

**SMD1 BUSINESS PRACTICES**  
**Version 9 Effective Date 7/20/2007**

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## STANDARD BUSINESS PRACTICES

### GENERAL INFORMATION

The following are the Standard Business Practices for Sacramento Municipal Utility District System Operations and Reliability Department. These Business Practices may be amended from time to time to reflect the Sacramento Municipal Utility District SOAR’s practices and all applicable rules, regulations and requirements.

### TRANSMISSION SERVICE OFFERINGS

Sacramento Municipal Utility District currently offers one type of Transmission Service:

Point-to-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt (POR) and the transmission of said capacity and energy to designated Point(s) of Delivery (POD). Currently, SMD1 PTP is Short-Term and may be Firm or Non-Firm.

- Short-Term PTP Transmission Service has duration of less than one year. This service is handled on a first-come, first-serve basis. Short-Term may be Firm or Non-Firm. Short-Term may be purchased on a monthly basis after signing a blanket Service Agreement(s).

Note: All requests for Transmission Service must be submitted to SMD1 via OASIS.

Note: No Long-Term transmission services are posted on SMD1 OASIS.

### Transmission Services

Listed below are SMD1’s Transmission Service Types, Increments, Classes, Periods, and Windows.

<b>Transmission Service Increment</b>	<b>Transmission Service Class</b>	<b>Transmission Service Type</b>	<b>Transmission Service Period</b>	<b>Transmission Service Window</b>
Monthly	Firm	Point-to-Point	Full Period	Fixed
Weekly	Firm	Point-to-Point	Full Period	Fixed
Daily	Firm	Point-to-Point	Full Period	Fixed
Monthly	Non-Firm	Point-to-Point	Full Period	Fixed
Weekly	Non-Firm	Point-to-Point	Full Period	Fixed
Daily	Non-Firm	Point-to-Point	Full Period	Fixed
Hourly	Non-Firm	Point-to-Point	Full Period	Fixed

### **Hourly Non-Firm Requests**

- To maximize transmission availability, ATC for Hourly Non-Firm capacity is calculated hourly.
- Requests for Hourly Non-Firm reservations must be submitted via the OASIS and in accordance with the timing requirements listed in the table below.
- All reservations must be requested through the SMD1 OASIS node. Verbal requests and confirmations will be permitted within the posted timing requirements should the TANC OASIS node become inoperative. No exceptions will be allowed for operational problems originating at the customer's site.
- Some Real-Time Hourly requests will be refused for insufficient ATC based on system reliability needs. As system conditions fluctuate, a transmission service request may be refused for this reason even though the OASIS shows ATC available.
- At no time will a request be accepted when the ATC posted as available is at zero, regardless of system conditions.

### **Daily Non-Firm Requests**

- Requests for Daily Non-Firm reservations must be submitted via the OASIS and in accordance with the timing requirements listed in the table below.
- At no time will a request be accepted with the ATC posted as available is at zero, regardless of system conditions.

### **Weekly Non-Firm Requests**

- Requests for Weekly Non-Firm reservations must be submitted via the OASIS and in accordance with the timing requirements listed in the table below.
- At no time will a request be accepted with the ATC posted as available is at zero, regardless of system conditions.

### **Monthly Non-Firm Requests**

- Requests for Monthly Non-Firm reservations may be submitted for one month, which is the maximum term for non-firm transmission.

## **Firm Transmission Requests**

Requests for Short-Term Firm Transmission Service must be made through the SMD1 OASIS.

- Currently, SMD1 offers Daily, Weekly, and Monthly Short-Term Firm Transmission Services. For a valid request for Firm Transmission Service for which SMD1 has ATC, a response will be made to the requestor within the timing requirements listed below and on the OASIS node.

## **Service Definition**

Monthly (Firm) transmission requests must have a flat MW profile for all hours in a calendar month.

Weekly (Firm) transmission requests must have a flat MW profile for all hours in a 7-day period (week). Weekly transmission requests may only be made for a Monday through Sunday week.

Daily (Firm) transmission requests must have a flat MW profile for all hours in a calendar day.

Monthly (Non-Firm) transmission requests must have a flat MW profile for all hours in a calendar month.

