

2029 Public Rate Design Methodology
DEFINITIONS

August 30, 2024

Definitions

Note: While all definitions are in draft, where you see “(rough draft)” in a definition, this is a flag indicating a particular definition that is expected to continue evolving as contract language is developed.

7(i) Process: a public process conducted by BPA, pursuant to Section 7(i) of the Northwest Power Act, 16 U.S.C. § 839e(i), or its successor, to establish rates for the sale of power and other products.

Above-CHWM Load: load beyond a customer’s CHWM, calculated as the greater of: 1) a customer’s Preliminary Net Requirement less the customer’s CHWM; or 2) zero.

Above-CHWM Load Process: the public process conducted during the Forecast Year prior to each 7(i) Process, in which BPA will calculate the following values for the upcoming Rate Period: 1) each customer’s Preliminary Net Requirement; 2) subsequent CHWMs; and 3) each customer’s Above-CHWM Load.

Actual Annual Net Load: a customer’s actual annual Total Retail Load less Existing Resources, Specified Resources added to the Tier 1 Allowance Amount, actual NLSLs, Consumer-Owned Resources serving On-site Consumer Load, and Above-CHWM Load. This is used for calculating the Marginal True-Up Charge for Block and Slice products. See Section 4.2.2.

Actual Hourly Tier 1 Load: *(rough draft)* the actual amount of a customer’s electric load (measured in kilowatthours) that is recorded on the appropriate metering equipment, adjusted as specified in the applicable agreement, and that was served at Tier 1 Rates during the relevant hour. Generally, for Load Following customers, the Actual Hourly Tier 1 Load is the customer’s Total Retail Load in each hour, less 1) the applicable Dedicated Resource amounts (excluding New and Existing Capacity Credit amounts)

1 serving the customer's TRL in that hour; 2) power purchased at the NR Rate in that hour; 3)
2 Consumer-Owned Resources serving On-site Consumer Load; and 4) power purchased at
3 Tier 2 Rates in that hour. For the Block Product, the Actual Hourly Tier 1 Load is equal to
4 the contractually established Block amount for each hour. The monthly maximum Actual
5 Tier 1 Load for the Block Product is equal to the monthly maximum contractually
6 established Block amount plus any contractually defined shaping capacity amount.

7 **Additional Adjustment for Very Low Densities:** an additional discount amount added to
8 an eligible customer's Low Density Discount to account for the customer's very low system
9 density.

10 **All Other Resource Acquisitions:** the portion of BPA's resource acquisitions made for any
11 purpose that is not a Tier 1 System Resource, Balancing Power Purchase, a Tier 1 Non-Slice
12 Capacity Acquisition, or a Tier 2 Acquisition, listed in Table 3-5.

13 **Allocated Tiered Cost Table:** the table that sets forth the expenses and revenue credits
14 allocated to the Publics with CHWM Contracts in the Cost Pools that result from application
15 of the Cost Allocation Method.

16 **Balancing Authority:** the responsible entity that integrates resource plans ahead of time,
17 maintains load-interchange-generation balance within a Balancing Authority Area, and
18 supports interconnection frequency in real time.

19 **Balancing Authority Area:** the electrically defined area of the Balancing Authority,
20 including the generation assets, transmission assets, and loads residing within that area.

21 **Balancing Power Purchases:** power purchases or resource acquisitions forecast by BPA
22 in a 7(i) Process to be made by BPA for any portion of the upcoming Rate Period during
23 which BPA's resource capability is insufficient to meet BPA's obligations for that period.

1 **Billing Determinant:** the measurement of a product or service to which a particular rate
2 will be applied to define a particular charge or credit that BPA will bill to a customer, as
3 established and defined in this PRDM.

4 **Block, Block Product:** BPA's power product defined in the Block and Slice/Block CHWM
5 Contracts, which is meant to include stand-alone Block, shaped Block, Block with shaping
6 capacity, and the Block portion of Slice/Block in this PRDM, unless specified otherwise.

7 **Bonneville Fund:** a continuing appropriation established by 16 U.S.C. § 838i(a) that is
8 available to meet all of BPA's cash obligations. BPA's cash from all sources are deposited in
9 and all BPA expenditures are made from a financial account held within the U.S. Treasury.

10 **Business Day(s):** every Monday through Friday, except federal holidays.

