

## **ROLLOVER RIGHTS OF LONG TERM FIRM TRANSMISSION SERVICE**

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### **1.0 OVERVIEW**

Pursuant to Section 2.2 of BC Hydro's [Open Access Transmission Tariff \(OATT\)](#), Long Term Firm transmission service customers, Network Integration Transmission Service (NITS) and Point-to-Point (LTFFTP), with contracts of five years or longer have a right to rollover their transmission service for any number of years. Section 4 of BC Hydro's OATT Business Practice on *Submitting a Long Term Firm Point-to-Point Transmission Service Request* outlines how to submit a Rollover request for LTFFTP transmission service.

The Rollover Request is considered as a new service request with the exception that (i) a rollover request does not need to be studied in the same manner as a new request and (ii) the Transmission Customer requesting to rollover existing service request has the Right of First Refusal (ROFR) in the event of a competing request.

The effective date for the purposes of transition to the new rollover rights as contemplated in OATT Section 2.2.1 is October 21, 2009; the effective date of BC Hydro's amended OATT.

These Business Practices provide clarification of the rules, standards and practices used by BC Hydro to implement its OATT. While the terms of BC Hydro's OATT and these Business Practices govern, customers should also refer to the NAESB WEQ Business Standards and WECC Regional Criteria which BC Hydro has followed in most, but not all, respects. BC Hydro also complies with the Mandatory Reliability Standards adopted by the BCUC.

### **2.0 EVALUATION OF INITIAL REQUESTS**

When a Transmission Customer requests LTFFTP Transmission Service Request (TSR), BC Hydro will evaluate the request for periods beyond the Stop Time of the request to determine if rollover will be available for future periods based on existing long-term firm commitments. If this evaluation determines that insufficient capacity is available to accommodate the request in potential future rollover periods, the Service Agreement will stipulate that the customer will not be permitted to rollover its service beyond the period where sufficient capacity exists.

The above evaluation includes situations where a transmission service request is analyzed before a higher queued priority competing request if the two requests cover different request

periods. For example, BC Hydro received two requests, an earlier queued request (A) for yearly service in 2008 (one year) and the later queued request (B) for service in 2007 (one year) and transmission capacity is available for each request in their respective time periods but not available for both transactions to occur simultaneously. Under this situation, BC Hydro will offer service to B with no rollover right subject to the condition that service to A is confirmed.

### **3.0 ROLLOVER REQUEST**

The Transmission Customer must submit a Rollover Request on OASIS pursuant to Section 17.1 or Section 29.2 of the OATT, as applicable to LTFPTP or NITS customers, respectively. The Rollover Request must be received by BC Hydro no less than one (1) Calendar Year (or as defined in Section 2.2.1) prior to the date on which the reservation expires, rolls over, or is renewed. The Rollover Request can be for capacity up to the amount specified available for rollover on the Transmission Customer's Service Agreement.

### **4.0 COMPETING REQUEST**

A new request for LTFPTP service submitted on OASIS to BC Hydro by another Transmission Customer is considered a Competing Request for the same capacity with the Rollover Request of either a LTFPTP customer or a NITS customer if:

- (a) the new request has the same Start Time as the Rollover Request and extends beyond the Stop Time of the Rollover Request;
- (b) the new request is submitted prior to the Rollover Request; and
- (c) there is insufficient ATC to accommodate both the new request and the Rollover Request.

A new request is not a Competing Request if it was determined by BC Hydro that the new request could not be granted due to constraint(s) not applicable to the Rollover Request.

### **5.0 COMPETING PROCESS**

- (a) Upon deeming an application for a Rollover Request complete, BC Hydro shall immediately notify the Rollover Request customer by e-mail that the Rollover Request is accepted on the condition that the Rollover Request Transmission Customer may be required to match on term to any Competing Request.
- (b) BC Hydro will identify all Competing Requests as described in Section 4 of this Business Practice and establish their Competing Priority. The Competing Priority determines the sequence of Competing Requests, whose terms the Rollover Request has to match and is established according to their service queue priority.
- (c) BC Hydro will post Rollover Requests and Competing Requests with their Competing Priority on its website.

