

Preemption of Short-Term Requests and Reservations, Version 2

Effective: TBD

Version 2 includes the following changes:

Section A: Added that to be considered a Challenger, a PTP request must have a flat profile over time and also be possible to grant a full offer to the Challenger considering all available Defenders.

Section F, Table D: Added clarification to “Competition completed resulting in partial offer” regarding options.

Sections 13.2 and 14.2 of BPA Transmission Services’ Open Access Transmission Tariff (OATT) allow a later-submitted Transmission Service Request (TSR) with higher reservation priority (Challenger) to preempt an earlier-submitted request or conditional reservation with lower reservation priority (Defender) when there is not sufficient capacity to grant all requests. A Defender of a conditional reservation has a Right of First Refusal to match the challenging request’s duration in certain circumstances.

BPA will implement its preemption automation in phases to allow for additional evaluation of the automation in a “live” environment and so that customers can become familiar with it in markets that open well in advance of the preschedule horizon. Preemption in the monthly firm and non-firm markets will begin on September 24, 2013. If no issues are discovered in those markets, BPA tentatively plans on implementing preemption in the weekly markets two months later. BPA will issue a Tech Forum notice informing customers of the specific implementation date for the weekly market at least two weeks in advance. BPA has not made a decision regarding implementing preemption in the daily market. That decision will likely be made in early 2014 after customer consultation and evaluation of preemption in the monthly and weekly markets.

BPA has excluded the preemption of redirects and the hourly markets from this implementation schedule as further policy work is needed before preemption can be applied to those requests and reservations.

For a step-by-step guide regarding how Preemption will be conducted on BPA Transmission Services’ OASIS, please see its Preemption Competition Training Manual posted at:
http://transmission.bpa.gov/Customer_Forums/short_term_comp/default.cfm?page=reference.

A. Types of Preemption

1. There are two types of Preemption—Bumping and Competition.

2. Bumping occurs when a Defender does not have a Right of First Refusal, meaning a Challenger takes a Defender’s capacity without the Defender being able to match the duration of the Challenger’s request. Bumping occurs in two scenarios:
 - a. a. When a Point-to-Point (PTP) transmission service request is pending (not confirmed on OASIS) and the Challenger is a higher-priority PTP or Network Integration Transmission (NT) service request.
 - b. b. When a Defender is a conditional firm PTP reservation and the Challenger is a firm NT request.
3. Competition occurs when a higher-priority PTP request challenges a conditional PTP reservation. In this scenario, the customer with the conditional PTP reservation can defend that reservation by matching the duration of the challenging request in OASIS. At this time, the matching request is created by OASIS and cannot be modified by the customer.
4. Process Flow Diagram No. 1, in section G below, illustrates the Preemption evaluation process.
5. Reassignments (resales) and redirects are not currently subject to Preemption. BPA is developing policies regarding how redirects will be subject to preemption. BPA will revise this business practice once those policies are developed and the automation necessary to implement those polices is ready for implementation.
6. To be considered a Challenger, a PTP request must have a flat profile over time. It must also be possible to grant a full offer to the Challenger considering all available Defenders. Note: NT requests are not subject to either requirement to be considered a valid Challenger.

B. Reservation Priority and Preemption

1. Reservation priority is set forth in sections 13.2 and 14.2 of BPA Transmission Services’ OATT. Table A shows the reservation priorities for Preemption, including whether the Defender has a Right of First Refusal (ROFR).
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Table A: Reservation Priority and Preemption Scenarios¹

Defending Request or Reservation	Challenging Request	ROFR
Short-Term Firm NT	Not subject to Preemption	NA
Conditional Short-Term Firm PTP Reservation	Pre-confirmed Short-Term Firm NT	No
Conditional Short-Term Firm PTP Reservation	Pre-confirmed Short-Term Firm PTP of longer duration	Yes
Pre-confirmed Short-Term Firm PTP Request	Pre-confirmed Short-Term Firm for longer duration	No
Not Pre-confirmed Short-Term Firm PTP Request	Pre-confirmed Short-Term Firm PTP of equal or longer duration	No
Conditional Short-Term Non-Firm PTP Reservation	Pre-confirmed Short-Term Non-Firm PTP of longer duration	Yes