11 **CHWM Contract:** the agreement between a customer and BPA that contains a Contract
12 High Water Mark (CHWM), and under which the customer purchases power from BPA at
13 rates established by BPA in accordance with the PRDM.

14 **CHWM Modeled Augmentation:** a PRDM construct of a flat annual block of power used to
15 establish the simulated Slice capability and equitably allocate costs between Slice and Non-
16 Slice rates.

17 **CHWM System:** the annual Tier 1 Firm System Output, reduced for annual Designated
18 System Obligations plus annual CHWM Modeled Augmentation as determined in each 7(i)
19 Process.

20 **Composite Cost Pool:** the Tier 1 Cost Pool to which expenses and revenue credits are to
21 be allocated in accordance with Sections 2.1 and 2.2.1.1, and which are set out on Table 2-1,
22 Section A.

23 **Composite Cost Pool Slice True-Up Billing Determinant:** a quantity expressed in
24 kilowatthours that is multiplied by the Composite Cost Pool Slice True-Up Rate, which

1 determines the Composite Cost Pool True-Up Charge. The Composite Cost Pool Slice True-
2 Up Charge, Billing Determinant and Rate are defined in Section 2.8.

3 **Composite Cost Pool Slice True-Up Rate:** rates expressed in mills per kilowatthour that
4 are multiplied by the Composite Cost Pool Slice True-Up Billing Determinant to establish
5 the Composite Cost Pool Slice True-Up Charge. The Composite Cost Pool Slice True-Up
6 Charge, Billing Determinant and Rate are defined in Section 2.8.

7 **Composite Cost Pool True-Up Charge:** a charge that accounts for differences between
8 forecast and actual Composite Cost Pool line items apportioned to the Slice Product. The
9 Composite Cost Pool Slice True-Up Charge, Billing Determinant and Rate are defined in
10 Section 2.8.

11 **Composite Tier 1 Energy Rates:** rates that recover the costs and credits allocated to the
12 Composite Cost Pool, expressed in mills per kilowatthour. The Composite Tier 1 Charge,
13 Energy Rates, Billing Determinants are defined in Section 4.1.

14 **Consumer-Owned Resources:** a generating resource connected to a customer's
15 distribution system (regardless of voltage) that is owned by a retail consumer, has a
16 nameplate capability greater than 1.000 megawatt, is operated to serve load, and is not
17 operated occasionally or intermittently as a back-up energy source at times of maintenance
18 or forced outage. Consumer-owned resources do not include a resource where the owner
19 of the resource is a retail consumer that exists solely for the purpose of selling wholesale
20 power and for which a customer only provides incidental station service energy for local
21 use at the retail consumer's generating plant for uses such as lighting, heat and the
22 operation of auxiliary equipment.

23 **Contract High Water Mark (CHWM):** means the amount of Firm Requirements Power
24 (expressed in annual average megawatts) that a customer is eligible to access at Tier 1

1 Rates. The amount of Firm Requirements Power a customer purchases at Tier 1 Rates is
2 limited to the lesser of its CHWM or its Net Requirement.

3 **Core Rate Design:** the charges and credits as described in Sections 4.1, 4.2, 4.3, 4.4 and
4 4.5.

5 **Cost Allocation Method:** the ratemaking step of assigning expenses and revenue credits
6 to Cost Pools in the process of developing rates for BPA products and services in
7 accordance with the PRDM.

8 **Cost Pool:** a grouping of costs and credits allocated to a specific product, service, or
9 customer type.

10 **Cost Recovery Adjustment Charge (CRAC):** a risk mitigation tool that adjusts rates
11 pursuant to criteria determined by BPA in a Section 7(i) Process.

12 **Cost Review Public Process:** a public process that allows customers and interested
13 parties to review and obtain financial information from BPA; see Section 2.9.

14 **Cost Verification Process:** a public process that permits customers and interested parties
15 to review the Slice True-Up Charge; see Section 2.8.5.

16 **Customer:** See Chapter 9 definition.

17 **Customer Group:** See Chapter 9 definition.

18 **Dedicated Resource:** a Specified Resource or Committed Power Purchase Amount listed
19 in Exhibit A of the CHWM Contract that a customer is required by statute to provide or
20 obligates itself to provide under the CHWM Contract for use to serve its Total Retail Load.

