**Reservation of Rights:** *All draft Provider of Choice (POC) contract language presented by BPA for discussion is subject to ongoing review and revision. Prior to finalizing the POC contract templates, BPA will publish complete contract templates for public review and comment. BPA acknowledges that failure to offer edits or comments on this document does not preclude a stakeholder from offering edits or comments during the formal public review.*

**Summary of Changes**

The following redlines show the proposed new JOE definitions and options in sections 5.3 (Annual Calculation of Slice Percentage) and 5.4 (Firm Slice Amount) of the Slice/Block contract.

* Slice Percentage will be calculated for each JOE Member. Definitions added to facilitate the description of how the JOE Member’s Preliminary Member Net Requirement flows into the Member Slice Percentage.
* Added Member Firm Slice Amount; needed for Tier 1 Block Amount calculation at the Member level.
* RSO Test will remain at the JOE level, no changes needed.
* Changes made to section 5.3 Slice Percentage result in multiple options:

|  |  |
| --- | --- |
| Option 1 | Standard 5.3 Slice Percentage. No limits on Slice %. Not used for JOE, cooperative, or tribal utilities. |
| Option 2 | Use when Slice Percentage is limited due to high level customer participation that exceeds 25 % of sum of FY2026 CHWMs. Not used for JOE, cooperative, or tribal utilities |
| Option 3 | Use for cooperatives and tribal utilities that are not JOEs when Slice Percentage is limited pursuant to 21.8 Bond Assurances |
| Option 4 | Use for JOE with cooperative or tribal utility members when Slice Percentage is limited pursuant to Section 21.8 Bond Assurances |
| Option 5 | Use for JOE with members that are public bodies (ex PUD, municipal utility). Used when Slice percentage is not limited. |

**DEFINITIONS**

*Option 1: Include the following for customers that are not JOEs.*

2.«#» “**Preliminary Net Requirement**”*(03/12/25 Version)* means a customer’s annual Net Requirement prior to accounting for any New Resources a customer may elect to serve its Above-CHWM Load. Preliminary Net Requirement is determined as the forecasted annual Total Retail Load less Existing Resources, NLSLs, Specified Resources added to Tier 1 Allowance Amount, and Consumer-Owned Resources serving On-Site Consumer Load, as determined in the Above-CHWM Load Process.***[LF, SL, BL]***

 *End Option 1*

*Option 2: Include the following for customers that are JOEs.*

2.«#» “**Preliminary Net Requirement**”*(XX/XX/XX Version)* means the sum of the JOE’s Members’ Preliminary Member Net Requirements.***[SL, BL]***

*End Option 2*

*Drafter’s Note: Include the following for customers that are JOEs.*

2.«#» “**Preliminary Member Net Requirement**”*(XX/XX/25 Version)* means a JOE Member’s annual Net Requirement prior to accounting for any New Resources used to serve Above-CHWM Load. Preliminary Net Requirement is determined as the forecasted annual Total Retail Load less Existing Resources, NLSLs, Specified Resources added to Tier 1 Allowance Amount, and Consumer-Owned Resources serving On-Site Consumer Load, as determined in the Above-CHWM Load Process. ***[ SL, BL]***

*End Option*

*Option 1: Include the following for customers that are not JOEs.*

2.«#» “Slice Percentage”*(03/12/25 Version)* means the percentage used to determine the amount of the Slice Product a customer purchases, pursuant to its CHWM Contract.***[LF, SL, BL]***

*End Option 1*

*Option 2: Include the following for customers that are JOEs.*

2.«#» “Slice Percentage”*(XX/XX/25 Version)* means the sum of the JOE Members’ Slice Percentages, used to determine the amount of the Slice Product a JOE purchases, pursuant to its CHWM Contract.***[ SL]***

*End Option 2*

*Drafter’s Note: Include the following for customers that are JOEs.*

2.«#» “Member Slice Percentage”*(XX/XX/25 Version)* means the portion of the JOE’s Slice Percentage that is attributable to the Member.***[ SL]***

*End Option*

5. SLICE PRODUCT *(XX/XX/25 Version)*

*Option 1: Include the following for customers that have* ***not*** *had their Slice Percentage limited or reduced pursuant to sections 11.9 or 21.8. Include this option for all Slice/Block customers that are not JOEs at contract offer.*

