

Failure to Comply Penalty Charge

BPA Transmission Business Practice

Version 15
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The Failure to Comply Penalty Charge Business Practice addresses the consequences of non-compliance with Dispatch Orders and how the Failure to Comply Penalty Charge is determined.

BPA Policy Reference

- [Transmission Rate Schedules/Provisions](#): Failure to Comply Penalty Charge

For more information, visit the [BPA Transmission Business Practices webpage](#) or submit questions to techforum@bpa.gov.

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A. General Criteria

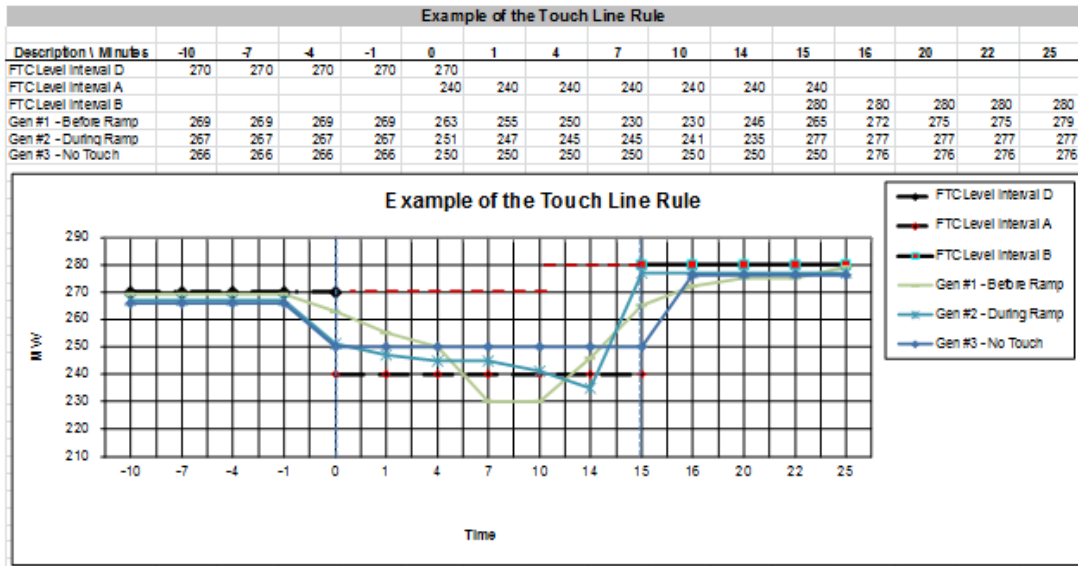
1. Generators within the BPA Balancing Authority Area or which directly interconnect to the FCRTS (e.g., through an Interconnection Agreement, or a Balancing Authority Area Service Agreement) are subject to a Failure to Comply Penalty Charge.
2. Failure to shed load or modify generator output in response to a Dispatch Order will result in a Failure to Comply Penalty Charge, except as provided in the following criteria:
 - a. Higher of Rule – The level used to determine FTC during ramping periods between a resource’s schedules shall be the higher of the approved sum of schedules at the start of the ramp or the approved sum of schedules at the end of the ramp from the immediately preceding or to the immediately subsequent schedule interval (the ramp times into or out of the current schedule interval).
 - i. The Higher of Rule will apply at the start of the ramp to the resource’s next scheduled interval or after completion of the Touch Line Rule (see Section A.2.b), whichever is later.
 - ii. The following table illustrates the Higher of Rule periods of time for each schedule interval.

Schedule for Interval	Ramp From Interval	Higher of Rule Period	Non-Ramp Periods	Ramp to Interval	Higher of Rule Period
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A	D	xx:00 – xx:10	N/A	B	xx:10 – xx:15
B	A	xx:15 – xx:20	xx:20 – xx:25	C	xx:25 – xx:30
C	B	xx:30 – xx:35	xx:35 – xx:40	D	xx:40 – xx:45
D	C	xx:45 – xx:50	N/A	A	xx:50 – xx:60

b. Touch Line Rule - A resource must have at least 1-minute average generation reading (see Section B.5.a) at or below the FTC Level at any time during the FTC Window (see Section B.1.c.iii) for the Higher of Rule to apply when the FTC Level, as described in Section B.5.b for generation and Section C.2 for load, of the resource’s next scheduled interval is lower than the resource’s current schedule (a down ramp between intervals).