21 **Demand Charge:** the product of the Demand Charge Billing Determinant and the Demand
22 Rate. See Section 4.3.

1 **Demand Charge Billing Determinant:** the measurement of capacity use, expressed in
2 kilowatts per month, to which the demand rate will be applied, resulting in a Demand
3 Charge billed by BPA. See Section 4.3.1.

4 **Demand Rate:** rates expressed in mills per kilowatt per month applied to the Demand
5 Charge Billing Determinant, resulting in a Demand Charge billed by BPA. See Section 4.3.4.

6 **Demand Rate Adjustment Cap:** an annual cap limiting upward changes to the Demand
7 Rate between Rate Periods. See Section 4.3.5.

8 **Designated System Obligations:** the set of obligations specified in Table 3-2, that: 1) are
9 directly assigned to, or from, the generation output or capability of the Tier 1 System
10 Resources; or 2) are incurred because of contracts, operational obligations, memorandums
11 of agreement, treaties, statutes, regulations, court orders, or executive orders, as individual
12 or in combination, that create a firm obligation for the Tier 1 System Resources.
13 Designated System Obligations also includes the portion of BPA's ancillary and control area
14 service obligations that are provided from the Tier 1 System Resources.

15 **Direct-Service Industrial Customers (DSIs):** the customers specified in Section 3(8) of
16 the Northwest Power Act, 16 U.S.C. § 839a(8).

17 **Dispatchable Resource:** a Specified Resource from which generation can intentionally be
18 shifted between time periods or days by the resource owner or operator, and which has
19 capacity capability greater than the energy capability as defined in the CHWM Contract.

20 **Existing Capacity Credit:** a capacity credit applied when a Load Following Customer has a
21 Dedicated Resource that is an Existing Resource and that has a capacity obligation greater
22 than its monthly Exhibit A amount. See Section 4.3.6.1.

1 **Existing Public:** *(rough draft)* In the case of annexation, Existing Public is defined in
2 relation to a new Public for purposes of RICc and RICm. (ALT: in annexation, a Public that
3 has an existing CHWM Contract.)

4 **Existing Resource:** a Specified Resource listed in a customer's CHWM Contract that such
5 customer was obligated by contract or statute to use to serve its Total Retail Load prior to
6 the date listed in the applicable CHWM Contract.

7 **Forecast Annual Net Load:** a customer's forecast annual Total Retail Load less Existing
8 Resources, Specified Resources added to the Tier 1 Allowance Amount, Consumer-Owned
9 Resources serving On-site Consumer Load, NLSLs, and Above-CHWM Load. This is used for
10 calculating the Marginal True-Up Charge for Block and Slice products. See Section 4.2.2.

11 **Forecast Firm Inventory:** forecast quantity of firm power that remains after all
12 obligations are met, except obligations served at a Tier 2 Rate as determined in each 7(i)
13 Process. Forecast Firm Inventory is used solely for determining the Long-Term Tier 2 Rate
14 as described in Section 5.1.

15 **Federal Base System (FBS):** has the meaning set forth in Section 3(10) of the Northwest
16 Power Act, 16 U.S.C. § 839a(10).

17 **Federal Columbia River Power System (FCRPS):** the integrated power system that
18 includes, but is not limited to, the transmission system constructed and operated by BPA
19 and the hydroelectric dams in the Pacific Northwest constructed and operated by the U.S.
20 Army Corps of Engineers and the Bureau of Reclamation.

21 **Firm Power and Surplus (FPS):** the Firm Power and Surplus Products and Service Rate
22 Schedule, or its successor, as established in a Section 7(i) Process.

23 **Firm Slice Amount:** a customer's Slice Percentage multiplied by the CHWM System.

1 **Firm Surplus:** the amount of Forecast Firm Inventory remaining after all of BPA’s power
2 obligations are met as calculated in a 7(i) Process.

3 **Fiscal Year (FY):** a year measurement period beginning each October 1 and ending the
4 following September 30.

5 **Forced Outage Reserve Service (FORS):** a service that provides an agreed-to amount of
6 capacity and energy to load during the forced outages and other contractually defined
7 events of a qualifying resource.

8 **General Rate Schedule Provisions (GRSPs):** BPA’s published rate schedule as
9 determined in each 7(i) Process.

