**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**

Changes are clean-up in nature for the POC contract. This product would be available only to Load Following customers. If BPA joins a day ahead market, this section will need a complete overhaul. Additionally, BPA proposes to remove carve outs for Wells and Harney. If needed, BPA will develop special provisions for Wells and Harney .

**Edits of Particular Note:** N/A

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**Reservation of Rights**

The following draft language has not been agreed to by NRU or any NRU member and is provided for discussion purposes only. The draft Provider of Choice contract red-lines, including this section, are subject to NRU’s ongoing review and recommended revision. NRU reserves the right to subsequently object to, and if necessary, reject the language below, in whole or in part, and/or propose alternative language, including the right to reject or propose alternatives to the edits proposed by NRU in this draft.

**Exhibit D - Transfer Customers’ Committed Power Purchase Amount Market Exchange**

*Include for* ***LOAD FOLLOWING*** *template:*

*Drafter’s Note: Include the following for customers exclusively served by Transfer Service and for customers BOTH directly-connected and served by Transfer Service; that are making a Committed Power Purchase Amounts delivered to Mid-C (or BPA Power purchase from the trading floor) to serve Above-CHWM Load and qualify for the Mid C Resource Over Non Firm exchange (per Exhibit F).*

**«#»**. **TRANSFER CUSTOMERS’ COMMITTED POWER PURCHASE AMOUNT MARKET EXCHANGE*(XX/XX/XX Version)***

Per the terms of this Agreement, «Customer Name» has elected to serve its Above‑CHWM Load with a Committed Power Purchase Amount(s) delivered to Mid‑C. *Option 1: for customers exclusively served by Transfer Service:*Due to the geographical implications of obtaining firm transmission to deliver certain eligible market purchases to «Customer Name»’s load, BPA is entering into a firm power exchange with «Customer Name».*End Option* *Option 2: for customers BOTH directly-connected and served by Transfer Service:* Due to the geographical implications of obtaining firm transmission to deliver certain eligible market purchases to «Customer Name»’s load, and provided that «Customer Name» is serving all available load that is directly-connected to the BPA transmission system with Dedicated Resources, BPA is entering into a firm power exchange with «Customer Name».*End Option* An exchange will allow BPA to provide Transfer Service support and assistance to «Customer Name» for such market purchase consistent with the intent of Exhibit G and the requirements of this section «#».

For purposes of this section «#», “Market Exchange” means a transaction in which BPA takes receipt of «Customer Name»’s Mid‑C Resource Over Non‑Firm, as defined in section 4.3.3.1.2 of Exhibit F, and delivers an equivalent amount of power to serve «Customer Name»’s Above‑CHWM Load. A Market Exchange is comprised of Market Exchange Transaction Part A, Market Exchange Transaction Part B, and Market Exchange Transaction Part C below.

If necessary, «Customer Name» must enter into a Market Exchange with BPA, per the terms of this section «#», for a period of no less than one Fiscal Year of a Rate Period. BPA shall perform all necessary scheduling functions for a Market Exchange consistent with the terms and conditions of Exhibit F, Transmission Scheduling Service. «Customer Name» shall not use a Market Exchange to serve any portion of its Total Retail Load located outside the Region as defined in the Northwest Power Act § 3(14).

By March 31 of a Rate Case Year the Parties shall update the table below with the amount of «Customer Name»’s Above‑CHWM Load to be served with a Market Exchange.

*Drafter’s Note: To fill out the table below, use the annual average megawatt amount from the Committed Power Purchase Amounts tables in Exhibit A for the applicable Fiscal Years as the Above-CHWM Load amounts to be served with a Market Exchange.  If a customer does not have a Mid-C Resource Over Non-Firm, just retain the red text as stated in the template. If a customer has Committed Power Purchase Amounts exchanged over multiple transmission systems, add additional rows in each Fiscal Year for each transmission system and add the name of the transmission systems.*

|  |
| --- |
| **Above-CHWM Load Served by Market Exchange**  |
| Rate Period | Fiscal Year | Above-CHWM Load to be Served with Market Exchange  |
| FY 20«##»-20«##» | FY 20«##» | «#.###» aMW or N/A |
| FY 20«##» | «#.###» aMW or N/A |
| Note: Insert amounts in Average Megawatts rounded to three decimal places for each year of the applicable Rate Period. |

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«#».1 **Market Exchange Transaction Part A**

For purposes of this section «#», the following transaction shall be referred to as “Market Exchange Transaction Part A”.

Consistent with section 4.1 of Exhibit F, «Customer Name» shall provide a delivery schedule to BPA for Market Exchange Transaction Part A. «Customer Name» shall make its Mid‑C Resource Over Non‑Firm available to BPA at Mid‑C or BPA Power consistent with section 4.3.3.1.2 of Exhibit F, and shaped in accordance with section 3.4 of the body of the Agreement.

