**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.
* “Requirements Slice Output” definition added item (4) for generation from renewable Dedicated Resources used to fulfill state or federal renewable resource standards.
* Section 5.6, RSO Test revised to create monthly RSO test/charge and annual RSO test/charge. Details of the monthly and annual RSO test and charge are provided in section 11 of Exhibit M. Failed RSO Rates applicable to RSO test charge are established in each 7(i) process.
* Section 5.6.3.4 optional provision added to trigger bilateral revision to RSO test in Ex M if a transfer customer is located in a Balancing Authority that joins a day-ahead market.

**RELEVANT DEFINITIONS:**

2.«#» “Requirements Slice Output” or “RSO”***(XX/XX/XX Version)*** means, for each month, the portion of «Customer Name»’s Slice Output Energythat is equal to the lesser of: (1) «Customer Name»’s Critical Slice Amount for such month; (2) «Customer Name»’s Annual Net Requirement for such month, less monthly amounts purchased under the Block Product, as specified in Exhibit C; (3) «Customer Name»’s Total Retail Load metered for such month, less «Customer Name»’s Dedicated Resources in Exhibit A for such month and less monthly amounts purchased under the Block Product, as specified in Exhibit C; or (4) «Customer Name»’s Total Retail Load metered for such month, less «Customer Name»’s Dedicated Resources in Exhibit A for such month, less any additional generation from a Dedicated Resource that exceeds the amount in Exhibit A that «Customer Name» uses to serve its Total Retail Load and to fulfill a state or federal renewable resource standard or other comparable legal obligation, and less monthly amounts purchased under the Block Product, as specified in Exhibit C.

5. SLICE PRODUCT *(11/13/24 Version)*

5.1 **Slice Product General Description**

5.1.1 The Slice Product is a system sale that includes Firm Requirements Power and surplus power. The Slice Product is indexed to the variable output capability of the Tier 1 System Resources to the extent such capability is available to Power Services after Designated System Obligations and Operating Constraints are met. «Customer Name» accesses the capabilities of Tier 1 System through the Provider of Choice Slice Application (POCSA) as described in Exhibit L. BPA shall configure the POCSA to reasonably represent and calculate the capabilities available on a day-ahead timeframe to Power Services from the Tier 1 System Resources after Designated System Obligations and Operating Constraints are met, including energy production, peaking, storage, and ramping capability. The POCSA applies «Customer Name»’s Slice Percentage to the Tier 1 System capabilities to determine «Customer Name»’s Slice Output.

«Customer Name» shall use the POCSA to submit Slice Output requests to BPA for each Scheduling Hour submitted on a day ahead timeframe pursuant to sections 3 and 4 of Exhibit F. BPA shall supply power for any variation in the Tier 1 System Resource generation capabilities between the day-ahead and real-time timeframes to ensure Slice Output is available to «Customer Name».

5.1.2 The Slice Product sold by BPA and purchased by «Customer Name» is a power sale, and is not under any circumstances to be construed as a sale of the Tier 1 System Resources, Tier 1 System Resource capability, or a transfer of control of Tier 1 System Resources. Notwithstanding any provision of this Agreement to the contrary, BPA and the Federal operating agencies shall retain operational control of all resources comprising the FCRPS, including without limitation all such resources that comprise the Tier 1 System Resources.

5.1.3 BPA does not guarantee that the amount of Slice Output Energy made available under the Slice Product, combined with Firm Requirements Power made available under the Block Product, will be sufficient to meet «Customer Name»’s Total Retail Load, on an hourly, daily, weekly, monthly, or annual basis. «Customer Name» is obligated to supply non-federal power to serve the difference between its Total Retail Load and electric power from its purchase of Slice Output and the Block Product.

5.1.4 Changes in the output of the Tier 1 System Resources shall affect the amount of Slice Output made available to «Customer Name» under this Agreement. Accordingly, «Customer Name» understands and agrees it is exposed to Tier 1 System Resources performance risk and water supply risk.

5.1.5 The Slice Product does not provide «Customer Name» any rights to utilize Tier 1 System Resources for within-hour or within-day energy or capacity services, including but not limited to dynamic scheduling, self-supply of operating reserves, and self-supply of energy imbalance.