Weekly (Non-Firm) transmission requests must have a flat MW profile for all hours in a 7-day period (week). Weekly transmission requests may only be made for a Monday through Sunday week.

Daily (Non-Firm) transmission requests must have a flat MW profile for all hours in a calendar day.

Hourly (Non-Firm) transmission requests must have a whole MW profile for one hour up to 24 hours in a single calendar day.

## **Transmission Rates**

<b>Transmission Increment / Class</b>	<b>Rate</b>	<b>Price Units</b>
Monthly Firm	\$3360.00	\$/MW-Month
Weekly Firm	\$780.00	\$/MW-Week
Daily Firm	\$160.00	\$/MW-Day
Monthly Non-Firm	\$2570.00	\$/MW-Month
Weekly Non-Firm	\$590.00	\$/MW-Week
Daily Non-Firm	\$120.00	\$/MW-Day
Hourly Non-Firm	\$7.42	\$/MWh

**Ancillary Service Rates**

All Transmission Customers are required to purchase the following ancillary service from SMD1:

- Scheduling, System Control and Dispatch
- Reactive Supply and Voltage Control

<b>Ancillary Service</b>	<b>Rate</b>	<b>Increment</b>	<b>Price Units</b>
Scheduling, System Control and Dispatch	\$103.00	<b>Monthly</b>	<b>\$/MW-Month</b>
Scheduling, System Control and Dispatch	\$24.00	<b>Weekly</b>	<b>\$/MW-Week</b>
Scheduling, System Control and Dispatch	\$5.00	<b>Daily</b>	<b>\$/MW-Day</b>
Scheduling, System Control and Dispatch	\$0.30	<b>Hourly</b>	<b>\$/MW-Hour</b>
Reactive Supply and Voltage Control	\$48.40	<b>Monthly</b>	<b>\$/MW-Month</b>
Reactive Supply and Voltage Control	\$11.20	<b>Weekly</b>	<b>\$/MW-Week</b>
Reactive Supply and Voltage Control	\$2.20	<b>Daily</b>	<b>\$/MW-Day</b>
Reactive Supply and Voltage Control	\$0.14	<b>Hourly</b>	<b>\$/MW-Hour</b>

**TRANSMISSION SERVICE RESERVATION (TSR) PROCESSING**

Requests for Short-Term Firm and Non-Firm reservations must be submitted through SMD1’s OASIS site and in accordance with the timing requirements listed in SMD1’s Transmission Services Timing Requirements Table for Point-to-Point Services.

Acceptance of transmission service requests will be granted only if ATC is available. At no time will a request be accepted when the posted ATC is at zero, regardless of system conditions.

System reliability needs will prevail.

## Timing Requirements

### Firm Transmission Service

Short-Term Firm Point-to-Point Transmission Service is service for less than one year. Monthly products are based on a fixed calendar month, weekly products on a fixed Monday – Sunday week, and daily products on a calendar day.

### Non-Firm Transmission Service

Short-Term Non-Firm Point-to-Point Service may be requested for periods of one hour to 1 month.

## Transmission Service Request Timing Requirements

Transmission Request		Response Time			
Class	Service Increment	Time Queued prior to Start	Provider Evaluation Time Limit <sup>1</sup> (measurement starts at the time the request is QUEUED)	Customer Confirmation Time Limit <sup>2</sup> after ACCEPTED or COUNTEROFFER <sup>3</sup>	Provider Counter Time Limit after REBID <sup>4</sup>
Firm	Fixed Monthly	N/A	30 Days <sup>5</sup>	4 Days	4 Hours
Firm	Fixed Weekly	N/A	30 Days	48 Hours	4 Hours
Firm	Fixed Daily	N/A	30 Days	24 Hours	4 Hours
Firm	Fixed Daily	< 24 hours	Commercially reasonable effort	2 Hours	30 Minutes
Non-Firm	Fixed Monthly	N/A	2 Days	24 Hours	4 Hours
Non-Firm	Fixed Weekly	N/A	4 Hours	24 Hours	4 Hours
Non-Firm	Fixed Daily	N/A	30 Minutes	2 Hours	10 Minutes
Non-Firm	Fixed Hourly	Day Ahead	30 Minutes	N/A (preconfirmed)	10 Minutes
Non-Firm	Fixed Hourly	> 1 hour	30 Minutes	N/A (preconfirmed)	5 Minutes
Non-Firm	Fixed Hourly	< 1 hour	Commercially reasonable effort	N/A (preconfirmed)	5 Minutes

<sup>1</sup> Consistent with regulations and filed tariffs, measurement starts at the time the request is QUEUED.

