

## Background information on RSO Test Deeming Guidance

BPA has now had over two years of experience implementing Slice under the Regional Dialogue contract. Slice product customers are required to demonstrate monthly that a certain amount of power provided under the product is used to serve their load. This monthly requirement is called the Requirements Slice Output Test (RSO Test).

Slice customers have the obligation to meet the RSO Test monthly. Conditions that result in passage of the RSO Test are stated in Section 5.6.2.4 of the Slice Contract:

- (1) If «Customer Name»'s Slice-to-Load Delivery in a month is greater than or equal to its RSO for such month, then «Customer Name» shall have satisfied the requirements of the RSO Test for such month; or,
- (2) If «Customer Name»'s Slice-to-Load Delivery in a month is less than its RSO for such month, but «Customer Name»'s Actual Slice Output Energy (ASOE) for the month is less than 107.5 percent of its RSO, and «Customer Name»'s monthly Slice-to-Load Delivery is greater than 92.5 percent of its ASOE for such month, then «Customer Name» shall have satisfied the RSO Test for such month.

BPA worked with the Slice customers to develop a document providing some guidance around RSO Test Deeming. This document provides better transparency, guidance and predictability about how customers that initially fail an RSO Test will be treated under the deeming provisions. Customers may request that BPA deem them to have met the RSO Test and provide BPA with data demonstrating that they took reasonable and prudent actions to otherwise satisfy the RSO Test. Specifically, Section 5.6.2.5(1) of the Slice Contract requires:

If «Customer Name» has not satisfied the requirements of the RSO Test pursuant to section 5.6.2.4, then «Customer Name» may, within 14 calendar days after BPA provides «Customer Name» with written notice of the RSO Test results pursuant to section 5.6.2.3, provide BPA with data that demonstrates «Customer Name» took reasonable and prudent actions to otherwise satisfy the RSO Test for such month. Such data may include analysis indicating «Customer Name» satisfied the RSO Test in each of two distinct periods of ten or more consecutive days within the month. If Power Services determines such data and/or analysis demonstrates such compliance, then BPA shall deem «Customer Name» to have satisfied the RSO Test for such month. BPA shall have the sole discretion to determine whether «Customer Name» shall be deemed to have satisfied the RSO Test pursuant to this section 5.6.2.5(1). BPA shall, no later than 14 calendar days following the day «Customer Name» provides such supporting data and/or analysis, notify «Customer Name», in writing, of its decision as to whether or not «Customer Name» shall be deemed to have satisfied the RSO Test, and the basis for such decision.

Consistent with the contract, if a customer requests deeming, BPA will then consider the deeming guidance in making the case-by-case determination whether to deem passage of the RSO Test.

BPA provided a draft version of the guidance document for public review and comment from November 26 through December 11, 2013. This comment period was announced via Tech Forum email and also posted on the BPA website. BPA received comments in support of the deeming guidance from Lewis County PUD, Eugene Water and Electric Board, PUD No. 2 of Pacific County, and Emerald PUD. BPA received no comments objecting to the deeming guidance.

#### [Comments received on Draft Requirements Slice Output Deeming Guidance Document](#)

After reviewing the public input to this document, BPA decided to adopt the RSO Deeming Guidance Document. This guidance will be considered in evaluating Slice customers' deeming requests.