5.2 **Determination of Amounts of Slice Output Made Available**

Slice Output made available to «Customer Name» shall be adjusted by Operating Constraints in effect on the Tier 1 System Resources. Such Operating Constraints shall be applied proportionately to the Tier 1 System Resources output available to Power Services, «Customer Name», and all other Slice Customers.

The amount of Slice Output Energy made available to «Customer Name» is based on a simulation of stream flows routed through the Simulator Projects, plus the BOS Base, using the POCSA, and as adjusted for Operating Constraints. «Customer Name» understands and agrees that the amount of Slice Output Energy made available to «Customer Name» may not precisely equal the result of its Slice Percentage multiplied by the Actual Tier 1 System Generation.

5.3 **Annual Calculation of Slice Percentage**

By September 15 of each Fiscal Year, BPA shall calculate «Customer Name»’s Slice Percentage by multiplying fifty percent by the lessor of «Customer Name»’s:

(1) FY2026 CHWM, including an increase for «Customer Name»’s Annexed Load from a CHWM Customer, and a decrease for «Customer Name»’s load annexed by another customer or a Third-Party; or

(2) Forecast of Total Retail Load minus Existing Resources minus NLSLs minus Tier 1 Allowance Amount, and then divided by the Annual CHWM System, and multiplied by one-hundred.

The value as expressed as a percentage will be rounded to the fifth decimal and as a number rounded to the seventh decimal. Expressed as a formula, the Slice Percentage in each year of the Rate Period is calculated as follows:

ER – Existing Resources

T1AA – Tier 1 Allowance Amount

TRLFx – forecast of Total Retail Load

*Option: Include this section ONLY for when the amount of Slice Product is limited pursuant to section 11.9*

The amount of Slice Product available to «Customer Name» is less than fifty percent of «Customer Name»’s CHWM pursuant to section 11.9 of this Agreement. BPA shall revise and state such limitations on «Customer Name»’s Slice Percentage in section 1 of Exhibit K at the time of contract execution or a change in purchase obligation to the Slice Product. If «Customer Name»’s Slice Percentage is limited, then «Customer Name»’s Tier 1 Block Amount will increase pursuant to section 4.3 of this Agreement.

*End Option*

BPA shall revise and state «Customer Name»’s Slice Percentage in section 1 of Exhibit K no later than September 15, 2028 and each September 15 thereafter.

After BPA calculates «Customer Name»’s Slice Percentage for the Fiscal Year pursuant to section 5.3. of this Agreement, BPA shall not make mid-Fiscal Year adjustments to «Customer Name»’s Slice Percentage. BPA shall adjust «Customer Name»’s Block Amount

*Option: Include this section ONLY for cooperatives and tribal utilities.*

If «Customer Name»’s Slice Percentage calculated above would exceed 0.5%, then BPA shall reduce «Customer Name»’s Slice Percentage to 0.5% pursuant to section 21.8 of this Agreement.

*End Option 5.3.1*

5.4 **Firm Slice Amount**

5.4.1 BPA shall determine «Customer Name»’s Firm Slice Amount for Fiscal Year 2029 no later than September 15, 2028, and no later than September 15 for each Fiscal Year thereafter, by multiplying the monthly Average Megawatts of Annual CHWM System set forth in the table in section 1 of Exhibit K for each Fiscal Yearby «Customer Name»’s Slice Percentage applicable to each such Fiscal Year stated in section 2 of Exhibit K. BPA shall revise and state «Customer Name»’s Firm Slice Amount for each Fiscal Year in section 3 of Exhibit K.

5.4.2 «Customer Name» shall purchase and receive a share of CHWM Modeled Augmentation in an amount equal to «Customer Name»’s Slice Percentage in section 1 of Exhibit K multiplied by the CHWM Modeled Augmentation for each Fiscal Year as established in the applicable 7(i) Process. Such amounts are included in the calculation of Firm Slice Amount in section 5.4.1 above.

