BP‑22 Rate Proceeding

DRAFT

Ancillary, and Control Area Service Rate Schedules and General Rate Schedule Provisions

(EIM)

## ACS-22 Ancillary and Control Area Service Rates

### SECTION I. AVAILABILITY

This schedule supersedes the ACS-20 rate schedule. It is available to all Transmission Customers taking service under the Open Access Transmission Tariff and other contractual arrangements. This schedule also is available for transmission service of a similar nature that may be ordered by the Federal Energy Regulatory Commission (FERC) pursuant to sections 211 and 212 of the Federal Power Act (16 U.S.C. §§ 824j and 824k). Service under this schedule is subject to BPA’s General Rate Schedule Provisions (GRSPs), which follow the rate schedules in this document.

#### C. ENERGY IMBALANCE MARKET SERVICES AND RATES

Energy Imbalance Market (“EIM”) Service is used to meet the Energy Imbalance and Generation Imbalance obligations of loads and resources in the BPA Control Area, and optimize the transmission system by economically dispatching generating resources across the EIM footprint. All Transmission Customers are subject to EIM charges and credits. The BPA Control Area receives charges and credits from the California Independent System Operator (“CAISO” or “Market Operator (MO)”) for the BPA Control Area on behalf of all loads, Interchange, and non-participating resources in the Control Area in accordance with section 29 of the Market Operator Tariff. This section allocates the charges and credits received by the BPA Control Area.

**1. EIM Imbalance Charges**

**a. Energy Imbalance Service (Schedule 4E)**

**b. Generator Imbalance Service (Schedule 9E)**

**2. Interchange and Intrachange Imbalance**

**3. Charges for Under-Scheduling or Over-Scheduling Load**

**4. EIM Neutrality and Uplift Charges and Credits**

**5. Rolled In Charges**

**6. Other Charges and Provisions**

### SECTION II. ANCILLARY SERVICE RATES

#### D. ENERGY IMBALANCE SERVICE (Schedule 4)

The rates below apply to Transmission Customers taking Energy Imbalance Service from BPA and shall apply until BPA joins the EIM and begins financial settlements for Energy Imbalance Service pursuant to Section IV. After BPA joins the EIM, all charges and credits for Energy Imbalance Service shall be settled in accordance with Section IV. This Section II.D shall also apply in the event the EIM is suspended pursuant to section 10 of Attachment Q of the BPA Tariff.

Energy Imbalance Service under Schedule 4 is taken when there is a difference between scheduled and actual energy delivered to a load in the BPA Control Area during a scheduling period. Accounting for hourly schedules will be on an hourly basis, and accounting for intra-hour schedules will be on the customer’s shortest scheduling period in the hour.

##### 1. RATES

###### a. Imbalances Within Deviation Band 1

Deviation Band 1 applies to deviations that are less than or equal to (i) ± 1.5 percent of the scheduled amount of energy, or (ii) ± 2 MW, whichever is larger in absolute value. BPA will maintain deviation accounts showing the net Energy Imbalance (the sum of positive and negative deviations from schedule for each period) for Heavy Load Hour (HLH) and Light Load Hour (LLH) periods. Return energy may be scheduled at any time during the month to bring the deviation account balances to zero at the end of each month. BPA will approve the hourly schedules of return energy. The customer shall make the arrangements and submit the schedule for the balancing transaction.

The following rates will be applied when a deviation balance remains at the end of the month:

(1) When the monthly net energy (determined for HLH and LLH periods) taken by the Transmission Customer is greater than the energy scheduled, the charge is BPA’s incremental cost based on the applicable average HLH and average LLH incremental cost for the month.

(2) When the monthly net energy (determined for HLH and LLH periods) taken by the Transmission Customer is less than the energy scheduled, the credit is BPA’s incremental cost based on the applicable average HLH and LLH incremental cost for the month.

###### b. Imbalances Within Deviation Band 2

Deviation Band 2 applies to the portion of the deviation (i) greater than ± 1.5 percent of the scheduled amount of energy or (ii) ± 2 MW,

whichever is larger in absolute value, up to and including (i) ± 7.5 percent of the scheduled amount of energy or (ii) ± 10 MW, whichever is larger in absolute value.

