**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:**

* No changes to Block Shape– Flat Annual Shape or Flat Within Month Shape are the only options available to Customers purchasing the Slice-Block Product.
* No changes to calculation of monthly Tier 1 Block Amount. Changed language used to describe BPAs actions from “determine” to “calculate” consistent with changes made in Section 5 Slice Product and Exhibit K Slice Percentage and Firm Slice Amount.
* Proposed rewrite for 4.5 to simplify how the section reduction of block for Specified Renewable Resources to point to Ex D with minimal repeated or modified language. The rewrite is presented first and followed by a revised RD section. The RD version of 4.5 repeats the contents of section 2.3.1.5 of Ex D but using a different structure, formatting, and words that are less clear than Ex D. Section 2.3.1.5 of Ex D. is provided below 4.5 for reference.
* Several changes for subject/verb tense to remove passive voice.
* Standardized to defined terms Tier 1 Block Amount and Tier 2 Block Amount, removed instances of “Amounts”.

**Related** **Definitions**

“Block Product” means a planned amount of Firm Requirements Power sold to «Customer Name» to meet a portion of its regional consumer load pursuant to the terms set forth in section 4 of this Agreement.

“DFS Excess Amount” means the amount by which the scheduled generation from a Specified Renewable Resource listed in section 2.3.6.1 for the applicable period is greater than the Planned Resource Amount of such Specified Renewable Resource, but is less than or equal to the Operating Maximum of such Specified Renewable Resource.

“Monthly Shaping Factors” means the monthly factors, as specified in section 1.2 of Exhibit C, that are multiplied by «Customer Name»’s annual Tier 1 Block Amount in order to determine «Customer Name»’s monthly Tier 1 Block Amounts for each month of a Fiscal Year.

“Operating Maximum” means the highest level of power generation for a Specified Renewable Resource that is established for the applicable period pursuant to section 2.3.6.2 as the maximum hourly power delivery amount when the Specified Renewable Resource is operating.

“Planned Resource Amount” means the expected level of power generation for a Specified Renewable Resource that is established for the applicable period pursuant to section 2.3.6.2 as the expected hourly power delivery amount when the Specified Renewable Resource is operating.

"Specified Renewable Resource" means a Specified Resource that has been established as renewable in the Northwest Power and Conservation Council's most recent Power Plan or other resources that the Parties agree are renewable, such as biogas, biomass, geothermal, small hydro (nameplate capability less than or equal to ten megawatts), landfill gas, ocean, solar or wind resources.

“Tier 1 Block Amount” means the amount of Firm Requirements Power made available to «Customer Name» under the Block Product that is sold at Tier 1 Rates.

“Tier 2 Block Amount” means the amount of Firm Requirements Power made available to «Customer Name» under the Block Product that is sold at Tier 2 Rates.

**4. BLOCK PRODUCT**

4.1 **Block Product General Description**

The Block Product provides a planned amount of Firm Requirements Power to serve a portion of «Customer Name»’s Annual Net Requirement. The Block Product includes a Tier 1 Block Amount and if applicable, a Tier 2 Block Amount.

4.2 **Block Amount Shapes**

4.2.1 **Tier 1 Block Amount Shapes**

Upon the execution of this Agreement, «Customer Name» shall elect one of the following shapes for its Tier 1 Block Amount: (1) a Flat Annual Shape or (2) a Flat Within-Month Shape. BPA shall state the shape elected by «Customer Name» in section 1.2 of Exhibit C. The Tier 1 Block Amount shape selected by «Customer Name» shall remain fixed for the term of this Agreement unless «Customer Name» exercises its right to change its purchase obligation pursuant to section 11.

4.2.2 **Tier 2 Block Amount Shape**

BPA shall provide any Tier 2 Block Amount to «Customer Name» in a Flat Annual Shape.

*Option 1: Include if customer chooses a Flat Annual Shape for its Tier 1 Block Amount.*

4.3 **Annual and Monthly Tier 1 Block Amounts**

By September 15, 2028, and by each September 15 thereafter, BPA shall calculate «Customer Name»’s annual Tier 1 Block Amount for the next Fiscal Year by subtracting the «Customer Name»’s Firm Slice Amount in section 2 of Exhibit K for such Fiscal Year from the lesser of (1) «Customer Name»’s Annual Net Requirement in section 1.2 of Exhibit A or (2) its CHWM for that Fiscal Year. BPA shall revise section 1.1 of Exhibit C to state the annual Tier 1 Block Amount sold to and purchased by «Customer Name».

