

Attachment P

Oversupply Management Protocol

This attachment establishes requirements and procedures used to moderate total dissolved gas (“TDG”) levels in the Columbia River to protect endangered fish and other aquatic species. All Transmission Customers that own or operate generating facilities in Transmission Provider’s Control Area and all generators that own or operate generating facilities in Transmission Provider’s Control Area (together referred to in this attachment as “Generator”) are subject to displacement under this attachment, including generating facilities that are dynamically scheduled out of Transmission Provider’s Control Area but not including generating facilities that are transferred out of the Control Area by pseudo-tie. Transmission Provider will deliver Federal hydroelectric energy to replace the reduced generation in order to meet the Transmission Customers’ schedules. The Oversupply Management Protocol will apply as follows:

- ~~1.—The term of this attachment is March 31, 2012, through March 30, 2013.~~
1. ~~2.—~~Before displacing generation under this attachment, Transmission Provider will take all actions that, in its determination, are reasonable means to reduce or avoid the need for displacement. These actions may include, but are not limited to:
 - a. sales through bilateral marketing, including offering to sell power at zero cost;
 - b. waiving real power loss return obligations;
 - c. cutting prescheduled Pacific Northwest Coordination Agreement storage;
 - d. deferring scheduled generation maintenance activities;
 - e. deferring scheduled transmission maintenance activities;
 - f. increasing pumping into Banks Lake at Grand Coulee;
 - g. seeking flow reductions with BC Hydro;
 - h. seeking additional load via spill exchange agreements, such as those under hourly coordination with Mid-Columbia Hydro Projects;
 - i. seeking access to additional reservoir storage space at Federal Projects;
 - j. reducing available balancing reserves to maximize turbine flows; and
 - k. selling Capacity Recallable Energy products.
- ~~3.—No later than March 31, 2012, the Generator shall make an election with respect to each of its generating facilities (other than facilities with a nameplate capacity under 3 MW, which are exempt from displacement under this attachment) as follows:~~
 - ~~a.—the Generator elects not to submit the facility’s costs of displacement, in which case the costs of displacement for the facility shall be deemed to be \$0/MWh and, except in the case of Generators that own or operate federal generating facilities, the Generator shall not be subject to cost allocation with respect to such facility for costs incurred under this attachment; or~~
 - ~~b.—the Generator elects to submit the facility’s costs of displacement, in which case~~

~~the Generator shall be subject to cost allocation with respect to such facility for costs incurred under this attachment.~~

2. Transmission Provider will use a Least-Cost Displacement Cost Curve (“Cost Curve”) to displace generation located in Transmission Provider’s control area in order to moderate TDG levels in the Columbia River. The Cost Curve will list the cost of displacement for each facility. Transmission Provider will displace generation in order of cost, from the least-cost facility to the highest-cost facility, until the required displacement quantity as determined by Transmission Provider is achieved. If the highest-cost Generator that Transmission Provider displaces in an hour to achieve the required displacement quantity has the same cost as one or more other Generators, Transmission Provider will displace all such Generators on a pro-rata basis.

- 5.3. a. No later than March ~~31, 2012~~15 each year (or, with respect to generating facilities with a scheduled Commercial Operation Date after March ~~31, 2012~~15 of any year, the later of March ~~31, 2012~~15 or 30 days before the facility’s scheduled Commercial Operation Date (as defined in the Large Generator Interconnection Agreement)), the Generator shall submit ~~to an independent evaluator selected by Transmission Provider, for each facility for which the Generator has elected to submit costs under section 3.a~~the facility’s costs of displacement (\$/MWh) with respect to each of its generating facilities (other than facilities with a nameplate capacity under 3 MW, which are exempt from displacement under this attachment), the nameplate generating capacity, and the costs of displacement (\$/MWh) supporting data and documentation to an independent evaluator selected by Transmission Provider for each month of the following April through March. The Generator must certify that the nameplate capacity and the costs are accurate. The submission must list costs separately for heavy load hours and for light load hours (both as defined in Transmission Provider’s 2012 Power Rate Schedules or their successor) and must list both total costs of displacement and costs by each category in section 5.3.c that apply to the generating facility. ~~The submission must also include supporting data and documentation for the costs.~~ The Generator may submit revised costs to the independent evaluator at any time. The Generator must certify that the revised costs are accurate and must include supporting data and documentation. The revised costs for any month will be included in the Cost Curve as of the first day of the second month following submission of the costs. ~~If a Generator does not make an election for a facility, or makes an election to submit costs but does not submit the costs or supporting data and documentation, the costs of displacement of the facility shall be deemed to be \$0/MWh and the Generator shall not be subject to cost allocation with respect to such facility for costs incurred under this attachment.~~ If a Generator that submits the costs but not supporting data and documentation later does submit such supporting data and documentation, the Generator will be included in the Cost Curve as of the first day of the second month following such submission.

