

This document provides background information on the provisions in the Regional Dialogue Load Following contract template. It is not intended to interpret the Regional Dialogue contract provisions, provide a comprehensive overview of the contract provisions, or indicate what the provisions will state under the Provider of Choice contracts. For a complete and more detailed explanation of the Regional Dialogue contracts, see the July 2007 Long-Term Regional Dialogue Final Policy and ROD and the October 31, 2008 Long-Term Regional Dialogue Contract Policy Administrator’s ROD.

Regional Dialogue Section #	LF Template	What the section says/does	Anticipated Contract Discussion	Educational Resources
0	Recitals	The recitals are statements that provide background information about the intent of the contract and provide context for the contract.	June 2024	
1	Term	The term section establishes the execution date and the effective date of the contract. BPA cannot provide requirements power under more than one contract at a time, nor can a contract exceed 20 years. Since requirements power was provided under the Subscription contracts until September 30, 2011, this clause ensures it is clear that performance by BPA under the Regional Dialogue contract (RD contract) (i.e., provision of power and other operational requirements) does not begin until October 1, 2011, except for specific preparatory actions that are required by the contract prior to that date.	April 2024	
2	LF Definitions	Defined terms that are used in more than one section of the contract are defined here. Terms that are used only in one section of the contract are typically defined in that section. In the RD contract, BPA bolded terms that were also defined in the Tiered Rate Methodology (TRM); BPA anticipates continuing that practice for the 2029 Public Rate Design Methodology and the Provider of Choice contract.	Ongoing	
3.1	Purchase Obligation	The purchase obligation section establishes the core deal between BPA and the customer. BPA sells power to its customers to meet BPA’s obligations under section 5(b) of the Northwest Power Act and the customers have to pay for such power.	May 2024	
3.2	Take or Pay	The take or pay provision is foundational to the RD contracts. Customers have to pay for the amount of power the customer committed to purchase to serve their Total Retail Load, less resources, in accordance with its RD contract regardless of whether a customer takes actual delivery of such power.	May/June 2024	
3.3 - 3.7	Application of Dedicated Resources; Shaping of Dedicated Resources; Changes to Dedicated Resources; Consumer-	Outlines the types of Dedicated Resource categories in the RD contract and how a customer may use its Dedicated Resources to serve its Total Retail Load.	May 2024 – Feb 2025	Non-Fed Resources 1 , Non-Fed Resources 2

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	Owned Resources; Hourly Dedicated Resource Schedule			
4	Blank	Placeholder for description of Block product.	May 2024 – Feb 2025	
5	Blank	Placeholder for description of Slice product.	April 2024 – Feb 2025	
6	Tiered Rate Methodology	Establishes the relationship between the RD contract and the TRM. It establishes that the TRM will apply in setting all rates for the power sold under the RD contract. This provision makes clear that the TRM terms stated in the RD contract are simply recitations of the TRM terms, and the fact that those terms are recited in the contract does not make them a matter of contract.	June 2024	
7	High Water Marks and Contract Demand Quantities	Primarily serves to introduce the terms Contract High Water Mark (CHWM), Rate Period High Water Mark (RHWM), and Contract Demand Quantities (CDQs), and states that they are established according to the TRM “that was current as of the Effective Date.”	June 2024	HWMs and Tier 1 System 1 , HWMs and Tier 1 System 2
8	Applicable Rates	States the rate schedules that apply under the RD contract and directs the reader to those rate schedules for specific billing determinants.	June 2024	
9	Elections to Purchase Power at Tier 2 Rates	Requires customers to elect how to serve their Above-RHWM load between power purchased from BPA at Tier 2 rates, non-federal resources (i.e. Dedicated Resources), or a combination of both; sets the notice deadlines for such Above-RHWM elections; and discusses what happens when either customers make their election or fail to make an election.	June/July 2024	
10	Tier 2 Remarketing and Resource Removal	States the rights and obligations relating to non-Federal resource removal and Tier 2 remarketing. The provisions vary significantly for Load Following customers versus Block and Slice/Block customers.	May/June 2024	
11	Right to Change Purchase Obligation	Details the customers’ one-time right to change its purchase obligation (i.e. product changing to and from Load Following, Block, and Slice/Block)	TBD	
12	Billing Credits and Residential Exchange	States that the customer agrees to waive their right to request generation billing credits. Similar to billing credits, customers agreed, in signing the RD contracts, to limit the exchange costs of Existing Resources through the Residential Exchange. These clauses ensure the individual costs of customers’ resources do not get rolled into Tier 1 rates.	May 2024	

