

## Slice Product Review Operations Group Slice Operational Concerns Summarized

### Highly Complex System is Difficult to Slice Accurately

- Slice customers have contractual right to their proportionate share of Slice Output (principle #2 of the TOP)
- Slice Output is defined as Peaking, Energy and Storage capability of the system
- Due to the complexity of the FCRPS, these capabilities are nearly impossible to accurately determine and track
- This has forced us (collaboratively) to simplify concepts and create abstract concepts in order to administer the Slice product
- In some cases (ramp up, 1-hr ramp down, non-snake hourly max, grace margin, inability to change limits for the current and next hour) we believe we have erred on the generous side, likely allowing the customers slightly greater than their share of actual system flexibility
- The concern is that when the Slice customers operate near the maximum of these limits PBL absorbs the difference in order to keep the system within the actual physical limits, which has both financial and reliability implications

### Exhibit J changes

- Exhibit J outlines the procedures, formulas and concepts that determine Slice customers' rights and operating limits
- Since the original version many changes have been negotiated, which in itself was expected and necessary
- Some changes that were agreed upon have since been questioned for their appropriateness (within the intent of the agreement)
- Negotiations were done in somewhat of a vacuum within PBL and did not include non-Slice customer representation, review or input
- The concern is that some of the Exhibit J changes (additional project info on studies, section 6e, section 7f, section 7i, for example) were not aligned with the original intent of Slice and would not have been agreed upon if there had been a more rigorous PBL internal review process, or if non-Slice customers had been involved in the discussions

### Load Uncertainty and Optimization

- Slice loads are highly variable by nature and impossible to predict (day to day and hour to hour)
- This magnitude of variability was not fully anticipated (by PBL)
- Highly variable and unpredictable loads create difficulty and conflict with regard to PBL programs that have been developed for the purpose of optimizing generation patterns within the FCRPS
- The concern is that Slice load variability hampers or reduces the potential positive impact of PBL optimization programs and tools, which is a potential shift of risk or cost to PBL or non-Slice customers