**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**

1. Section 11.2. BPA has stated that any product switch will require a three-year notice and shall be effective in an upcoming Rate Period. There are no election windows as there were under Regional Dialogue (RD).
2. Section 11.3. BPA is changing how it treats an adjustment to peak load increase under Provider of Choice (POC) contracts. BPA will consider the impact of a customer’s product change request on the overall impact of BPA’s WRAP requirements. Under RD, if BPA’s load obligation exceeds 300 aMW in a given time period, BPA could deny or delay a change to a customer’s product switch. The POC approach considers if BPA receives a request to change purchase obligation from one or several customers.

Since the language was shared at the 10/15 workshop, BPA has added clarity to how the peak load increase will be treated when it comes to a) An individual utility and b) multiple utilities requesting a change in the same Rate Period. The reference to QCC in relation to Dedicated Resource(s) has been changed to refer to the peaking capabilities of those resources in Exhibit A and not the WRAP QCC value.

1. Section 11.4. The first opportunity for a purchase obligation change will be considered in BP-33, and BPA will not permit a change to purchase obligation in the final Rate Period.
2. Section 11.5. A change from one Block purchase obligation option to one of the other various Block options will be considered a change in purchase obligation.
3. Section 11.9. The Load Following and Block version outlines the process if there is a change to the amount of Slice product available to customers.
4. Section 11.9. The Slice version provides additional change rights to purchase obligation due to individual instances that may impact the viability of the Slice/Block product. Two provisions have been removed from the Regional Dialogue contract. These are not considered as applicable under the future contract. The two provisions are if the “Simulator Fails Simulator Performance Test” and if there is “No Slice Output Energy Available on a Forecasted Basis.”

For December 11 workshop:

BPA has rewritten section 11.3 to define the test that would be applied to an assessment based on the Peak Load Increase analysis in section 11.3. The re-write of section 11.3 is being shown without redlines due to the extensive rewrite and for ease of stakeholder review.

**Related Definitions**

2. «#» *“*Qualified Capacity Contribution” or “QCC” means the megawatt quantity of capacity provided by a resource, contract, or portfolio as defined by the Western Resource Adequacy Program (WRAP).

2.«#» “Slice Product”means BPA’s power product under which Slice Output as defined herein is sold to «Customer Name» pursuant to the terms and conditions set forth in section 5 of this Agreement.

2.«#» “Slice Percentage”means the percentage set forth in section 2 of Exhibit K applicable during each Fiscal Year that is used to determine the Slice Output that is made available to «Customer Name».

2.«#» “Slice/Block Product”means «Customer Name»’s purchase obligation under the Slice Product and the Block Product to meet its regional consumer load obligation as described in section 3.1.

2.«#» “Slice Customers” means all BPA customers that have executed a Slice/Block Power Sales Agreement.

2.«#» “Firm Slice Amount”means the firm output of the Tier 1 System Resources adjusted for non-power constraints and not reduced for Designated System Obligations as defined in the PRDM.

2.«#» “Rate Period”means the period of time during which a specific set of rates established by BPA pursuant to the PRDM is intended to remain in effect.

**11. RIGHT TO CHANGE PURCHASE OBLIGATION*(XX/XX/XX Version)***

11.1 **One-Time Right to Change Purchase Obligation**

Under this Agreement «Customer Name» shall have a one-time right to request a change in its purchase obligation, identified in section 3, to another purchase obligation available from BPA, including *(Drafter’s Note: Delete product customer is currently purchasing and adjust so that it reads X, Y, or Z.))* «Load Following, »«Annual Flat Block, »«Diurnally Shaped Monthly Block, »«Flat Monthly Block, »«Flat Monthly Block with 10% Shaping Capacity, » «Flat Monthly Block with PNR Shaping Capacity, » «or» «Flat Monthly Block with PNR Shaping Capacity with PLVS, »«or»«Slice/Block, if available».

Unless otherwise agreed by the Parties, any «Customer Name» Above-CHWM Load service elections, Dedicated Resource additions, and other elections made under this Agreement shall continue to be applicable under the new purchase obligation, provided that BPA may update such terms and conditions consistent with the then-current terms of the new purchase obligation, and additional costs may apply for service under the new purchase obligation as described in section 11.6.

11.2 **Notice and Conditions to Change Purchase Obligation**

No sooner than October 1, 2028, «Customer Name» may provide written notice to BPA to request a change to its purchase obligation. Such notice to BPA must be at least three years prior to the start of the Rate Period the purchase obligation change would be effective. «Customer Name»’s notice shall state: (1) the purchase obligation request, and (2) the Rate Period «Customer Name» requests the change to be effective. The latest date that «Customer Name» may provide notice to request a change to its purchase obligation is September 30, 2037 for a purchase obligation change effective on October 1, 2040.