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13	Scheduling	Primarily points the reader to Exhibit F to find product-specific scheduling rights and obligations. Depending on each customer’s circumstances, the scheduling requirements of the RD contract vary.	May 2024	
14	Delivery	Addresses transmission, transfer service, real power losses, and other issues related to the delivery of power. This section of the RD contract varies depending on particular customer characteristics.	May 2024	Transfer and Transmission
15	Metering	Primarily encompasses the metering <i>equipment</i> requirements. Meter data requirements are primarily located in section 17.3 (Information Exchange) and the Metering exhibit.	May 2024	
16	Billing and Payment	Outlines how BPA will bill and how customer will pay for the electricity, products and services sold and purchased under the RD contract.	April 2024	
17	Information Exchange and Confidentiality	Requires the parties to provide each other with the data, reports and information needed to operate or administer the RD contract. The sharing of information under the contract is necessary for the successful implementation of the contracts. While many other sections require information to be shared, this section is intended to describe the general requirements. There are also provisions that establish how information will be identified and protected as confidential.	May 2024	
18	Conservation and Renewables	Includes requirements that the customer cooperate with BPA in any evaluation of conservation programs; provide a 10-year conservation plan to BPA (this does not apply to small customers); and report any non-BPA funded conservation measures. This section also requires the customer to provide information regarding their renewable acquisition plans. BPA has routinely waived the conservation and renewable reporting requirements under the RD contract.	May 2024	
19	Resource Adequacy	Requires customers to provide load and resource forecasts to a third party (PNUCC) so that an assessment can be made to determine whether the region as a whole has adequate resources to meet projected loads. This reporting requirement does not apply to customers that purchase all of their power from BPA.	May 2024	
20	Notices and Contact Information	Most information that is sent between BPA and the customer does not need proof that the information was received. This provision is included for the few circumstances where obtaining proof of receipt is a requirement of the RD contract. The section also includes the name, address, and contact information of the primary point of contact for the RD contract for each party.	April 2024	

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21	Uncontrollable Forces	Establishes that Uncontrollable Forces refers to those events beyond the reasonable control, and without fault or negligence, that prevents a Party from performing its obligations under the RD contract.	April 2024	
22	Governing Law and Dispute Resolution	Sets out what mechanisms are available for resolving disputes that arise under the RD contract and states that the RD contract is governed by federal law. If a dispute arises, parties must make a good faith effort to resolve the dispute informally before initiating litigation or arbitration.	April 2024	
23.1	Retail Rate Schedules	The Bonneville Project Act requires customers who purchase requirements power from BPA provide a copy of their retail rate schedules.	April 2024	
23.2	Insufficiency and Allocations	Specifies the parties’ rights and obligations in the event of insufficiency. This provision meets the requirement of section 5(b)(5) of the Northwest Power Act that BPA contracts include a methodology on how BPA will restrict service and allocate power if BPA is unable to acquire sufficient power to meet its load obligation. In 1996 BPA published the actual formula for allocations in insufficiency in the Federal Register.	April 2024	
23.3	New Large Single Loads	The Northwest Power Act requires that a customer load that increases over 10 aMW in a single year, if the existing load is not contracted for or committed to (CF/CT) before to September 1, 1979 as determined by the Administrator, must be charged a different rate than the Priority Firm rate. This provision establishes the parties’ rights and obligations for service to NLSLs and points to Exhibit D where the NLSLs amounts are established.	June/August 2024	NLSLs
23.4	Priority of Pacific Northwest Customers	Incorporates section 7 of the Preference Act and 9(c) and 9(d) of the Northwest Power Act and provides that customers have priority to BPA power consistent with such statutory provisions.	June/July 2024	
23.5	Prohibition on Resale	By current law, the customer is not allowed to resell Federal PF or NR power since this power is provided to serve their requirements load. This provision precludes the resale of Firm Requirements Power, which is defined as power provided under section 5b of the Northwest Power Act.	June/July 2024	
23.6	Use of Regional Resources	Under this provision, a customer is required to notify BPA before they export power from a Generating Resource or a Contract Resource out of the Region and gives BPA the right to request information on the planned use of a resource.	June/July 2024	