(1) When energy taken by the Transmission Customer in a schedule period is greater than the energy scheduled, the charge is 110 percent of BPA’s incremental cost.

(2) When energy taken by the Transmission Customer in a schedule period is less than the scheduled amount, the credit is 90 percent of BPA’s incremental cost.

###### c. Imbalances Within Deviation Band 3

Deviation Band 3 applies to the portion of the deviation (i) greater than ± 7.5 percent of the scheduled amount of energy, or (ii) greater than ± 10 MW of the scheduled amount of energy, whichever is larger in absolute value.

(1) When energy taken by the Transmission Customer in a schedule period is greater than the energy scheduled, the charge is 125 percent of BPA’s highest incremental cost that occurs during that day. The highest daily incremental cost shall be determined separately for HLH and LLH.

(2) When energy taken by the Transmission Customer in a schedule period is less than the scheduled amount, the credit is 75 percent of BPA’s lowest incremental cost that occurs during that day. The lowest daily incremental cost shall be determined separately for HLH and LLH.

##### 2. OTHER RATE PROVISIONS

###### a. BPA Incremental Cost

BPA’s incremental cost will be based on an hourly energy index in the Pacific Northwest. If no adequate hourly index exists, an alternative index will be used. BPA will post the name of the index to be used on its OASIS Web site at least 30 days prior to its use. BPA will not change the index more often than once per year unless BPA determines that the existing index is no longer a reliable price index.

For any hour(s) that the energy index is negative, no credit is given for positive deviations (actual energy delivered is more than scheduled).

###### b. Spill Conditions

For any day that the Federal System is in a Spill Condition, no credit is given for negative deviations (actual energy delivered is less than scheduled) for any period of that day.

If the energy index is negative in any hour that the Federal System is in a Spill Condition:

(1) For negative deviations (energy taken is less than the scheduled energy) within Band 1, no credit will be given.

(2) For negative deviations (energy taken is less than the scheduled energy) within Band 2, the charge is the energy index for that hour.

(3) For negative deviations (energy taken is less than the scheduled energy) within Band 3, the charge is the energy index for that hour.

###### c. Persistent Deviation

Transmission Customers taking Energy Imbalance Service shall be subject to the Persistent Deviation Penalty Charge pursuant to GRSP II.L.2.

### SECTION III. CONTROL AREA SERVICE RATES

#### B. GENERATION IMBALANCE SERVICE (Schedule 9)

The rates below apply to generation resources in the BPA Control Area if Generation Imbalance Service is provided for in an interconnection agreement or other arrangement. The rates below shall apply until BPA joins the EIM and begins financial settlements for Generation Imbalance Service pursuant to Section IV. After BPA joins the EIM, all charges and credits for Generation Imbalance Service shall be settled in accordance with Section IV. This Section III.B shall also apply in the event the EIM is suspended pursuant to section 10 of Attachment Q of the BPA Tariff.

Generation Imbalance Service under Scheduled 9 is taken when there is a difference between scheduled and actual energy delivered from generation resources in the BPA Control Area during a scheduling period. Accounting for hourly schedules will be on an hourly basis, and accounting for intra-hour schedules will be on the customer’s shortest scheduling period in the hour.

1. RATES

**a. Imbalances Within Deviation Band 1**

Deviation Band 1 applies to deviations that are less than or equal to (i) ± 1.5 percent of the scheduled amount of energy, or (ii) ± 2 MW, whichever is larger in absolute value. BPA will maintain deviation accounts showing the net Generation Imbalance (the sum of positive and negative deviations from schedule for each period) for Heavy Load Hour (HLH) and Light Load Hour (LLH) periods. Return energy may be scheduled at any time during the month to bring the deviation account balances to zero at the end of each month. BPA will approve the hourly schedules of return energy. The customer shall make the arrangements and submit the schedule for the balancing transaction.

