

FOR SETTLEMENT PURPOSES ONLY

Updated November 3, 2020

Attachment 2 – Real Power Loss Return Services Settlement Agreement Proposed Rate Schedule Provisions

A. Proposed FPS-22 Rate Schedule Provision

[X]. Real Power Losses

Power Services may sell power to BPA Transmission customers for Real Power Loss returns as defined by BPA Transmission Services. If a customer chooses to purchase losses from Power Services, then the customer must contract with Power Services.

X.1 Energy Rates and Billing Determinants

The energy rate for Real Power Losses will differ depending on whether BPA is a participant in the Western Energy Imbalance Market (EIM). The billing determinants do not change.

X.1.1 Energy Rate when BPA is not an EIM Participant

If BPA is not a participant in the EIM, then the energy rate for Real Power Losses shall be the greater of 0 and the applicable average hourly Powerdex Mid-C Index price for firm power for the hour in which the loss occurred. In the event the hourly Powerdex Mid-C price index is no longer a reliable price index, the index will be replaced for purposes of Real Power Losses energy charges by an applicable new hourly energy index at a hub at which Northwest parties can trade between October 1, 2021, and September 30, 2023. BPA will provide notice of such a change as soon as practicable.

X.1.2 Energy Rate when BPA is an EIM Participant

If BPA is a participant in the EIM, then the energy rate for Real Power Losses will be the greater of 0 and the applicable hourly average EIM Load Aggregation Point (ELAP) price for BPA as determined by the Market Operator (MO) under Section 29.11(b)(3)(C) of the MO Tariff for the hour in which the loss occurred.

X.1.3 Energy Billing Determinants

For BPA Transmission customers taking Point-to-Point (PTP) transmission service the billing determinant shall be the hourly scheduled energy amounts, in kilowatthours, multiplied by the applicable loss factor(s) specified in BPA's Open Access Transmission Tariff (OATT), Schedule 11. For BPA Transmission customers taking Network Integration Transmission (NT) service the billing determinant shall be the hourly non-federal resource and/or Slice output schedule amounts, in kilowatthours, multiplied by the applicable loss factor(s) specified in BPA's OATT, Schedule 11.

X.2 Service Fee and Billing Determinants

The service fee for Real Power Losses is 5.45 mills per kilowatthour. The monthly service fee billing determinant shall be the applicable billing determinant, in kilowatthours, used to calculate the energy charge for Real Power Losses described above in section X.1.3.

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B. Proposed Transmission General Rate Schedule Provisions

[X]. Charge for Delayed Loss Return Service

This charge applies to a Transmission Customer that elects In-Kind Loss Return Service or Slice Output Loss Return Service where the Transmission Customer returns real power loss obligations with physical delivery of in-kind energy 168 hours after the obligation is incurred.

1. Rate

The rate shall be \$1.32 mills per kilowatthour.

2. Billing Factors

The Billing Factor for a Transmission Customer taking PTP transmission service on the Network or Southern Intertie segments (PTP and IS) shall be the sum of the scheduled energy for each hour of the month, in kilowatthours, multiplied by the applicable loss factor specified in the OATT, Schedule 11.

The Billing Factor for a Transmission Customer taking NT transmission service shall be the sum of non-federal deliveries and/or Slice Output that is scheduled for each hour of the month, in kilowatthours, multiplied by the applicable loss factor specified in the OATT, Schedule 11.

3. Other Provisions

If loss return obligations are waived under Attachment P of the Tariff, a Transmission Customer shall not be subject to the Charge for Delayed Loss Return Service for hours in which losses are not returned due to the waiver.

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[X]. **Financial for Inaccuracy Penalty Charge**

The Financial for Inaccuracy Penalty Charge (FFI Penalty Charge) applies to a Transmission Customer that elects In-Kind Loss Return Service when the Customer returns a different amount of energy than its loss return obligation or does not timely settle its loss return obligation.

1. **Rates**

a. **Energy Price**

The energy price for the FFI Penalty Charge will differ depending on whether BPA is a participant in the Western Energy Imbalance Market (EIM).

(1) Energy Price when BPA is not an EIM Participant.

If BPA is not a participant in the EIM, then the energy price for Real Power Losses will be the applicable average hourly Powerdex Mid-C Index price for firm power. In the event the hourly Powerdex Mid-C price index is no longer a reliable price index, the index will be replaced by an applicable new hourly energy index at a hub at which Northwest parties can trade between October 1, 2021, and September 30, 2023. BPA will provide notice of such a change as soon as practicable.

(2) Energy Price when BPA is an EIM Participant.

If BPA is a participant in the EIM, then the energy price for Real Power Losses will be the applicable hourly average EIM Load Aggregation Point (ELAP) price for BPA as determined by the Market Operator (MO) under Section 29.11(b)(3)(C) of the MO Tariff.

b. **Under Delivery Event (UDE)**

For each hour that the Transmission Customer returns less energy than its loss return obligation, the rate shall be the greater of \$0 or 150 percent of the Energy Price.

c. **Over Delivery Event (ODE)**

For each hour that the Transmission Customer returns more energy than its loss return obligation and the Energy Price is less than \$0 per MWh, the rate shall be 150 percent of the Energy Price. The FFI Penalty Charge shall not be assessed when the Transmission Customer returns more energy than its loss return obligation and the Hourly Index Price is equal to or greater than \$0 per MWh.

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2. Billing Factor

The Billing Factor (in kilowatthours) for the rates specified in section [X].1, above, shall be for each hour:

Customer's Loss Return Obligation

Minus

The quantity of loss returns provided by the customer.

3. Other Provisions

Loss return obligations that are waived under the Open Access Transmission Tariff (OATT), Attachment P, are not subject to the FFI Penalty Charge.

BPA may exempt a customer from the FFI Penalty Charge during times of Balancing Authority or Transmission Provider reliability adjustments to loss return obligations.

4. Waiver or Reduction of Charge

BPA may, in its sole discretion, waive or reduce an FFI Penalty Charge if requested by a Customer for good cause shown. In order to qualify for a waiver or reduction of an FFI Penalty Charge, a Customer must submit a request demonstrating that the events resulting in the charge were:

- a. Due to a technical error or malfunction that could not have been avoided through the exercise of reasonable care; and
- b. Were immediately corrected upon discovery of the technical error or malfunction.

BPA will also consider the Customer's history of incurring FFI Penalty Charges in deciding whether to waive or reduce a charge.