The BOS Base amount in the POCSA as determined by section 4.1.1. of Exhibit L shall include the amounts of CHWM Modeled Augmentation listed in section 4 of Exhibit K. BPA shall make CHWM Modeled Augmentation available to «Customer Name» in a Flat Annual Shape for the applicable Fiscal Year.

5.5 **Disposition of Surplus Slice Output**

5.5.1 All sales, exchanges, or other dispositions of BPA provided electric power are subject to and governed by federal law including, but not limited to, the Bonneville Project Act,16 U.S.C. § 832 *et seq.*, P.L. 75‑329 as amended, the Pacific Northwest Consumer Power Preference Act, 16 U.S.C. § 837 *et seq.,* P.L. 88‑552, the Federal Columbia River Transmission System Act, 16 U.S.C. § 838 *et seq.*, P.L. 93‑454, and the Northwest Power Act, P.L. No. 96‑501, as amended.

5.5.2 All sales of Surplus Slice Output by «Customer Name» for use outside the Region, or to parties not serving firm retail load in the Region, are subject to the provisions of the Pacific Northwest Consumer Power Preference Act and section 9(c) of the Northwest Power Act, and BPA and «Customer Name» acknowledge their respective responsibilities thereunder.

5.5.3 The following uses of Surplus Slice Output shall not constitute a sale of Surplus Slice Output outside the Region:

(1) Leaving the Surplus Slice Output in Storage or placing it in «Customer Name»’s Storage;

(2) Exchanging Surplus Slice Output with another utility customer in the Region, or a statutorily enumerated type of exchange with a utility outside the Region;

(3) Using Surplus Slice Output to displace «Customer Name»’s non-federal resources identified in Exhibit A, or «Customer Name»’s market purchases that would have been made for serving its Total Retail Load; and

(4) A sale of Surplus Slice Output to a BPA utility customer for service to that utility’s Total Retail Load in the Region, consistent with sections 3(14) and 9(c) of the Northwest Power Act; and

BPA may request «Customer Name» provide evidence that Surplus Slice Output was used consistent with section 9(c) of the Northwest Power Act. «Customer Name» may demonstrate such uses of Surplus Slice Output by means of a storage account, executed contracts for binding sales or exchanges, or another form of offer and acceptance.

5.5.4 Pursuant to the Pacific Northwest Consumer Power Preference Act and section 9(c) of the Northwest Power Act, BPA shall have the right to curtail all or a portion of «Customer Name»’s: (1) Surplus Slice Output capacity upon 60 months written notice to «Customer Name», and (2) Surplus Slice Output energy upon 60 days written notice to «Customer Name». Any such notice shall specify the amounts and duration of the curtailment, and whether such capacity or energy is needed to meet BPA’s capacity and energy requirements in the Region. Prior to issuing any such curtailment notice, BPA and «Customer Name» shall consult in order to determine the quantity, if any, of Surplus Slice Output energy and capacity that may be subject to such curtailment. Such curtailments shall be limited to «Customer Name»’s proportional share of the amount needed, and for the duration necessary, to cover BPA’s projection of its needs within the Region. Such curtailments are subject to sections 5.5.5 and 5.5.6.

5.5.5 If BPA issues a notice of curtailment pursuant to section 5.5.4, then it shall concurrently issue notices of curtailment, recall, or termination to all other extra regional and non-preference purchasers to whom BPA has sold Surplus Firm Power, or surplus capacity, for durations longer than specified in the notice, provided that such sales agreements contain provisions that allow for recall, curtailment or termination.

5.5.6 Following each month that Surplus Slice Output is curtailed pursuant to section 5.6.5 above, Power Services shall include a line item credit on «Customer Name»’s monthly customer bill issued equal to the amount of Surplus Slice Output energy curtailed during the preceding month, multiplied by the Monthly Reimbursement Value for the month during which the curtailment was in effect.

5.6 **Disposition of Requirements Slice Output and Requirements Slice Output Test**

*Reviewer’s Note: RSO Test will be revised for BPA participation in a day-ahead market.*

5.6.1 **Disposition of Requirements Slice Output**

Requirements Slice Output (RSO) purchased by «Customer Name» under this Agreement and made available by BPA shall be used solely for the purpose of serving «Customer Name»’s Total Retail Load. «Customer Name» shall maintain monthly documentation demonstrating that RSO was used to serve its Total Retail Load. Acceptable methods of documentation may include but are not limited to schedules and E-Tags. «Customer Name» shall make such documentation available to BPA upon request.

