**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.

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For December 11 workshop:

Section 8.1.(1) has been updated with language to clarify the applicability of the Tier 1 Rate for Load Following customers. The language is designed to align with the approach taken for Block and Slice/Block sections.

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**Edits of Particular Note**

BPA is proposing to remove all sub-sections below 8.1.

**8. APPLICABLE RATES*(XX/XX/XX Version)***

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 established in the applicable 7(i) Process, and 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(1), less: (A) amounts of Firm Requirements Power priced at Tier 2 Rates elected by «Customer Name» in section 2 of Exhibit C, and (B) amounts of Firm Requirements Power priced at the NR or other applicable 7(f) rate purchased for Planned NLSLs and NLSLs pursuant to Exhibit D.

(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.*