

Tiered Rates Methodology:

- **Designated BPA System Obligations:**
 - Customers believe BPA's treatment of this issue leaves customers open to a deterioration of the Tier 1 System over time, due to new obligations (such as capacity reserves for integrating wind) acting as off-the-top deductions from the system's capacity and energy; Even if BPA charges market rates for uses of capacity and energy that come off-the-top, and credits the revenues to Tier 1 rates, customers are not necessarily made whole, due to potential mismatches between the rates actually charged and the costs of replacement resources, and potential reductions in actual capacity available to Slice customers.
 - Customers believe BPA may have misunderstood their proposal; intend to re-write and discuss; May need Steve Oliver involved in discussion.
- **Transmission Curtailment Management Service (TCMS)**
 - TCMS is being offered as a Resource Support Service (RSS), therefore it's only available if customer specifies the resource under the Contract (Specified Resource);
 - Delivery of unspecified resources may need to occur via Secondary NT Service or Conditional Firm; In this case, customers should be able to purchase TCMS to firm up delivery of those resource.
 - Customers intend to write up proposal; would probably specify that TCMS is not a RSS, therefore customers can purchase for unspecified resources.
- **Mismatch in Timing on use of Forecast Net Requirement and Withdrawal of Resources**
 - Under TRM, some problems with removing a resource in time.
 - PNGC will further write-up the problem and a proposal.

Contracts

- **Arbitration Policy**
 - Customers want to be involved in BPA's creation of its Binding Arbitration Policy, being developed pursuant to the Administrative Dispute Resolution Act.
- **Proposed “Substantive” Amendments:**
 - **Section 3.5.1.2(2): Customers should be able to reshape newly specified resources after the first Rate Period following notification of adding the resource.** Currently, customers have to wait many years before being able to reshape. *E.g.* if customer adds a specified resource after 2011 Notice Deadline, it can only choose one of two shapes to apply until 2020.
 - **Section 17.1: Should be parallel obligations and consequences for withholding information.** Currently states that if customer fails to provide information to BPA, that BPA is relieved of certain obligations. This needs to be made symmetrical, so that if BPA fails to provide information, customer is relieved of those corresponding obligations.
 - **Section 3.5.8: PURPA language is unnecessarily stringent.** Customers required to purchase PURPA resources may choose not to apply them to their own load under PURPA law, but the contract would require them to. Additionally, customers should be able to list PURPA resources as unspecified in the contract, rather than being compelled to specify them.

- **Exhibit H, section 9:** Customers question the need / appropriateness of this provision in the contracts; deals with ratemaking treatment of costs of carbon credits and RECs / interaction with REP.
- **Definition of “Small Non-Dispatchable Resources”:** Should include new resources with nameplate capability less than or equal to 3 MWs instead of 1 MW. These are the type of local projects that should be encouraged.
- **Proposed Clarifications:**

(More substantive)

- **Section 6.3:** This section needs to be clarified because it is NOT intended to apply to the provisions set forth in Section 6.6 (which are meant to be “frozen” at the time the original TRM is adopted, and not to change over time if the TRM changes).
- **Section 12.1:** Language requires waiver of Billing Credits for Generating Resources, but does not mention Billing Credits for conservation achieved by customers. Is this intended?
- **Exhibit E:** Customers need a process to ensure that Transmission Services and Power Services agree on any change to a Point of Delivery.

(Less substantive)

- **Section 10.4:** Doesn’t make sense to stat the customer is responsible for remarketing of any amount s of its “Unspecified Resources” that are removed pursuant to 10.1, because they are not actually removed; Their size simply changes based on the amount that is needed. This reference should be removed because it is confusing customers.
- **Section 10.4:** Need clarification on how Resource Remarketing Service will work in the context of section 10.4; Does taking this service from BPA relieve customer from any other responsibilities related to remarketing?
- **Section 23.3.6:** States that before adding an NLSL to Exhibit D, Customer has the choice to 1) have BPA serve the NLSL, or 2) “serve the NLSL with a Dedicated Resource in Exhibit A that is not already being used to serve <<Customer Name>>’s firm consumer load in the region.” Why would a resource be in Exhibit A if it wasn’t already being used to serve firm consumer load in the region? Is this really referring to the option to add a new Specified Resource to serve an NLSL?
- **Section 18.2.2:** Revise to read that the section does not apply “if utility’s TRL from the most recent prior Fiscal Year is 25 aMW or less.” **(BPA has agreed to this amendment (?))**.
- **Exhibit C, 2.2.4.3:** If a customer had been taking the partial LGR and was also purchasing at another BPA Tier 2 rate for those other MWs (ie, short term or vintage), then this text does not permit the customer to continue its obligation. This paragraph should read: *“then for the remainder of the effective Purchase Period and all the next Purchase Period <<Customer Name>> shall apply Dedicated Resources to serve all of its above RHWM load that is in excess of the sum of all Tier 2 commitments. its commitment to purchase at LGR pursuant to 2.2.4.2. **(BPA has agreed to this amendment (?))**.*
- **Exhibit H, §4:** Tier 2 RECs: §3 states that for Tier 1 RECs that are transferred to customer, BPA shall “provide <<Customer Name>> with a letter assigning title of such Tier 1 RECs to <<Customer Name>>.” However, Exhibit H does not reference assigning title of Tier 2 RECs, and such treatment needs to be included.

- **Various “Clean Up” Changes in Contract**