

BALANCING AUTHORITY SERVICES AGREEMENT – 3rd DRAFT REVIEW

Parker Wicks & Joymay Chipman

RMR Contracts

BA Customer Meeting – May 27th, 2020

AGENDA

- 8:30 am – 10:00 am: BA Services Agreement Review/Discussion
- 10:00 am – 10:10 am: Break
- 10:10 am – 11:30 am: Continue BA Services Agreement Review/Discussion
- 11:30 am – 12:30 pm: Business Practice/ Financial Settlement of Losses Discussion/Overview
- 12:30 pm – 1:00 pm: Break for lunch
- 1:00 pm – 3:00 pm: Operations/Technical Discussions

OVERVIEW

- Comments Received
- Concerns Raised
- Changes to the Agreement
- Exhibit Changes
- Business Practices
- Comments for 3rd Draft
- Additional Information Reminder
- Questions
- Next Steps
- Agreement Points of Contact
- Non-BA Agreement Upcoming Milestones

COMMENTS RECIEVED

- Thanks to all who submitted comments!
- Received approx. 200+ comments
- Use of Comment Form, once again, was very helpful
- Responses to comments sent out with 3rd draft on May 15th (also sent out revised BA Services Outline).

CONCERNS RAISED

- Ancillary services provisions in existing agreements
- Possibility of provisions conflicting with existing agreements
- Termination Notice doesn't allow time to transition BAs
- Scope of NERC/WECC compliance responsibilities
- Requirements placed on TSP
- Information is redundant or unnecessary
- Pass-through of penalties

CHANGES TO THE AGREEMENT

- Substantial changes to the agreement made in response to comments received: ([Link to the Agreement](#))
 - Section 5 – Other Agreements: “Terms of existing agreements necessarily take priority, and are controlling, over this agreement.”
 - Added Business Practices Language
 - Added language to allow Parties to extend termination date if necessary
 - Revised language to Section 9 – Transmission Service Providers with the BA
 - Revised Exhibit A – transitioned to spreadsheet format
 - Removed Exhibit E – Notices
 - Removed Exhibit F – Operations and Settlements Data
 - Revised Exhibit H

EXHIBIT A

- Moved to spreadsheet format:
 - Open Exhibit A
- Plan to list all customer meters in BA, and indicate for each how the ancillary services are provided
- Election of individual ancillary services removed from Exhibit B

EXHIBIT E AND EXHIBIT F

- Exhibit E (Notices) removed
 - Removed since it was redundant to Notices Section in Exhibit K
- Exhibit F (Operations and Settlement Data) removed
 - WAPA intends to capture the data requirements in the Business Practices to be more agile to changing market and/or reporting requirements

EXHIBIT H

- Exhibit H revised significantly:
 - Open Exhibit H
- Focused on general Point(s) of Interconnection, Metering, Communications, Scheduling, and Operations requirements for BA specifically
- Referenced back to the Business Practices were applicable

BUSINESS PRACTICES

- Consistent with WACM's current practices, we intend to identify requirements and detail processes in our posted business practices
- Some content previously in the body of the agreement has been moved to the Business Practices
- Further details on Business Practice plan outlined later in presentation

COMMENTS FOR 3rd DRAFT

- Comments Due June 16th
- WAPA will compile comments and incorporate changes into the 4th draft
 - Anticipate sending 4th draft out June 30th
- Once again, please use the comment form to submit comments

ADDITIONAL INFORMATION - REMINDER

- With your comments:
 - if you have not yet provided this information, please provide your official corporate name and the signature block for the individual executing the agreement
 - Please also provide what the process and timing would be for you to obtain approval to execute the agreement (i.e., Board approval, etc.), if we were to have an executable agreement on June 30th
 - Please also make sure you have sent your points of contact to Joymay so that we are communicating with the right people in your organization.

QUESTIONS

- WAPA's Responses
- Changes made to the agreement
- Outstanding Concerns

AGREEMENT POINTS OF CONTACT

Parker Wicks

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Joymay Chipman

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ESTIMATED TIMELINE

- May 27th: Customer meeting to discuss the Agreement
- June 16th: Comments on third draft due to WAPA
- June 30th: Final draft sent to Customers
- July 8th: Customer meeting to discuss draft
- End of July: Agreements Signed

Concurrent with this timeline, WAPA will be working to meet with customers individually to discuss draft Exhibit A.

UPCOMING EVENTS (Not BA Agreement Related)

- June 1, 2020: Tentatively plan to begin notification and distribution of information about potential revisions to the WAPA OATT
- July/August: Operations market trial begins
- July/August: Short-term Rates update meeting
- NLT Jan. 1, 2021: Short-term rates signed
- Feb 1, 2021: WEIS go-live

BUSINESS PRACTICES

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- WAPA recognizes a need for updating and revising the current Business Practices
- WAPA has begun the process of reviewing and revising current Business Practices to update as needed
- Why utilize BPs?
 - Consistent with current practices
 - Allows for needed flexibility
 - Still allows for customer input

BP CONTENT

- Anticipated items captured in Business Practices:
 - Metering
 - Scheduling
 - Outage Coordination
 - Emergency Operation
 - Reserve Procedures
 - Transmission Requests
 - BA Asset Registration
 - Data Exchange (real time and after-the-fact)
 - Settlement of Ancillary Services
 - Pricing
 - Rate Schedules
 - Reporting
 - Other

BUSINESS PRACTICE TEAM/TIMELINE

- Team currently reviewing the existing Business Practices to identify areas that need to be updated or revised
- Incorporating any changes in processes or requirements (as applicable) due to:
 - NWPP
 - SPP RC
 - WEIS
- Anticipate providing customer with first draft at the end of June
 - As WAPA continues to learn more about the necessary WEIS requirements, may require additional revisions
 - FY2021 Rate Update – October 1st
- Final draft will be posted to OASIS for ten (10) business days for Customer input prior to effective date

QUESTIONS??

FINANCIAL SETTLEMENT OF LOSSES

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- WAPA's current rate schedule allows for settlement of losses financially or in-kind
- With the transition to WEIS, WAPA anticipates no longer being able to accommodate in-kind losses
 - Losses on transmission serving load in the footprint will be settled by augmenting the Meter data submitted to market
 - Losses on wheeling and exports will be settled financially, consistent with industry practice
- WAPA is revising the rate schedule to remove the in-kind option; effective February 1, 2021
 - Will be reaching out to entities to determine willingness to transition prior to Feb 1, 2021

QUESTIONS??