5.6.2 **Monthly Data Submittals**

«Customer Name» shall submit its actual Total Retail Load for the preceeding calendar month, expressed in MWh, to BPA on or before the 10th Business Day of each month.

5.6.2.2 **Monthly Generation Data**

If generation in excess of «Customer Name»’s Dedicated Resources in Exhbit A is used to establish «Customer Name»’s Requirements Slice Output for a month, then «Customer Name» shall submit its actual metered generation data, expressed in MWh, from such Dedicated Resources to BPA on or before the 10th Business Day of each month.

5.6.3 **Requirements Slice Output Test**

5.6.3.1 **Monthly RSO Test**

BPA shall perform a monthly RSO test pursuant to section 11.1 of Exhibit M. BPA shall charge and «Customer Name» shall pay a monthly RSO Test charge pursuant to section 11.1 of Exhibit M if «Customer Name» does not pass the monthly RSO Test.

5.6.3.2 **Annual RSO Test**

BPA shall perform an annual RSO test pursuant to section 11.2 of Exhibit M. BPA shall charge and «Customer Name» shall pay an annual RSO charge pursuant to section 11.2 of Exhibit M if «Customer Name» does not pass the annual RSO test. The annual RSO test charge for a Fiscal Year shall be reduced by any applicable monthly RSO Test charges assessed in the Fiscal Year.

5.6.3.3 **Failed RSO Rates**

Failed RSO Rates shall apply when «Customer Name» fails to pass the RSO tests.  Such rates shall be market-based and include a minimum of a 25 percent market adder for energy, capacity, or both, as established in each 7(i) Process.

*Option: Include this section for customers served by Transfer Service outside of the BPAT Balancing Authority*

5.6.3.4 **Day-Ahead Market**

If «Customer Name»’s service territory is located in a Balancing Authority that joins a day-ahead market in advance of BPA’s participation in that day-ahead market or the Balancing Authority joins a different day-ahead market than BPA, then BPA and «Customer Name» shall revise the RSO test in Section 11 of Exhibit M for day-ahead market implementation.

*End Option 5.6.3.4*

5.7 **Northwest Power Act Section 6(m) Resource Acquisitions**

«Customer Name» retains all rights to participate in any BPA major resource acquisitions pursuant to section 6(m) of the Northwest Power Act.

5.8 **Displacement of Columbia Generating Station (CGS)**

5.8.1 **Definitions**

5.8.1.1 “Columbia Generating Station” or “CGS” means the nuclear powered generating facility located near Richland, Washington, and operated by Energy Northwest, or its successor.

5.8.1.2 “CGS Displacement” means a decision by Power Services to shut-down all or a portion of the power production at CGS due to market conditions.

5.8.2 «Customer Name» shall participate in CGS Displacement. CGS Displacement will reduce «Customer Name»’s Slice Output.

5.9 **POCSA Functionality and Simulator Performance Tests**

This section sets out the POCSA Functionality and Simulator Performance Tests. BPA shall promptly notify «Customer Name» of the results of the POCSA Functionality and Simulator Performance Tests.

5.9.1 **Definitions**

5.9.1.1 “Default User Interface,” or “DUI,” means the basic user interface that is developed by BPA and made available to «Customer Name» for access to the POCSA.

5.9.1.2 “POCSA Functionality Test” means the test set forth in section 5.11.2 that is conducted to determine whether the POCSA is complete, functional, and ready for daily operations.

5.9.1.3 “POCSA Deployment Date” means the latest of: (1) October 1, 2028, (2) 90 days after the POCSA Pass Date, or (3) 90 days after the Simulator Pass Date.

5.9.1.4 “POCSA Pass Date” means the date on which the POCSA passes the POCSA Functionality Test.

5.9.1.5 “Simulator Pass Date” means the date on which the Simulator passes the Simulator Performance Test.