Defending Request or Reservation	Challenging Request	ROFR
Pre-confirmed Short-Term Non-Firm PTP Request	Pre-confirmed Short-Term Non-Firm PTP of longer duration	No
Not Pre-confirmed Short-Term Non-Firm PTP Request	Pre-confirmed Short-Term Non-Firm PTP of equal or longer duration	No

¹ This table sets forth the reservation priority for Preemption in descending order. Challenging requests identified in higher rows can preempt defending requests or reservations identified in lower rows. Requests for Firm NT may preempt all lower tiered requests and conditional reservations.

3. Process Flow Diagram No. 1, in section G below, illustrates how these reservation priorities are applied in the Preemption process.
4. Defenders with otherwise equal reservation priority will be competed based on queue time (requests/reservations with a later queue time will be competed before requests/reservations with an earlier queue time). If multiple requests/reservations have the same queue time, then requests will be competed based on their AREF number (requests with higher AREF numbers will be competed before requests with lower AREF numbers).
5. To be considered a Defender, a reservation or request must provide non-*de minimis* capacity to at least one constrained flowgate or path needed by the Challenger.
 - a. A *de minimis* impact is an impact as noted in section 2 of the *De Minimis* Impact Dead-Band for Network Flowgates ATC Document.

C. Preemption Timing Requirements

1. Tables B and C describe the timeframes for Challengers and Defenders in various Preemption scenarios involving firm and non-firm service.
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Table B: Preemption Timeframes for Firm Service

Involving Confirmed PTP Reservations as Defenders				
Challenger Timeframes		Defender Timeframes ¹ (Timeframes Below Represent The Latest Time A Defender Is At Risk Of Preemption)		
Challenger	Must Be Queued By	Monthly	Weekly	Daily
Monthly PTP	72 Hours prior to 1:00 AM of the Preschedule Day ²	35 Days Prior to Start	9 Days Prior to Start	48 Hours prior to 1:00 AM of the Preschedule Day
Weekly PTP	72 Hours prior to 1:00 AM of the Preschedule Day	NA	9 Days Prior to Start	48 Hours prior to 1:00 AM of the Preschedule Day
Daily PTP	72 Hours prior to 1:00 AM of the	NA	NA	48 Hours prior to 1:00 AM of the Preschedule

Involving Confirmed PTP Reservations as Defenders				
Challenger Timeframes		Defender Timeframes ¹ (Timeframes Below Represent The Latest Time A Defender Is At Risk Of Preemption)		
	Preschedule Day			Day
Monthly NT	1:00 AM Preschedule Day	30 Days Prior to Start	7 Days Prior to Start	1:00 AM Preschedule Day
Weekly NT	1:00 AM Preschedule Day	30 Days Prior to Start	7 Days Prior to Start	1:00 AM Preschedule Day
Daily NT	1:00 AM Preschedule Day	30 Days Prior to Start	7 Days Prior to Start	1:00 AM Preschedule Day

¹ The Defender timeframes apply to scenarios where the Defender is a confirmed reservation. Pending requests can be bumped up to noon of the WECC Preschedule Day prior to the Defender's start of service. Challenger timeframes in Bumping scenarios are the same.

² "Preschedule Day" means WECC Preschedule Day, which starts at midnight Pacific Prevailing Time.

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Table C: Preemption Timeframes for Non-Firm Service

Involving Confirmed PTP Reservations as Defenders				
Challenger Timeframes		Defender Timeframes ¹ (Timeframes Below Represent The Latest Time A Defender Is At Risk Of Preemption)		
Challenger	Must Be Queued By	Monthly	Weekly	Daily
Monthly	72 Hours prior to 1:00 AM of the Preschedule Day ²	48 Hours prior to 1:00 AM of the Preschedule Day	NA	NA
Weekly	72 Hours prior to 1:00 AM of the Preschedule Day	NA	48 Hours prior to 1:00 AM of the Preschedule Day	NA

Involving Confirmed PTP Reservations as Defenders				
Challenger Timeframes		Defender Timeframes ¹ (Timeframes Below Represent The Latest Time A Defender Is At Risk Of Preemption)		
Daily	48 Hours prior to 1:00 AM of the Preschedule Day	NA	NA	24 Hours prior to 1:00 AM of the Preschedule Day

¹ The Defender timeframes apply to scenarios where the Defender is a confirmed reservation. Pending requests can be bumped up to 1 AM of the WECC Preschedule Day prior to the Defender’s start of service. Challenger timeframes in Bumping scenarios are the same.

