**From:** Lon Peters

**Subject:** Block - Minimum Hourly Energy

1.4.3 **Minimum Hourly Energy**

The amounts of Firm Requirements Power priced at Tier 1 Rates within each hour shall not be less than the minimum hourly energy schedule amount for the given month.

BPA shall calculate the minimum hourly energy amounts as follows: (1) the greater of (A) 60 percent of the Tier 1 Monthly Block amounts for the applicable month, as listed in

section 1.3 of this exhibit or (B) the Tier 1 Monthly Block amounts for the applicable month, as listed in section 1.3 of this exhibit, [PB(PS1] [PB(PS2] [LLP3] minus (2) the Shaping Capacity for the given month, as listed in section 1.4.1 of

this exhibit[OJ(P64] [OJ(P65] [BA(P66] [LLP7] .

If we remove the “(1)” and the “(2)”, I think the resulting math makes sense, because then the comparison is just (A) vs. (B):

BPA shall calculate the minimum hourly energy amounts as follows: the greater of (A) 60 percent of the Tier 1 Monthly Block amounts for the applicable month, as listed in

section 1.3 of this exhibit or (B) the Tier 1 Monthly Block amounts for the applicable month, as listed in section 1.3 of this exhibit, minus the Shaping Capacity for the given month, as listed in section 1.4.1 of this exhibit.

If I’m wrong on this, then I’m not sure how 1.4.3 is intended to

work.