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23.7	BPA Appropriations Refinancing	Incorporates section 3201(i) of the 1996 BPA Refinancing Act, which requires that BPA offer to include section 3201(i) of the Act in its contracts. This is sometimes called the “contract lock” clause, as customers that choose to incorporate the language are held harmless from any congressional legislation to refinance BPA's debt during the term of their contract.	April 2024	
24.1	Amendments	Establishes the requirement that any amendment be in writing and that all amendments are executed by both parties unless the contract explicitly allows for a unilateral amendment.	April 2024	
24.2	Entire Agreement and Order of Precedence	Establishes that the contract as written constitutes the entire contract and excludes contract negotiations or verbal agreements. This provision also states that if there is a conflict between something stated in the body and an exhibit, then the body of the Agreement controls over the exhibits.	April 2024	
24.3	Assignment	Allows for the contract to be assigned to a new entity, with certain restrictions including prior written consent, and requires that agreement to such assignment not be unreasonably withheld. The terms and conditions of the Agreement are binding on any assignee or successor.	June 2024	
24.4	No Third-Party Beneficiaries	States that the only legal beneficiaries under the RD contract are BPA and the customer.	April 2024	
24.5	Waivers	States that any waivers to a contract obligation must be in writing, is a one time occurrence, and does not establish a precedent for any future waiver.	April 2024	
24.6	BPA Policies	Makes it clear that references in the RD contract to BPA policies do not mean that the customer has waived its rights to challenge the legality of those policies.	April 2024	
24.7	Rate Covenant and Payment Assurance	Establishes a requirement and the customer’s agreement that it will set its rates high enough to make the payments required under the RD contract. The provision allows BPA to require payment assurance, such as a letter of credit, if it determines the customer may not be able to pay its bills.	April 2024	

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24.8	Bond Assurances	This provision is included only in the RD contracts of cooperatives, including tribal cooperatives. Under applicable tax law, cooperatives, including tribal cooperatives, are considered private entities (nongovernmental). Private entities may not receive more than a de minimis benefit of a project financed by tax-exempt bonds (Columbia Generating Station (CGS)). If private entities receive more than a de minimis benefit of a project, then the bonds become taxable. This would create significant problems for the bond holders as well as all of the public utilities and BPA that have a financial stake in the bonds. This provision outlines the customer’s obligations and BPA’s rights to prevent or remedy the customer receiving more than a de minimus benefit (share) of CGS.	June/July 2024	
25	Termination	Outlines BPA’s and the customer’s rights to terminate the RD contract.	April 2024	
26	Signatures	States that the signatory must have the authority to sign the contract on behalf of either BPA or the customer.	April 2024	
Ex. A	Net Requirements and Resources	Establishes the amount of power a customer can purchase from BPA and lists customer’s resources and resource amounts. It is designed to implement BPA’s 5(b) and 9(c) Policies.	July 2024 – Feb 2025	Non-Fed Resources, Peak Net Requirement,
Ex. B	High Water Marks and Contract Demand Quantities	States the customer’s CHWM and CDQ amounts and when changes to the CHWM and CDQs can be made.	July 2024 – Feb 2025	
Ex. C	Purchase Obligations	Provides the bulk of the information around Tier 2 election opportunities and documents a customer’s Tier 1 and Tier 2 Purchase Obligations and Tier 2 election amounts.	July 2024 – Feb 2025	
Ex. D	Additional Products and Special Provisions	Houses additional products and services (listed below), as well as any provisions related to a customer’s unique and special circumstances.	May 2024 – Feb 2025	
Ex. D, Section 1	NLSLs and CF/CT Loads	Lists customer-specific information about CF/CTs, Potential NLSLs, Planned NLSLs, Existing NLSLs, and Renewable Resources/Cogen Exceptions to NLSL status.	July – September 2024	