The following rates will be applied when a deviation balance remains at the end of the month:

(1) When the monthly net energy (determined for HLH and LLH periods) delivered from a generation resource is less than the energy scheduled, the charge is BPA’s incremental cost based on the applicable average HLH and average LLH incremental cost for the month.

(2) When the monthly net energy (determined for HLH and LLH periods) delivered from a generation resource is greater than the energy scheduled, the credit is BPA’s incremental cost based on the applicable average HLH and LLH incremental cost for the month.

**b.** **Imbalances Within Deviation Band 2**

Deviation Band 2 applies to the portion of the deviation (i) greater than ± 1.5 percent of the scheduled amount of energy or (ii) ± 2 MW, whichever is larger in absolute value, up to and including (i) ± 7.5 percent of the scheduled amount of energy or (ii) ± 10 MW, whichever is larger in absolute value.

(1) When energy delivered in a schedule period from the generation resource is less than the energy scheduled, the charge is 110 percent of BPA’s incremental cost.

(2) When energy delivered in a schedule period from the generation resource is greater than the scheduled amount, the credit is 90 percent of BPA’s incremental cost.

**c.** **Imbalances Within Deviation Band 3**

Deviation Band 3 applies to the portion of the deviation (i) greater than ± 7.5 percent of the scheduled amount of energy, or (ii) greater than ± 10 MW of the scheduled amount of energy, whichever is larger in absolute value.

(1) When energy delivered in a schedule period from the generation resource is less than the energy scheduled, the charge is 125 percent of BPA’s highest incremental cost that occurs during that day. The highest daily incremental cost shall be determined separately for HLH and LLH.

(2) When energy delivered in a schedule period from the generation resource is greater than the scheduled amount, the credit is 75 percent of BPA’s lowest incremental cost that occurs during that day. The lowest daily incremental cost shall be determined separately for HLH and LLH.

2. OTHER RATE PROVISIONS

**a. BPA Incremental Cost**

BPA’s incremental cost will be based on an hourly energy index in the Pacific Northwest. If no adequate hourly index exists, an alternative index will be used. BPA will post the name of the index to be used on its OASIS Web site at least 30 days prior to its use. BPA will not change the index more often than once per year unless BPA determines that the existing index is no longer a reliable price index.

For any hour(s) that the energy index is negative, no credit is given for positive deviations (actual generation less than scheduled).

1. **Spill Conditions**

For any day that the Federal System is in a Spill Condition, no credit is given for negative deviations (actual generation greater than scheduled) for any period of that day.

If the energy index is negative in any hour that the Federal System is in a Spill Condition:

(1) For negative deviations (actual generation greater than scheduled) within Band 1, no credit will be given.

(2) For negative deviations (actual generation greater than scheduled) within Band 2, the charge is the energy index for that hour.

(3) For negative deviations (actual generation greater than scheduled) within Band 3, the charge is the energy index for that hour.

1. **Persistent Deviation for Generation**

Dispatchable Energy Resources taking Generation Imbalance Service shall be subject to the Persistent Deviation Penalty Charge pursuant to GRSP II.L.1.

1. **No Credit for Negative Deviations During Curtailments**

No credit is provided for negative deviations (actual generation greater than schedules) during scheduling periods when a schedule from a generator is curtailed.

1. **Exemption from Deviation Band 2**

The 10 percent penalty charge under section 1.b., Imbalances Within Deviation Band 2, will not apply to customers participating in a committed 15-minute scheduling program in accordance with the ACS-20 Variable Energy Resources Balancing Service rates, section III.E.2.a.(2) and III.E.3.a.(1).

1. **Exemptions from Deviation Band 3**

The following resources are not subject to Deviation Band 3:

(1) wind resources

(2) solar resources

(3) new generation resources undergoing testing before commercial operation for up to 90 days

Unless otherwise stated in this section 2, all deviations greater than ± 1.5 percent or ± 2 MW will be charged consistent with section 1.b., Imbalances Within Deviation Band 2.