<sup>2</sup> Confirmation time limits are not to be interpreted to extend scheduling deadlines or to override pre-exemption deadlines.

<sup>3</sup> Measurement starts at the time the request is first moved to either ACCEPTED or COUNTEROFFER. The time limit does not reset on subsequent changes of state.

<sup>4</sup> Measurement starts at the time the Transmission Customer changes the state to REBID. The measurement resets each time the request is changed to REBID.

<sup>5</sup> Days are defined as calendar days.

If you have any questions, please contact SMD1 Transmission at (916)732-6494.

## Transmission Service Request Timelines

Short Name	Special Timing	Duration			Lead Time				Term/Increment					
		Min	Max	Type	Min	Units	Max	Units	Start			Stop		
									Hour	Day of Month	Day of Week	Hour	Day of Month	Day of Week
Monthly Firm	Yes	1	1	MONTH	1	Days	18	Days	00:00	1		00:00	1	
Weekly Firm	Yes	1	4	WEEK	1	Days	14	Days	00:00		Mon	00:00		Mon
Daily Firm	Yes	1	5	DAY	1 prior to 1000	Day	4	Days	00:00			00:00		
Monthly Non-Firm	Yes	1	1	MONTH	1	Days	18	Days	00:00	1		00:00	1	
Weekly Non-Firm	Yes	1	4	WEEK	1	Days	14	Days	00:00		Mon	00:00		Mon
Daily Non-Firm	Yes	1	5	DAY	1 prior to 1400	Day	4	Days	00:00			00:00		
Hourly Non-Firm	Yes	1	120	HOUR	25	Minutes	1 prior to 1000	Day						

SMD1 conforms to the approved WECC 5-Day Preschedule Calendar.

If you have any questions, please contact SMD1 Transmission at (916)732-6494.

## OASIS Status Definitions

The following are possible OASIS status values and will be used throughout this section:

<b>STATUS</b>	<b>DEFINITION</b>
<b>QUEUED</b>	initial status assigned by OASIS on receipt of “customer services purchase request”.
<b>INVALID</b>	assigned by SMD1 indicating an invalid field in the request, such as improper POR, POD, etc. (final state).
<b>RECEIVED</b>	assigned by SMD1 to acknowledge QUEUED requests and indicate the service request is being evaluated, including for completing the required ancillary services.
<b>STUDY</b>	assigned by SMD1 to indicate some level of study is required or being performed to evaluate the service request.
<b>REFUSED</b>	assigned by SMD1 to indicate that service request has been denied due to lack of availability of transmission capability. PROVIDER_COMMENTS should be used to communicate details for denial of service (final state).
<b>COUNTEROFFER</b>	assigned by SMD1 to indicate that a new OFFER_PRICE is being proposed or that CAPACITY_GRANTED is less than CAPACITY_REQUESTED.
<b>REBID</b>	assigned by Customer to indicate that a new BID_PRICE is being proposed.
<b>SUPERSEDED</b>	assigned by SMD1 when a request which has not yet been confirmed is displaced by a higher priority reservation (final state).
<b>ACCEPTED</b>	assigned by SMD1 to indicate the service request at the designated OFFER_PRICE has been approved/accepted. If the reservation request was submitted PRECONFIRMED, OASIS will immediately set the reservation status to CONFIRMED.
<b>DECLINED</b>	assigned by SMD1 to indicate terms and conditions such as BID_PRICE are unacceptable and that negotiations are terminated (final state).
<b>CONFIRMED</b>	assigned by Customer, in response to SMD1 posting “ACCEPTED” status, to confirm service. Once a request has been “CONFIRMED”, a transmission service reservation exists (final state, unless overridden by DISPLACED or ANNULLED).
<b>WITHDRAWN</b>	assigned by Customer at any point in request evaluation to withdraw the request from any further action (final state).
<b>DISPLACED</b>	assigned by SMD1 when a “CONFIRMED” reservation from a Customer is displaced by a higher priority reservation and the Customer is not offered or has not exercised right of first refusal (i.e., refused to match terms of new request) (final state).
<b>ANNULLED</b>	assigned by SMD1 when, in special circumstances, by mutual agreement with the Customer, a confirmed reservation is to be voided (final state).
<b>RETRACTED</b>	assigned by SMD1 when the Customer fails to confirm or withdraw the request within the required time period (final state).