5.3 **Annual Calculation of Slice Percentage**

By March 31, 2028 and each March 31 of a Rate Case Year thereafter, and by March 31 in a Forecast Year that «Customer Name» submits a Total Retail Load forecast update pursuant to section 17.6.2, and concurrent with BPA’s calculation of «Customer Name»’s Net Requirement pursuant to section 1 of Exhibit A, BPA shall calculate «Customer Name»’s Slice Percentage by:

(1) multiplying 50 percent by the lesser of:

(A) «Customer Name»’s Provider of Choice FY 2026 CHWM, including an increase for «Customer Name»’s Annexed Load from a CHWM Customer, and a decrease for «Customer Name»’s load annexed by another customer or a third party; or

(B) «Customer Name»’s Preliminary Net Requirement, and

(2) Dividing by the annual CHWM System in section 2 of Exhibit K, and

(3) Multiplying by 100.

The value as expressed as a percentage will be rounded to the fifth decimal and as a number rounded to the seventh decimal. Expressed as a formula, the Slice Percentage in each year of the Rate Period is calculated as follows:

By March 31, 2028 and each March 31 of a Rate Case Year thereafter, and by March 31 in a Forecast Year that «Customer Name» submits a Total Retail Load forecast revision pursuant to section 17.6.2, and concurrent with BPA’s calculation of «Customer Name»’s Net Requirement pursuant to section 1 of Exhibit A, BPA shall revise and state «Customer Name»’s Slice Percentage in section 1 of Exhibit K.

After BPA calculates «Customer Name»’s Slice Percentage for the Fiscal Year pursuant to this section 5.3, BPA shall not make mid-Fiscal Year adjustments to «Customer Name»’s Slice Percentage. BPA shall adjust «Customer Name»’s Block Amount when a mid-Fiscal Year adjustment is required.

*End Option 1*

*Option 2: Include the following for customers if their Slice Percentage is limited pursuant to section 11.9 and if the customer is a public body.*

5.3 **Annual Calculation of Slice Percentage**

The amount of Slice Product available to «Customer Name» is less than 50 percent of «Customer Name»’s CHWM pursuant to section 11.9. BPA shall revise and state such limitations on «Customer Name»’s Slice Percentage in section 1 of Exhibit K at the Effective Date or at the time of a change in purchase obligation to the Slice Product. If «Customer Name»’s Slice Percentage is limited, then «Customer Name»’s Tier 1 Block Amount will increase pursuant to section 4.3 of this Agreement.

By March 31, 2028 and each March 31 of a Rate Case Year thereafter, or by March 31 in a Forecast Year that «Customer Name» submits a Total Retail Load forecast revision pursuant to section 17.6.2, and concurrent with BPA’s calculation of «Customer Name»’s Net Requirement pursuant to section 1 of Exhibit A, BPA shall calculate «Customer Name»’s Slice Percentage as the lesser of:

(1) «Customer Name»’s Slice Percentage limit in section 1 of Exhibit K; or

(2) Multiplying 50 percent by «Customer Name»’s Preliminary Net Requirement, and (A) dividing by the annual CHWM System in section 2 of Exhibit K, and (B) multiplying by 100.

The Slice Percentage shall be rounded to the fifth decimal in percentage format and rounded to the seventh decimal in number format.

Expressed as a formula, the Slice Percentage in each year of the Rate Period is calculated as follows:

*End Option 2*

*Option 3: Include the following for cooperatives, and tribal utilities that are not members of a JOE* ***if*** *the customer’s Slice Percentage is reduced pursuant to section 21.8.*

5.3 **Annual Calculation of Slice Percentage**

The amount of Slice Product available to «Customer Name» is limited to less than 50 percent of «Customer Name»’s CHWM pursuant to section 21.8. BPA shall revise and state such limitations on «Customer Name»’s Slice Percentage in section 1 of Exhibit K at the Effective Date or at the time of a change in purchase obligation to the Slice Product. If «Customer Name»’s Slice Percentage is limited, then «Customer Name»’s Tier 1 Block Amounts will increase pursuant to section 4.3 of this Agreement.

By March 31, 2028 and each March 31 of a Rate Case Year thereafter, or by March 31 in a Forecast Year that «Customer Name» submits a Total Retail Load forecast revision pursuant to section 17.6.2, and concurrent with BPA’s calculation of «Customer Name»’s Net Requirement pursuant to section 1 of Exhibit A, BPA shall calculate «Customer Name»’s Slice Percentage as the lesser of:

(1) «Customer Name»’s Slice Percentage limit in section 1 of Exhibit K; or

(2) Multiplying 50 percent by «Customer Name»’s Preliminary Net Requirement, and (a) dividing by the annual CHWM System in section 2 of Exhibit K, and (b) multiplying by 100.

