including the additional analysis required to identify resources available for PRS.
- If the TC chooses PRS, the service agreement offered by the TSP will contain a description of the conditions under which PRS will be provided. Where applicable, the TSP will also specify in the service agreement other incremental costs (including opportunity costs) for inclusion in the monthly actual incremental costs, as well as the derivation of such costs (Order 890 ¶ 1026).
- The TSP and the TC will comply with the time requirements specified in Section 19 of the OATT.



3.2 Reassessment

- For PRS TCs who do not have a Bridge product and who are continuing their reservation, the TSP may perform a Reassessment of the curtailment conditions and/or hours on a biennial (every other year) basis. The biennial Reassessment Study will be provided no less than ninety (90) days prior to the end of the biennial period, and the TC must pay all study costs. The following rules will apply to these Reassessments:
 - Conditions worsen – If the conditions for the TSP’s provision of PRS worsen (such as a currently utilized resource becoming unavailable), the TC may choose to either continue with the service under the new conditions or to discontinue the service. If the TC informs the TSP in writing that it chooses to discontinue the service on the date on which the conditions associated with the PRS change, the TSP will annul the reservation as of the effective date of the more onerous conditions. Written notice of the choice to discontinue the reservation must be received by the TSP at least thirty (30) calendar days in advance of the date upon which the conditions would change.
 - Conditions improve – If the conditions for the TSP’s provision of PRS become less onerous to the TC (such as an formerly unavailable lower-cost resource becoming available), the TC may not terminate the service agreement; rather, both parties will remain contractually bound to continue the service until the next Reassessment or until the service agreement terminates, whichever comes first.
 - If the TC accepts the results of the biennial Reassessment, the service agreement will be amended accordingly.
 - If there are no changes in the conditions for the TSP’s provision of PRS, both parties are obligated to continue the service through the term of the service agreement.
- If the TC chooses to use PRS as a Bridge to long-term firm PTP service, the TSP is obligated to provide PRS, without change to the contract-specified conditions until the necessary system upgrade(s) is/are in service.