## **Request Processing Procedure**

Requests are processed in the order they are received in accordance with the following procedure:

**1. Is the request valid?**

Y. see 2. below.

N. "INVALID", seller comments = "reason for invalidity".

**2. Is the bid price acceptable?**

Y. see 3. below.

N. "DECLINED", seller comments = "Bid Price does not match offer".

**3. Can the request be served from existing ATC?**

Y. "ACCEPTED".

N. "REFUSED", seller comments = "Insufficient ATC".

**4. Can the request (#NNN) bump a same-tier reservation/request?**

Y. "ACCEPTED". Upon confirmation, see 5 below if bumping on duration. If higher in price, existing customer's reservation/request is "DISPLACED" or "SUPERCEDED", seller comments = "bumped on price by NNN". Bumped customer has first right to remaining ATC up to the duration of the bumped reservation/request by immediately submitting a new request that references the old reservation/request. NOTE: Requests with longer duration and higher price will be considered as bumping on price.

N. "REFUSED", seller comments = "insufficient ATC". Customer has first right to remaining ATC by immediately submitting a new request that references the old request number.

**5. Does the existing customer exercise the right to match duration?**

Y. Existing customer submits matching request #MMM. Once "CONFIRMED", existing customer's old reservation is "DISPLACED", seller comments = "matched NNN with MMM" and new customer's reservation is "DISPLACED", seller comments = "matched by MMM". New customer has first right to remaining ATC up to the duration of NNN by immediately submitting a new request that references NNN.

**TSR Validation Criteria**

<b>OATI Tag Validation</b>	<b>Fail Status</b>	<b>Tag Deny Reason</b>
<b>ATC Commit:</b> TSR exceeds Committed ATC	<b>Refused</b>	Insufficient ATC
<b>ATC Pending:</b> verifies Pending ATC against TSR	<b>Refused</b>	Competing request pending
<b>POR/POD:</b> verifies POR/POD of TSR against posted paths	<b>Invalid</b>	Invalid POR/POD
<b>Timing:</b> verifies TSR against Timing Requirements table	<b>Declined</b>	Timing
<b>Customer/Service:</b> verifies purchasing entity is a valid Transmission Customer	<b>Declined</b>	Service Agreement not in place
<b>Credit Limit:</b> verifies TSR does not exceed credit limit	<b>Declined</b>	Checking credit limit
<b>Resale:</b> verifies Resale TSR does not exceed parent reservation	<b>Invalid</b>	Check parent reservation
<b>Bid Price:</b> verifies Bid Price matches Offer Price	<b>Declined</b>	Bid Price does not match offer
<b>Service Price:</b> verifies discount price is between floor price and ceiling price	<b>Declined</b>	Floor > bid price, Ceiling < bid

## **SCHEDULING AND TAGGING**

Sacramento Municipal Utility District System Operations and Reliability Department adheres to NERC Standards and WECC Business Practices for all tagging and scheduling guidelines unless otherwise stated in these Standard Business Practices.

### **Scheduling SMD1 COTP Transmission**

- SMD1 shall post transmission for sale on westTTrans OASIS.
- LSE shall be responsible for submittal of NERC E-tag in compliance with WECC protocols and timelines. SMD1, as TP, will approve/deny the tag. SMUD, as CA, will also approve/deny the tag.
- COTP losses will be settled financially with the NP15 Supplemental Energy Ex-Post price as the index.
- SMD1 shall submit a monthly invoice to the Transmission Customer for payment. This monthly invoice will include financial loss payments.

