**Summary of Changes**

Section 12.1, Billing Credits: Under Regional Dialogue, customers agreed to waive their right to request billing credits for generating resources. Per the final Provider of Choice Policy and ROD, BPA will require customers to waive their rights to both non-federal generation resources as well as conservation activities. The proposed edits to section 12.1 reflect this waiver.

Section 12.2, Agreement to Waive Exchange Costs of Existing Resources: Under Regional Dialogue, PF customers agreed to a limited waiver of their participation in the Residential Exchange Program (REP). Specifically, PF customers were permitted to only receive REP payments from BPA for certain resources. In the final Provider of Choice Policy and ROD, BPA states that its contracts will include a provision whereby PF customers would fully waive their participation in the REP for the Provider of Choice contract. The proposed edits to 12.2 reflect the full waiver.

**Edits of Particular Note**

N/A

**12. BILLING CREDITS AND RESIDENTIAL EXCHANGE*(08/15/08 Version)***

12.1 **Billing Credits**

If «Customer Name» develops a Generating Resource or engages in conservation activities independently undertaken to serve its loads, then «Customer Name» agrees that it shall forego any request for, and BPA is not obligated to include, billing credits, as defined in section 6(h) of the Northwest Power Act, on «Customer Name»’s bills under this Agreement. This section does not apply to any billing credit contracts in effect as of the Effective Date.

12.2 **Agreement to Waive Exchange Costs of Existing Resources**

«Customer Name» agrees it will not seek and shall not receive residential exchange benefits pursuant to section 5(c) of the Northwest Power Act. «Customer Name»’s agreement in this section 12.2 is a material precondition to BPA offering and executing this Agreement.