3. Examples of the Touch Line Rule:



a. Graph characteristics:

- i. Negative numbers are minutes before the hour, positive numbers are minutes after the hour.
- ii. The dashed red line is the Higher of Rule period of time.
- iii. Intervals D (xx:45 – xx:00), A (xx:00 – xx:15), and B (xx:15- xx:30) are curtailed.
- iv. Gen #1 – Before Ramp – This generator met the requirements of the Touch Line Rule by having 1-minute average generation reading below the current intervals FTC Level from minutes 7 to 10. The generator gets the full benefit of the Higher of Rule period (xx:10 – xx:15) when ramping out of Interval A and into Interval B.
- v. Gen #2 – During Ramp – This generator met the requirements of the Touch Line Rule by having 1-minute average generation reading below the current interval’s FTC Level during minute 12 to 13. The generator gets the benefit of the Higher of Rule period starting at xx:13 (to xx:15) when ramping out of Interval A and into Interval B.

- vi. Gen #3 – No Touch – This generator did not meet the requirements of the Touch Line Rule because it did not have a 1-minute average generation reading below the FTC Level at any point during the current interval. The Higher of Rule period (xx:10 – xx:15) when ramping out of Interval A and into Interval B does not apply. FTC will be charged from xx:10 – xx:15.
4. Any generator or Customer that is unable to comply with a Dispatch Order due to a Force Majeure may not be subject to a Failure to Comply Penalty Charge provided that the said generator or Customer notifies BPA Transmission Dispatch of the situation immediately (within the 10-minute ramp window) upon the occurrence of the Force Majeure.
 5. BPA may request documentation in support of the generators or Customer's assertion of a Force Majeure, and the generator or Customer shall provide such documentation within 30 Calendar Days of BPA's request.
 6. After notifying BPA Transmission Dispatch of a Force Majeure on their system, the generator or Customer must use best efforts to comply with the Dispatch Order as soon as practicable.
 7. Information to support BPA's determination of a Failure to Comply Penalty Charge will be made available, upon request, for up to one (1) year, to a generator or Customer subject to a Failure to Comply Penalty Charge.

B. Assessing Generator Penalty for Failure to Modify Generation Output

1. The effective time of a Dispatch Order establishes the amount of time available for a resource to respond to the Dispatch Order (Response Time). The effective time of a Dispatch Order is specified below (rounded up to the next minute).
 - a. Dispatch Orders communicated by phone, such as orders to redispatch generation up or down, shall include a statement from the BPA Transmission Dispatcher specifying the time of the Dispatch Order which shall signal the start of the 10-minute window.
 - b. Dispatch Orders communicated by electronic signal, such as direct telemetry or web applications, to limit generation shall use the time stamp of the signal to start the 10-minute window.
 - c. Dispatch Orders communicated by NERC e-Tagging system, such as Curtailments of transmission schedules and generation using those schedules, shall use the later of the Start Time of the Energy Profile of the Curtailment or the time stamp of when the Curtailment achieves its final state and is APPROVED by all approval parties. An example of an e-Tag's profile and approval history are shown in the screen shots below.
 - i. If the start time of the Dispatch Order is at the start of a scheduling interval, parties have until the later of the end of the scheduling interval ramp or 10 minutes from the time stamp of when the Curtailment achieves its final state and is APPROVED by all parties to shed load or modify generation as directed.