- (d) BC Hydro shall start the Competing Process as soon as practicable. BC Hydro shall notify Rollover Request Transmission Customer(s) and Competing Request Transmission Customer(s) the date the Competing Process begins.
- (e) BC Hydro will process the Competing Requests, one at a time, starting with the Competing Request with the highest Competing Priority on OASIS as follows:
  - (1) BC Hydro shall notify the Competing Request with the highest Competing Priority via e-mail of a counteroffer. The counteroffer will contain the following conditions:
    - (i) MW amount does not exceed the capacity held by the existing Rollover Request customer; and
    - (ii) Rollover Request does not exercise its ROFR.
  - (2) The Competing Request Transmission Customer shall confirm its acceptance of the counteroffer within 15 Calendar Days<sup>1</sup> via e-mail. If the Competing Request Transmission Customer does not confirm the counteroffer within the specified time period, BC Hydro shall consider that the Competing Request Transmission Customer has refused the counteroffer and remove its Competing Request from the Competing Process. BC Hydro shall then make a counteroffer to the Competing Request with the highest Competing Priority amongst the requests remain in the Competing Process in accordance to Section 5(e) of this Business Practice.
  - (3) Once the counteroffer is accepted by a Competing Request Transmission Customer, BC Hydro shall within one (1) Business Day notify the Rollover Request Transmission Customer of a required match to the Competing Request via e-mail. The Rollover Request Transmission Customer may:
    - (i) submit on OASIS a Rollover Matching Request which is a Rollover TSR that has the same attributes of the initial Rollover Request, except with a term matching that of the Competing Request and PRECONFIRMED Yes.
    - (ii) submit the Rollover Matching Request within three (3) Business Days<sup>2</sup> after the day notification is made.
  - (4) If the Rollover Request customer:
    - (i) submit a Rollover Matching Request, within the specified time period, the Rollover Matching Request will be granted. The Rollover Request customer will be required to execute a Service Agreement for the Rollover Matching Request.

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<sup>1</sup> Section 001-4.13, Table 4-2 of FERC's Business Practice Standards for OASIS Transaction adopted in Order No. 638 and remains the same in Order No. 676.

<sup>2</sup> Midwest Independent Transmission System Operator, Inc., November, 2004, 109 FERC 61,129, Order Accepting Compliance Filing and Accepting Proposed Tariff Revisions, As Modified.

- (ii) does not submit a Rollover Matching Request within the specified time period, BC Hydro will grant the capacity held for the Rollover Request customer to the Competing Request. The Competing Request customer will be required to execute a Service Agreement for the capacity granted.
- (f) If there is more than one Rollover Request, then BC Hydro shall subject the Rollover Requests to competition based on the time the rollover request is submitted *i.e.*, the Rollover Request submitted last in time is the first to be asked to match a new Competing Request.
- (g) A LTFFTP customer with redirected service on a Firm or Non-Firm basis can only request to rollover the Firm service as specified in its Service Agreement. Refer to BC Hydro's Business Practice on *Redirect of a Transmission Reservation* for more information.

## 6.0 EXAMPLES

For the following examples, it was assumed that any Competing Request can be accommodated up to 100 MW held by the Rollover Request without constraints.

### Example 1

#### Conditions

- (a) Rollover Request, A, requested to rollover a 100 MW service for 5 years, from January 1, 2007 to December 31, 2011.
- (b) There was no restriction to A's rollover right.
- (c) Competing Request, B, submitted earlier than A, requested a 100 MW service for six (6) years, from January 1, 2007 to December 31, 2012.
- (d) Competing Request, C, submitted earlier than A but later than B, and requested a 100 MW service for ten (10) years, from January 1, 2007 to December 31, 2016.