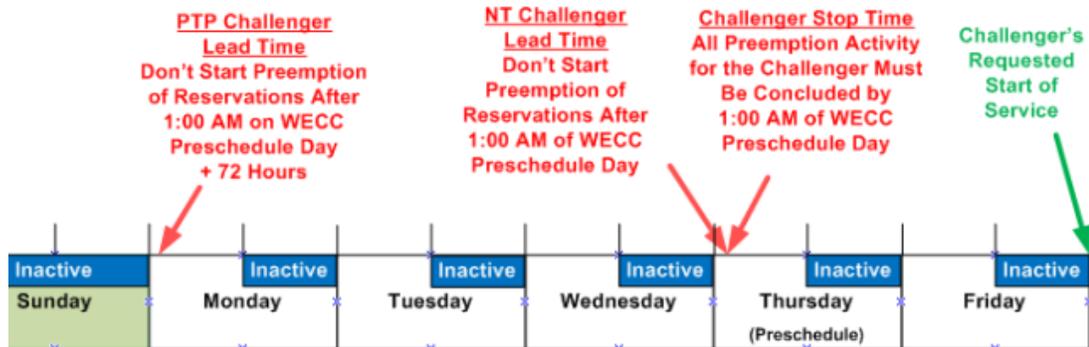
² “Preschedule Day” means WECC Preschedule Day, which starts at midnight Pacific Prevailing Time.

In addition to the timing elements set forth above, BPA Transmission Services has implemented an automation window to ensure that customers with a Right of First Refusal are notified of a Competition during normal business hours. BPA Transmission Services will initiate Preemption between midnight and noon on WECC Business Days. Outside of these hours, BPA Transmission Services’ automation will evaluate its short-term queue for Preemption opportunities, but will not initiate Preemption until the window reopens. Once Preemption is initiated, it is no longer subject to the automation window (i.e., a Defender may exercise its Right of First Refusal consistent with the timeframes set forth in Tables B and C, above, even if the window has closed).

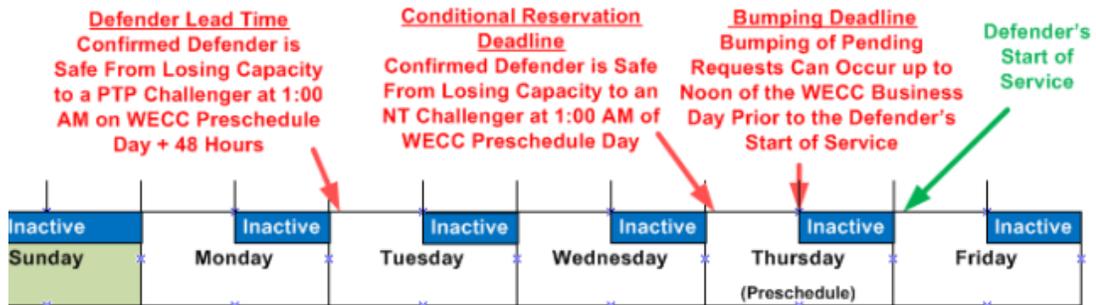
The following illustration shows the relationship between the window and the timeframes shown in Table B for firm daily Challengers and Defenders.

Preemption Automation Window

Daily Firm Challengers



Daily Firm PTP Defenders



D. Preemption Process

1. Process Flow Diagram Nos. 2 and 3, in section G below, illustrate the Preemption and matching processes.
2. An e-Tag submitted against a conditional reservation that is subsequently competed will be at risk of no longer having a reservation to support it since the capacity needed for the competition will be recalled from the conditional reservation. It is the customer's responsibility to adjust any e-Tags where capacity has been recalled.

