

**Indicative Terms**  
**Request for Offers for INC Capacity to**  
**The Bonneville Power Administration**

**Product:** INC Capacity; incremental energy (and capacity) above operating levels existing prior to deployment. WSPP, Schedule B (if delivery is within the BPA BA at the bus-bar), otherwise, WSPP Schedule C.

INC Capacity south of the Allston cut plane (SOA) during summer high load events. See [Map](#) for INC locations.

Dispatch will be in hourly blocks consistent with WECC schedules.

**Quantity:** BPA will consider offers between 25 MW\* and 250 MW. Please specify **Maximum** MW available by month:

	MW
July	
August	
September	

Depending upon the circumstances, BPA may call on a portion of, or all, of Seller’s bid accepted.

\*BPA would like to hear from potential Sellers with INC resource(s) close to 25MW.

**Term:** Summer months only (July – September);  
 Minimum of one year (July 1, 2017 - September 30, 2017);  
 Maximum of 5 years (Summer months, 2017-2021).

Please specify years:

	Term
July 2017- September 30, 2017	
July 2018- September 30, 2018	
July 2019- September 30, 2019	
July 2020- September 30, 2020	
July 2021- September 30, 2021	

**Points of Delivery:** BPA is seeking INC capacity south of the SOA cut plane.  
Please specify details for each generator(s) associated with offer:

Generator	MW*	Host Load Serving Entity	Host Balancing Authority	Point of Interconnection (to Host BAA &/or Load Serving Entity as applicable)	POD on BPA Transmission system

\*Please indicate restrictions which prevent partial deployment.

BPA intends to pair INC and DEC resources to provide effective flow relief. As such, BPA will prioritize offers that provide maximum, least-cost counter flow to the SOA north-south flows.

**Operating Obligations:** Seller’s INC generation shall increase generation per instructions provided by BPA in its Deployment Notice.

**Metering/Validation:** Seller shall allow BPA real-time to access 4-second metered generation at BPA’s sole expense. BPA shall have audit rights to information related to the INC generator(s).

**Delivery Period:** Daily, Monday-Friday, 1400-2200 hours.

Minimum consecutive hours =  (Seller dictates, minimum of 2.)

Maximum consecutive hours =  (Seller dictates.)

Maximum deployment of one period/day and 40 hours/year.

Maximum consecutive days =  (Seller dictates.)

BPA may elect to call on energy for only a portion of the Delivery Period.

**Transmission:** Seller is responsible for transmission reservations to the BPA BAA and on the BPA network. Transmission reservations shall sink at the BPA congestion centroid (BPAT.RD) pursuant to section 6 of BPA’s Business Practice on Requesting Transmission Service ([TSRs for Bilateral Redispatch for Congestion Management](#)). Such transmission reservations shall be sufficient cover the Quantity specified in the BPA Deployment Notice(s) during the times specified in the Deployment Notice(s).

BPA shall provide Seller with a billing credit for new (original) transmission reservations on the BPA network to the BPA congestion centroid (BPAT.RD) pursuant to section 6 of BPA's Business Practice on Requesting Transmission Service ([TSR for Bilateral Redispatch for Congestion Management](#)).

**Scheduling:**

Upon BPA's notice of energy deployment, Seller shall submit e-tags for the quantity(s) and duration specified in BPA's Deployment Notice. Seller's tags reference the AREF \_\_\_\_\_. Seller's tags shall originate from the Seller's generation Point of Interconnection and list the BPA-specified centroid (BPAT.RD) as the POD pursuant to Section J of [BPA's Business Practice for Scheduling Transmission Service](#) and section B of [BPA's Redispatch and Curtailment Procedures](#).

Pre-scheduling will be pursuant to the WECC Preschedule Calendar.

Scheduling will be done in accordance with all relevant NERC standards, NAESB Business Practices, WECC Standards, WECC Regional Business Practices, and appropriate Transmission Provider's tariff and Business Practices

**Price/Payment:**

Sellers should provide indicative prices for capacity (\$/kw-mo) and energy (\$/MWh).

BPA will consider plant heat rate indexed to gas, fixed and indexed energy pricing.  
(Specify applicable Energy Index \_\_\_\_\_; Gas Index: Malin or Stanfield.)

Price differences associated with partial INC deployment should be provided if relevant.