«#».2 **Market Exchange Transaction Part B**

For purposes of this section «#», the following transaction shall be referred to as “Market Exchange Transaction Part B”.

For Market Exchange Transaction Part B, BPA will take receipt of «Customer Name»’s Mid‑C Resource Over Non‑Firm, consistent with section 4.3.3.1.2 of Exhibit F.

This Agreement covers the Federal Columbia River Power System resource serving the portion of «Customer Name»’s Above-CHWM Load associated with the Market Exchange.  For purposes of designating a Network Resource in the «Customer Name»’s NT agreement with BPA Transmission Services, «Customer Name» shall not forecast nor designate in such contract the associated delivery schedule, from the Market Exchange Transaction A above; since that delivery schedule is not going to be used to serve «Customer Name»’s Above-CHWM Load for purposes of the NT agreement.

«#».3 **Market Exchange Transaction Part C**

For purposes of this section «#», the following transaction shall be referred to as “Market Exchange Transaction Part C”.

Under Market Exchange Transaction Part C, BPA will make BPA-provided power available and acquire and pay for Transfer Service to deliver «Customer Name»’s load, in hourly amounts equal to the hourly amounts scheduled pursuant to Market Exchange Transaction A. Such BPA-provided power deliveries shall be from the Federal Columbia River Power System or from alternative power and transmission arrangements, consistent with section «#».5.2 below.

«#».4 **Failure to Deliver**

If «Customer Name» fails to make its Mid‑C Resource Over Non‑Firm available to BPA under Market Exchange Transaction Part A for any reason, including a Transmission Event that impacts Market Exchange Transaction Part A, such failure shall not negate BPA’s obligation related to Market Exchange Transaction Part C. BPA shall assess «Customer Name» any applicable charges or penalties as provided in the applicable Wholesale Power Rate Schedules and GRSPs, including the Unauthorized Increase Charge.

If a Transmission Event impacts Market Exchange Transaction Part B, then BPA shall provide Transmission Curtailment Management Service (TCMS) for Market Exchange Transaction Part B consistent with section 4 of Exhibit F.

«#».5 **Costs of Market Exchange and Other Terms and Conditions**

«#».5.1 BPA’s financial support for the transmission capacity associated with «Customer Name»’s Market Exchange(s) shall be consistent with and subject to the established caps and limitations included in section 2 of Exhibit G.

«#».5.2 For Market Exchange Transaction Part C, BPA shall pay the capacity costs associated with transmission service to «Customer Name» over transmission facilities of the Third-Party Transmission Provider that either: (1) interconnect directly to «Customer Name»’s facilities or (2) interconnect to BPA transmission facilities which subsequently interconnect with «Customer Name»’s facilities. «Customer Name» shall pay any costs associated with the delivery of BPA-provided power to an interconnection point with the Third-Party Transmission Provider, including obtaining and paying for transmission across all intervening transmission systems and equipment.

If, prior to March 31 of a Rate Case Year, BPA decides to make power or transmission arrangements for «Customer Name»’s Market Exchange Transaction Part C for the upcoming Rate Period different than delivery from the Federal Columbia River Power System, then the Parties shall work together to apportion associated costs in advance of delivery and shall include the costs in a table below.

*Drafter’s Note: Include a table that outlines cost arrangements for alternative power and transmission arrangements for BPA to deliver Market Exchange Transaction Part B. If none, include “None at this time.”*

«#».5.2.1 **Costs Associated with Alternative Power or Transmission Delivery Arrangements**

*Option:*  Include table or «None at this time.»

«#».5.3 For Market Exchange Transaction Part C, BPA shall acquire and pay for ancillary services from the Third-Party Transmission Provider , consistent with section 14.6.1 of this Agreement.

«#».5.4 «Customer Name» shall be responsible for the cost of real power losses associated with Market Exchange Transaction Part B pursuant to BPA’s applicable Wholesale Power Rate Schedules and GRSPs.

«#».5.5 As applicable, «Customer Name» shall be responsible for all other transmission service costs for the delivery of the Market Exchange including, but not limited to: distribution and low-voltage charges, redispatch, congestion management costs, system and facility study costs associated with adding the Committed Power Purchase Amounts, direct assigned system upgrades.

«#».5.6 Unless otherwise agreed within this Exhibit D or between the Parties outside of this Agreement, «Customer Name» shall be responsible for managing the scheduling arrangements of any Market Exchanges consistent with Exhibit F.

*END* ***LOAD FOLLOWING*** *template.*