



Tri-State Generation and Transmission Association, Inc. (TSGT) Statement on Capacity Benefit Margin (CBM)

March 2011

Definition

Capacity Benefit Margin (CBM) – The amount of firm transmission transfer capability preserved by the transmission provider for Load-Serving Entities (LSEs), whose loads are located on that Transmission Service Provider’s system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies.

Summary

TSGT’s practice is to not maintain Capacity Benefit Margin (CBM).

Discussion

NERC Standard MOD-004-1 –Capacity Benefit Margin states the following in R1:

“The Transmission Service Provider that maintains CBM shall prepare and keep current a ‘Capacity Benefit Margin Implementation Document’ (CBMID) that includes, at a minimum, the following information...”

In Order 890A, paragraph 82, the FERC states, “The Commission clarifies in response to Duke that utilities do not need to make CBM available to LSEs on their system if the utilities do not reserve for themselves CBM or its equivalent. Comparability only requires transmission providers to make CBM available when they set aside for themselves transfer capability to meet generation reliability criteria.”

Conclusion

Based on the FERC's allowance for Transmission Service Providers to not use CBM, TSGT's statement of CBM is as follows:

1. TSGT does not allow for the use of CBM and as such, its value is set to zero (0) in the ATC equations for all paths posted by TSGT,
2. TSGT's practice is to not maintain CBM, and
3. TSGT will review its CBM practice, at least annually, and will post any changes to the OASIS as needed.