

Changes to the ACS-08 Rate Schedule for FY10

Transmission Services is proposing to modify several sections in the Operating Reserves rate schedules to accommodate the WECC BAL-002-WECC-1 contingency reserve standard.

The changes will be made effective on approval of an implementation date by FERC. See the attached Ancillary Service rate schedules. Similar changes will be made to the Control Area Services schedules III. C Operating Reserve - Spinning Reserve Service and III D Operating Reserve – Supplemental Reserve Service. In addition, a change will be required to the Availability section, below.

Section I. Availability (page 37)

The Transmission Provider is required to offer to provide (a) Operating Reserves – Spinning, and (b) Operating Reserves – supplemental to the Transmission Customer ~~servicing load with generation located in the Transmission Provider's Control Area~~ in accordance with applicable NERC, WECC and NWPP standards.

SECTION II. ANCILLARY SERVICE RATES

E. OPERATING RESERVE -- SPINNING RESERVE SERVICE

The rates below apply to Transmission Customers taking Operating Reserve -- Spinning Reserve Service from BPA-TS and to generators in the BPA Control Area for settlement of energy deliveries. Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. BPA will determine the Transmission Customer's Spinning Reserve Requirement in accordance with applicable NERC, WECC and NWPP standards. ~~For a Transmission Customer's load (located inside or outside of the BPA Control Area) served by generation located in the BPA Control Area, the Transmission Customer's Spinning Reserve Requirement shall be determined consistent with applicable NERC, WECC and NWPP standards.~~

1. RATES

a. Spinning Reserve Service

- (i) For customers that elect to purchase Operating Reserve-- Spinning Reserve Service from BPA Transmission Services, the rate shall not exceed **XX** mills per kilowatthour.
- (ii) For customers that are required to purchase Operating Reserve--Spinning Reserve Service from BPA Transmission Services because they defaulted on their self-supply or third-party supply obligations, the rate shall be **XX** mills per kilowatthour.

b. For energy delivered, the generator shall, as directed by BPA-TS, either:

- (i) Purchase the energy at the hourly market index price applicable at the time of occurrence, or
- (ii) Return the energy at the times specified by BPA-TS.

2. BILLING FACTORS

- a. The Billing Factor for the rates specified in section 1.a. is the Transmission Customer's Spinning Reserve Requirement determined in accordance with applicable WECC and NWPP

standards. BPA Transmission Services will post on its OASIS website the Spinning Reserve Requirement. If the Federal Energy Regulatory Commission approves a new Spinning Reserve Requirement during the FY2010-11 rate period, such Spinning Reserve Requirement will go into effect on the effective date set by FERC, and BPA will update the Spinning Reserves Requirement posted on its OASIS website accordingly. ~~Application of current standards establish a minimum Spinning Reserve Requirement equal to the sum of:~~

- ~~(i) Two and a half percent (2.5%) of the hydroelectric and wind generation dedicated to the Transmission Customer's firm load responsibility; and~~
- ~~(ii) Three and a half percent (3.5%) of other generation dedicated to the Transmission Customer's firm load responsibility.~~

- b. The Billing Factor for energy delivered when Spinning Reserve Service is called upon is the energy delivered, in kilowatthours.

SECTION II. ANCILLARY SERVICE RATES

F. OPERATING RESERVE -- SUPPLEMENTAL RESERVE SERVICE

The rates below apply to Transmission Customers taking Operating Reserve -- Supplemental Reserve Service from BPA-TS and to generators in the BPA Control Area for settlement of energy deliveries. Supplemental Reserve Service is available within a short period of time to serve load in the event of a system contingency. BPA will determine the Transmission Customer's Supplemental Reserve Requirement in accordance with applicable NERC, WECC and NWPP standards. ~~For a Transmission Customer's load (located inside or outside the BPA Control Area) served by generation located in the BPA Control Area, the Transmission Customer's Supplemental Reserve Requirement shall be determined consistent with applicable NERC, WECC and NWPP standards.~~

1. RATES

a. Supplemental Reserve Service

- (i) For customers that elect to purchase Operating Reserve-- Supplemental Reserve Service Transmission Services, the rate shall not exceed **XX** mills per kilowatthour.

- (ii) For customers that are required to purchase Operating Reserve -- Supplemental Reserve Service from BPA Transmission Services because they defaulted on their self-supply or third-party supply obligations, the rate shall be **XX** mills per kilowatthour.
- b. For energy delivered, the Transmission Customer (for interruptible imports only) or the generator shall, as directed by BPA-TS, either:
 - (i) Purchase the energy at the hourly market index price applicable at the time of occurrence, or
 - (ii) Return the energy at the times specified by BPA-TS.

The Transmission Customer shall be responsible for the settlement of delivered energy associated with interruptible imports (see section 2.a.(iii)). The generator shall be responsible for the settlement of delivered energy associated with generation in the BPA Control Area.

2. BILLING FACTORS

- a. The Billing Factor for the rates specified in section 1.a. is the Transmission Customer's Supplemental Reserve Requirement determined in accordance with applicable WECC and NWPP standards. BPA Transmission Services will post on its OASIS website the Supplemental Reserve Requirement. If the Federal Energy Regulatory Commission approves a new Supplemental Reserve Requirement during the FY2010-11 rate period, such Supplemental Reserve Requirement will go into effect on the effective date set by FERC, and BPA will update the Supplemental Reserves Requirement posted on its OASIS website accordingly.~~Application of current standards establish a minimum Supplemental Reserve Requirement equal to the sum of:~~
 - ~~(i) Two and one half percent (2.5%) of the hydroelectric and wind generation dedicated to the Transmission Customer's firm load responsibility, plus~~
 - ~~(ii) Three and one half percent (3.5%) of other generation dedicated to the Transmission Customer's firm load responsibility, plus~~

~~(iii) Any power scheduled into the BPA Control Area that can be interrupted on ten (10) minutes' notice.~~

- b.** The Billing Factor for energy delivered when Supplemental Reserve Service is called upon is the energy delivered, in kilowatthours.