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Ex. D, Section 2 and Section «#»	RSS products, RRS, Grandfathered GMS	Includes the provisions for the Resource Support Services (RSS) including Diurnal Flattening Service (DFS), Forced Outage Reserve Service (FORS), and Secondary Crediting Service (SCS). Separate sections in Exhibit D include the Resource Remarketing Service (RRS) and Grandfathered Generation Management Service (Grandfathered GMS).	TBD	RD Product Guidebook
Ex. D, Section 3	Irrigation Rate Mitigation	Some customers are eligible for an adjustment to their rates for the costs of irrigation loads within their service territories. This provision is included in the RD contract to establish the amounts of irrigation loads that are subject to the rate adjustment.	May/June 2024	LDD/IRM
Ex. D, Section «#»	Limitations on Exchange of Existing Resources	In Regional Dialogue, PF customers agreed to a limited waiver of their participation in the Residential Exchange Program (REP). Specifically, PF customers were permitted to only receive REP payments from BPA for certain resources. This exhibit D provision outlines certain rights and obligations for such limited REP.	May 2024	REP background
Ex. D, Section «#»	Terms and Conditions of WREGIS Subaccount	Outlines the terms and conditions for those customers that elect (under Exhibit H) to have their Renewable Energy Certificates (REC) transferred to a WREGIS subaccount.	June/July 2024	
Ex. D, Section «#»	Baseline Delivery Percentages and Amounts (Proportional Scheduling)	Section 14.7 of the RD contract, commonly known as proportional scheduling, is a section specific to customers served over multiple transmission systems using a non-federal resource to serve load. This Exhibit D provision captures specific information about the agreed-upon delivery arrangement and amounts.	June-September 2024	
Ex. D, Section «#»	Transfer Customers’ Non-federal Market Purchase Exchange	Due to the geographical implications of obtaining firm transmission to deliver certain eligible market purchases to certain customers’ loads, BPA created a firm power exchange service that allows BPA to provide Transfer Service support and assistance to eligible customers’ market purchases consistent with the intent of Exhibit G. These provisions in Exhibit D provide the terms and conditions of such exchange.	June-September 2024	Transfer Service
Ex. E	Metering	Contains the customer’s meter data.	May/June 2024	
Ex. F	Scheduling/Transmission Scheduling Service	Outlines the parties’ roles and responsibilities relative to scheduling. There are numerous versions of Exhibit F based on whether a customer is served by Transfer Service or not, served over multiple transmission systems, have network or point to point transmission, and whether or not they take Transmission Scheduling Service-Full or -Partial. Exhibit F also includes provisions related to Transmission Curtailment Management Service (TCMS) as well as the Mid-C over Non-Firm product.	June – September 2024	

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Ex. G	Principles of Non-Federal Transfer Service	This exhibit is only included in transfer service customers’ contracts with and is left blank for all non-transfer customers. Section 14.6.7 of the body of the contract for transfer customers states that BPA will offer a separate contract under which BPA will obtain transfer service for delivery of non-Federal resources to the customer. Exhibit G includes a list of principles that formed the basis for the stand-alone subsequent agreement that BPA offered to transfer customers.	June – September 2024	History of Transfer Service, Transfer/Transmission Background,
Ex. H	Renewable Energy Certificates and Carbon Attributes	Provides the procedures for BPA transferring RECs, the remarketed value of such, and any carbon credits to the customer. Exhibit H was significantly revised part of the REP Settlement executed in 2012.	June/July 2024	Carbon 1, Carbon 2, Carbon 3