### **CISO is GCA or LCA**

- If the CAISO is the Generator Control Area (GCA) or Load Control Area (LCA) for energy transactions scheduled on SMD1 transmission, all of the scheduling and timing protocols of the CAISO must be adhered to.

**Losses**

All losses are the responsibility of the Transmission Customer and are to be settled financially between the Transmission Customer and SMD1. Losses will be calculated on all N-S and S-N COTP schedules.

- Dow Jones On / Off peak NP15 price will be the price index for financial settlement of losses.

<b>COTP LOSS FACTORS</b>	
<b>Period</b>	<b>Loss Factors (%)</b>
Summer Peak	3.8
Summer Partial Peak	2.5
Summer Off-Peak	1.4
Summer Super Off-Peak	1.4
Winter Partial Peak	2.3
Winter Off-Peak	1.6
Winter Super Off-Peak	1.6

<b>WINTER November 1 – April 30</b>	<b>Monday – Friday Except Holidays</b>	<b>Saturday, Sunday, and Holidays</b>
Peak	None	
Partial-Peak	8 a.m. to 9 p.m.	
Off-Peak	9 p.m. to 1 a.m. 5 a.m. to 8 a.m.	5 a.m. to 1 a.m.
Super Off-Peak	1 a.m. to 5 a.m.	1 a.m. to 5 a.m.
<b>SUMMER May 1 – October 31</b>	<b>Monday – Friday Except Holidays</b>	<b>Saturday, Sunday, and Holidays</b>
Peak	Noon to 6:00 p.m.	
Partial-Peak	8 a.m. to Noon 6:00 p.m. to 9:00 p.m.	
Off-Peak	9 p.m. to 1 a.m. 5 a.m. to 8 a.m.	5 a.m. to 1 a.m.
Super Off-Peak	1 a.m. to 5 a.m.	1 a.m. to 5 a.m.

### E-Tagging

1. An approved E- tag is required for all energy transactions. If there is no valid tag, the schedule will not be implemented. Dead tags will not flow, unless agreed to by SMD1, adjacent Control Areas, and the GCA and LCA.
2. The Oasis # for WASN's transmission segment, TRY500-TRY500, is COTPTANC for N-S COTP transmission and COTPTANCA for S-N COTP transmission.
- 3.
4. Late Tags: Real-time E-tags are due no later than 20 minutes prior to the start of the next clock hour. E-tags received less than 20 minutes prior to the start of the next clock hour will be considered late and will generally be denied. At SMD1's discretion, late tags may be accepted for system reliability purposes.
5. The load serving entity (LSE) shall be responsible for matching tags with schedules. If the tags and schedules do not match, SMD1 reserves the right to refuse or cancel schedule changes until such time that the scheduling entity has resolved the discrepancy.
6. The LSE is ultimately responsible for the tag creation and shall therefore be responsible for ensuring that all information (i.e. energy product code, OASIS reservation number) is correctly listed on the tag. The LSE shall also be responsible for acknowledging (approving/denying) the tag.
7. Assessment of reserve requirements will be based on the information provided by the E-Tag.
8. Normal business hours for prescheduled E-tags are Monday through Friday 0700 to 1600 Pacific Prevailing Time (PPT). Prescheduled tags are considered late and will generally be denied if submitted after 1500 (PPT) on the business day prior to the transaction.