#### E. VARIABLE ENERGY RESOURCE BALANCING SERVICE

**1.** **APPLICABILITY**

The rates contained in this rate schedule apply to all wind and solar generating facilities of 200 kW nameplate rated capacity or greater in the BPA Control Area except as provided in section 2.c. of this rate schedule.

**Variable Energy Resource Balancing Service** (“VERBS” or “Balancing Service”)is comprised of two components: regulating reserves (which compensate for moment-to-moment differences between generation and load) and non-regulating reserves (which compensate for larger differences occurring over longer periods of time during the hour). Variable Energy Resource Balancing Service is required to help maintain the power system frequency at 60 Hz and to conform to NERC and WECC reliability standards.

2. balancing service

The total charge for Balancing Service is the applicable rate in section 2.a. or 2.b, below, plus Direct Assignment Charges under section 3 and Intentional Deviation Penalty Charges under section 4.

**a. BALANCING SERVICE RATES FOR WIND RESOURCES**

Customers taking Balancing Service will receive BPA’s Variable Energy Resource reliability forecast) and submit schedules that are consistent with the signal or that result in less imbalance for the scheduling period.

(a) Regulating Reserves $X.XX per kilowatt per month

(b) Non-Regulating Reserves $X.XX0 per kilowatt per month

**b. BALANCING SERVICE RATES FOR SOLAR RESOURCES**

Customers taking Balancing Service will receive BPA’s Variable Energy Resource reliability forecast and submit schedules that are consistent with the signal or that result in less imbalance for the scheduling period.

(a) Regulating Reserves $X.XX per kilowatt per month

(b) Non-RegulatingReserves $X.XX per kilowatt per month

**c. BILLING FACTOR**

The Billing Factor for rates in section 2.a and 2.b is as follows:

(1) For each plant, or phase of a plant, that has completed installation of all units no later than the 15th of the month prior to the billing month, the billing factor in kW will be the greater of the maximum one-hour generation or the nameplate of the plant. A unit has completed installation when it has generated and delivered power to the BPA system.

(2) For each plant, or phase of a plant, for which some but not all units have been installed by the 15th day of the month prior to the billing month, the billing factor will be the maximum measured hourly output of the plant through the 15th day of the prior month in kW.

(3) For each plant, or phase of a plant, where none of the units have been installed on or before the 15th of the month prior to the billing month, but some units have been installed before the start of the billing month, the billing factor will be zero.

d. EXCEPTIONS

(1) The rates under section 2.a and 2.b above will not apply to a Variable Energy Resource, or portion of a Variable Energy Resource, that, in BPA’s determination, has put in place, tested, and successfully implemented in conformance to the criteria specified in BPA business practices, no later than the 15th day of the month prior to the billing month, the dynamic transfer of plant output out of BPA’s Balancing Authority Area to another Balancing Authority Area.

(2) Individual rate components under sections 2.a and 2.b above will not apply to a Variable Energy Resource, or portion of a Variable Energy Resource, that, in BPA’s determination, has put in place, tested, and successfully implemented in conformance to criteria specified in BPA business practices, no later than the 15th day of the month prior to the billing month, self-supply of that component of Balancing Service, including by contractual arrangements for third-party supply.

3. DIRECT ASSIGNMENT CHARGES

BPA shall directly assign to the customer the cost of incremental balancing reserve capacity purchases that are necessary to provide Variable Energy Resource Balancing Service to the customer if:

a. the customer elected to self-supply in accordance with section 2.c. but is unable to self-supply one or more components to Variable Energy Resource Balancing Service; or

b. the customer has a projected generator interconnection date after FY 2021, but chooses to interconnect during the FY 2020–2021rate period; or

c. the customer elected to take service under section 2.a.(1), 2.a.(2), or 3.a.(1) above, but fails to conform to the committed scheduling criteria specified in BPA business practices; or

d. the customer elected to take service under section 2.a.(1), 2.a.(2), or 3.a.(1) above, but chooses to take a Balancing Service scheduling option with a longer scheduling period in accordance with the criteria specified in BPA business practices; or

e. the customer elected to dynamically transfer its resource out of BPA’s Balancing Authority Area, but the resource remains in the BPA Balancing Authority Area after the date specified in the customer election.

