



Wind Smoothing and Intertie Service

Term Sheet

07/18/2013

Term: 1 year.

Start Date: No earlier than October 1, 2013, and no later than January 1, 2014.

Demand limit: Nameplate capability of Project or portion of Project subject to this term sheet. (NTE 100 MW)

Project: Name of wind project within the BPA Balancing Authority Area (BA).

Product: This Product provides the Purchaser with energy from the BPA System to flatten the hourly variability of scheduled wind. This product also provides the ability to directly schedule Project energy into California (or other loads as negotiated).

BPA Power Services (BPAPS) will assign Purchaser firm north to south intertie (AC or DC) scheduling rights (NTE the Demand limit) for the full 1-year Term and provide Purchaser energy from the BPA System to make up the difference between the Project's scheduled output and the Demand limit, thereby ensuring a flat block is scheduled to the POD¹.

Energy:

Project Energy²: Hourly or sub-hourly persistence-based schedules as provided by Purchaser.

BPA System Energy: Hourly firm ACS specified³ energy (WSPP Schedule C) delivered from the BPA System. The hourly amount of BPA System Energy shall equal the difference between the Project's Metered Amount⁴ and the Demand limit declared as part of this agreement. By virtue of BPA's status as a California Air Resources Board (CARB) Specified Asset Controlling Supplier (ACS); energy from the BPA System will be assigned the 2014 BPA System carbon emission factor as posted on the CARB website.

Oversupply Energy: BPA has the right to put to Purchaser surplus BPA ACS-specified energy generated when the Federal hydro system is in Oversupply⁵. Oversupply Energy put to Purchaser shall not exceed the Demand limit and 200 hours (LLH only) in total over the term. BPA shall deliver Oversupply Energy at John Day or Big Eddy⁶. Purchaser shall schedule Oversupply Energy south on the intertie (using BPA-provided N-S intertie) in lieu

¹ If the wind schedule is cut within the hour, the schedule from the BPA System will not be adjusted upwards to accommodate.

² Purchaser, or its assignee, shall designate level of firmness on eTag.

³ BPA is a California Air Resources Board (CARB) Asset Controlling Supplier. CARB has assigned energy specified from the BPA system a very low emission factor.

⁴ Project's Metered Amount shall be equal to the 1-minute average of Project metered generation during minute 29-30 (T-minus 31-30) (or T-minus 81-80 for CAISO participants).

⁵ Notice of Oversupply conditions are posted on BPA's OASIS.

⁶ As mutually agreed prior to the execution of agreements covering this transaction.

of Project energy⁷. BPA shall provide notice of such Oversupply put by 4:00 p.m. on the day prior to the preschedule day.

Price:

Provided by Bidder. (\$___ per kw-Mo). Price should reflect the value of the inertie, capacity associated with provision of variable hourly energy and the carbon advantage of ACS-specified BPA Power. This charge will be applied to the Demand limit each month during the Term.

Energy Charge:

California border index (\$___ per MW hour). This charge will apply to Scheduled BPA System Energy. The BPA System Energy price shall be indexed to a mutually agreed upon California Independent System Operator Hour Ahead Scheduling Practice (CAISO HASP) index or the successor to the CAISO HASP, which represents the value of energy at a BPA delivery point. Examples include the arithmetic average of the four CAISO HASP Locational Marginal Prices for a specified hour at MALIN_5_N101 or SYLMARDC_2_N501.

Such price shall have a floor of zero.

POR:

Project Energy - Project interconnection with BPA BA
BPA System Energy – “BPA System”
Oversupply Energy – John Day/Big Eddy ⁸

Transmission:

PTP transmission on the BPATS transmission system: BPA Assumes that the Purchaser supplies PTP transmission to deliver the Project Energy and BPA System Energy to John Day/Big Eddy or other point as negotiated⁹¹⁰. BPA will provide the PTP transmission to deliver Oversupply Energy to John Day/Big Eddy.

Intertie transmission: BPA is prepared to assign the Purchaser, or its assigned load, north-south scheduling rights on the inertie (AC or DC) to Malin (COB), Sylmar (NOB) or other points in the BPA BA as negotiated¹¹ for the full Demand limit amount for the 1-year Term.

Scheduling:

- The Purchaser or its assignee is responsible for scheduling Project Energy, Oversupply Energy and BPA System Energy.
- BPA shall not be the last PSE on any e-Tag.
- Purchaser shall provide BPAPS with a copy of all e-Tags for Project energy scheduled on transmission assigned under this agreement.

⁷ Purchaser free to sell Project energy at Mid C or purchase other available inertie transmission.

⁸ As mutually agreed, static for the Term.

⁹ Purchaser bears all curtailment risk associated with the use of its own transmission.

¹⁰ Additional PTP necessary to deliver BPA System Energy or Project energy to John Day/Big Eddy may be purchased (as available) from BPAPS under separate arrangements.

¹¹ Select one for the entire Term.

Project Energy

- Project Energy Schedules using BPAPS N-S inertie transmission assigned under this agreement shall be persistence-based (based on historical metered generation averaged over a mutually agreed upon time period).
- The Purchaser may choose to submit 15 or 30 minute or hourly schedules for Project Energy.
- Purchaser shall use the BPA Transmission Services metered data at the point of interconnection to determine the persistence-based.

BPA System Energy

- Purchaser shall prepare hourly schedules (e-Tags) for BPA System Energy. BPA will only provide BPA System Energy in a constant quantity over the entire hour even if the Project schedule is changed due to sub-hourly scheduling practices or curtailed due to DSO 216 order.
- Purchaser shall use the difference between the Demand limit and the Project's Metered Amount averaged over T-minus 31-30 (or T-minus 81-80) as the quantity of hourly BPA System Energy.

Misc Requirements & Liability Limits

- Purchaser must provide a waiver to BPAT allowing BPAPS access to real-time meter data at the Project, as well as the generation forecast of the Project.
- Purchaser is responsible for the cost of ancillary and control area services necessary to deliver Project Energy to John Day/ Big Eddy. Purchaser is also responsible for generation imbalance charges for the project schedules.
- BPAPS has no liability for curtailment of Project schedules during DSO 216 events or Oversupply events. During DSO 216 events, BPA System Energy schedules shall not increase to cover Project schedules curtailed pursuant to DSO 216.
- BPA may terminate with 24 hours notice if BPA discovers the Project Energy and Project Energy are not scheduled according to the above-mentioned parameters.
- Counterparties who are rated below Baa1/BBB+ by Moody's or S&P or are not a distribution utility may have additional credit support requirements. For specific information related to your company, please contact the Bonneville Power Administration's Credit Department at 503-230-3790.