The Slice Percentage shall be rounded to the fifth decimal in percentage format and rounded to the seventh decimal in number format.

Expressed as a formula, the Slice Percentage in each year of the Rate Period is calculated as follows

*End Option 3*

*Option 4: Include the following for JOEs with cooperative and/or tribal utilities* ***if*** *the customer’s Slice Percentage is reduced pursuant to section 21.8.*

5.3 **Annual Calculation of Slice Percentage**

The amount of Slice Product available to «Customer Name» is limited to less than 50 percent of «Customer Name»’s CHWM pursuant to section 21.8. BPA shall revise and state such limitations on «Customer Name»’s Slice Percentage and each «Customer Name» Member’s Slice Percentage in section 1 of Exhibit K at the Effective Date or at the time of a change in purchase obligation to the Slice Product. «Customer Name»’s Slice Percentage limit is the sum of its Members’ Slice Percentage limits. If «Customer Name»’s Slice Percentage is limited to less than 50 percent of its Preliminary Net Requirement, then «Customer Name»’s Tier 1 Block Amounts will increase pursuant to section 4.3 of this Agreement.

By March 31, 2028 and each March 31 of a Rate Case Year thereafter, or by March 31 in a Forecast Year that «Customer Name» submits a Total Retail Load forecast revision pursuant to section 17.6.2, and concurrent with BPA’s calculation of «Customer Name»’s Net Requirement pursuant to section 1 of Exhibit A, BPA shall calculate «Customer Name»’s Slice Percentage and the Member Slice Percentage for each of «Customer Name»’s Members.

BPA shall calculate «Customer Name»’s Slice Percentage as the lesser of:

(1) «Customer Name»’s Slice Percentage limit in section 1 of Exhibit K; or

(2) Multiplying 50 percent by the sum of «Customer Name»’s Member’s Preliminary Member Net Requirements, and (A) dividing by the annual CHWM System in section 2 of Exhibit K, and (B) multiplying by 100.

Expressed as a formula, «Customer Name»’s Slice Percentage in each year of the Rate Period is calculated as follows:

BPA shall calculate the Member Slice Percentage for each of «Customer Name»’s Members as the lesser of:

(1) Each «Customer Name» Member’s Slice Percentage limit in section 1 of Exhibit K; or

(2) Multiplying 50 percent by the «Customer Name» Member’s Preliminary Member Net Requirement, and (A) dividing by the annual CHWM System in section 2 of Exhibit K, and (B) multiplying by 100.

Expressed as a formula, each «Customer Name» Member’s Member Slice Percentage in each Fiscal Year of the Rate Period is calculated as follows:

The Slice Percentage and Member Slice Percentage shall be rounded to the fifth decimal in percentage format and rounded to the seventh decimal in number format.

By March 31, 2028 and each March 31 of a Rate Case Year thereafter, and by March 31 in a Forecast Year that «Customer Name» submits a Total Retail Load forecast revision pursuant to section 17.6.2, and concurrent with BPA’s calculation of «Customer Name»’s Net Requirement pursuant to section 1 of Exhibit A, BPA shall revise and state «Customer Name»’s Slice Percentage and Member Slice Percentages in section 1 of Exhibit K.

After BPA calculates «Customer Name»’s Slice Percentage and Member Slice Percentages for the Fiscal Year pursuant to this section 5.3, BPA shall not make mid-Fiscal Year adjustments to «Customer Name»’s Slice Percentage. BPA shall adjust «Customer Name»’s Tier 1 Block Amounts when a mid-Fiscal Year adjustment is required.

*End Option 4*

*Option 5: Include the following for JOEs that have Members that are public bodies (do not have cooperative or tribal Members).*

5.3 **Annual Calculation of Slice Percentage**

By March 31, 2028 and each March 31 of a Rate Case Year thereafter, or by March 31 in a Forecast Year that «Customer Name» submits a Total Retail Load forecast revision pursuant to section 17.6.2, and concurrent with BPA’s calculation of «Customer Name»’s Net Requirement pursuant to section 1 of Exhibit A, BPA shall calculate «Customer Name»’s Slice Percentage and the portion of «Customer Name»’s Slice Percentage that is attributable to each of «Customer Name»’s Members.