- ii. If the start time of the Dispatch Order is not at the start of a scheduling interval, parties have 10 minutes from the time stamp of when the Curtailment achieves its final state and is APPROVED by all parties to shed load or modify generation as directed.

d. Examples of the Response Times to the Start Time of the FTC Window:

#	Issue Time of Directive	Start Time of Directive	APPROVED Time of Directive	Start Time of FTC Window	FTC Rule for Response Time
1	:40	:00	:45	:10	Section B.1.c.i – End of Ramp
2	:55	:15	:00	:20	Section B.1.c.i – End of Ramp
3	:38	:45	:40	:50	Section B.1.c.i – 10 Minute Window
4	:38	:45	:42	:52	Section B.1.c.i – 10 Minute Window
5	:12	:12	:13	:23	Section B.1.c.ii – 10 Minute Window
6	:24	:24	:29	:39	Section B.1.c.ii – 10 Minute Window

Example 1: The Response Time to the start of the FTC Window was applied as follows:

- a. Is the start time at the start of an interval? Yes = :00
- b. What time was the directive approved? At :45
- c. What time does the ramp end for interval :00? At :10
- d. What time does the 10-min window end? At :55 (before the start of Interval A)
- e. Which available Response Time is later, c (:10) or d (:55 before the start of Interval A)? c is later (:10) – end of ramp

Example 2: The Response Time to the start of the FTC Window was applied as follows:

- a. Is the start time at the start of an interval? Yes = :15
- b. What time was the directive approved? At :00
- c. What time does the ramp end for interval :15? At :20
- d. What time does the 10-min window end? At :10 (before the start of Interval B)
- e. Which available Response Time is later, c (:20) or d (:10 before the start of Interval B)? C is later (:20) – end of ramp

Example 3: The Response Time to the start of the FTC Window was applied as follows:

- a. Is the start time at the start of an interval? Yes = :45
- b. What time was the directive approved? At :40
- c. What time does the ramp end for interval :45? At :50
- d. What time does the 10-min window end? At :50
- e. Which available Response Time is later, c (:50) or d (:50)? They are the same – 10-min window rule will apply

Example 4: The Response Time to the start of the FTC Window was applied as follows:

- a. Is the start time at the start of an interval? Yes = :45
- b. What time was the directive approved? At :42
- c. What time does the ramp end for interval :45? At :50

- d. What time does the 10-min window end? At :52
- e. Which available Response Time is later, c (:50) or d (:52)? D is later – 10-min window rule will apply

Example 5: The Response Time to the start of the FTC Window was applied as follows:

- a. Is the start time at the start of an interval? No = :12
- b. What time was the directive approved? At :13
- c. What time does the ramp end for interval :15? Not applicable
- d. What time does the 10-min window end? At :23
- e. What time does the FTC Window start? :23 – 10-minute window

Example 6: The Response Time to the start of the FTC Window was applied as follows:

- a. Is the start time at the start of an interval? No = :24
- b. What time was the directive approved? At :29
- c. What time does the ramp end for interval :30? Not applicable
- d. What time does the 10-min window end? At :39
- e. What time does the FTC Window start? :39 – 10-minute window

Screen Shots of e-Tag profiles

Energy and Transmission Profiles MW (out of)									
	Energy		Transmission						
Start Time	2009-09-03 00:00		2009-09-03 00:00		<input checked="" type="checkbox"/> MW <input checked="" type="checkbox"/> Reservation <input checked="" type="checkbox"/> Trans Total				
Stop Time	2009-09-04 00:00		2009-09-04 00:00		<input type="button" value="Enter"/>				
Date	Start	Stop	Gen	BPAT					
				MW	Trans	10710	MW		
9/03	00:00	15:12	65	65	65	65	65		
9/03	15:12	15:27	53	65	65	65	53		
9/03	15:27	16:00	37	65	65	65	37		
9/03	16:00	00:00	65	65	65	65	65		
Display MWH Total:			1542	1560	1560	1542			

Approval Status History

Req ID	Request	Company	Type	Origin	Action	Action Time (PDT)	User
1	Curtailment	BPAT	CA	INT	CREATE	2009-09-03 15:12:55	WD.OATI
1	Curtailment	BPAT	CA	INT	APPROVE	2009-09-03 15:12:56	WD.OATI
1	Curtailment				APPROVED	2009-09-03 15:12:56	