10 **Heavy Load Hour (HLH):** are all hours in the on-peak period—the hour ending 7 a.m.
11 through the hour ending 10 p.m., Monday through Saturday, Pacific Prevailing Time (Pacific
12 Standard Time or Pacific Daylight Time, as applicable)—except for the six holidays
13 specified in NERC Standards. See also Light Load Hours definition.

14 **Improvement Proposal:** See Section 9.2.

15 **Industrial Firm Power (IP):** the rate for firm power sold to a DSI Customer pursuant to
16 Section 7(c) of the Northwest Power Act, 16 U.S.C. § 839e(c).

17 **Investor-Owned Utility (IOU):** a privately owned or publicly traded utility organized
18 under state law as a for-profit corporation to provide electric power service.

19 **Irreconcilable Conflict:** see Section 9.5.

20 **Irrigation Rate Discount (IRD):** a rate discount provided to a qualifying customer with an
21 eligible irrigation load.

22 **Joint Operating Entity (JOE):** an entity that meets the requirements of Section 5(b)(7) of
23 Northwest Power Act, 16 U.S.C. § 839c(b)(7).

1 **Light Load Hours (LLH):** Light Load Hours (LLH) are all those hours in the off-peak
2 period—the hour ending 11 p.m. through the hour ending 6 a.m., Monday through
3 Saturday, and all hours Sunday, Pacific Prevailing Time (Pacific Standard Time or Pacific
4 Daylight Time, as applicable). BPA recognizes six holidays classified according to NERC
5 Standards as LLH. Memorial Day, Labor Day, and Thanksgiving Day occur on the same day
6 each year: Memorial Day is the last Monday in May; Labor Day is the first Monday in
7 September; and Thanksgiving Day is the fourth Thursday in November. New Year’s Day,
8 Independence Day, and Christmas Day fall on predetermined dates each year. In the event
9 that the predetermined dates fall on a Sunday, the holiday is recognized as the Monday
10 immediately following that Sunday, so that Monday is also LLH all day. If the
11 predetermined dates fall on a Saturday, the holiday is recognized as that Saturday, and that
12 Saturday is classified as LLH.

13 **Load Following Customer:** a customer purchasing the Load Following Product.

14 **Load Following Product:** BPA’s firm power service under the Load Following CHWM
15 Contract.

16 **Low Density Discount (LDD):** the discount authorized by Section 7(d)(1) of the
17 Northwest Power Act, CITE.

18 **Marginal Capacity Resource:** a capacity resource determined in each 7(i) Process for
19 purposes of setting the Demand Rate, as defined in Section 4.3.4.

20 **Marginal Energy True-Up:** an end-of-fiscal-year process that evaluates the difference
21 between forecast and actual energy usage and aligns that difference with appropriate
22 Tier 1 and market-based pricing levels, as defined in Section 4.2

1 **Marginal Energy True-Up Billing Determinant:** the measurement of energy expressed
2 in kilowatthours to which the Marginal Energy True-Up Rate will be applied, resulting in a
3 Marginal Energy True-Up Charge or Credit billed by BPA. See Section 4.2.1

4 **Marginal Energy True-Up Rate:** rates expressed in mills per kilowatthour applied to the
5 Marginal Energy True-Up Billing Determinant resulting in a Marginal Energy True-Up
6 Charge or Credit billed by BPA. See Section 4.2.3.

7 **Minimum Required Net Revenue (MRNR):** A component of the BPA revenue
8 requirement added in a year when rates sufficient to recover accrued expenses would not
9 generate sufficient cash flow to cover cash obligations.

10 **Mini-Trial:** See Section 9.6 definition.

11 **Monthly/Diurnal:** the 24 periods of the year, consisting of 12 Heavy Load Hour (HLH)
12 periods (one for each month) and 12 Light Load Hour (LLH) periods (one for each month).

13 **Net Requirement:** the amount of electric power that a customer is entitled to purchase
14 from BPA to serve its Total Retail Load, minus amounts of its Dedicated Resources shown
15 in Exhibit A, as determined consistent with Section 5(b)(1) of the Northwest Power Act.

16 **New Credit:** an amount of revenue credited to the applicable Cost Pool but for which no
17 credit category exists in Table 2.