5.9.1.6 “Simulator Performance Test” means the test conducted by BPA and consisting of four separate tests: a Storage Content test, an energy test, a peaking test, and a ramp down test, each as separately described in section 3.5.3 of Exhibit L.

5.9.2 **POCSA Functionality Test**

5.9.2.1 BPA shall conduct the initial POCSA Functionality Test no later than [Date to be determined by BPA].

5.9.2.2 BPA, in consultation with «Customer Name» and other members of the SOF, shall, by [Date to be determined by BPA], establish a detailed written description of the validation procedures that will comprise the POCSA Functionality Test. Such validation procedures shall include a comprehensive series of objective tests that establish if the POCSA, including the Simulator, DUI and BOS module, are wholly functional and ready for daily operations.

5.9.3 **POCSA Deployment Date**

5.9.3.1 If the POCSA Deployment Date is established as October 1, 2028 then BPA and «Customer Name» shall commence implementation of the POCSA beginning on October 1, 2028.

5.9.3.2 If the POCSA Deployment Date is established later than October 1, 2028, then:

(1) Beginning on October 1, 2028, and continuing until the POCSA Deployment Date, BPA and «Customer Name» shall continue to use the version of the POCSA implemented under the Regional Dialogue CHWM Contract that expired on September 30, 2028.

(2) The SOF shall develop procedures no later than October 1, 2028 that BPA and Slice Customers shall follow to ensure all POCSA actions are completed in accordance with this Agreement.

5.9.4 **Simulator Performance Test**

5.9.4.1 No later than[Date to be determined by BPA], BPA shall provide «Customer Name» access to the Simulator that will be used by BPA to conduct the Simulator Performance Test. The Simulator Performance Test shall be conducted by BPA no later than October 31, 2027.

5.9.4.2 If, as of [Date to be determined by BPA] , the Simulator has failed one or more of the four tests that comprise the Simulator Performance Test, then «Customer Name» may elect to change its purchase obligation pursuant to section 11.2.

5.10 **POCSA Access and Use Agreement**

«Customer Name» shall execute a POCSA Access and Use Agreement with BPA prior to or coincident with execution of this Agreement.

«Customer Name» may designate third parties to access and use the POCSA on its behalf. BPA retains sole discretion for the approval of third parties’ access and use of the POCSA. BPA reserves the right to restrict POCSA access and use by third parties that are significant and active participants in WECC footprint wholesale power or transmission markets and that are not Slice Customers.

5.11 **POCSA Development Schedule**

BPA shall provide «Customer Name» with a POCSA development schedule at the time this Agreement is offered for execution. «Customer Name» and BPA understand and agree that: (1) the timelines specified in the POCSA development schedule are not binding and are for preliminary planning purposes only, and (2) the timelines set forth in this section 5 are binding. BPA, «Customer Name», and other members of the SOF shall discuss the requirements and status of the various tasks identified in the POCSA development schedule.

5.12 **Slice Operations Forum**

5.12.1 The Parties anticipate that issues will arise regarding the Slice Product or the POCSA, and that a forum is needed for discussing alternatives and taking actions that may affect BPA and the Slice Customers. The Slice Operations Forum (SOF) shall: (1) consider, recommend, and document modifications to the POCSA necessary to maintain its reasonable representation of the Tier 1 System Resources energy, peaking, storage, and ramping capability; (2) consider, recommend, and document modifications to the POCSA necessary for «Customer Name» and other Slice Customers to schedule Slice Output Energyunder this Agreement; and (3) establish a forum for information regarding the Slice Product and the POCSA.

5.12.2 Slice Customers shall propose a draft SOF charter for BPA review and recommendations no later than February 28, 2026. The SOF Charter shall include the following items:

(1) A process for SOF charter adoption and revisions by an affirmative vote of no less than two-thirds of the Slice customers.

(2) Rules for convening SOF meetings, establishing a quorum, and rules of order.

(3) A process to propose POCSA changes to BPA by an affirmative vote of a majority of the Slice Customers.

(4) BPA may add items to a SOF meeting agenda for discussion.

Slice Customers shall provide a SOF charter to BPA for its approval no later than March 31, 2026.

If the Slice Customers do not adopt a SOF charter, then BPA will identify changes to the POCSA in a meeting with the Slice Customers.

