**Reservation of Rights:** *All draft Provider of Choice (POC) contract language presented by BPA for discussion is subject to ongoing review and revision. Prior to finalizing the POC contract templates, BPA will publish complete contract templates for public review and comment. BPA acknowledges that failure to offer edits or comments on this document does not preclude a stakeholder from offering edits or comments during the formal public review.*

**Summary of Changes:**

* This section uses the December 19, 2024 template with changes from the template in redlines.
* Delivery Limits defined term renamed SOE Limits without any changes to the definition.
* Section 5.1 revision to eliminate sentence similar to 5.1.4
* Section 7.4 revised: Timing of the daily information conference call to be established by mutual agreement of the Slice Operations Forum.
* Section 10 title revised “OPERATIONAL INFORMATION CONFIDENTIALITY AND DISCLOSURE”. Adds provision for customer to disclose operational information when required by law and with notification to BPA.
* Add section 11 Monthly and Annual Requirements Slice Output Test and Charges. Establishes Monthly RSO test performance standard of Slice-To-Load greater than or equal to 85 % of Requirements Slice Output and Annual RSO test performance stanardard of Slice-To-Load greater than 95% of Requirements Slice Output. Failed RSO Rates applicable to RSO test charge are established in each 7(i) process.

If customer does not pass the monthly RSO Test such months are excluded from the annual RSO Test to avoid double charging the customer.

* Revisions renumbered to section 12 without any changes.

Definitions:

Revised: “SOE Limits” means the limits that govern the availability of Slice Output and the scheduling of Slice Output Energy by «Customer Name» as determined by BPA, and implemented through the POCSA.

**1. SLICE OPERATING PROCEDURES – GENERAL DESCRIPTION**

The procedures established in this Exhibit M shall be used by BPA and «Customer Name» in conjunction with Exhibit L to implement deliveries of Slice Output Energy sold to «Customer Name» under the Slice Product.

**2. DEFINITIONS**

The following definitions apply only to this Exhibit M.

2.1 “Multiyear Hydroregulation Study” means a hydroregulation study that simulates the prospective monthly operation of the Tier 1 System, typically for a 12‑month period, given a range of stream flow sequences.

2.2 “Storage Offset Adjustment” or “SOA” means the hourly difference between forecasted and observed inflows for each Simulator Project that are to be applied 48 hours after its calculation, pursuant to section 4 of this exhibit.

**3. DATA PROVIDED BY POWER SERVICES**

In addition to information exchanged and provided through provisions of Exhibit L, and to assist «Customer Name» in managing and planning the use of its Slice Output, BPA shall provide «Customer Name» the following information.

3.1 Tier 1 System operational information pursuant to sections 7, 8 and 9 of this exhibit.

3.2 «Customer Name»’s SOA amounts and BOS Deviation Account balance pursuant to section 4 of this exhibit.

**4. STORAGE OFFSET ADJUSTMENT AND DEVIATION ACCOUNTING**

As described below, BPA shall calculate and apply to «Customer Name»’s Provider of Choice Slice Application (POCSA) a separate Storage Offset Adjustment (SOA) for each Simulator Project that represents simulated water deviation accounting 48 hours after the difference in inflow occurred. BPA shall also calculate and apply to «Customer Name» a BOS Deviation Account balance that represents energy deviation accounting.

4.1 «Customer Name»’s SOAs shall be established for each Simulator Project each Scheduling Hour and shall account for the differences between forecasted and observed stream flow values. SOAs shall be applied as adjustments to «Customer Name»’s associated Simulator Project inflows 48 hours after the hour for which the SOA is calculated. For example, an SOA that is calculated for Grand Coulee for hour 14 shall be applied to Grand Coulee’s simulated inflow for Scheduling Hour 14 two calendar days later.

4.2 Beginning on October 1, 2028 and ending on «Customer Name»’s Slice Product End Date, «Customer Name»’s BOS Deviation Account, expressed in MWh, shall be equal to the sum of (1) the cumulative difference between (A) «Customer Name»’s BOS Base amount for each Scheduling Hour and (B) Actual BOS Generation multiplied by «Customer Name»’s Slice Percentage for each such hour, (2) the mathematical remainder resulting from rounding «Customer Name»’s hourly Slice Output Energy Request(SOER) to whole numbers, and (3) miscellaneous deviation adjustments, such as those related to fish spill discrepancies. «Customer Name»’s BOS Deviation Account balance shall be adjusted based on the following procedures:

4.2.1 Beginning on October 1, 2028 and ending on «Customer Name»’s Slice Product End Date, when the absolute value of «Customer Name»’s BOS Deviation Account balance, as of 2400 hours Pacific Prevailing Time on any calendar day, is greater than «Customer Name»’s Slice Percentage multiplied by 2400 MWh (Slice Percentage \*  2400 MWh), a BOS Deviation Return will be triggered 24 hours later for the next available scheduling day starting at HE 01 Pacific Prevailing Time. When a BOS Deviation Return is triggered, the following shall occur:

(1) «Customer Name»’s BOS Deviation Account balance shall be adjusted toward zero by an amount equal to «Customer Name»’s Slice Percentage multiplied by 2400 MWh (Slice Percentage \* 2400 MWh); and

(2) BOS Deviation Return amounts shall be applied to «Customer Name»’s total BOS amount, as described in section 4.5 of Exhibit L, for each hour of the next Slice Operating Day that «Customer Name» is preparing Customer Inputs for submission. For example, if «Customer Name»’s BOS Deviation Account balance associated with 2400 hours on a Monday, as determined the following Tuesday, triggers a BOS Deviation Return, then «Customer Name»’s total BOS amounts for the following Wednesday shall include BOS Deviation Return amounts. BOS Deviation Return amounts shall be rounded to the nearest tenth of a megawatt. BOS Deviation Return amounts shall be applied in equal amounts for each hour of the associated calendar day. Such BOS Deviation Return amounts shall be applied as positive or negative values in accordance with the sign of «Customer Name»’s BOS Deviation Balance that triggers the associated BOS Deviation Return.

4.2.2 Each calendar day the POCSA shall calculate the hourly deviation of observed and forecast BOS between hour ending 2300 of the previous day and hour ending 2200 Pacific Prevailing Time of the current day as well as any observed value that has changed in the previous 45 calendar days. The POCSA will apply this BOS deviation, expressed in MWh, to «Customer Name»’s BOS Deviation Account balance by an amount equal to «Customer Name»’s Slice Percentage multiplied by the BOS deviation calculated for each 45-day period.

4.3 «Customer Name» shall make all reasonable efforts to adjust its Simulated Operating Scenario to make its simulated forebay elevations equal to Power Services forecasted forebay elevations on «Customer Name»’s Slice Product End Date. Any differences between «Customer Name»’s simulated project forebays and the measured project forebays as of the Slice Product End Date shall be converted to energy amounts by multiplying such differences (simulated minus actual) by the associated federal downstream H/ks. The resulting energy amounts shall be summed with «Customer Name»’s BOS Deviation Account balance as of one month after the Slice Product End Date. The resulting amount of energy, expressed in MWh, if positive, shall be delivered by Power Services to «Customer Name», or if negative, delivered by «Customer Name» to Power Services, within the next 60 days after «Customer Name Slice Product End Date.

**5. OPERATING CONSTRAINT VIOLATIONS AND BOS FLEX VALIDATIONS**

5.1 **Operating Constraint Violations**

The Simulator is designed such that «Customer Name»’s Simulated Operating Scenario maintains compliance with all Hard and Absolute Operating Constraints that BPA can accurately model in the POCSA. BPA shall notify Slice Customers of any Hard or Absolute Operating Constraints that cannot be accurately modeled in the POCSA. «Customer Name» shall comply with such constraints in its Simulated Operating Scenario. However, BPA and «Customer Name» recognize there may be occasions where one or more Hard or Absolute Operating Constraints are violated within a Simulated Operating Scenario. In the event the Customer Inputs submitted by «Customer Name» result in the violation of one or more Hard or Absolute Operating Constraints in a final Simulated Operating Scenario, as established per section 3.3.7 of Exhibit L, BPA shall establish operating guidelines based upon its determination of how BPA would operate the system under similar conditions, such as operating to a minimum flow constraint, that «Customer Name» shall follow until such time as «Customer Name»’s final Simulated Operating Scenario is in compliance with all Operating Constraints.

5.1.1 «Customer Name» shall be responsible for monitoring and anticipating potential Operating Constraint violations on a prospective basis and adjusting Customer Inputs as needed to maintain compliance.

5.1.2 Hourly Operating Constraint validations and violations associated with the Simulator Projects shall be based on Customer Inputs established by «Customer Name» in the SCA and submitted to BPA no later than the Customer Inputs submission deadline pursuant to section 4.1 of Exhibit F.

5.1.3 Grand Coulee’s Project Storage Bound (PSB) validations and «Customer Name»’s actions for associated violations shall be determined pursuant to section 6 of this exhibit.