When determining the balancing reserve capacity requirement for a resource subject to direct assignment charges, BPA will round the incremental increase down to the nearest whole megawatt.

Customers that are subject to direct assignment charges will be billed for all costs incurred above $0.280 per kilowatt-day for any incremental balancing reserve capacity acquisitions. Customers billed for direct assignment charges will also be billed at the applicable VERBS rate in section 2.

**4. INTENTIONAL DEVIATION PENALTY CHARGE**

Customers taking Variable Energy Resources Balancing Service under this rate schedule are subject to the Intentional Deviation Penalty Charge specified in GRSP II.J.

### SECTION IV. ENERGY IMBALANCE MARKET SERVICES AND RATES

#### A. Definitions

##### ---. Instructed Imbalance Energy (EIM)

A type of Imbalance Energy that occurs when changes are made to a resource, Interchange, or Intrachange schedule after the submission of the TCBS. IIE will be settled at either the FMM or RTD price at the applicable PNode depending on the nature and timing of the imbalance.

--. Measured Demand:

Includes (1) Metered Demand, plus (2) e-Tagged export volumes from the BPA BAA

(excluding EIM Transfers).

--. Metered Demand:

Metered load volumes in BPA’s BAA.

##### All other capitalized terms not otherwise defined by this section shall have the meaning set forth in the BPA Tariff.

#### B. Imbalance Charges – Schedules 4E and 9E

##### 1. Energy Imbalance Service (Schedule 4E) (EIM)

A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer’s metered load compared to the load component of the Transmission Customer Base Schedule (as determined pursuant to Section 4.2.4 of Attachment Q of Bonneville’s Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located as determined by the MO under Section 29.11(b)(3)(C) of the MO Tariff.

Transmission Customers taking Energy Imbalance Service shall be subject to the Persistent Deviation Penalty Charge for UIE pursuant to GRSP II.L.2.

##### 2. Generation Imbalance Service (Schedule 9E) (EIM)

**a. Generation Imbalance Service When No Schedule Changes Occur to Resource After T-57.**

Except as provided for in section 2(B) below, Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer’s metered generation compared to the resource component of the Transmission Customer Base Schedule settled as UIE for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

Transmission Customers taking Generation Imbalance Service shall be subject to the Persistent Deviation Penalty Charge for UIE pursuant to GRSP II.L.1.

**b. Generation Imbalance Service When Changes Occur To Resource Schedule After T-57.**

For Transmission Customers that have received a Manual Dispatch or EIM Available Balancing Capacity dispatch, or if the scheduled output of a resource changes after T-57, the following provisions shall apply:

**(1) GI - Uninstructed Imbalance Energy Charges/Credits.**

*UIE/RTD (Metered Gen - Scheduled Output at RTD)*

A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer’s metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or the scheduled output of a resource incorporated by the MO in RTD, settled as UIE for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

Transmission Customers taking Generation Imbalance Service shall be subject to the Persistent Deviation Penalty Charge for UIE pursuant to GRSP II.L.1.

**(2) GI - Instructed Imbalance Energy Charges/Credits**

(a) *FMM-IIE (Scheduled Output at FMM - TCBS)*

A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or the scheduled output of a resource incorporated by the MO in the FMM (“FMM Schedule”), compared to the resource component of the Transmission Customer Base Schedule, settled as IIE for the period of the deviation at the applicable PNode FMM price where the generator is located, as determined by the MO under Section 29.11(b)(1)(A)(ii) of the MO Tariff; or

(b) *RTD-IIE (Scheduled Output at RTD –FMM)*

A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or the scheduled output of a resource incorporated by the MO in RTD, compared to the FMM Schedule, as IIE for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

(c) *Intrachange Imbalance Adjustment*.

If a Transmission Customer elects to receive Intrachange Imbalance pursuant to the BPA EIM BP, then the FMM-IIE and RTD-IIE associated with such Intrachange shall be settled with the resource in accordance with Section IV.C.2.b. of this section.