18 **New Expense:** an expense allocable to the applicable Cost Pool but for which no expense
19 category exists in Table 2.

20 **New Large Single Load (NLSL):** as specified in Section 3(13) of the Northwest Power Act
21 and in BPA's NLSL policy.

22 **New Public:** a Public that is not an Existing Public.

1 **Non-Dispatchable Resource:** a Specified Resource for which the output cannot be
2 intentionally shifted between time periods or days, and which has capacity capability equal
3 to the energy capability as defined in CHWM Contract.

4 **Non-Federal Resource:** a generating facility or other source of electric power or
5 capability not obtained from BPA.

6 **Non-Slice Cost Pool:** the Tier 1 Cost Pool to which expenses and revenue credits are to be
7 allocated by BPA in accordance with Sections 2.1 and 2.2.1.3, and which are set out on
8 Table 2, Section D. The Non-Slice Cost Pool is the basis for the Non-Slice C33ustomer Rate.

9 **Northwest Power Act:** the Pacific Northwest Electric Power Planning and Conservation
10 Act, 16 U.S.C. § 839, Public Law No. 96-501, as amended.

11 **Notice or notify or similar:** as used throughout this PRDM, includes communications
12 posted electronically.

13 **New Capacity Credit:** a capacity credit applicable to customers that provide BPA access to
14 capacity not otherwise committed to the customer's load which, as determined solely by
15 BPA, either: 1) reduces the Administrator's capacity obligations; or 2) can be used by BPA
16 to help meet the Administrator's capacity obligations. See Section 4.3.6.2.

17 **New Resource Rate (NR):** the rate for requirements firm power sold to an investor-
18 owned utility (IOU) and Public customer pursuant to Section 7(f) of the Northwest Power
19 Act, 16 U.S.C. § 839e(c).

20 **On-site Consumer Load:** the load of an identified retail consumer of a customer that is
21 electrically interconnected at the same Point of Delivery to a customer's system with a
22 Consumer-Owned Resource of that same identified retail consumer. Such load requires no
23 transmission over facilities of BPA or a Third-Party Transmission Provider, or transmission

1 schedule, to deliver the generation from the Consumer-Owned Resource to the consumer
2 load.

3 **Overhead Cost Adder:** a uniform scalar, set by BPA in each 7(i) Process in accordance
4 with Section 5.2.3, designed to compensate the Composite Cost Pool for the general and
5 administrative (overhead) costs associated with BPA's provision of power at Tier 2 Rates.

6 **Peak Load Variance Charge (PLVC):** a charge, or charges, for a PLVS (see next definition),
7 to be determined in each 7(i) Process in accordance with Section 4.4.

8 **Peak Load Variance Service (PLVS):** a resource-capacity planning-based service for
9 planned load excursions beyond the expected load-forecast values.

10 **Peak Net Requirement:** *(rough draft)* Forecast monthly peak P50 load less Dedicated
11 Resource peak amounts as shown in Exhibit A of the CHWM Contract.

12 **Planned Net Revenues for Risk (PNRR):** a risk-mitigation tool defined in BPA's Financial
13 Reserves Policy.

14 **Power Services:** the organization, or its successor organization, within BPA that is
15 responsible for the management and sale of BPA provided electric power.

16 **Power Services Statement of Revenues and Expenses:** A financial report of the results
17 of Power Services activities for the reporting period, including depreciation expense and
18 interest. This is also known as the income statement.

19 **Preliminary Net Requirement:** the forecast annual Total Retail Load less Existing Resources,
20 NLSLs, Specified Resources added to Tier 1 Allowance Amount, and Consumer-Owned Resources
21 serving On-site Consumer Load, as determined in the Above-CHWM Load Process.

22 **Priority Firm Power (PF):** PRDM's reference to the Section 7(b) rate as described in the
23 Northwest Power Act.

1 **Public, Public Customer:** a public body or cooperative utility or federal agency eligible to
2 purchase requirements power from BPA pursuant to Section 5(b) of the Northwest Power
3 Act.

4 **Public Power Council:** a trade organization representing a majority of BPA's PF
5 customers.

6 **Public Rate Design Methodology (PRDM):** a methodology describing the manner in
7 which BPA will collect a portion of its revenue requirement from Public customers through
8 a combination of charges, credits, fees, and discounts, as well as the terms and conditions
9 surrounding any potential changes to the methodology.