5.1.4 BPA shall have the right to reduce «Customer Name»’s SOER by up to 100% of «Customer Name»’s total Simulated Output Energy Schedule for the Lower Columbia (LCOL) Complex for lower Columbia Simulator Project violations, or the Coulee-Chief Complex for Grand Coulee or Chief Joseph Simulator Project violations, on any Scheduling Hour, taking into account the extent to which BPA determines it would face consequences under similar conditions, subject to the following provisions:

5.1.4.1 Only for each Scheduling Hour in which «Customer Name»’s final Simulated Operating Scenarios are in violation of a Hard or Absolute Operating Constraint at one or more Simulator Projects, which includes instances where there is a Soft Constraint of the same value applicable to the same Simulator Project as the Hard or Absolute Operating Constraint that is violated;

5.1.4.2 Only to the extent BPA notifies «Customer Name» , pursuant to section 3.2.1 of Exhibit M, of the reduction at least 75 minutes prior to the Customer Input submission deadline pursuant to section 4.1. of Exhibit F for the applicable Slice Scheduling Day. , and;

5.1.4.3 Only to the extent «Customer Name» fails to remedy the Operating Constraint violation prior to the Customer Input submission deadline pursuant to section 4.1 of Exhibit F.

5.2 **BOS Flex Validations**

SOE Limit validations associated with BOS Flex amounts shall be based on «Customer Name»’s BOS Flex requests submitted to BPA as of the BOX Flex submission deadline pursuant to section 4.1 of Exhibit F. «Customer Name»’s BOS Flex schedules shall be limited to «Customer Name»’s Slice Percentage multiplied by such BOS Flex amounts.

**6. GRAND COULEE PROJECT STORAGE BOUNDS**

When Grand Coulee’s upper or lower PSB is established as either a Soft or Hard Operating Constraint, «Customer Name»’s simulated Grand Coulee forebay elevation shall be validated against such Grand Coulee’s PSB at least once each day pursuant to section 3.3.8 of Exhibit M. When Grand Coulee’s upper or lower PSB is established as an Absolute Operating Constraint, «Customer Name»’s simulated Grand Coulee forebay elevation shall be validated against such Grand Coulee’s PSB in each Shour in each day.

6.1 **Determination of Grand Coulee PSB**

Power Services shall estimate the upper and lower Grand Coulee PSB associated with the end of month requirement, and/or within month requirement, of the following three months as part of each 3‑month forecast submitted pursuant to section 8 of this exhibit and shall update such Grand Coulee PSB as conditions change and as needed to reflect updated Operating Constraints. To determine Grand Coulee’s PSBs, Power Services shall calculate the Storage Content associated with the Grand Coulee upper and lower ORCs as established by Operating Constraints in effect. Power Services shall apply a Storage Content difference between the upper and lower Grand Coulee PSB equivalent to at least ½‑foot at all times except when Grand Coulee is required to fill to 1290.0 feet for verification of refill or another specific elevation . Power Services may specify other conditions under which this ½‑foot difference does not apply.

6.2 **Application of the Grand Coulee PSB**

Power Services shall designate each Grand Coulee PSB that does not represent an Absolute Operating Constraint as either a Hard Operating Constraint or a Soft Operating Constraint. Unless designated otherwise by Power Services, Grand Coulee PSB associated with date-specific required forebay elevations shall be designated as Hard Operating Constraints and Grand Coulee PSB associated with interpolated points in effect on days between such date-specific required forebay elevations shall be designated as Soft Operating Constraints. «Customer Name» shall maintain its simulated Grand Coulee forebay elevation within the upper and lower Grand Coulee PSB that are designated as Hard Operating Constraints, or be subject to penalties as pursuant to section 5.1.4 of this exhibit. «Customer Name»’s simulated Grand Coulee forebay may exceed the upper or lower Grand Coulee PSB designated as Soft Operating Constraints without penalties. However, «Customer Name» recognizes that simulating Grand Coulee’s forebay outside of the upper or lower Grand Coulee PSB designated as Soft Operating Constraints increases «Customer Name»’s risk of violating the Grand Coulee PSB designated as Hard Operating Constraints and incurring the associated penalties.

**7. COMMUNICATIONS**

7.1 «Customer Name» shall be able to utilize the DUI, pursuant to section 5 of Exhibit L, to review the Simulator Parameters established by BPA.

7.2 BPA shall make reasonable efforts to promptly notify «Customer Name» of potential and significant system conditions or operational changes via e‑mail, XML messaging, and/or the daily conference call pursuant to section 7.4 of this exhibit.