- 2. In the event that multiple Dispatch Orders are in effect simultaneously (for example, an Operational Control for Balancing Reserves limit and a Dispatch Order to reduce output), a Failure to Comply Penalty Charge will be based on the lowest Dispatch Order.
- 3. Under circumstances where a generating facility is under-generating and BPA curtails that facility's e-Tags under Operational Control for Balancing Reserves, the generator will not be subject to a Failure to Comply Penalty Charge if it generates above the sum of the approved e-Tags for the remainder of the interval, unless there are multiple Dispatch Orders (see Section B.2).
- 4. Curtailments:

- a. In the event of a Curtailment, the generator may submit additional schedules (i.e. replacement schedules) or increase current schedules to other Points of Delivery.
 - i. Each approved replacement schedule shall state the curtailed e-Tag number (last 7 digits) in the reason field.
 - ii. The replacement schedules and increases will be processed in accordance with the Scheduling Transmission Service Business Practice.
 - iii. The stated Curtailment will not generate an FTC for an interval when a resource:
 - 1. Is subject to a curtailed e-Tag;
 - 2. Has designated non-curtailed replacement schedules; and
 - 3. The sum of those replacement schedules are greater than or equal to the sum of the amounts that were curtailed.
- b. When a resource terminates or cancels a curtailed e-Tag 20 minutes or less before the start of the first curtailed hour or during the Operating Hour on an approved 15-minute schedule interval:
 - i. The resource shall submit a replacement schedule, in accordance with the rules in Section B.4.a; or
 - ii. The original curtailed schedule will continue to be included in the sum-of-approved schedules and over generation will be subject the Failure to Comply Penalty Charge.
- c. When a resource terminates or cancels a curtailed e-Tag more than 20 minutes before the start of the curtailed hour the e-Tag will not be included in the FTC calculation and FTC will not apply.
- d. Examples:

#	Curtailment Approved at:	Curtailment Starts at:	Terminated E-Tag Starts at:	FTC Applies	Reason
1	12:30 PM	1:00 PM	Interval A	No	E-Tag terminated prior to close of top of hour schedule interval of xx:40.
2	12:30 PM	1:00 PM	Interval C	Interval A, B	E-Tag terminated prior to close of top of hour schedule interval of xx:40.
3	12:45 PM	1:00 PM	Interval B	Interval A, B, C, D	E-Tag terminated after the close of the top of hour schedule interval.
4	1:20 PM	1:20 PM	Interval D	Interval C, D	E-Tag terminated after the close of the top of hour schedule interval.

Chart characteristics:

- Examples are independent of each other.
- Terminated e-Tags occur prior to the close of applicable schedule interval.

- e. E-Tag Curtailments initiated by other Balancing Authorities and approved by BPA are Curtailment Dispatch Orders subject to the Failure to Comply Penalty Charge. For more information on Curtailments, please refer to the Redispatch and Curtailment Business Practice.
5. Calculating the Failure to Comply Penalty Charge Billing Factor:
- a. Average generation data for FTC is collected at 1-minute intervals (unless that granularity is not available, in which case the data that is available will be used).
 - b. After the 10-minute window until the top of the next interval, for each interval, the actual generation will be compared with the FTC Level. The FTC Level for generation is:
 - i. the sum of the approved, non-curtailed e-Tag(s) and the reliability level of curtailed e-Tag(s); or
 - ii. In the case of generator limitation events, such as Operational Control for Balancing Reserves Limitation events, the generator limit for that interval; or
 - iii. In the case of congestion management procedures, the generator limit for that interval.
 - c. With the exception of instances where a resource submits replacement schedules pursuant to Section B.4.a, any power generated in excess of the generator limit or in excess of the total approved, non-curtailed e-Tag(s) and the reliability level of curtailed e-Tag(s) after 10 minutes will be converted to kWh (by summing the excess kW for each scheduling interval and dividing by the applicable number of scheduling intervals per hour). The resultant kWh is the Billing Factor for the Failure to Comply Penalty Charge.
 - d. The Billing Factor for a generator's failure to generate the amount specified in a redispatch order after 10 minutes will be converted to kWh by summing the deficit kW for each interval and dividing by the applicable number of intervals per hour.
 - e. If a generator's Billing Factor for any interval is less than or equal to 100-kWh, then that generator will be deemed to have fully complied with the Dispatch Order and will not be subject to the Failure to Comply Penalty Charge for that interval.
 - f. For examples relating to this section, refer to Section E.

