**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**

BPA is proposing significant edits to the Applicable Rates language to move away from specifically listing rates and applicable charges and instead pointing to the PRDM and GRSPs to capture *all* associated and listed rates in the relevant documents. BPA is suggesting the following approach.

(1) Begin section with an overall statement that directs customers to the PRDM, GRSPs and 7(i) Processes and include details for applicability of Tier 1 and Tier 2 rates as a tenet of core rate design for each product offering.

(2) Retained applicability of NR rate for Planned NLSLs and when the co-generation exception applies.

Since the last workshop on Sept. 17, BPA has edited section 8 to reflect comments received and add clarification.

* BPA added language to clarify any additional charges in the first paragraph of section 8. This outlines any applicable charges and where they will be determined and housed. The language was added to state penalties that will incur for situations outside of what is accounted for in the contract.
* In section 8.1(1), BPA added clarifying language to state how Tier 1 Rates will apply. This was in response to NRUs comments about the language’s intent. BPA states that Tier 1 Rates shall not apply to any amounts of power purchased that exceeds a customer’s Net Requirement or CHWM, whichever is the lesser of the two.
* In section 8.1(2), BPA added clarifying language to state that a customer elects Above CHWM service pursuant to Exhibit C. It also states that a customer will elect how they choose to serve their Above-CHWM Load and the rate that will apply.

**8. APPLICABLE RATES**

Purchases under this Agreement are subject to the following rate schedules, or their successors: Priority Firm Power (PF), including Tier 1 Rates and Tier 2 Rates, New Resource Firm Power (NR), and Firm Power Products and Services (FPS), as applicable. Billing determinants for any purchases will be included in each rate schedule. Power purchases and services sold under this Agreement are subject to the applicable rates and charges in BPA’s Wholesale Power Rate Schedules, established in accordance with the PRDM, as applicable, and its GRSPs (or their successors) established during a 7(i) Process. «Customer Name» may incur additional charges as provided in the Wholesale Power Rate Schedules and GRSPs, including the Unauthorized Increase Charge or its successors.

*Include in* ***LOAD FOLLOWING*** *template:*

8.1 **Applicability of Tier 1 and Tier 2 Rates**

BPA shall establish PF power rates that include rate schedules for purchase amounts at Tier 1 Rates and purchase amounts at Tier 2 Rates. Tier 1 Rates and Tier 2 Rates shall apply to «Customer Name»’s purchases as follows:

1. Tier 1 Rates shall apply to Firm Requirements Power that «Customer Name» purchases under this Agreement, less: (A) amounts of Firm Requirements Power priced at Tier 2 Rates elected by «Customer Name» in section 2 of Exhibit C, and (B) any amounts purchased for Planned NLSLs and NLSLs at the applicable section 7(f) rate (with exception for the application of section 20.3.10.2, Renewable Resource/ Cogeneration Exception). Tier 1 Rates shall not apply to any amounts of power purchased that exceeds «Customer Name»’s (1) Net Requirement or (2) CHWM, whichever is less.

(2) Tier 2 Rates shall apply to such planned annual amounts of Firm Requirements Power that «Customer Name» elects to purchase to serve its Above-CHWM Load, pursuant to Exhibit C, that remains after applying «Customer Name»’s New Resources.

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

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

8.1 **Applicability of Tier 1 and Tier 2 Rates**

BPA shall establish PF power rates that include rate schedules for purchase amounts at Tier 1 Rates and purchase amounts at Tier 2 Rates. Tier 1 Rates and Tier 2 Rates shall apply to «Customer Name»’s purchases as follows:

(1) Tier 1 Rates shall apply to «Customer Name»’s purchases of Tier 1 Block Amounts, as specified in section 1 of Exhibit C.

(2) Tier 2 Rates shall apply to «Customer Name»’s purchases of Tier 2 Block Amounts, if any, in accordance with the terms of section 2 of Exhibit C.

*END* ***BLOCK*** *template.*

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

8.1 **Applicability of Tier 1 and Tier 2 Rates*(XX/XX/XX Version)***

BPA shall establish PF power rates that include rate schedules for purchase amounts at Tier 1 Rates and purchase amounts at Tier 2 Rates. Tier 1 Rates and Tier 2 Rates shall apply to «Customer Name»’s purchases as follows:

(1) Tier 1 Rates shall apply to «Customer Name»’s purchases of Tier 1 Block Amounts, as specified in section 1 of Exhibit C, Firm Slice Amounts, and associated Slice Output.

(2) Tier 2 Rates shall apply to «Customer Name»’s purchases of Tier 2 Block Amounts, if any, in accordance with the terms of section 2 of Exhibit C.

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