7.3 BPA shall communicate Federal Operating Decisions and Prudent Operating Decisions to «Customer Name» in the following manner:

7.3.1 An initial listing and description of Federal Operating Decisions and Prudent Operating Decisions that affect the Simulator Projects and are in effect as of September 30, 2028;

7.3.2 A publication via the POCSA as soon as practicable after BPA is informed of Federal Operating Decisions, or BPA makes either Federal Operating Decisions or Prudent Operating Decisions affecting the Simulator Projects; and

7.3.3 A verbal report to the attendees during the next scheduled daily conference call pursuant to section 7.4 of this exhibit regarding Federal Operating Decisions or Prudent Operating Decisions that have a material impact on the operation of the Simulator Projects, BOS Complex, or Designated System Obligations.

7.4 Beginning September 28, 2028, and on each Business Day thereafter, BPA shall initiate an informational conference call with «Customer Name» and the other Slice Customers at a time established by mutual agreement of the SOF to discuss current and upcoming operating parameters and other related matters. The time and frequency of the call may be changed upon the mutual agreement of BPA, «Customer Name», and the SOF members. «Customer Name» shall receive notice from BPA via e‑mail at least three Business Days prior to any such change.

**8. 3-MONTH FORECAST OF SLICE OUTPUT**

8.1 Prior to September 24, 2028 and prior to the 24th day of each month thereafter, BPA shall provide «Customer Name» with the results of a 3‑month forecast, pursuant to section 8.2 of this exhibit. BPA shall revise such forecast during the month in the event conditions change significantly and shall make such revised forecast available to «Customer Name» in a timely manner.

8.2 BPA, consistent with its internal study processes, shall perform two single-trace hydroregulation studies that incorporate the expected stream flow condition for the upcoming 3‑month period in weekly time periods. One study shall operate Grand Coulee as needed to satisfy the minimum Simulator Project flow constraint to attain the highest reservoir elevations possible at Grand Coulee, limited by its upper Operating Rule Curves, and one study shall operate Grand Coulee as needed to satisfy the Simulator Project maximum flow constraint in order to attain the lowest reservoir elevations possible at Grand Coulee, limited to its lower ORC. Both studies shall reflect a pass-inflow operation at all other Simulator Projects and the expected operation at all other Tier 1 System Resources and non-federal projects that are represented in the study, such as Brownlee,Seli’š Ksanka Qlispe’ Dam (SKQ), and the mid-Columbia projects. BPA shall initialize the starting reservoir Storage Content for each study equal to the Storage Contents projected to occur at midnight on the study initialization date. Based on the results of these studies, Power Services shall provide to «Customer Name» the weekly natural inflow, turbine discharge, generation, spill discharge, and ending elevation for each of the Simulator Projects, the Snake Complex projects, Libby, Hungry Horse, Dworshak, and Keenleyside (Arrow); the weekly generation forecasts for the sum of the remaining BOS projects, excluding CGS; the weekly CGS generation forecast; and the weekly forecast of the individual Designated System Obligations. BPA shall also provide a summary of weekly aggregated planned generator maintenance outages for all Tier 1 System Resources, expressed in total MW, as well as the estimated Grand Coulee upper and lower PSB associated with the end of month requirement and/or within month requirement for the study period.

**9. 12-MONTH FORECAST OF SLICE OUTPUT**

9.1 Prior to June 30, 2027, and prior to each June 30 thereafter during the term of this Agreement, BPA shall initiate a conference call with Slice Customers to discuss and review inputs, assumptions, and content of the Multiyear Hydroregulation Study used to develop the 12‑month forecast pursuant to section 9.4 of this exhibit.

9.2 Prior to July 31, 2027, and prior to each July 31 thereafter during the term of this Agreement, BPA shall provide «Customer Name» with results from the 12‑month forecast, pursuant to section 9.4 of this exhibit.

9.3 Prior to August 31, 2027, and prior to each August 31 thereafter during the term of this Agreement, BPA, «Customer Name», and other Slice Customers shall meet to discuss the results of the 12‑month forecast pursuant to section 9.4 of this exhibit.