#### Process

- (i) A was asked to match the term of B.
- (ii) A matched the term of B.
- (iii) A was granted to rollover its service of 100 MW for six years with further rollover right.
- (iv) The Competing Process was concluded.

### Example 2

#### Conditions

- (a) Rollover Request, A, requested to rollover a 50 MW service for 5 years, from January 1, 2007 to December 31, 2011. Initial service was for 100 MW.
- (b) There was no restriction to A's rollover right; A had a right to rollover up to 100 MW.
- (c) Competing Request, B, submitted earlier than A, requested a 100 MW service for six (6) years, from January 1, 2007 to December 31, 2012.
- (d) Competing Request, C, submitted earlier than A but later than B, and requested a 100 MW service for ten (10) years, from January 1, 2007 to December 31, 2016.

**Process**

- (i) A was asked to match the term of B.
- (ii) A matched the term of B.
- (iii) A was granted to rollover its service of 50 MW for six years with further rollover right of 50 MW.
- (iii) The Competing Process was concluded.
- (iv) BC Hydro counteroffer B for 50 MW with same Start and Stop Time of submitted request.
- (v) B accepts the counteroffer.
- (vi) B is granted service of 50 MW for six years with further rollover right of 50 MW.

**Example 3**

**Conditions**

- (a) Rollover Request, A, requested to rollover a 100 MW service for 5 years, from January 1, 2007 to December 31, 2011.
- (b) There was no restriction to A's rollover right.
- (c) Competing Request, B, submitted earlier than A, requested a 50 MW service for ten (10) years, from January 1, 2007 to December 31, 2016.
- (d) Competing Request, C, submitted earlier than A but later than B, and requested a 50 MW service for six (6) years, from January 1, 2007 to December 31, 2012.

**Process**

Step 1:

- (i) A was asked to match the term of B.
- (ii) A refused to match the term of B.
- (iii) B was granted service of 50 MW for ten years with rollover right.

Step 2

- (i) A was asked to match the term of C.
- (ii) A matched the term of C.
- (vii) A was granted to rollover 50 MW of its service for 6 years with rollover right.
- (viii) The Competing Process was concluded.

**Example 4**

**Conditions**

- (a) Rollover Request, A, requested to rollover a 100 MW service for 5 years, from January 1, 2007 to December 31, 2011.
- (b) There was no restriction to A's rollover right.
- (c) Competing Request, B, submitted earlier than A, requested a 25 MW service for ten (10) years, from January 1, 2007 to December 31, 2016.
- (c) Competing Request, C, submitted earlier than A but later than B, and requested a 50 MW service for six (6) years, from January 1, 2007 to December 31, 2012.

**Process**

Step 1:

- (i) A was asked to match the term of B.
- (ii) A refused to match the term of B.
- (iii) B was granted service of 25 MW for ten years with rollover right.

Step 2

- (i) A was asked to match the term of C.
- (ii) A refused to match the term of C.
- (iii) C was granted service of 50 MW for six years with rollover right.

Step 3

- (i) A was granted to rollover 25 MW of its service for five years with rollover right.
- (ii) The Competing Process was concluded.

**Example 5**

**Conditions**

- (a) Rollover Request, A, requested to rollover a 100 MW service for 5 years, from January 1, 2007 to December 31, 2011.
- (b) There was no restriction to A's rollover right.
- (c) Competing Request, B, submitted earlier than A, and requested a 1000 MW service for ten (10) years, from January 1, 2007 to December 31, 2016.

**Process**

- (i) A was asked to match the term of B.
- (ii) A refused to match the term of B.
- (iii) 100 MW was granted to B as part of its partial interim service for ten years pending the result of its System Impact Study.
- (iv) The Competing Process was concluded.

**Document Change History**

Issue	Reason for Issue	Date
1	Updated procedures. Previously Business Practice 16.	November 1, 2010

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