5.12.3 BPA shall have the right in its sole discretion to implement the changes described below only to the extent it determines such implementation is consistent with the Slice product as described in section 5.1, and only after: (1) such implementation and related testing is reviewed and discussed by the SOF; and (2) such changes have been subjected to testing as determined by BPA to be relevant and sufficient to demonstrate that each change functions as intended and does not cause any other portion of the POCSA to malfunction. Such implementation by BPA shall not be subject to approval by the SOF.

(1) BPA may change the POCSA as necessary to produce results that reasonably represent the energy production, peaking, storage, or ramping capability of the Tier 1 System Resources.

(2) BPA may change the POCSA as necessary to maintain functionality with BPA’s internal business processes and systems.

(3) BPA may determine how Operating Constraints are translated into Simulator Parameters for application within the POCSA.

5.12.4 The SOF shall request a BPA review of proposed POCSA changes by an affirmative vote taken in accordance with the SOF charter. BPA shall review the SOF’s proposed POCSA changes within 45 calendar days of the SOF affirmative vote. BPA may extend the review period at its sole discretion by written notice to the SOF. BPA shall provide a written determination to the SOF that describes its decision to support or not support the proposed POCSA changes.

If BPA supports the proposed POCSA changes, then BPA will commence planning for the implementation of such changes. BPA shall provide the SOF with a proposed plan for the implementation of the POCSA changes. During the planning and implementation of such proposed changes BPA may identify constraints and technical challenges that preclude BPA from implementing the proposed changes. BPA shall promptly identify any such implementation constraints or technical challenges to the SOF in writing.

If BPA does not support the proposed POCSA changes, then BPA will not implement the proposed POCSA changes.

5.13 **Creditworthiness**

«Customer Name» shall execute a Creditworthiness Agreement with BPA prior to or coincident with execution of this Agreement.

5.14 **Slice** **True-Up Adjustment Charge**

5.14.1 BPA shall calculate a Slice True-Up Adjustment Charge annually pursuant to section 2.8.5 of the PRDM.

5.14.2 BPA shall compute interest applicable to the Slice True‑Up Adjustment Charge using simple interest computed daily. The daily interest rate shall be the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue of the Fiscal Year in which the Slice True-Up Adjustment Charge is calculated), divided by 365. The daily interest rate shall be fixed on the first day of the Fiscal Year in which the applicable Slice True-Up Adjustment Charge is calculated for the time periods specified under section 5.14.3.

5.14.3 Interest determined pursuant to section 5.14.2 shall be computed and added to the Slice True-Up Adjustment Charge for «Customer Name» for the time periods defined as follows:

(1) If the Slice True-Up Adjustment Charge is a credit to «Customer Name», then the period for interest computation will begin with the first day of the Fiscal Year in which the Slice True-Up Adjustment Charge is calculated, and will end on the due date of the bill that contains such credit.

(2) If the Slice True-Up Adjustment Charge is a charge payable to BPA, then the period for interest computation will begin with the first day of the Fiscal Year in which the Slice True-Up Adjustment Charge is calculated, and will end, with regard to the portion to be paid, on the due date for each of the three monthly bills in which the Slice True-Up Adjustment Charge appears. If «Customer Name» elects to pay the charge in one month, then «Customer Name» shall notify BPA in writing and the period for interest computation will begin with the first day of the Fiscal Year in which the Slice True-Up Adjustment Charge is calculated and will end on the due date for the next monthly bill issued following the day such Slice True-Up Adjustment Change is calculated.

(3) If a creditor chargecontained in a Slice True-Up Adjustment Charge is subject to dispute resolution pursuant toAttachment A of the PRDM or has been reserved for final disposition in the next 7(i) Process, all pursuant to the PRDM, and if there is an adjustment to such creditor chargeas a result thereof, then the period for the interest calculation shall beginon the first day of the Fiscal Year in which the disputed Slice True-Up Adjustment Charge was calculated and will end as specified in section 5.14.3 subsection (1) or (2) depending upon whether the adjustment is a credit or a charge.

*END* ***SLICE/BLOCK*** *template.*