C. Customer's Failure to Shed Load

1. The start time of the 10-minute window is the effective time of the Dispatch Order (rounded up to the next minute).
 - a. Load Shedding Dispatch Orders are communicated by phone and will include a statement from the BPA Transmission Dispatcher specifying the time of the Dispatch Order.
2. Load data is collected at the most granular level provided (typically at two (2) second intervals). After the effective time of the Dispatch Order, until the top of the next interval,

for each interval, the actual load data will be compared with the FTC Level. The FTC Level for load is the modified schedule or limit for that interval.

3. Any load in excess of the curtailed or limited schedule after 10 minutes will be converted to kWh (by summing the excess kW for each interval and dividing by the most granular level provided (typically at two (2) second intervals) and that energy will be the billing factor for the Failure to Comply Penalty Charge.

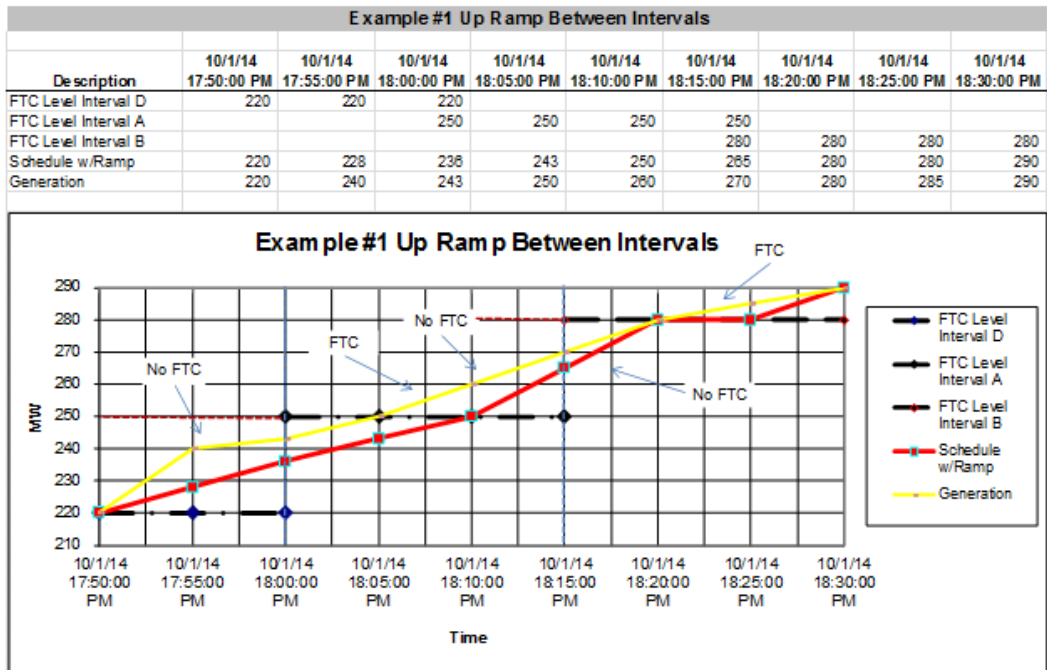
D. Assessment of Reliability Penalty & Other Costs