BPA shall calculate «Customer Name»’s Slice Percentage by:

(1) multiplying 50 percent by the lesser of:

(A) «Customer Name»’s Member’s FY 2026 CHWM, including an increase for «Customer Name»’s Annexed Load from a CHWM Contract customer, and a decrease for «Customer Name»’s load annexed by another customer or a third party; or

(B) The sum of Members’ Preliminary Member Net Requirement, and

(2) Dividing by the annual CHWM System in section 2 of Exhibit K, and

(3) Multiplying by 100.

Expressed as a formula «Customer Name» Slice Percentage in each Fiscal Year of the Rate Period is calculated as follows:

BPA shall calculate the Member Slice Percentage for each «Customer Name» Member as the lesser of:

(1) the «Customer Name» Member’s CHWM, including an increase for «Customer Name»’s Annexed Load from a CHWM Contract customer, and a decrease for «Customer Name»’s load annexed by another customer or a third party; or

(2) Multiplying 50 percent by the portion of the Member’s Preliminary Member Net Requirement, and (A) dividing by the annual CHWM System in section 2 of Exhibit K, and (B) multiplying by 100.

Expressed as a formula, each Member’s Slice Percentage in each year of the Rate Period is calculated as follows

The Slice Percentage and Member Slice Percentage shall be rounded to the fifth decimal in percentage format and rounded to the seventh decimal in number format.

By March 31, 2028 and each March 31 of a Rate Case Year thereafter, and by March 31 in a Forecast Year that «Customer Name» submits a Total Retail Load forecast revision pursuant to section 17.6.2, and concurrent with BPA’s calculation of «Customer Name»’s Net Requirement pursuant to section 1 of Exhibit A, BPA shall revise and state «Customer Name»’s Slice Percentage and Member Slice Percentages in section 1 of Exhibit K.

After BPA calculates «Customer Name»’s Slice Percentage and Member Slice Percentages for the Fiscal Year pursuant to section 5.3. of this Agreement, BPA shall not make mid-Fiscal Year adjustments to «Customer Name»’s Slice Percentage or Member Slice Percentages. BPA shall adjust «Customer Name»’s Tier 1 Block Amounts when a mid-Fiscal Year adjustment is required.

*End Option 5*

*Option 1: Include the following for customers that are not JOEs.*

5.4 **Firm Slice Amount**

*Option 2: Include the following for customers that are JOEs.*

5.4 **Firm Slice Amount**

5.4.1 By March 31, 2028 and each March 31 of a Rate Case Year thereafter, and by March 31 in a Forecast Year that «Customer Name» submits a Total Retail Load forecast revision pursuant to section 17.6.2, and concurrent with BPA’s calculation of «Customer Name»’s Net Requirement pursuant to section 1 of Exhibit A, BPA shall calculate the following Firm Slice Amounts:

(1) «Customer Name»’s Firm Slice Amount for each month of the applicable Fiscal Year(s) in monthly Average Megawatts by (A) multiplying the monthly Average Megawatts of the CHWM System listed in the table in section 1 of Exhibit K for the applicable month in each Fiscal Year by «Customer Name»’s Slice Percentage applicable to each such Fiscal Year stated in section 2 of Exhibit K, and (B) rounding the results to three decimal places.

(2) «Customer Name»’s Firm Slice Amount for each month of the applicable Fiscal Year(s) in megawatt-hours by (A) multiplying the Firm Slice Amount in Average Megawatts for each month of the applicable Fiscal Year(s) by the number of hours in the month, and (B) rounding the result to the nearest whole megawatt.

(3) The portion of «Customer Name»’s Firm Slice Amount attributable to each of «Customer Name»’s Members in Average Megawatts by (A) multiplying the monthly Average Megawatts of the CHWM System listed in the table in section 1 of Exhibit K for the applicable month in each Fiscal Year by each Members’s Member Slice Percentage applicable to each such Fiscal Year stated in section 2 of Exhibit K, and (B) rounding the results to three decimal places.

(4) The portion of «Customer Name»’s Firm Slice Amount attributable to each of «Customer Name»’s Members in megawatt hours by (A) multiplying the Firm Slice Amount in Average Megawatts for each month of the applicable Fiscal Year(s) by the number of hours in the month, and (B) rounding the result to the nearest whole megawatt.

BPA shall revise and state «Customer Name»’s Firm Slice Amount and each Member’s attributed portion of «Customer Name»’s Firm Slice Amount in Average Megawatts and megawatt-hours for each month of the applicable Fiscal Year(s) in section 3 of Exhibit K.

*End Option 2*