E. Billing Process for Preemption

1. Customers granted transmission through Preemption or retaining transmission through exercising their Right of First Refusal (matching) will be billed in accordance with BPA Transmission Services' applicable rate schedule(s) in effect at the time.
2. PTP customers whose confirmed capacity is recalled, in whole or in part, due to Preemption will receive a credit based on the amount of time capacity was recalled. The rate applied to this credit will be based upon the actual time recalled rather than the rate paid for the original capacity. For example, a recall of five days will be credited at the Block 1 (days 1-5) Monthly, Weekly, Daily PTP rate, even if the customer is being billed at the lower Block 2 rate for the reserved capacity it originally requested.

3. The messages associated with the recall credit will be:
 - “STF Competition Credit 1-5”,
 - ”STF Competition Credit 6+”,
 - “SCD STF Competition Credit 1-5”,
 - ”SCD STF Competition Credit 6+”,
 - “GSR STF Competition Credit 1-5”,
 - ”GSR STF Competition Credit 6+”,
4. The following billing process will apply to redirects of resales once BPA develops and implements policies and automation allowing Redirects to participate in Preemption as Defenders or Challengers. With regard to redirects of resales that are subsequently preempted, BPA Transmission Services will credit the assignee of the resale based on the amount of capacity recalled as described above. The reseller of the resold capacity is still billed in full consistent with BPA Transmission Services’ Resale of Transmission Service Business Practice. The assignee and reseller may negotiate a bilateral agreement with respect to the final disposition of the credit provided to the assignee by BPA Transmission Services.

F. BPA Transmission Services OASIS-Generated Messages Involving Preemption

1. As described in Table D, below, BPA Transmission Services’ OASIS generates the following messages in the Seller Comment Field on all requests, reservations, recalls, and matching transactions involved in the Preemption scenarios described below. <aref> denotes the AREF number of the applicable Challenger or Defender(s) involved.

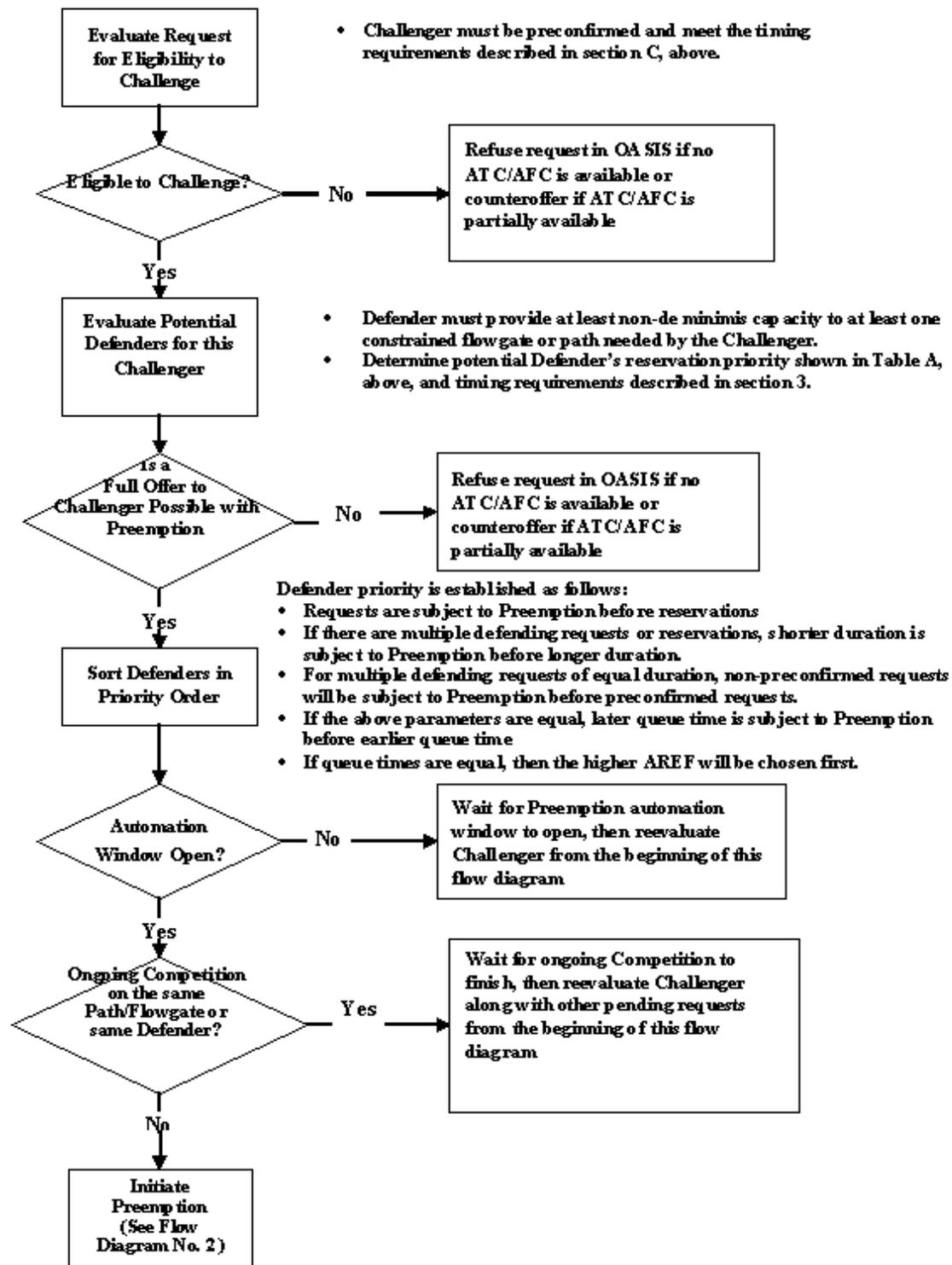
Table D: OASIS Messages Related to Preemption