1. A generator's or Customer's failure to comply with a Dispatch Order from BPA may cause BPA, as the Registered Entity responsible for compliance, to violate certain reliability standards. If the Regional Reliability Organization (currently the Western Electricity Coordinating Council, or WECC), Electric Reliability Organization (currently the North American Electric Reliability Corporation, or NERC), or the Federal Energy Regulatory Commission (FERC) assesses a monetary penalty against BPA as the Registered Entity for a violation of a reliability standard, and a generator's or Customer's failure to comply contributed to or caused the reliability standard violation at issue, then BPA will directly assign such penalty amount or a portion thereof to such generator or Customer based on the extent of its contribution. In order to directly assign costs associated with a monetary penalty to a generator or Customer, BPA shall use the following procedures:
 - a. If BPA determines that any reliability standards have been violated, and that a generator's or Customer's failure to comply caused or contributed to the violation(s), BPA will self-report the violation(s) pursuant to WECC's Compliance Monitoring and Enforcement Program (CMEP). Within 30 Calendar Days of such self-report, BPA will provide notice to the generator or Customer that BPA intends to directly assign all or a portion of the potential monetary penalty to the generator or Customer and set forth the factual basis supporting BPA's determination that the generator's or Customer's failure to comply caused or contributed to the reliability standard violation(s).
 - b. BPA will notify the generator or Customer when a Notice of Alleged Violation is issued pursuant to the CMEP, and the penalty amount proposed.
 - c. BPA will not oppose any attempts by the generator or Customer to intervene in the CMEP proceedings conducted by WECC, NERC, or FERC. Failure by the generator or Customer to successfully intervene in the CMEP proceedings will not prevent BPA from directly assigning costs associated with a monetary penalty to that generator or Customer.
 - d. BPA shall have the sole discretion to decide whether to proceed through the Settlement Process or the Hearing Process under the CMEP. Regardless of whether BPA chooses to proceed through the Settlement Process or Hearing Process, BPA will present to WECC, NERC, or FERC the factual basis supporting BPA's determination that the generator's or Customer's failure to comply caused or contributed to the reliability standard violation(s).
 - e. Regardless of BPA's determination that a generator or Customer caused or contributed to the reliability standard violation(s), BPA shall be bound by the findings of WECC, NERC, or FERC regarding whether the generator or Customer caused or contributed to the reliability standard violation(s).

- f. Based on the findings of WECC, NERC, or FERC, BPA will directly assign the appropriate amount of the monetary penalty to the generator or Customer. In the case where the generator's or Customer's failure to comply only contributed to the reliability standard violation(s), and the findings of WECC, NERC, or FERC do not allocate a specific percentage of contribution, BPA shall determine the appropriate contribution percentage. Should the generator or Customer disagree with BPA's determination of the appropriate contribution percentage in such a situation, BPA and the generator or Customer shall resolve the dispute in accordance with the Internal Dispute Resolution and External Arbitration Procedures set forth in Section 12 of the BPA OATT.
2. The costs of any alternative measures taken by BPA to maintain the reliability of the FCRTS as a result of a generator's or Customer's failure to comply will be assessed to the non-compliant generator or Customer.
 - a. BPA will notify the Customer within 30 Calendar Days if BPA determines that the generator's or Customer's failure to comply resulted in BPA's incurrence of costs of alternative measures to maintain the reliability of the FCRTS.
 - b. Information to support BPA's determination will be available to the affected generator or Customer, upon request, for up to one (1) year after the date the generator or Customer received notice under Section D.2.a.
 - c. Any dispute regarding BPA's determination will be resolved in accordance with the Internal Dispute Resolution and External Arbitration Procedures set forth in Section 12 of the BPA OATT.

