



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

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TO: Commissioners Brown, Carlson, Mital, Simpson, and Helgeson
FROM: Susan Ackerman, Chief Energy Officer; Matthew Schroettmig, Power Resources Counsel
DATE: March 6, 2018
SUBJECT: Replacement of EWEB Open Access Transmission Tariff (OATT)
OBJECTIVE: Information Only

Issue

EWEB currently provides electric transmission service at the wholesale level as detailed in its Open Access Transmission Tariff (OATT). EWEB's OATT has historically been patterned after OATT tariffs required of FERC-jurisdictional utilities.

Given the complexity of maintaining a FERC-jurisdictional equivalent, or *pro forma*, tariff, EWEB is currently working to replace its OATT with a Transmission Operations Policy. Staff anticipates this change will be ready for Board review within the next 60 days. This will in no way change the rights or obligations of any of EWEB's existing transmission customers, and will not modify the provision of transmission service across EWEB's limited transmission system. Transmission service, if and when requested, will continue to be offered at cost-based rates.

Background

Though EWEB is not a FERC-jurisdictional utility pursuant to Section 201(f) of the Federal Power Act, it voluntarily chose to model its transmission tariff on the FERC *pro forma* to provide transmission on a non-discriminatory basis and to provide consistency with other transmission serving entities. This ensured that EWEB would have the ability to purchase transmission from any FERC-jurisdictional transmission entities on a reciprocal non-discriminatory basis, under the standard known as "reciprocity." However, at no point has EWEB filed its OATT with FERC for approval or to request a determination that its OATT be granted reciprocity. As a result, in order to modify its transmission policies it is not necessary for EWEB to withdraw its tariff or provide any notice to FERC prior to doing so.

Since EWEB adopted its OATT, FERC requirements for maintaining a *pro forma* OATT have changed markedly. In its 2007 Order No. 890, FERC reformed its *pro forma* OATT to among other things, require greater transparency in the calculation of available transfer capability, open and coordinated planning of transmission systems, and standardization of charges for generator and energy imbalance services. The Commission also revised various policies governing network

resources, rollover rights and reassignments of transmission capacity. It was not practical for EWEB to adopt many of these changes given its limited transmission system, and so much of EWEB's original tariff language remains in place today. Understanding that, and following in the footsteps of a number of non-FERC jurisdictional utilities with limited transmission systems, EWEB will propose to the Board to replace its OATT with a Transmission Operations Policy.

Discussion

Though the language of the FERC *pro forma* has evolved, the means of satisfying the FERC requirement for reciprocity (i.e., granting, and being granted, access to transmission on a non-discriminatory basis) have not changed. In order for EWEB to continue to take advantage of open access on a public utility's system, it remains subject to the reciprocity condition set forth in Order No. 890. Specifically:

“(A) non-public utility that owns, controls, or operates transmission and seeks transmission service from a public utility must either satisfy its reciprocity obligation under a bilateral agreement, seek a waiver of the OATT reciprocity condition from the public utility, or file a safe harbor tariff with the Commission.”¹

Historically, when service was requested, EWEB entered into bilateral agreements with its transmission customers based on the conditions set forth in its OATT. That process will not change under the new policy; EWEB will continue to meet the above reciprocity condition through bilateral agreements with its transmission customers based on the conditions set forth in its forthcoming Transmission Operations Policy.

The Transmission Operations Policy will be included in the Customer Services Policies. It will detail EWEB's intent to provide transmission service on a non-discriminatory basis, in accordance with the terms of EWEB's Transmission Services Policy, and at prices based on EWEB's costs. EWEB's Transmission Services Policy will be available upon request, and will include the legal and technical requirements for a customer's application for, and implementation of, a Transmission Services Agreement with EWEB.

This change will allow EWEB to simplify its public policies considerably, resulting in added clarity to transmission customers and customer owners, while maintaining the ability to offer transmission service to third parties consistent with FERC mandates.

Requested Board Action

Information Only. No action required.

1 Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 191.