By September 15, 2028, and by each September 15 thereafter, BPA shall calculate «Customer Name»’s monthly Tier 1 Block Amount using the calculation in section 1.2 of Exhibit C. BPA shall revise section 1.3 of Exhibit C to state the monthly Tier 1 Block Amount sold to and purchased by «Customer Name».

*End Option 1.*

*Option 2: Include if customer chooses a Flat Within-Month Shape for its Tier 1 Block Amount.*

4.3 **Annual and Monthly Tier 1 Block Amounts**

By September 15, 2028, and by each September 15 thereafter, BPA shall calculate «Customer Name»’s annual Tier 1 Block Amount for the next Fiscal Year by subtracting «Customer Name»’s Firm Slice Amount in section 2 of Exhibit K for such Fiscal Year from the lesser of (1) «Customer Name»’s Annual Net Requirement in section 1.2 of Exhibit A or (2) its CHWM for that Fiscal Year. BPA shall revise section 1.1 of Exhibit C to state the annual Tier 1 Block Amount sold to and purchased by «Customer Name».

By September 15, 2028, and by September 15 of each Rate Case Year, BPA shall calculate «Customer Name»’s Monthly Shaping Factors applicable to the Block Product pursuant to section 1.2.1 of Exhibit C. BPA shall revise section 1.2.1.3 of Exhibit C to state the Monthly Shaping Factors for the applicable Fiscal Years.

By September 15, 2028, and by each September 15 thereafter, BPA shall calculate «Customer Name»’s Tier 1 Block Amount for each month of the next Fiscal Year by multiplying the annual Tier 1 Block Amount, calculated pursuant to the paragraph above, by the Monthly Shaping Factors specified in section 1.2 of Exhibit C. BPA shall revise section 1.3 of Exhibit C to state the monthly Tier 1 Block Amount sold to and purchased by «Customer Name».

*End Option 2.*

4.4 **Annual Tier 2 Block Amounts**

By September 15, 2028, and by each September 15 thereafter, BPA shall calculate «Customer Name»’s annual Tier 2 Block Amount for the next Fiscal Year pursuant to section 2.5 of Exhibit C. BPA shall revise section 2.5 of Exhibit C to state the annual Tier 2 Block Amount, if any, sold to and purchased by «Customer Name».

*Drafter’s Note: Include the following language if customer purchases Diurnal Flatting Service (DFS).*

4.5 **Displacement of Block Product for Diurnal Flattening Service**

*Reviewer’s Note: here is a proposed re-write for POC that refers to Ex D without restating the Ex D section contents*

«Customer Name» shall schedule its Specified Renewable Resources identified in section 2.3.6.1 of Exhibit D to serve Total Retail Load and BPA shall provide DFS to such Specified Renewable Resources pursuant to section 2.3 of Exhibit D. «Customer Name» shall reduce its total Block Product schedule each hour pursuant to section 2.3.1.5 of Exhibit D in any hour in the month when the total scheduled generation from such Specified Renewable Resources is greater than the total Planned Resource Amount in section 2.3.6.2 of Exhibit D for such Specified Renewable Resources. Pursuant to section 3.2, «Customer Name» shall pay BPA for the Tier 1 Block Amount listed in the table in section 1.3 of Exhibit C and Tier 2 Block Amount listed in the table in section 2.5 of Exhibit C without any adjustment for displacement of the Block Product.

*Reviewer’s Note: here is the RD section with some edits*

«Customer Name» shall apply the output from its Specified Renewable Resources listed in section 2.3.6.1 of Exhibit D pursuant to section 2.3.2 of Exhibit D. For each hour when the total scheduled generation from «Customer Name»’s Specified Renewable Resources, listed in section 2.3.6.1 of Exhibit D, is greater than (up to the resource’s combined Operating Maximum amount) the total Planned Resource Amount for such Specified Resources, BPA shall reduce «Customer Name»’s Block Product amount specified in Exhibit C by the amount that the sum of the generation of such Specified Renewable Resources (that is equal to or less than the sum of the Operating Maximum of such resources) exceeds the sum of Planned Resource Amounts of such resources for each hour. «Customer Name» shall schedule its reduced Block Product deliveries as required for Diurnal Flattening Service pursuant to section 2.3 of Exhibit D and section 6 of Exhibit F. Pursuant to section 3.2, «Customer Name» shall pay BPA for the Tier 1 Block Amount listed in the table in section 1.3 of Exhibit C and Tier 2 Block Amount listed in the table in section 2.5 of Exhibit C without any adjustment for displacement of the Block Product.

*End DFS Option*