

## Addressing Spring for BP-16

Options we anticipate customers or BPA might propose:

1. *Annual FCRPS amount with dial, formula rate, and no bound on cost.*
  - Calculate an annual amount of reserves that BPA can plan to provide **most of the time**; no adjustment for spring.
  - Credit provided (based on (A) forecast or (B) actual FCRPS reserve reduction) to customers that are at risk (financially or operationally) when BPA is unable to provide planned reserves.
  - BPA attempts to purchase Third-Party Supply to replace reduced FCRPS capability (when actual FCRPS capability is less than planned) at whatever the cost.
    - Cost of Third-Party Supply allocated to customers through formula rates.
2. *Annual FCRPS amount, primarily fixed rates, risk assessment and no bound on cost.*
  - Calculate an annual amount of reserves that BPA can plan to provide **most of the time**; no adjustment for spring.
  - BPA attempts to purchase Third-Party Supply to replace reduced FCRPS capability (when actual FCRPS capability is less than planned) at whatever the cost.
    - Cost of Third-Party Supply managed through risk assessment and necessary tools (i.e., not by directly charging customers).
3. *Reduced spring, formula rate and no bound on cost.*
  - Calculate FCRPS reserve capability with a reduction for spring that BPA can plan to provide **practically all the time**.
  - BPA attempts to purchase Third-Party Supply to meet Balancing Service Standard.
    - Cost of Third-Party Supply allocated to customers through forecast cost and formula rates.
4. *Reduced spring, primarily fixed rates, risk assessment and no bound on cost.*
  - Calculate FCRPS reserve capability with a reduction for spring that BPA can plan to provide **practically all the time**.
  - BPA attempts to purchase Third-Party Supply to meet Balancing Service Standard.
    - Cost of Third-Party Supply allocated to customers through forecast cost and actual cost managed through risk assessment and necessary tools.
5. *Reduced spring, formula rate and bound costs.* Same as 3 but with a bound on the amount of money spent on Third-Party Supply.
6. *Reduced spring, primarily fixed rates, risk assessment and bound costs.* Same as 4 but with a bound on the amount of money spent on Third-Party Supply.