Message	Preemption Scenario
Request SUPERSEDED to accommodate Challenger <aref>.	This is applied to a pending PTP request when it is bumped by a higher-priority NT or PTP request.
Reservation without ROFR was RECALLED to accommodate Challenger <aref>.	This is applied to a conditional PTP reservation when it is bumped by an NT request.
Competition completed resulting in full offer.	This is applied to a Challenger when it gets a full offer through Preemption.
Competition completed resulting in partial offer.	This is applied to a Challenger when it gets a partial offer through Preemption. Can occur in one of two ways: (1) when one or more Defenders exercise ROFR against a PTP Challenger; or (2) when an NT Challenge was initiated even though there were insufficient Defenders to make a full offer.
Competition completed, but ATC is still unavailable.	This is applied to a Challenger that is Refused because there is still no capacity available through Preemption. Occurs when one or more Defenders

Message	Preemption Scenario
	exercise ROFR.
Capacity with ROFR has been RECALLED to accommodate Challenger <aref>. MATCHING and RECALL requests have been created.	This is applied to a defending reservation with ROFR when a Competition has been initiated and capacity has been recalled to satisfy the challenging request.
Confirm this MATCHING request to exercise ROFR and match Challenger AREF <aref>. Withdraw to decline ROFR.	This is applied to matching requests created by OASIS which must be submitted by the Defender.
RECALL to accommodate Challenger <aref>.	This is applied to the initial recall of the Defender's capacity when a Competition has been initiated.

