



Modifications to Long-Term Point-to-Point Service Planning Redispatch and Conditional Firm Service

1. Overview of planning redispatch and conditional firm service (CFS):

Per Order No. 890, ¶¶ 914-915, 941, 946 957 and 981, NV Energy Operating Company (NV Energy) will offer to provide planning redispatch under certain circumstances in which the transmission providers determine that there is insufficient Available Transfer Capacity (ATC).

If an Eligible Customer requests planning redispatch service to be studied, NV Energy will seriously evaluate the provision of planning redispatch from its own resources and will provide the Eligible Customer with information on the capabilities of other generators to provide planning redispatch.

If planning redispatch is unavailable from NV Energy's resources or inadequate to meet the Eligible Customer's needs, the Transmission Provider has an independent obligation to offer conditional firm, if available, as part of the firm point-to-point service. The Eligible Customer has the choice of whether to request study of the planning redispatch option, the conditional firm option or both.

Unless the Eligible Customer is willing to commit to a facilities study or the payment of network upgrade costs, the Transmission Provider shall have a biennial right to reassess the provision of this service. (See Section 3(b) herein)

NV Energy remains obligated to provide planning redispatch from its resources as long as the planning redispatch does not (1) degrade or impair the reliability of service to native load customers, network customers and other transmission customers taking firm point-to-point service or (2) interfere with the transmission provider's ability to meet prior firm contractual commitments to others.

2. Requesting Planning Redispatch or Conditional Firm Options

When a request for long-term point-to-point firm transmission service is made and cannot be satisfied out of existing capacity, the transmission provider shall, at the request of the customer and in the system impact study, identify (1) the transmission upgrades necessary to provide the service, and (2) the options for providing service during the period prior to completion of those transmission upgrades. Additionally, if upgrades cannot be completed prior to expiration of the requested service term, the transmission provider shall, at the request of the customer and in the system impact study, identify options for providing the service during the requested term. The options studied will include planning redispatch and conditional firm options. NV Energy, at its discretion, may study and offer a mix of planning redispatch and conditional firm options for a single service request.

If the Eligible Customer requests study of the planning redispatch or conditional firm options, the system impact study must identify the following:



- (1) the system constraints, identified by transmission facility, causing the need for the system impact study; and
- (2) additional direct assignment facilities or network upgrades required to provide the requested service.

If NV Energy determines planning redispatch is available, the system impact study will provide the customer with non-binding estimates of the incremental costs of redispatch and the relevant congested transmission facilities for which redispatch will be provided.

For the conditional firm option, the system impact study will identify the annual number of conditional curtailment hours and/or the specific system conditions during which conditional curtailment may occur.

If the customer notifies the Transmission Provider it wishes to study the redispatch or conditional firm options prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options.

3. Limitations

Limitations on the nature of planning redispatch and conditional firm service exist to reflect the two different types of customers that may request the service: customers who support the construction of upgrades and those who do not.

(a) Customers supporting the construction of upgrades

For customers supporting the construction of upgrades, the planning redispatch or conditional firm options will serve as a bridge until upgrades are constructed to remedy the congested facilities. For these customers, the Transmission Provider will offer planning redispatch or conditional firm service until the time when the upgrades are constructed. The conditions or redispatch applicable to this period must be specific in the service agreement and are not subject to change.

(b) Customer unwilling to commit to a facilities study or not supporting the construction of upgrades

For Eligible Customers unwilling to commit to a facilities study or choosing not to support the construction of new facilities, the planning redispatch or conditional firm options also must be made available as a reassessment product, i.e., subject to certain limitations. NV Energy retains the right to reassess the planning redispatch and conditional firm option for these customers after the first two years of service, and every two years thereafter. The Transmission Provider shall reassess (1) the redispatch required to keep the service firm or (2) the conditions or hours under which the transmission provider may conditionally curtail the firm service. The Transmission Customer will receive service for the requested term unless the Transmission Provider determines through its biennial reassessment that the firm point-to-point service can no longer be reliably provided. The Transmission Customer may also choose to terminate the service at the time of reassessment if the service no longer meets its needs. The Transmission Provider may not implement



reassessments during intervening periods nor may it reassess the conditions in order to amend the service agreement in an intervening year should it forego any biennial reassessment.

If the Transmission Provider proposes to change the redispatch or conditional curtailment conditions due to a reassessment, the Transmission Provider will provide the reassessment study to the customer along with a narrative statement describing the study and reasons for changes to the curtailment conditions or redispatch requirements no later than 90 days prior to the date for imposition of these new conditions or requirements. The Transmission Provider will assess the conditions based on two years of service or the continuation of the term of service, whichever is less.

Per Order No. 890, ¶ ¶ 981 and 985, in the event NV Energy is able to extend the assessment period for conditional firm service beyond the required two years, NVE may waive or extend its right to reassess the availability of the option, provided that the waiver or extension is provided consistently for all similarly situated service.

4. Transmission Service Agreement

The Transmission Service Agreement will specify the relevant congested transmission facilities and whether the Transmission Provider will provide planning redispatch, a mix of planning redispatch and conditional firm, or conditional firm in order to provide the point-to-point transmission service.

For the conditional firm option, customers must choose among the following options and the service agreement will specify either (1) specific system condition(s) during which conditional curtailment may occur or (2) annual number of conditional curtailment hours during which conditional curtailment may occur.