11.3 **Limitations Due to Total Monthly Peak Load Increase**

After receiving «Customer Name»’s notice under section 11.2, BPA shall evaluate the impact of «Customer Name»’s request on BPA’s forecast of its total monthly peak load obligation relative to BPA’s most recent forecast of its total monthly Qualified Capacity Contribution (QCC) values, or successor capacity requirements, for the first Fiscal Year the purchase obligation change would become effective. As part of such evaluation BPA will assess the change to monthly QCC made by (1) a change to «Customer Name» purchase obligation, and (2) the peak amounts of «Customer Name»’s Dedicated Resource(s) as stated in Exhibit A.

If after its evaluation BPA determines that «Customer Name»’s request to change its purchase obligation would increase BPA’s total monthly peak load obligation relative to BPA’s change in QCC forecast in any one month, then BPA may:

(1) approve «Customer Name»’s request and directly assign any costs as stated in section 11.6 below; or

(2) approve «Customer Name»’s request without directly assigning such costs; or

(3) deny «Customer Name»’s request to change its purchase obligation.

If BPA receives multiple requests from customers to change their purchase obligation and such changes would be effective at the beginning of the same Rate Period, then BPA shall evaluate the impact of «Customer Name»’s purchase obligation request together with all requesting customers to assess the aggregate impact of all such purchase obligation change requests. If BPA determines that such requests would increase BPA’s total monthly peak load obligation, in relationship to the change in BPAs QCC forecast in any one month, then in addition to options (1), (2), or (3) above, BPA may:

(4) approve «Customer Name»’s request but defer the date on which «Customer Name»’s new purchase obligation change would become effective to the start of a subsequent Rate Period.

If BPA determines after its evaluation that the purchase obligation change(s) would not increase BPA’s total monthly peak load obligation, in relationship to the change in BPA’s QCC forecast, then BPA may approve «Customer Name»’s request to change its purchase obligation.

BPA shall provide customers with an opportunity to comment on any customer’s request to change its purchase obligation.

*Include in* ***LOAD FOLLOWING*** *and* ***BLOCK*** *templates:*

11.4 **Restrictions on Changing Purchase Obligation to the Slice/Block Product**

If, during the term of this Agreement, all customer purchases of the Slice/Block product become reduced to zero percent, then BPA will retire the Slice/Block product as a purchase obligation option under this contract. After such retirement, «Customer Name»’s right to change its purchase obligation will be limited to the Load Following or Block options as outlined in section 3.1.

*END* ***LOAD FOLLOWING*** *and* ***BLOCK*** *templates.*

*Include in* ***SLICE******BLOCK*** *template:*

11.4 **Intentionally Left Blank**

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

11.5 **Changes to Block Purchase Obligation**

If «Customer Name» requests and BPA completes a change from one Block purchase obligation to a different Block purchase obligation as outlined in section 1 of Exhibit C, then «Customer Name» will have exercised their one-time right time right to change its purchase obligation as stated above in section 11.1.

11.6 **Charges to Change Purchase Obligation**

In addition to the limitations established in sections 11.1, 11.2 and 11.3 above, «Customer Name» may be subject to charges, in addition to the rates for the new service, as a result of changing its purchase obligation. Such additional charges shall recover all additional costs that: (1) will be incurred by BPA to serve «Customer Name» under its new purchase obligation compared to its existing purchase obligation, and (2) would otherwise result in a rate impact on all other customers receiving service under a CHWM Contract. If «Customer Name» makes a request to change its purchase obligation, then BPA shall notify «Customer Name» of any such additional charges. BPA shall not be required to make a payment to «Customer Name» as a result of «Customer Name» changing its purchase obligation.

*Include in* ***LOAD FOLLOWING*** *and* ***BLOCK*** *templates:*

11.7 **Change Confirmation**

Within 30 days of BPA’s presentation to «Customer Name» of the additional charges determined in section 11.6, and «Customer Name»’s maximum Slice Percentage calculated pursuant to section 11.9, if applicable. «Customer Name» shall provide BPA with written notice whether it will proceed with its request to change its purchase obligation.

*End* ***LOAD FOLLOWING*** *and* ***BLOCK*** *templates.*

*Include in* ***SLICE/BLOCK*** *template:*

11.7 **Change Confirmation**

Within 30 days of BPA’s presentation to «Customer Name» of the additional charges determined in section 11.6, «Customer Name» shall provide BPA with written notice whether it will proceed with its request to change its purchase obligation.

*End* ***SLICE/BLOCK*** *template.*

11.8 **Amendment to Reflect New Purchase Obligation**

Following «Customer Name»’s confirmation of its decision to change its purchase obligation, the Parties shall amend this Agreement to replace the terms of «Customer Name»’s current purchase obligation with the terms of the new purchase obligation.

*Include in* ***LOAD FOLLOWING*** *and* ***BLOCK*** *templates:*

11.9 **Available** **Slice Product and Slice Percentage**

The total Firm Slice Amount BPA offers to all customers purchasing the Slice/Block Product shall not exceed twenty five percent of the sum of CHWMs established in the FY 2026 CHWM Process. If «Customer Name» requests to change to the Slice/Block Product, then BPA shall calculate «Customer Name»’s amount of available Slice Product for changes to the Slice/Block product as follows:

(1) BPA shall calculate the total amount of available Slice Product in Average Megawatts for purchase by all customers requesting a change to the Slice/Block Product by subtracting (A) the sum of existing Slice/Block Product customers’ CHWMs multiplied by fifty percent, from (B) twenty five percent of the sum of initial CHWMs established in the FY 2026 CHWM Process.

