

Southern Company Transmission

Tagging and Tracking of Conditional Firm Service

Southern Companies offer a Conditional Firm Service (CFS) transmission service product in accordance with FERC Order No. 890. The CFS product may enable transmission customers requesting Long-Term Firm (LTF) Point-to-Point (PTP) transmission service to obtain yearly service when such yearly service does not exist due to specific constraints identified on the transmission system. CFS “will serve as a bridge until upgrades are constructed to remedy the congested transmission facilities.”¹ For transmission customers choosing not to support the construction of new facilities, CFS will be offered as a reassessment product, which will be reassessed every two years to determine “the conditions under which planning redispatch or conditional firm service is provided.”² CFS is not intended to be offered where extensive constraints or acute congestion exist, but rather those situations “in which firm service is available most of the period a year.”³

Transmission Providers in the Southern Balancing Authority Area (SBAA) will consult with Southern Companies Operations Planning when studying transmission service requests involving CFS to solicit input regarding the feasibility of the requested service in the context of ensuring reliable operations. Such Transmission Providers will provide Southern Companies Operations Planning details regarding the conditions being offered to CFS customers prior to executing CFS agreements. To the extent the CFS is anticipated to impact neighboring transmission systems, Southern Companies Operations Planning will consult with the Operations Planning representatives of those systems and will provide input reflecting such consultations into the transmission service request evaluation.

Once a CFS agreement has been executed, Southern Companies Operations Planning will post the details of the agreement on the Southern Companies’ OASIS, including the following information:

- OASIS Assigned Reference Number (ARef)
- Product Selected
 - Bridge product
 - Reassessment product
- Customer Selection
 - Annual Hourly Cap option
 - Number of hours
 - Specific System Condition option
 - Specific limiting conditions
 - Both Annual Hourly Cap option and Specific System Condition option
- Hours of Curtailment YTD

Southern Companies Operations Planning will incorporate the CFS into modeling and power flow assessments in the 0 - 13 month horizon. Southern Companies Operations Planning will also directly communicate the details of the CFS to affected neighboring Transmission Providers and Reliability Coordinators. For the purposes of assessing short-term Transmission Service Requests (TSRs), Total Transfer Capability (TTC), and Available Transfer Capability (ATC), CFS will be modeled in the same manner as other LTF commitments. Short-Term Firm (STF) transmission service offerings will therefore be

¹ Order No. 890, P 980.

² Order No. 890, P 981.

³ Order No. 890, P 1047.

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based upon the inclusion of CFS agreements. Since by definition, CFS involves constraints which would exceed the capability of the transmission system under certain conditions identified in the long-term service evaluation, the inclusion of CFS in short-term ATC evaluations will typically result in lower short-term ATC values and may result in zero or even negative ATC values during some periods. For performing reliability assessments, CFS may be assessed as an operating procedure, on a pre-contingency or post-contingency basis" to verify that curtailing the CFS would enable the transmission system to be operated within its system operating limits.

For purposes of maintaining reliability, curtailments of CFS may be required. Southern Companies will take appropriate actions including the initiation of curtailments of non-firm or firm service to ensure the transmission system is operated with its system operating limits. Since CFS is sometimes a firm product and sometimes a non-firm product, mechanisms are required to differentiate its curtailment priority. On OASIS, the CFS will be coded as "Yearly/Firm/Conditional." The scheduling of CFS will depend upon which option (i.e., hourly cap or system condition) the CFS customer selects in establishing the CFS agreement.

Annual Hourly Cap option

If the CFS has not been curtailed in excess of the annual hours cap specified in the governing CFS agreement, the CFS customer will schedule the transmission service and select the Product Code of 6NN on the tag. The SBAA Interchange Authority will confirm the Product Code when approving the tag. This will result in a curtailment priority for the CFS equal to Secondary Network.

If the CFS has been curtailed in excess of the annual hours cap (which will be communicated via OASIS), the CFS customer will schedule the transmission service and select the Product Code of 7F on the tag. The SBAA Interchange Authority will confirm the Product Code when approving the tag. This will result in a curtailment priority for the CFS equal to Firm PTP. To the extent system constraints persist beyond the estimated hours provided in the CFS agreement, the CFS will be curtailed only on a pro rata basis with Firm PTP and Network (native load) customers also being curtailed. Therefore, to the extent system constraints persist beyond the estimated hours provided in the CFS agreement, more frequent curtailments of Firm PTP and Network (native load) customers are likely to occur.

Specific System Condition option

It is not presently possible for the OASIS or the OATI Tagging Systems to accommodate a transmission schedule that is both Firm and Non-firm at the same time. For this reason, the CFS customer will schedule the transmission service and select the Product Code of 7F. The SBAA Interchange Authority will confirm the Product Code when approving the tag. This will result in a curtailment priority for the CFS equal to Firm PTP.

In the event that the specific limiting conditions provided in the CFS agreement arise, the Transmission Operator will utilize the curtailment of the CFS as an operating procedure, on a pre-contingency or post-contingency basis, to ensure reliable operations. The Transmission Operator will implement such operating procedures prior to initiating curtailments of Firm PTP and Network (native load) customers. This process cannot presently be automated and will be handled manually by the Transmission Operator.

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NERC and NAESB Developments

At this time, NERC and NAESB are working to address changes required to existing systems to resolve the conflicts introduced by the changing curtailment priority of CFS. Southern Companies have addressed this issue in these business practices through the use of Product Codes and manual processes, as described above.

In addition, NAESB is working to implement protocols to address assigning “short-term firm service to conditional firm customers as the service becomes available.”⁴ Southern Companies have addressed this issue in these business practices through the inclusion of CFS in assessments of STF transmission service, as described above.

Southern Companies will update these business practices to reflect NERC and NAESB practices when they are developed and approved.

⁴ Order No. 890, P 1078.