9.4 BPA, consistent with its internal study processes, shall perform a single Multiyear Hydroregulation Study for the upcoming October through September period during the term of this Agreement that represents a range of potential stream flow traces, using the number of traces used by BPA for its internal study purposes. The study shall reflect Grand Coulee operating to its ORC at times when its upper and lower ORC are equal. At times when Grand Coulee’s upper and lower ORC are not equal, the study shall reflect Coulee operating in a manner that achieves all Simulator Project flow constraints when possible. The study shall represent a pass-inflow operation at all other Simulator Projects and the expected operation at all other Tier 1 System Resources and non-federal projects that are represented in the study, such as Brownlee, SKQ, and the mid-Columbia projects. BPA shall initialize the starting reservoir Storage Contents for this study at the Storage Contents projected to occur at midnight on the study initialization date. Based on the results of this study, BPA shall provide to «Customer Name» the monthly natural inflow, turbine discharge, generation, spill discharge, and ending elevation for each of the Simulator Projects, the Snake Complex projects, Libby, Hungry Horse, Dworshak, and Keenleyside (Arrow); the monthly generation forecasts for the sum of the remaining BOS projects, excluding CGS; the monthly CGS generation forecast; and the monthly forecast of the individual Designated System Obligations. Power Services shall also provide a summary of monthly aggregated planned generator maintenance outages, expressed in total MW, for all Tier 1 System Resources.

9.5 Any updates or revisions to the Multiyear Hydroregulation Study shall be completed at BPA’s sole discretion, including the decision to perform a subsequent Multiyear Hydroregulation Study to incorporate changes in operations.

**10. OPERATIONAL INFORMATION CONFIDENTIALITY AND DISCLOSURE**

BPA considers all prospective operational information associated with the Tier 1 System or any Tier 1 System Resource to be proprietary and business sensitive. Such information that is provided by BPA to «Customer Name» or its scheduling agent pursuant to Exhibit L or this Exhibit M shall be treated as confidential by «Customer Name». «Customer Name» and any third parties it has designated to use the POCSA shall execute a POCSA Access and Use Agreement with BPA pursuant to section 5.10 in the body of this Agreement. «Customer Name» shall limit its use of such information to its employees solely for the implementation of the terms of this Agreement. BPA reserves the right to withhold such operational information from scheduling agents that BPA determines are significant, active participants in WECC footprint wholesale power or transmission markets and that are not Slice Customers. If «Customer Name» enlists the services of a scheduling agent that is not a Slice Customer, then «Customer Name» shall require its scheduling agent to develop systems or procedures that create functional separation between Slice related operational information and the scheduling agent’s marketing functions.

If «Customer Name» is required by applicable law, rule or regulation, including without limitation state public records laws, or by legal or administrative process to disclose any operational information described in this section 10 of Exhibit M, then «Customer Name» may disclose such operational information in accordance with applicable law; provided, that «Customer Name» shall notify BPA as soon as practicable of a request or requirement received under applicable law and prior to such disclosure.

**11. Monthly and Annual Requirements Slice Output Test and Charges**

11.1 **Monthly RSO Test**

At the conclusion of each month during the Fiscal Year BPA shall perform a monthly RSO test that compares: (1) «Customer Name»’s SOER delivered to serve to its actual Total Retail Load plus loss return schedules to Transmission Services (Slice-to-Load) during each month with (2) «Customer Name»’s RSO for each such month.

If «Customer Name»’s monthly Slice-to-Load does not equal or exceed 85 percent of its RSO for the applicable month, then BPA shall apply a monthly RSO test charge and «Customer Name» shall pay such charge. BPA shall calculate «Customer Name»’s monthly RSO test charge by multiplying the applicable monthly Failed RSO Rate by the difference between 85 percent of «Customer Name»’s RSO and its Slice-to-Load.

BPA shall notify «Customer Name» the results of the monthly RSO test for the preceeding calendar month no later than the 20th Business Day of each calendar month.

11.2 **Annual RSO Test**

At the conclusion of each Fiscal Year BPA shall perform an annual RSO test that compares (1) «Customer Name»’s annual Slice-to-Load for all months of the Fiscal Year with (2) «Customer Name»’s RSO for all months of the Fiscal Year.

If «Customer Name»’s annual Slice-to-Load does not equal or exceed 95 percent of its annual RSO for the applicable Fiscal Year then BPA shall apply an annual RSO test charge and «Customer Name» shall pay such charge. BPA shall calculate «Customer Name»’s annual RSO test charge by (1) multiplying the average of the monthly Failed RSO Rates during the Fiscal Year by the difference between 95 percent of «Customer Name»’s annual RSO and its annual Slice-to-Load, then (2) subtracting any monthly RSO test charges applied during the Fiscal Year. If the sum of the monthly RSO test charges during the applicable Fiscal Year is greater than the annual RSO test charge calculated in (1) above, then the annual RSO test charge shall be zero.

BPA shall notify «Customer Name» of the results of the annual RSO test no later than the 20th Business Day of October.

**12. REVISIONS**

Revisions to this Exhibit M shall be by mutual agreement of the Parties**.**

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