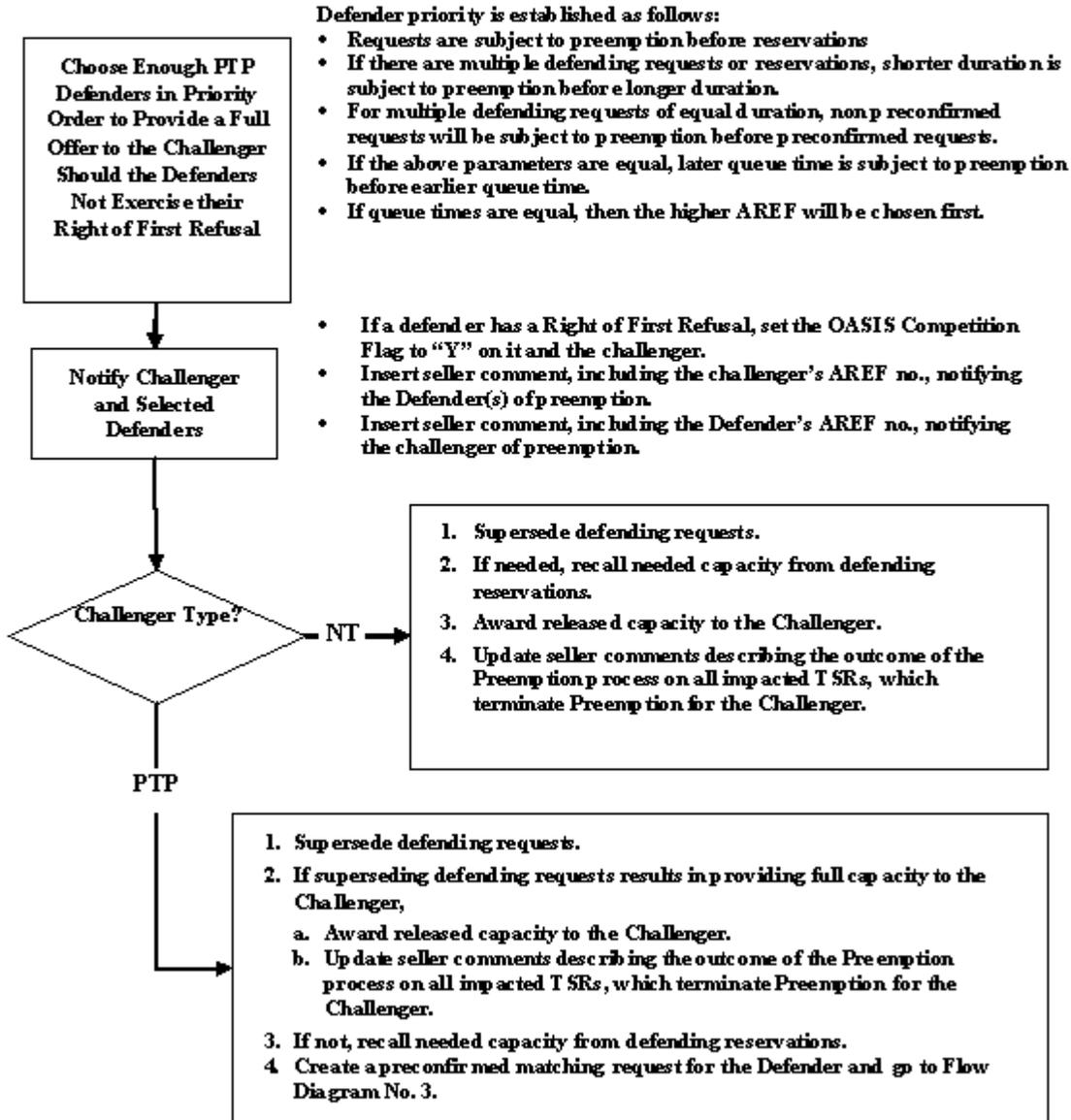
G. Additional Information Flow Diagrams

Flow Diagram No. 1 – Preemption Evaluation when ATC or AFC is



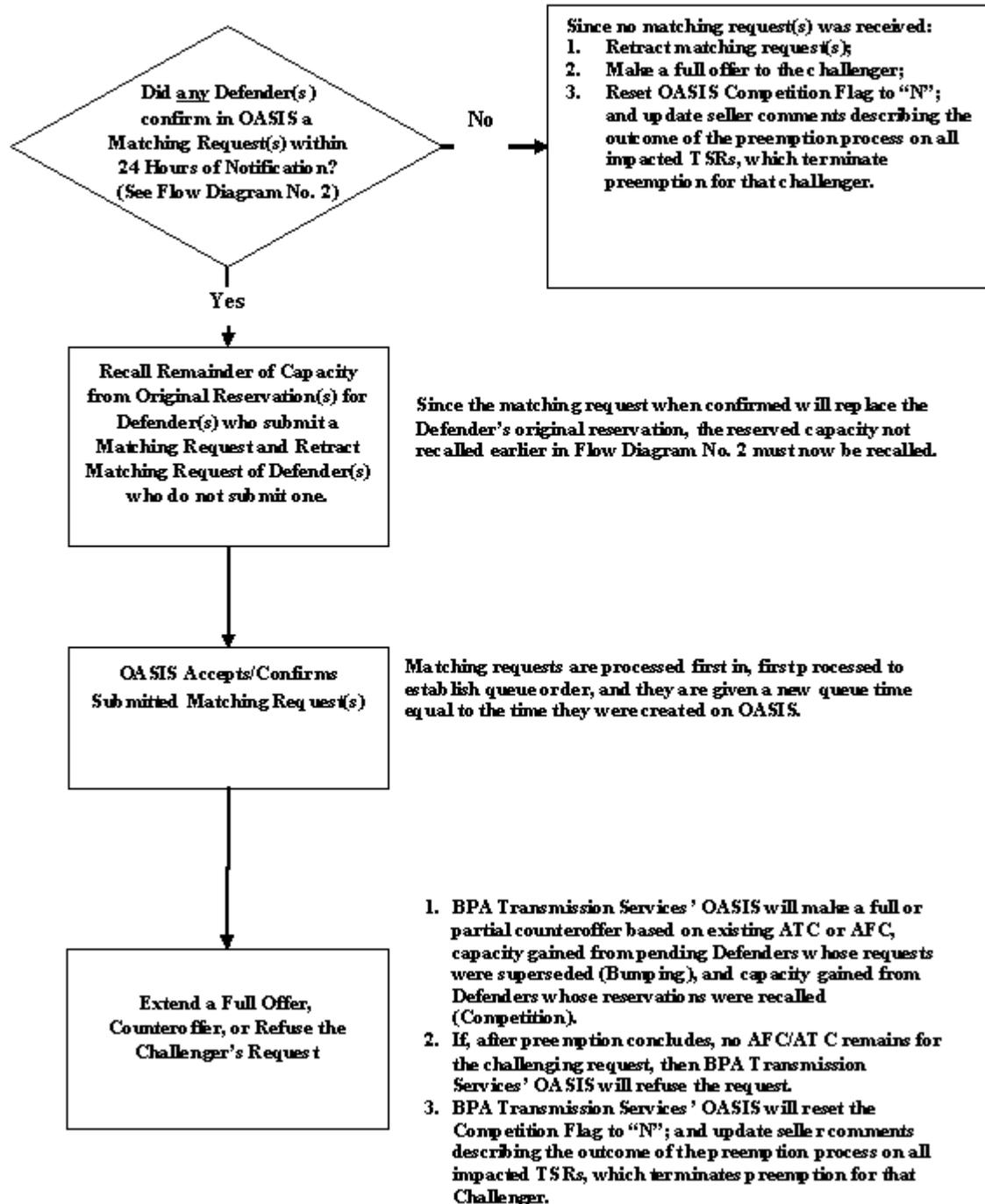
Flow Diagram No. 2 – Bumping and Competition

As shown in Table A, NT and PTP challengers have different reservation priorities with respect to preemption. A PTP challenger can only preempt PTP Defenders of equal or shorter duration. A NT challenger can preempt short-term PTP Defenders regardless of duration. There are three classes of PTP Defenders. The first are requests (pending, not confirmed) which have no Right of First Refusal. The other two classes are conditional reservations (confirmed)-- one being challenged by an NT request and has no Right of First Refusal, and the other being challenged by a PTP request and has the Right of First Refusal.



Flow Diagram No. 3 – Matching Request Process

This diagram illustrates the matching request process for Defenders who have the right of first refusal to match a Challenger's duration.



Policy References

Related Business Practices

Version History

Version 2	Version 2 includes the following changes: Section A: Added that to be considered a Challenger, a PTP request must have a flat profile over time and also be possible to grant a full offer to the Challenger considering all available Defenders. Section F, Table D: Added clarification to “Competition completed resulting in partial offer” regarding options.
Version 1	09/24/13 New business practice.