E. Examples of Failure to Comply Generation Output

1. In the following examples:
 - a. The schedule can be any of the FTC Levels as described in Section B.5.b for generation and Section C.2 for load.
 - b. Each interval is curtailed to the FTC Level.
 - c. The schedule submitted to BPA is flat for the interval at the same level as the FTC Level
 - d. The Schedule with Ramp is the ramp basepoints for the schedule submitted to BPA for the interval.
 - e. The thin dashed red line represents the applicable "higher of" schedule for establishing the sum of schedules to determine the application of the Failure to Comply Penalty Charge during a ramp.
2. Example 1 - Ramping Up Across Intervals
 - a. Example 1 shows a Curtailment order being issued at 40 minutes into the hour to start at 40 minutes into the hour, and approved at 40 minutes into the hour. There is then a 10-minute period, from the time the Curtailment order was approved, for a generator to comply. After the 10-minute period, the Failure to Comply Penalty Charge will be assessed if a generator has not complied with the Curtailment (see Section B.1). In an up ramp, the resource must be below the next schedule intervals FTC Level during the Higher of Rule period (see Section A.3.a) to not be assessed the Failure to Comply Penalty Charge.



Example 1:

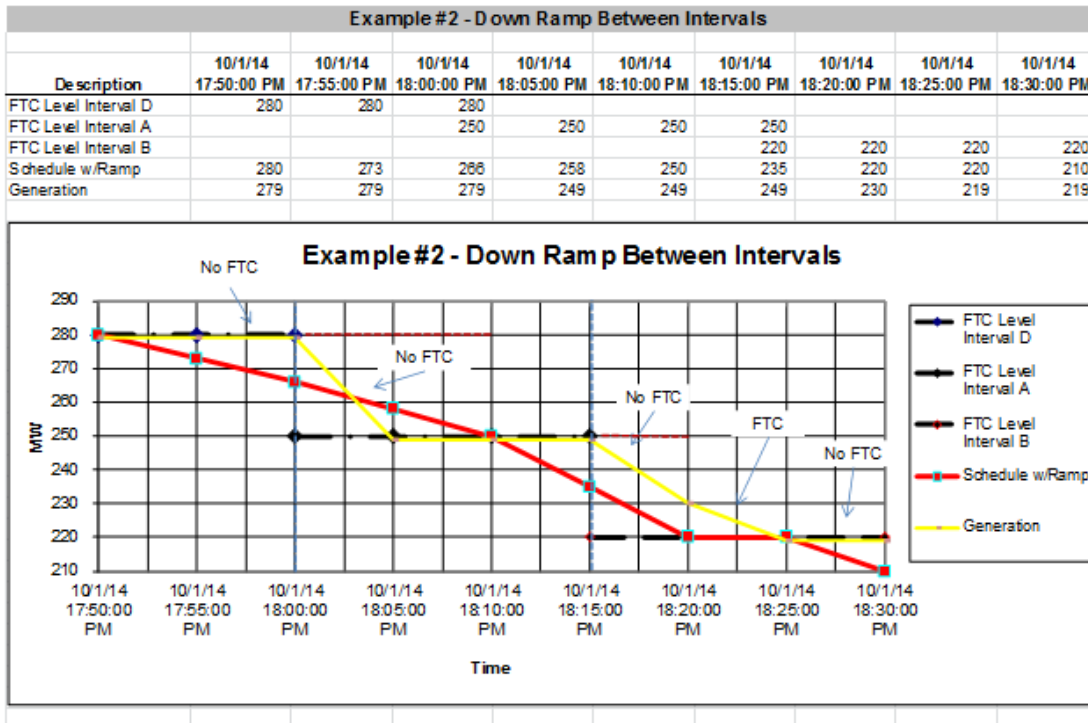
Interval D – No FTC because the resource is below the “higher of” FTC Level.

Interval A – There is FTC from 18:05 to 18:10 for exceeding the FTC Level before the start of the ramp period to the next schedule interval. There is no FTC from 18:10 to 18:15 because the resource is below the “higher of” FTC Level.

Interval B – There is no FTC from 18:15 to 18:20 because the resource is below the “higher of” FTC Level. There is FTC from 18:20 to 18:25 because the resource has exceeded the FTC Level during the non-ramp period (See Section A.4.a.ii).