## Timing Requirements for E-tags

### Original Tags and Tag Modifications

<b>Request for Interchange (RFI) is Submitted</b>	<b>IA Makes Initial Distribution of Arranged Interchange</b>	<b>BA and TP Conduct Reliability Assessments IA Verifies Reliability Data Complete</b>	<b>IA Compiles and Distributes Status</b>	<b>BA Prepares Confirmed Interchange for Implementation</b>	<b>Minimum Total Reliability Period</b>
= 20 min prior to ramp start	= 1 minute from RFI Submission	= 5 minute from Arranged Interchange receipt from IA	= 1 minute from receipt of all Reliability Assessments	= 3 minutes prior to ramp start	10 minutes
> 20 min to = 1 hour prior to ramp start	= 1 minute from RFI Submission	= 10 minutes from Arranged Interchange receipt from IA	= 1 minute from receipt of all Reliability Assessments	= 3 minutes prior to ramp start	15 minutes
> 1 hour to < 4 hours prior to ramp start	= 1 minute from RFI Submission	= 20 minutes from Arranged Interchange receipt from IA	= 1 minute from receipt of all Reliability Assessments	= 39 minutes prior to ramp start	1 hour plus 1 minute
= 4 hours prior to ramp start	= 1 minute from RFI Submission	= 2 hours from Arranged Interchange receipt from IA	= 1 minute from receipt of all Reliability Assessments	= 1 hour 58 minutes prior to ramp start	4 hours

## Tag Validation Criteria

<b>OATI Tag Validation</b>	<b>Tag Deny Reason</b>
<b>Energy profile</b> exceeds transmission allocation	Energy Profile > Trans Alloc
<b>Ramp duration</b> does not match standard ramp for WECC.	Non-Standard Ramp Duration
<b>Ramp Start/Stop time</b> is not within the time range encompassed by the energy segment	Ramp start/stop time
<b>Status of OASIS reservation</b> is not confirmed	Resv Status not confirmed
<b>Transmission allocation NERC priority</b> does not match product level purchased through OASIS	Tag NERC & Resv Priority differ
<b>Tag source/sink</b> does not match OASIS reservation source/sink	Tag Source/Sink v. Oasis S/S
<b>POR/POD</b> on a single row inconsistent with path names defined in OASIS	Tag POR/POD v. Oasis POR/POD
<b>PSE</b> on tag physical path does not match transmission customer in OASIS	Phys Path PSE diff from resv
Allow <b>secondary NF</b>	Secondary NF
<b>Transmission Allocation PSE</b> (Transmission Customer) on tag does not match transmission customer in OASIS	Tag TP Owner diff from resv
<b>Transmission allocation</b> on tag is using an OASIS reservation that has been <b>Recalled</b>	Can't tag against RECALL resv
Verifies <b>Late Tag Status</b>	Late Tag request
<b>TP Required</b>	SMD1 TP required on tag
Transmission allocation <b>1<sup>st</sup> POR and last POD</b> using a given Aref do not <b>match path name</b> reserved in OASIS	Path POR/POD diff from resv
<b>ATC Committed checks</b> that <b>non-firm committed</b> ATC is zero or greater	Insufficient ATC Commit
<b>ATC Pending checks</b> that <b>non-firm pending</b> ATC is zero or greater	Insufficient ATC Commit
<b>Tag Energy MW</b> value is greater than OASIS MW value	Tag Energy MW > resv MW
<b>Transmission allocation</b> exceeds OASIS reservation	Tag Txmn MW > Avail resv MW
<b>Limit MW</b> checks that Tag MW value is less than OASIS/Limit MW value	Tag Txmn MW > Resv/Limit
Checks <b>Contract Ref MW</b> on OASIS against the Tag MW	Tag MW > Contract Ref MW
<b>TP-SE Association</b> verifies TP- SE relationship	TP – SE Association
<b>TP POR/POD</b> relationship to adjacent SE	TP POR/POD to SE Adjacency
<b>GCL/LCA</b> association	GCA/LCA Association
<b>Source/Sink</b> Association	Source/Sink Association

## **CREDIT FOR OUTAGES/CURTAILMENTS**

### **Non-Firm Transmission Service**

Credit will be provided to customers for curtailments occurring on the COI transmission path purchased from SMD1.

Credit will be provided to customers displaced by firm service schedules.

No credit will be provided for outages or curtailments occurring on non-COI facilities, which may impact transactions on a transmission path purchased from SMD1. No credit will be provided for schedule energy transfers due to loop flow.

### **Firm Transmission Service**

Credit will be provided to customers for curtailments occurring on the COI transmission path purchased from SMD1.