**Deployment Notice:** 90 minute notice, or 5:30 am on the WECC Preschedule day.

(Seller to specify which notice period is applicable when bidding.)

BPA will notify Seller of its need for energy verbally on a recorded telephone line or through other mutually acceptable means.

Such notice shall clearly state start and stop times, which shall be in whole hours and quantity needed each hour and shall not exceed the Quantity or Delivery Period specified by Seller (above).

**Ramp Rate:**

Dispatch will be in hourly blocks, consistent with WECC schedules. As such, the INC will have a 20 minute ramp which start 10 minutes prior to the hour and ends 10 minutes after the last hour of deployment.

**Non-Performance:** If a requested deployment does not fully perform to the obligations set forth in the agreement in full and such non-performance is not due to Uncontrollable Force, then the event shall be considered a “non-performance event.” BPA reserves the right to determine in its sole discretion if an event is a non-performance event. The first non-performance event shall result in the Capacity portion of the payment for that month being withheld. In the event there is a second non-performance event, BPA has the unilateral right to terminate without penalty. BPA reserves the right to determine if an event is a non-performance event based upon the requirements set forth without consulting the deploying party.

**Uncontrollable Force:** As defined in the WSPP Agreement, in the event the service is forced off-line or is expected to remain off-line as a result of an Uncontrollable Force, the supplier shall notify BPA of such an event.

**Contract Requirements:** Seller or Seller’s scheduling agent must have an active Transmission Services Agreement and Power Enabling Agreement with BPA. (Limited exceptions for the Enabling Agreement.)

**Acceptance:** The RFO will close on May 26, 2016.

BPA will notify parties whose indicative offers are considered best qualified within 30 days of closing the RFO after which, selected parties will have 3 business days to provide BPA with their best and final offer. BPA expects to execute final agreements by December 31, 2016.

Selection will be highly correlated with price, adjusted for Point of Delivery, and in consideration with BPA’s credit requirements.

**Dispute Resolution:** Any disputes that arise under this Agreement are subject to binding Arbitration if prior to initiating any such binding arbitration, the parties draft and sign an agreement which meets the requirements of the Administrative Disputes Resolution Act of 1996, 5 U.S.C. §§ 571-584, including the requirements to set forth the precise issue in dispute, the amount in controversy and the maximum monetary award allowed. Such agreement shall take precedence over any conflicting provisions contained in Section 34 of the WSPP Agreement. Under no circumstances shall specific performance be an available remedy against either party in arbitration.

**Other Consideration:**

- 1) BPA reserves the right to accept multiple offers, or accept no offers. (BPA suspects that it will need to make several awards as INC and DEC deployments must be matched to relieve congestion.)

- 2) BPA expects that most INC/DEC transactions will be executed using Confirmation Agreement(s) (Confirm).
- 3) For evaluation purposes, BPA will assume all generation with a point of interconnection south of Malin will be delivered at Malin.
- 4) BPA must pair INCs with DEC with the goal of being energy neutral. As such, some offers may be deployed more frequently than others.
- 5) This Term Sheet is for illustrative purposes. Final terms subject to bilateral agreement.

### **Disclaimer and Confidentiality**

BPA intends to summarize information obtained from Respondents to evaluate the effectiveness of non-wires solutions to relieve north to south congestion across the South of Allston cut plane. The information obtained as a result of this Request for Offers may be used to evaluate the effectiveness and cost benefit analyses of related programs. Only non-merchant BPA staff in Transmission and Power will have access to the Offers.

**It is not BPA's intent to publicly disclose individual Respondent proprietary information obtained in response to this RFO. To the full extent that it is protected pursuant to the Freedom of Information Act and other laws and regulations, information identified by a Respondent as "Proprietary" or "Confidential" will be kept confidential. While this RFO is intended to provide information for BPA to select an offer of it should NOT to be construed as a commitment by BPA to enter into a contractual agreement, nor will BPA pay for information solicited.**

### **Dodd-Frank Reporting Requirements**

Each Party represents to the other that the transaction reflected in this Confirmation Agreement is a Physically Settled Option, is intended to be physically settled and meets all the requirements of and is subject to the agreements and warranties contained in Section 36 of the WSP Agreement for purposes of qualifying for the trade option exemption, 17 C.F.R. Section 32.3.