Expressed as a formula:

Available Slice Product = (25% (sum of initial FY 2026 CHWMs)) – (50% (existing Slice/Block customer’s CHMW))

BPA shall compare the amount of available Slice Product to fifty percent of the sum of initial CHWMs for all customers requesting a change to the Slice/Block Product to determine the maximum Slice Percentage BPA shall offer to «Customer Name».

*Option: Include for cooperative customers:*

BPA may reduce «Customer Name»’s Slice Percentage to 0.5% pursuant to section 21.8 of this Agreement.

*End Option*

(2) If the available Slice Product calculated pursuant to section 11.9(1) above is equal to or exceeds fifty percent of the sum of CHWMs for all customers requesting a change to Slice/Block Product, then BPA shall not limit the request.

BPA shall notify «Customer Name» of the available amounts of Slice Product available in accordance with section 11.7. «Customer Name» shall provide a change confirmation to BPA pursuant to section 11.7. «Customer Name»’s Slice Percentage in each Fiscal Year shall be calculated pursuant to section 5.3.

(3) If the available Slice Product calculated pursuant to section 11.9(1) is less than fifty percent of the sum of CHWMs for all customers requesting a change to the Slice/Block Product, then BPA shall limit the maximum Slice Percentage of those customers requesting a change to Slice/Block Product on a pro rata basis.

BPA shall notify «Customer Name» of the amounts of Slice Product and «Customer Name» shall provide BPA with a change confirmation pursuant to section 11.7. «Customer Name»’s Slice Percentage in each Fiscal Year shall be calculated pursuant to section 5.3.

If the amount of available Slice Product increases in the future, then BPA, in its sole discretion, may offer Slice Customers with a maximum Slice Percentage that was reduced under section 11.9(3) to less than fifty percent of its CHWM, a pro rata adjustment to increase the maximum Slice Percentage.

If BPA determines it will offer an increase under this section 11.9(3), then BPA shall notify such Slice Customers of a potential increase to available Slice Product within 30 days of BPA’s receipt of a customer notice pursuant to section 11.2. BPA shall notify such Slice Customers of an actual increase to available Slice Product within 30 days of BPA’s receipt of change confirmation, confirming a customer request to leave the Slice/Block Product, that increases available Slice Product pursuant to section 11.7. BPA will identify the Rate Period in which the maximum Slice Percentage will be effective following BPAs receipt of a change confirmation.

BPA may offer the pro rata increase to such Slice customers without consideration of the effective date of the respective Slice Customer purchase obligation changes to the Slice/Block Product.

*END* ***LOAD FOLLOWING*** *and* ***BLOCK*** *templates.*

*Include in* ***SLICE/BLOCK*** *template:*

11.9 **Additional Rights to Change Purchase Obligation**

In addition to the opportunity to change its purchase obligation provided in section 11.1, «Customer Name» may elect to change its purchase obligation to that stated in section 11.9.3 after the occurrence of any of the events listed in sections 11.9.1 through 11.9.3.

11.9.1 **Changes to Transmission Scheduling Practices**

During the term of this Agreement, if «Customer Name» changes its purchase obligation to the Slice/Block product, then «Customer Name» may change its purchase obligation to that stated in section 11.9.2 by providing written notice to BPA in accordance with section 20 no later than 60 calendar days after BPA, or its successor, adopts standards, rules, practices or procedures, that require «Customer Name» to schedule hourly energy based on Scheduling Points of Receipt for each of the Tier 1 System Resources from which «Customer Name» may receive Slice Output Energy under this Agreement. Unless the Parties agree otherwise, the effective date of the contingent contract amendment shall be October 1 of the Fiscal Year following the date BPA adopts such policy.

11.9.2 **Alternative Requirements Power Purchase Obligation**

«Customer Name» may select one of the following purchase obligations in the event «Customer Name» changes its purchase obligation pursuant to section 11.9.1: Load Following, Annual Flat Block, Diurnally Shaped Monthly Block, Flat Monthly Block, Flat Monthly Block with 10% Shaping Capacity, Flat Monthly Block with PNR Shaping Capacity, or Flat Monthly Block with PNR Shaping Capacity with PLVS.

The Parties shall amend this Agreement for the selected purchase obligation. Such amendment shall contain the same terms and conditions as this Agreement, including any elections or choices made under this Agreement that are applicable to the new purchase obligation selected by «Customer Name».

11.9.3 **Waiver of Certain Claims for Damages**

In the event that «Customer Name» changes its purchase obligation in accordance with this section 11, «Customer Name» agrees not to seek and hereby waives the right, if any such right exists, to pursue any claim for damages from BPA due to any such change. This waiver is limited to any claims «Customer Name» may have arising from changes to «Customer Name»’s purchase obligation under this section 11. This waiver has no application to, and «Customer Name» hereby expressly preserves, any claims for damages arising under any other section of this Agreement.

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