#### C. Interchange and Intrachange Imbalance

**1. Interchange Imbalance.**

Interchange Imbalance is assessed when deviations occur between the Interchange portion of a Transmission Customer’s Base Schedule and the schedule value at the applicable FMM or RTD market interval. Transmission Customers with Interchange Imbalance shall be assessed IIE at either the Fifteen Minute Market (FMM) LMP, the Real-Time Dispatch (RTD) LMP, or both, depending upon when the changes to the Transmission Customer’s Interchange are incorporated by the MO into the applicable EIM market run. Interchange Imbalance shall be calculated as follows:

**a. Calculation of Interchange Imbalance - FMM-IIE**

A Transmission Customer shall be charged or paid for Interchange Imbalance measured as the deviation of the Interchange portion of the Transmission Customer’s Base Schedule compared to the Interchange schedule incorporated by the MO in the FMM (“FMM Schedule”). Such imbalance shall be settled as FMM-IIE for the period of the deviation at the applicable PNode FMM price where the Interchange is located, as determined by the MO under Section 29.11(b)(1)(A)(ii) of the MO Tariff.

**b. Calculation of Interchange Imbalance- RTD-IIE**

A Transmission Customer shall be charged or paid for Interchange Imbalance measured as the deviation of the FMM Schedule compared to the Interchange schedule incorporated by the MO in the RTD. Such imbalance shall be settled as RTD-IIE for the period of the deviation at the applicable PNode RTD price where the Interchange is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

**2. Intrachange Imbalance.**

Intrachange Imbalance is assessed when deviations occur between the Intrachange portion of a Transmission Customer’s Base Schedule and the Transmission Customer’s Intrachange schedule at an applicable FMM or RTD market interval. BPA will assess Intrachange Imbalance when requested by Power Services or a Transmission Customer and upon meeting the requirements in the BPA EIM BP. Intrachange Imbalance shall be assessed IIE at either the Fifteen Minute Market (FMM) LMP, the Real-Time Dispatch (RTD) LMP, or both, depending upon when the changes to the Transmission Customer’s Intrachange occurs. Intrachange Imbalance shall be calculated as follows:

**a. Calculation of Intrachange Imbalance - FMM-IIE**

A Transmission Customer shall be charged or paid for Intrachange Imbalance measured as the deviation of the Intrachange portion of the Transmission Customer’s Base Schedule compared to the Transmission Customer’s Intrachange schedule at the applicable FMM interval (“FMM Schedule”). Such imbalance shall be settled as FMM-IIE for the period of the deviation at the applicable PNode FMM price where the source resource responsible for the Intrachange is located, as determined by the MO under Section 29.11(b)(1)(A)(ii) of the MO Tariff.

**b. Calculation of Intrachange Imbalance – RTD-IIE**

A Transmission Customer shall be charged or paid for Intrachange Imbalance measured as the deviation of the FMM Schedule compared to the Transmission Customer’s Intrachange schedule at the applicable RTD interval. Such imbalance shall be settled as RTD-IIE for the period of the deviation at the applicable PNode RTD price where the source resource responsible for the Intrachange is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

**c. Adjustment to IIE Settlement for Source Resource Responsible for an Intrachange**

The source resource responsible for an Intrachange shall be charged or paid an amount of Intrachange Imbalance that exactly offsets the Intrachange Imbalance paid or charged the Transmission Customer under Sections IV.C.2.a and b above.

#### D. Charges for Under-Scheduling or Over-Scheduling Load

**1. Under-Scheduling Load**

Any charges to the BPA EIM Entity pursuant to Section 29.11(d)(1) of the MO Tariff for underscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer’s respective under-scheduling imbalance ratio share, which is the ratio of the Transmission Customer’s under-scheduled load imbalance amount relative to all other Transmission Customers’ under-scheduled load imbalance amounts who have under-scheduled load for the Operating Hour, expressed as a percentage.

