



CONDITIONAL FIRM TRANSMISSION SERVICE *FACTSHEET*

What is it?

Conditional Firm transmission service is a way for more generators to use existing transmission lines under long-term contracts.

Why is it needed?

Currently, where long-term **firm** transmission service is not available, transmission service providers can offer generators that want to move power across their lines **non-firm** service. Non-firm service is only available under today's FERC transmission tariffs for periods of less than one year. One year of transmission is not long enough for generation developers to finance new generation projects. They need transmission service that lasts for the service life of their projects.

Why is it "conditional"?

Transmission lines are often "sold out" contractually but have physical capacity available in all but a small percentage of the year during peak loads. Currently there is no defined product that could allow customers to purchase that physical capacity on a long-term basis. Conditional firm is a service that would make that physical capacity available for use. Forms of this type of service have been used in some systems successfully.

How would it work?

Transmission providers would use their Available Transfer Capacity (ATC) methodology to see which months they had firm capacity available to offer. Then they would study the historic usage of their system to determine in what conditions capacity is typically not available because lines are at their peak capacity. They would offer firm service for the months where capacity is available and conditional service during the remaining months of the year. In those conditional months, the generator could be curtailed during defined conditions (number of hours, time periods, or system conditions) defined at the beginning of the long-term contract. Generators would need to calculate whether their projects would be financially feasible, given potential for curtailment under conditional firm service offered by providers.

What are the benefits?

This new form of service could allow transmission providers to offer more service and gain more revenues for more efficient use of their transmission investments. This new service could allow new generation resources to come on-line, which otherwise would not be able to get transmission service.

What are the barriers?

The service would need to be defined by FERC and implemented by transmission providers. Transmission service operators would need to have the ability to curtail generators subject to the service prior to firm customers when transmission is congested. Concerns about how this product may impact other customers should also be addressed.

What are sources for more information about conditional firm service?

The service is discussed in the [WGA CDEAC report](#) and the [Rocky Mountain Area Transmission Study](#). Western Area Power Administration is offering “priority non-firm” transmission service. The Bonneville Power Administration has a [proposed product](#), a version of which it intends to implement when its information technology upgrades currently underway allow it. The FERC has held a two-day technical meeting on the proposed service and has included it in its [OATT reform](#) docket.