

BPA Proposed FTC Language – Redline Version

B. FAILURE TO COMPLY PENALTY CHARGE AND ASSESSMENT OF OTHER COSTS RESULTING FROM THE FAILURE TO COMPLY

1. RATE FOR FAILURE TO COMPLY PENALTY CHARGE

If a party fails to comply with the BPA-TS's dispatch, curtailment, redispatch, or load shedding orders, the party will be assessed the Failure to Comply Penalty Charge. The Failure to Comply Penalty Charge shall be 1000 mills per kilowatthour.

Parties who are unable to comply with a dispatch, curtailment, load shedding, or redispatch order due to a force majeure on their system will not be subject to the Failure to Comply Penalty Charge provided that they immediately notify the BPA-TS of the situation upon occurrence of the force majeure.

2. BILLING FACTORS

The Billing Factor for the Failure to Comply Penalty Charge shall be the kilowatthours that were not curtailed, redispatched, shed, changed, or limited within ten minutes after issuance of the order in any of the following situations:

- a.** Failure to shed load when directed to do so by BPA-TS in accordance with the Load Shedding provisions of the Open Access Transmission Tariff or any other applicable agreement between the parties. This includes failure to shed load pursuant to such orders within the time period specified by the North American Electric Reliability Council (NERC), Western Electric Coordinating Council (WECC), or Northwest Power Pool (NWPP) criteria.
- b.** Failure of a generator in the BPA Control Area or which directly interconnect to the FCRTS to change or limit generation levels when directed to do so by the BPA-TS. This includes failure to change generation levels pursuant to such orders within the time period specified by NERC, WECC, or NWPP criteria.
- c.** Failure to curtail or redispatch a reservation or schedule or failure to curtail or redispatch actual transmission use of the Contract or Service Agreement when directed to do so by the BPA-TS in accordance with the curtailment or redispatch provisions of the

Open Access Transmission Tariff or any other applicable agreement between the parties. This includes failure to curtail or redispatch pursuant to such scheduling protocols or orders within the time period specified by NERC, WECC, or NWPP criteria.

3. ASSESSMENT OF OTHER COSTS RESULTING FROM THE FAILURE TO COMPLY

In addition to the Failure to Comply Penalty Charge, the party will be assessed ~~any the~~ costs ~~incurred by~~ of alternate measures taken by BPA-TS in order to manage the reliability of the FCRTS ~~that are caused by~~ due to the failure to comply, ~~including, but not limited to,~~

The party will also be assessed monetary penalties imposed on BPA by a Regional Reliability Organization, Electric Reliability Organization, or FERC, for a violation of a Reliability Standard authorized under Section 215 of the ~~of the~~ Energy Policy Act of 2005, if the violation was caused by the party's failure to comply.

~~**4. INAPPLICABILITY OF GENERATION IMBALANCE CREDIT**~~

~~Generation Imbalance credits under Section III.B of the Ancillary Services and Control Area Services Rate Schedule will not be given for negative deviations (actual generation greater than schedules) for any hour(s) that the imbalance is a result of a party's failure to comply.~~