**2. Over-Scheduling Load**

Any charges to the BPA EIM Entity pursuant to Section 29.11(d)(2) of the MO Tariff for overscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer’s respective over-scheduling imbalance ratio share, which is the ratio of the Transmission Customer’s over-scheduled load imbalance amount relative to all other Transmission Customers’ over-scheduled load imbalance amounts who have over-scheduled load for the Operating Hour, expressed as a percentage.

**3. Distribution of Under-Scheduling or Over-Scheduling Proceeds**

Any payment to the BPA EIM Entity pursuant to Section 29.11(d)(3) of the MO Tariff shall be distributed to Transmission Customers on the basis of Metered Demand whose daily average absolute imbalance is less than 5 percent or 2 MW (whichever is greater) of its daily average schedule..

#### E. EIM Neutrality and Uplift Charges and credits

**1. EIM BAA Real-Time Market Neutrality (Real-Time Imbalance Energy Offset- BAA)**

Any charges to the BPA EIM Entity pursuant to Section 29.11(e)(3) of the MO Tariff for EIM BAA real-time market neutrality shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

**2. EIM Entity BAA Real-Time Congestion Offset**

Any charges to the BPA EIM Entity pursuant to Section 29.11(e)(2) of the MO Tariff for the EIM real-time congestion offset shall be allocated to Transmission Customers on the basis of Measured Demand.

**3. EIM Entity Real-Time Marginal Cost of Losses Offset**

Any charges to the BPA EIM Entity pursuant to Section 29.11(e)(4) of the MO Tariff for realtime marginal cost of losses offset shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

**4. EIM Neutrality Settlement**

Any charges to the BPA EIM Entity pursuant to Section 29.11(e)(5) of the MO Tariff for EIM neutrality settlement shall be sub-allocated as follows:

|  |  |
| --- | --- |
| **Description** | **Allocation** |
| Neutrality Adjustment  (monthly and daily) | Measured Demand |
| Rounding Adjustment  (monthly and daily) | Measured Demand |

**5. Real-Time Bid Cost Recovery**

Any charges to the BPA EIM Entity pursuant to Section 29.11(f) of the MO Tariff for EIM realtime bid cost recovery shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

**6. Flexible Ramping Product**

Any charges or payment to the BPA EIM Entity pursuant to Section 29.11(p) of the MO Tariff for the Flexible Ramping Product shall be sub-allocated to Transmission Customers as follows:

|  |  |
| --- | --- |
| **Description** | **Allocation** |
| Flexible Ramping Forecasted Movement  resource settlement | Measured Demand |
| Flexible Ramping Forecasted Movement  demand allocation | Metered Demand |
| Daily Flexible Ramping Uncertainty Award (in  both the upward and downward directions) | Measured Demand |
| Monthly Flexible Ramping Uncertainty Award  (in both the upward and downward directions) | Measured Demand |
| Any other Flexible Ramping Product charges  or payments | Measured Demand |

**7. Inaccurate or Late Actual Settlement Quality Meter Data Penalty**

To the extent the BPA EIM Entity incurs a penalty for inaccurate or late actual settlement quality meter data, pursuant to Section 37.11.1 of the MO Tariff, the BPA EIM Entity shall directly assign the penalty to the offending Transmission Customer.

**8. Unaccounted For Energy (UFE)**   
Any charges to the BPA EIM Entity pursuant to Section 29.11(c) of the MO Tariff for UFE shall be sub-allocated to Transmission Customers on the basis of Measured Demand.



#### F. Rolled in Charges

All other charges or credits assessed by the MO to the BPA EIM Entity that are not otherwise allocated by this Section IV shall be rolled in and recovered through base Transmission rates.

#### G. Other Charges and Provisions

**1. MO Tax Liabilities**

Any charges to the BPA EIM Entity pursuant to Section 29.22(a) of the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

**3. Market Validation and Price Correction**

If the MO modifies the BPA EIM Entity settlement statement in accordance with the MO’s market validation and price correction procedures in the MO Tariff, the BPA EIM Entity reserves the right to make corresponding or similar changes to the charges and payments suballocated under this Section IV.

### SECTION V. ADJUSTMENTS, CHARGES, AND OTHER RATE PROVISIONS

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