For customers who have committed to paying the costs associated with upgrades, the service agreement will specify the upgrade costs as determined through the facilities study.

5. Generation Resources Required for Planning Redispatch

Per Order No. 890, ¶ ¶ 1003 and 1004, NV Energy is required to identify in the system impact study (1) generation resources located within the transmission provider's control area, including its own resources, that can relieve the congested transmission facility at issue, and (2) the impact of each identified resource on the congested facilities, e.g., the generator shift factor. The resources identified in the system impact study need not be available to provide the redispatch. Eligible Customers must simply be provided with the set of generators that could, if available, make a significant contribution toward relieving the constrained facility at issue. This information, in addition to the information provided through congestion planning studies, will provide the necessary information to Eligible Customers wishing to solicit third party resources to relieve congested facilities in order to accommodate long-term firm point-to-point service.



To the extent the Transmission Provider is aware of generation resources outside of its control area that can relieve the constraint, the Transmission Provider will inform the customer of these resources.

6. Work with Eligible Customers to provide planning redispatch from third-party generation.

Per Order No. 890, ¶ 1007, NV Energy will work with Eligible Customers to facilitate the use of third party generation, where available, in provision of planning redispatch. This entails review of redispatch plans submitted by Eligible Customers, coordination between the transmission provider and reliability coordinator, and signaling third party generators when the redispatch is needed. These arrangements will require close coordination between the Transmission Provider, third party generators and Transmission Customers. The arrangements must be sufficiently detailed to allow the Transmission Provider to maintain reliability. The Transmission Provider may not unreasonably deny customers the use of third-party resources to provide planning redispatch; however, it is the Transmission Customer's ultimate responsibility to ensure that all the necessary contractual and technical arrangements are in place to maintain reliability. This will allow NV Energy to continue to provide planning redispatch for network customers from the network customers' resources. NV Energy may curtail the Transmission Customer if a third-party resource fails to perform its contractual redispatch obligation. This or any other remedy for non-performance must be specified in writing between the parties prior to commencement of the service.

7. Pricing mechanism for planning redispatch

Per Order No. 890, ¶ ¶ 1024 and 1026, Transmission Customers will have the option of paying (1) the higher of (a) actual incremental costs of redispatch or (b) the applicable embedded cost transmission rate on file with the Commission or (2) a fixed rate for redispatch to be negotiated by the Transmission Provider and the Transmission Customer and subject to a cap representing the total fixed and variable costs of the resources expected to provide the service. If the Transmission Customer selects the higher of incremental cost or the embedded-cost rate, the Transmission Provider shall calculate the costs of redispatch monthly and charge the higher of redispatch or the embedded cost rate each month.

For purposes of calculating planning redispatch charges, incremental costs shall include fuel or purchase power costs caused by ramping up generator(s) at the point of delivery and ramping down generator(s) at the point of receipt. Additionally, where applicable, the Transmission Provider may specify in customer service agreements other incremental costs for inclusion in the monthly actual incremental costs, including opportunity costs. Identification and derivation of these costs must be included in the service agreement. All information necessary to calculate and verify opportunity costs must be made available to the Transmission Customer. Actual redispatch cost should be determined on a monthly basis.

8. Coordination with customers of the timing of the biennial review with the deadline for declaring rollover intent



Per Order No. 890, ¶ 1083, NV Energy will work with conditional firm customers, in negotiating their initial service agreement, to coordinate the timing of the biennial review with the deadline for declaring rollover intent. Specifically, Transmission Customers deciding whether to renew their service must have information on additional conditions on the service or additional estimated redispatch costs at least 30 days prior to the relevant rollover deadline. These timelines will be built into the initial service agreement for conditional firm service.

9. Posting redispatch cost information

Per Order No. 890, ¶¶ 1100, 1157 and 1162, NV Energy will post on OASIS its monthly average cost of redispatch for each internal congested transmission facility or interface over which it provides redispatch service using planning redispatch or reliability redispatch under the pro forma Open Access Transmission Tariff (OATT). NV Energy will post a high and low redispatch cost for the month for each of these same transmission constraints. The Transmission Provider shall calculate the monthly average cost in \$/MWh for each congested transmission facility by dividing monthly total redispatch costs (at the facility) by the total MWhs that would otherwise be curtailed (at the facility) in the month absent the redispatch. The Transmission Provider shall post internal constraint or interface data for the month *if any planning redispatch or reliability redispatch is provided during the month*, regardless of whether the Transmission Customer is required to reimburse the Transmission Provider for those exact costs. Thus, if the Transmission Customer pays for redispatch pursuant to a negotiated fixed rate, the Transmission Provider is required to post and calculate the monthly average redispatch costs and the high and low costs in the month even though the Transmission Provider will bill the Transmission Customer the fixed rate. The same posting requirement applies if the Transmission Customer is paying a monthly “higher of” rate. The Transmission Provider shall post this data on OASIS as soon as practical after the end of each month, but no later than when it sends invoices to the Transmission Customer for redispatch-related services.

If there is a conflict between a posted business practice and the OATT, the OATT shall govern.

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Rev	Date	Change Summary
000	01/01/2014	Original- Adapted from SPPC/NPC existing BP
001	12/03/2015	Logo updated – Title Change