3. Example 2 - Ramping Down Across Intervals

- a. Example 2 shows a Curtailment order being issued at 40 minutes into the hour to start at 40 minutes into the hour, and approved at 40 minutes into the hour. There is then a 10-minute period, from the time the Curtailment order was approved, for a generator to comply. After the 10-minute period, the Failure to Comply Penalty Charge will be assessed if a generator has not complied with the Curtailment (see Section B.1). In a down ramp, the resource must be below the current intervals FTC Level during the Higher of Rule period (see Section A.3.a) to not be assessed the Failure to Comply Penalty Charge.



Example 2:

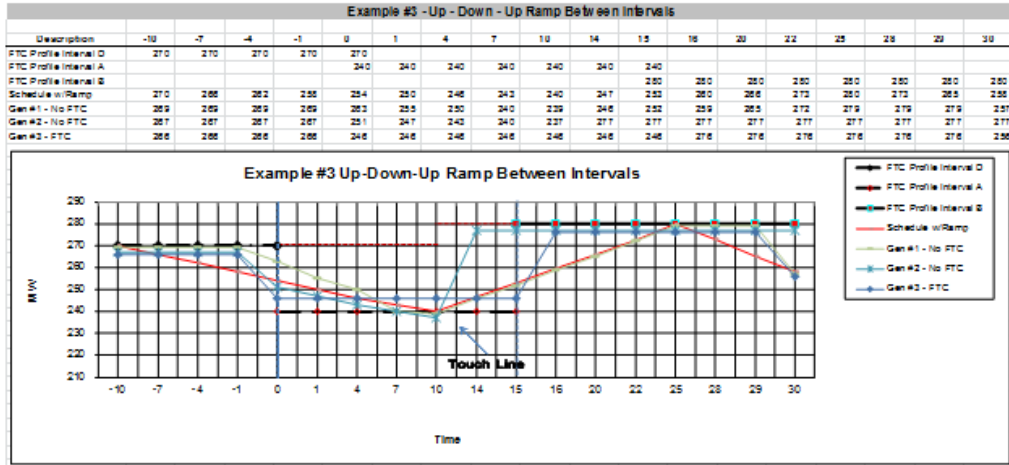
Interval D – No FTC because the resource is below the “higher of” FTC Level.

Interval A – There is no FTC from 18:00 to 18:10 because the resource is below the “higher of” FTC Level. There is no FTC from 18:10 to 18:15 because the resource is below the “higher of” FTC Level.

Interval B – There is no FTC from 18:15 to 18:20 because the resource is below the “higher of” FTC Level. There is FTC from 18:20 to 18:25 because the resource has exceeded the FTC Level during the non-ramp period (see Section A.3.a.ii). There is no FTC from 18:25 to 18:30 because the resource is below the “higher of” FTC Level.

4. Example 3 - Up then Down then Up Ramping Between Intervals

- a. Example 3 shows a Curtailment order being issued at 40 minutes into the hour and approved at 40 minutes into the hour. There is then a 10-minute period, from the time the Curtailment order was approved, for a generator to comply. After the 10-minute period, the Failure to Comply Penalty Charge will be assessed if a generator has not complied with the Curtailment (see Section B.1). This example shows the generation of three generators. Generator #3 is assessed Failure to Comply Penalty Charge for not complying with the Touch Line Rule (see Section A.3.b).
- b. The x-axis is minutes. Negative numbers are minutes before the top of the next hour and positive numbers are minutes into the next hour.



5. Example 4 - Down then Up then Down Ramping Between Intervals

- a. Example 4 shows a Curtailment order being issued at 40 minutes into the hour to start at 40 minutes into the hour and approved at 40 minutes into the hour. There is then a 10-minute period, from the time the Curtailment order was approved, for a generator to comply. After the 10-minute period, the Failure to Comply Penalty Charge will be assessed if a generator has not complied with the Curtailment (see Section B.1). This example shows the generation of three generators. Generator #3 is assessed Failure to Comply Penalty Charge for not operating at or below the FTC Level during the non-ramp period for Interval B (see Section A.3.a.ii).
- b. The x-axis is minutes. Negative numbers are minutes before the top of the next hour and positive numbers are minutes into the next hour.