- b. Transmission Provider will obtain from the independent evaluator the total costs of displacement for each facility and the Cost Curve. Except as provided in section 76.a., Transmission Provider will not obtain the costs by category or any supporting data and documentation. Transmission Provider will not use the cost information for any purpose other than that specified under this attachment. In addition, Transmission Provider will not disclose the cost information to any person not employed by Transmission Provider or to any of its Marketing Function Employees, as defined by the Transmission Provider's Standards of Conduct, except that Transmission Provider may disclose the costs to the Commission as provided in section 75.a. Transmission Provider will sign, and will require the independent evaluator to sign, a nondisclosure agreement with respect to the cost information and the scheduling information the independent evaluator obtains under sections 75.a and 75.b. The nondisclosure agreement will allow the independent evaluator to disclose cost information and scheduling information to Transmission Provider under sections 75.a and 75.b.
- c. Costs of displacement shall be limited to the following:
 - i. With respect to contracts for the sale of all or part of a facility's output executed on or before March 6, 2012 ~~—~~
 - 1. the production tax credit the Generator would have received under 26 U.S.C. § 45 or its successor but will not receive because of the displacement;
 - 2. the following amounts for renewable energy credits (RECs) unbundled from the sale of power:
 - a. with respect to executed contracts for the sale of RECs unbundled from the sale of energy and executed contracts for the sale of energy and RECs in which the price for the RECs is stated separately from the price for the energy, i) the amount that the Generator is not paid by its contracting party because of its failure to deliver RECs, and ii) the amount, if any, the Generator must pay its contracting party as a penalty for its failure to deliver RECs; and
 - b. with respect to the amount of displaced generation for which the Generator has not yet executed a contract to sell the RECs, the market value of the RECs for which the Generator is not credited because of the displacement; and
 - 3. with respect to power sales agreements for the bundled sale and purchase of both RECs and energy for a single price, i) the contract price, if the Generator is not entitled to payment for any hour in which the Generator does not generate; or, the difference between the full contract price and the reduced price if the Generator is entitled only to a reduced price for any

hour in which the Generator does not generate; and ii) the amount, if any, the Generator must pay its contracting party as a penalty for its failure to generate.

- ii. With respect to contracts for the sale of all or part of a facility's output executed after March 6, 2012, the costs listed in sections ~~5.3~~.c.i.1, ~~53~~.c.i.2.a.i, and ~~53~~.c.2.b.

~~64.~~ For each hour of displacement, Transmission Provider will compensate the Generator for each displaced facility with the facility's costs of displacement (\$/MWh) multiplied by the difference between the i) MW of scheduled generation for the hour (or estimated generation submitted by behind-the-meter resources) integrated over the hour, and ii) the MW of generation that Transmission Provider has directed the Generator to reduce to under this attachment. An hour of displacement is an hour in which Transmission Provider has directed the Generator to reduce generation under this Attachment and Generator has complied with the direction, including hours in which the Generator is ramping down to comply with the direction or ramping up to return to normal operations.

~~7.5.~~ a. The independent evaluator may validate costs submitted by the Generator. In such case the Generator will submit to the independent evaluator any additional supporting data the independent evaluator reasonably requests. If the independent evaluator determines that any costs warrant further review, it may provide the cost information including supporting data and documentation to Transmission Provider. In such case, Transmission Provider may file a complaint or other appropriate request with the Commission requesting review of the costs and appropriate action if any.

b. If Transmission Provider believes that any schedule submitted during an hour of displacement may be inaccurate or inflated, Transmission Provider may ask the independent evaluator to review the schedule, and may submit additional data to the independent evaluator to consider in its evaluation. In such case the independent evaluator may ask the Generator to provide relevant supporting data for the schedule, which Generator shall provide. The independent evaluator will provide to Transmission Provider its conclusion regarding the accuracy of the schedule. If the independent evaluator concludes that the schedule is inaccurate or inflated, it may provide to Transmission Provider the data provided by the Generator, and Transmission Provider may file a request or complaint with the Commission, together with the scheduling data, requesting investigation of the Generator's scheduling practices and appropriate action if any.

~~86.~~ Transmission Provider shall establish in a business practice the communication protocols through which Transmission Provider will notify Generators when Transmission Provider implements this attachment.

~~97~~. If a Generator is prevented from reducing generation below a certain level or deviating from a certain ramp rate, the Generator may submit a minimum generation level or a maximum ramp rate to Transmission Provider under Transmission Provider's minimum generation business practice, ~~regardless of the election for such facility that Generator has made under section 2~~. Transmission Provider will not direct a Generator to reduce generation below its minimum generation level, or at a ramp rate that exceeds the maximum ramp rate. If a Generator does not submit a minimum generation level or a maximum ramp rate, Transmission Provider may direct the Generator to reduce generation to zero. Generators may consider the following factors in establishing minimum generation levels and ramp rates:

- i. Generation level required for self- or third-party supply of Ancillary Services such as operating reserves, regulating and load following reserves, or for supply of Ancillary Services to another Control Area;
- ii. Generation levels needed for local reactive power support;
- iii. Generation levels that can be achieved within 60 minutes or that allow return to normal operation within 60 minutes;
- iv. Generation levels required for compliance with environmental laws and regulations;
- v. Minimum stable and safe generation levels;
- vi. Minimum fuel take obligations;
- vii. Maximum 10-minute ramp rates;
- viii. Maximum duration for reduced generation levels; and
- ix. Generation levels and duration for testing requirements after generator maintenance.
- x. Generation level needed to support plant operations associated with co-generation facilities

~~108~~. Transmission Provider will not charge or compensate the Generator for generator imbalance service under Transmission Provider's applicable generation imbalance rate schedules in any hour in which Transmission Provider directed the Generator to reduce generation below the amount of generation scheduled under this attachment.

~~119~~. Generator shall remain responsible for loss return and Operating Reserve obligations incurred for schedules submitted for hours in which Transmission Provider implements this attachment.

~~1210~~. Transmission Provider shall post on its website an annual report stating the MWh of energy displaced and the cost of displacement pursuant to this attachment.