

Interlined version of text changes to 1994 9(c) NFP Policy.

~~NFP~~ Section 9(c) Policy

BPA's ~~NFP~~ Section 9(c) Policy is as follows:

Section 1. Northwest Power Act Section 9(c) Determinations

As required by the Northwest Power Act, BPA shall make its Section 9(c) determinations for the exports of its customers. ~~New Owners using their share of Intertie for the life of the facilities.~~

Section 2. Finding Required

In examining the export of Pacific Northwest resources, BPA shall make its finding based on the following requirements of Section 9(c):

(a) BPA shall analyze whether the customer's ~~New Owners'~~ exports would result in an increase in the electric power requirements of any of its customers in the region. BPA shall do this by examining its load/resource forecasting and planning documents to determine the impact the exports will have on BPA's and its customers' ability to meet Pacific Northwest load presently and in the future. BPA shall also analyze the information available from other sources including least-cost plans and load/resource information of Pacific Northwest utilities which do not currently place any load on BPA.

(b) BPA shall review the specific resources and categories of resources being exported to determine if such exports will result in additional firm load obligations on BPA- an increase in the firm energy requirements of its customers and if so, determine whether the resource could be conserved or otherwise retained for service to regional loads by using reasonable means. To do this BPA shall compare the resource a customer ~~New Owner~~ is proposing to export with those resources which BPA finds in its analysis can be exported without having to decrement the customer's ~~New Owners'~~ Section 5(b) utility power sales contract.

Section 3. Scope of ~~NFP~~ Section 9(c) Policy

This ~~NFP~~ Section 9(c) Policy ~~initially~~ addresses the amount of a customer's anticipated exports (up to 725 MW) of power from Pacific Northwest resources by customers out of the region. New Owners who obtain a share of the Intertie. If more non Federal Intertie is made available in the future, the NFP Section 9(c) Policy shall also apply to such additional increment of Intertie. ~~As noted in section 2,~~ BPA shall make its Section 9(c) determinations based on a factual determination using information about the specific resource the customer ~~New Owner~~ intends to export. ~~This policy does not automatically decrement New Owners for any resource when they wheel for others and in which the customer New Owner has no ownership or~~

~~contractual interest in the resource. BPA shall analyze such third party wheeling over an new Owner's share of Intertie on a case by case basis.~~

Section 4. **Data on Specific Resources**

BPA shall base its Section 9(c) determination on specific information BPA has obtained from ~~the customer~~ ~~New Owners~~ on the resources ~~they it~~ intends to export. This includes, but is not limited to, the following information:

- (a) name of the resource to be exported;
- (b) location of the resource;
- (c) type of resource;
- (d) whether the resource is currently in any Pacific Northwest utility's firm resource exhibit;
- (e) whether the resource is planned or existing; and
- (f) type of transaction or sale, and if it is a seasonal exchange, the terms of the exchange.

BPA will also consider any prior history of the resource including prior efforts to market it to BPA or other Pacific Northwest utilities.

Section 5. **Prior Case-by-Case Section 9(c) Interpretations**

BPA does not propose to modify its existing determinations on Pacific Northwest utility exports ~~including its 1994 NFP determinations~~ and will apply its prior case-by-case interpretations of Section 9(c), and Section 3(d) of the Regional Preference Act ~~to such decisions~~ without modification. Therefore, BPA incorporates by reference in this Policy these prior interpretations of Sections ~~9(c) and 3(d) and determinations made thereunder for the duration of the export sale.~~

Section 6. **Categories of Resources**

(a) **Exports That ~~May Will~~ Not be Decrementd by BPA.** Under this ~~NFP~~ Section 9(c) Policy determination, BPA ~~would will~~ determine that the export of certain resources ~~are not likely to will not~~ result in an increase in the electric power requirements of any of its customers, ~~under its Section 5(b) utility power sales contracts and thus~~ If the export of a resource does not increase the firm energy requirements of BPA's customers, the resource may be exported without a reduction in BPA's firm load obligation under the ~~customer's~~ ~~New Owner's~~ Section 5(b) utility power sales contract. ~~Those resources which are of a similar type will be treated the same for purposes of this determination, e.g., all new cogeneration resources proposed for export shall be~~

~~treated the same. Those resources which, based on BPA's present information, may not result in any increase in electric power requirements include the export of existing or planned cogeneration, renewable (non-hydro) or thermal resources exported by a customer, New Owner, that are currently not dedicated in any Pacific Northwest utility's firm resource exhibit.~~