### **Credit Methodology**

If transmission is not fully available for the term of service purchased, the bill will be computed based on the lower of (1) the amount of transmission service actually made available to the transmission customer and (2) the amount of transmission reserved. Example: If a Monthly product is purchased and not available for all hours of the month, the transmission charges will be calculated based on the transmission customer's reservation (i.e. Monthly) and based on the amount of transmission made available to the transmission customer (i.e. Weekly, Daily and Hourly) and the lower amount will be billed.

### **Outages**

Scheduled and unscheduled outages will be posted to the "Outage" category under Notices on SMD1's OASIS node site when notification is received. Any new outage information will be updated when notification is received.

## **ATC METHODOLOGY**

### **Determination of SMD1's Available Transfer Capability (ATC):**

$$\text{ATC} = \text{TTC (allocated)} - \text{Committed Uses}$$

$$\text{Committed Uses} = \text{TRM} + \text{Existing Transmission Commitments (including CBM)}$$

Where TRM = Transmission Reliability Margin  
CBM = Capacity Benefit Margin

## Terms

Capacity Benefit Margin (CBM): The amount of transmission transfer capability reserved by Load-Serving Entities with generation on the system up to the purchased/owned amount of transmission, to ensure access to generation from interconnected systems to meet generation reliability requirements.

Total Transfer Capability (TTC): The amount of electric power that can be transferred over the interconnected transmission network in a reliable manner while meeting all of a specific set of defined pre- and post-contingency system conditions.

Transmission Reliability Margin (TRM): The amount of transmission transfer capability necessary to ensure that the interconnected transmission network is secure under a reasonable range of uncertainties in system conditions.

Native Load: Existing and reasonably forecasted customer load for which the Transmission Provider – by statute, franchise, contract or regulatory policy – has the obligation to plan, construct or operate its system to provide reliable service. For Transmission Providers not operating in a Retail Access environment, Native Load refers to the load within a Transmission Provider’s service territory, to which it is also obligated to provide energy. For Transmission Provider’s operating in a Retail Access environment, Native Load refers to the load within the Transmission Provider’s service territory, independent of the Energy Service Provider(s) serving energy to the load.

Available Transfer Capability (ATC): a measure of the transfer capability remaining in the physical transmission network for further commercial activity, over and above already committed uses.

## **Capacity Benefit Margin**

SMD1 does not currently use a Capacity Benefit Margin. CBM value for ATC determination is set to zero.

A Capacity Benefit Margin may be established at the request of a SMD1 Transmission customer, providing the following conditions are met:

- The Transmission Customer must be a Load Serving Entity
- The Transmission Customer must own or have purchased generation that requires SMD1 transmission to ensure access to this source to meet generation reliability requirements
- This Business Practice is modified to include the procedure for use and documentation of CBM.

Any procedure developed to establish a CBM will include the following conditions for compliance with NERC Standard MOD-006 and MOD-007 and any additional requirements established by WECC:

- CBM may only be used after all non-firm sales have been terminated
- CBM may only be used after all Direct-Control Load Management has been implemented.
- CBM may only be used after interruptible demand has been interrupted.
- CBM may only be used in the event the requesting Load Serving Entity is experiencing a generation deficiency AND SMD1 is experiencing transmission constraints such that other options to import energy are not available.
- CBM may be used to re-establish Operating Reserves
- CBM will normally be made available for use as non firm transmission, except for any CBM that may be used immediately in the event of a generator contingency, or that may be dispatched within 10 minutes of a generator contingency.
- If CBM is used for any purpose other than non-firm transmission sales. SMD1 shall post on OASIS within 15 days, the amount of CBM used, the duration of use, and the circumstances requiring its use.

### **Transmission Reliability Margin**

SMD1 does not currently use a Transmission Reliability Margin. TRM value for ATC determination is set to zero.

A Transmission Reliability Margin may be established by SMD1 providing the following conditions are met:

- SMD1 Operations Engineering determines that a TRM is required to ensure transmission system remains secure.
- The methodology for TRM Determination complies with WECC Standards, Procedures or Guidelines.
- This business practice is modified to either include or reference a posted document describing the methodology used for TRM determination.

WECC's paper on ATC, "Determination of Available Transfer Capability Within the Western Interconnection" is located at the following link:

[ATC Methodology](#)