(b) **Exports That Will be Decrement by BPA.** BPA has determined based on its prior policy interpretations of Northwest Power Act Section 9(c) that the following categories of resources are conservable and if they are exported BPA shall decrement the customer's New Owner's Section 5(b) power sales contract:

(1) all ~~Section 5(b)(1)(A) and 5(b)(1)(B)~~ Pacific Northwest hydroelectric resources owned or purchased by a Pacific Northwest utility, whether or not dedicated in any Pacific Northwest utility's firm resource exhibit; and

(2) all Section 5(b)(1)(A) and 5(b)(1)(B) thermal resources that are currently dedicated by a utility in any firm resource exhibit.

Section 7. **System Sales**

BPA shall utilize a case-by-case approach to system sales. BPA shall require the exporting utility to submit an operating plan for the duration of the export, identifying these specific resources or categories of resources supporting the system sale. If the export is a system sale made up solely of a customer's resources that would not individually result in a decrement if each resource were exported standing alone, then BPA would not decrement such a system sale. BPA shall decrement the customer's New Owner's Section 5(b) utility power sales contract if the system sale involves the export of hydro to support a power sale (whether or not in a firm resource exhibit); a thermal resource that is in a firm resource exhibit; or any sale that is a prohibited resale of Federal power.

Any customer New Owner that was previously is a Contracted Requirements customer of BPA, and which is currently purchasing power and energy from BPA under its power sales contract, shall have BPA's firm power energy obligation under its section 5(b)(1) power sales contract reduced by a system sale in the amount of power energy and for the duration of the export sale. If the customer New Owner is was not currently placing load on BPA under its Section 5(b) utility power sales contract at the time of the export sale, then at such time as the customer New Owner requests to place a firm load obligation on BPA, BPA shall make an appropriate determination and may reduce its energy sales to such customer New Owner in the amount of the export sale and for any remaining duration of the export sale.

Section 8. **Seasonal Exchange**

Any seasonal exchange between a customer New Owner and an out of region entity Pacific Southwest utility which results in no net regional energy deficit during any Operating Year, shall not result in a decrement by BPA of the customer's New Owner's Section 5(b) utility power sales contract.

Section 9. Recall

Any ~~customer~~ ~~New Owner~~ that does not want its Northwest Power Act, Section 5(b) power sales contract decremented by BPA may agree to include terms for the recall of its export sale upon notice from BPA that the energy from such ~~customer's~~ ~~New Owner's~~ resource is needed to meet ~~BPA or other customers firm power requirements~~ load in the Pacific Northwest.

Section 10. Resource Offer

This ~~NFP~~ Section 9(c) Policy gives a ~~customer~~ ~~New Owner~~ an option to offer a resource to BPA or to all other Pacific Northwest ~~customers.~~ ~~generating utilities.~~ If offered for sale to BPA, the resource shall be treated as an unsolicited proposal. If BPA proposes to acquire the resource, and if it is greater than a 50 aMW ~~or offered for longer than 5 years~~, it will be subject to the Northwest Power Act Section 6(c) process, which can take up to 12 months or more. If neither BPA nor any Pacific Northwest ~~customer~~ ~~utility~~ purchases the offered resource (offered at the ~~customer's~~ ~~New Owner's~~ cost including a reasonable rate of return) the resource may then be exported without a decrement of the ~~customer's~~ ~~New Owner's~~ Northwest Power Act Section 5(b) power sales contract.

Section 11. Consumer-Owned and Independent Power Producer-Owned Resources

If a ~~customer~~ ~~New Owner~~ contracts to purchase and then export any consumer-owned resource or any resource developed by an independent power producer, BPA shall decrement the ~~customer's~~ ~~New Owner's~~ Section 5(b) power sales contract if the resource being exported is a hydroelectric resource or ~~if the resource~~ is dedicated to any Pacific Northwest utility load in any utility's firm resource exhibit.

Section 12. BPA Notification

~~From the date BPA's NFP Section 9(c) Policy determination is final,~~ BPA shall notify in writing ~~any customer which has exported a resource or proposes to export a resource~~ ~~each New Owner with an allocated share of Intertie~~ of the outcome of BPA's Section 9(c) determination. The BPA notification shall be made within 30 working days from the date the ~~customer~~ ~~New Owner~~ notifies BPA that it will be exporting a regional resource ~~or BPA receives the information it requests about a specific resource.~~ ~~over its allocation share of Intertie.~~