10 **Rate Impact Credit, Capacity (RICc):** a dollar credit used to allocate the cost-based value
11 of FCRPS capacity to each PF customer, as defined in Section 4.5.1.

12 **Rate Impact Credit, Mitigation (RICm):** a dollar credit to allow a gradual transition from
13 BPA's Tiered Rate Methodology to the PRDM, as defined in Section 4.5.2.

14 **Rate Period:** the period of time during which a specific set of rates established by BPA
15 pursuant to this PRDM is intended to remain in effect, as defined in Section 1.1.

16 **Rate Period Augmentation:** the forecast average annual amount of power needed to be in
17 load and resource balance after considering all of BPA's resources (see Tables 3-1, 3-3, 3-4,
18 and 3-5) and obligations (*e.g.*, Designated System Obligations, power needed to serve loads
19 under Section 5 of the Northwest Power Act).

20 **Resource Support Services (RSS):** a suite of services BPA Power Services provides to
21 integrate federal and non-federal resources defined in the CHWM Contract, and priced in
22 each 7(i) Process consistent with Section 6.

23 **Support Services (SS):** services BPA Power Services provides to customers as defined in
24 the CHWM Contract and priced in each 7(i) Process consistent with Section 6.

1 **Request for Offer (RFO):** the method used by BPA to solicit bids or proposals from
2 suppliers of power (energy, capacity, or both).

3 **Revenue Requirement Table:** the table that sets forth all BPA expenses and revenue
4 credits that BPA will use when implementing the Cost Allocation Method. The line items on
5 the Revenue Requirement Table are similar to those in the Allocated Tiered Cost Table, but
6 without the Cost Pool distinctions.

7 **Slice Contract:** contract and all other agreements with Slice Customers that provide for
8 the sale of the Slice/Block Product.

9 **Slice Cost Pool** means the Tier 1 Cost Pool to which costs and credits are to be allocated
10 that are specifically and uniquely attributable to the Slice Product.. The Slice Cost Pool is
11 the basis for the Slice Customer Rate.

12 **Slice Customer:** a customer that is purchasing the Slice Product pursuant to CHWM
13 Contract .

14 **Slice Tier 1 Energy Charge:** the product of a customer's Firm Slice Amount and the Slice
15 Tier 1 Energy Rate. See Section 4.1.

16 **Slice Tier 1 Energy Rate:** rates expressed in mills per kilowatthour applied to the Slice
17 Energy Billing Determinant, resulting in a Slice Tier 1 Charge billed by BPA. See
18 Section 4.1.4

19 **Slice Percentage:** the percentage used to determine the amount of the Slice Product a
20 customer purchases, pursuant to its CHWM Contract.

21 **Slice Product:** the power product defined in Section 5 of the CHWM Contract.

22 **Slice True-Up Charge:** an annual charge or credit that accounts for the difference between
23 forecast and actual costs, See Section 2.8.5

1 **Specified Resources:** *(rough draft)* a Generating Resource or Contract Resource that has a
2 nameplate capability or maximum hourly purchase amount greater than 1.000 megawatt,
3 and that the customer is required by statute or has agreed to use to serve its Total Retail
4 Load. Each such resource is identified as a specific Generating Resource or as a specific
5 Contract Resource with identified parties and is listed in the CHWM Contract.

6 **Tier 1 Allowance Amount:** the aggregate total nameplate capacity of qualifying Specified
7 Resources that a customer is applying to offset its purchase obligation.

8 **Tier 1 Cost Pools:** the three Cost Pools to which BPA allocates Tier 1 Costs. The Tier 1
9 Cost Pools are the Composite Cost Pool, the Slice Cost Pool, and the Non-Slice Cost Pool.

10 **Tier 1 Costs:** the expenses identified on Table 2 that are allocated to any Tier 1 Cost Pool.
11 Table 2 specifies to which Tier 1 Cost Pool each Tier 1 Cost is to be allocated.

12 **Tier 1 Credits:** the credits identified on Table 2 that are allocated to any Tier 1 Cost Pool.
13 Table 2 specifies to which Tier 1 Cost Pool each Tier 1 Credit is to be allocated.

14 **Tier 1 Customer System Peak (CSP):** *(rough draft)* a customer's maximum Actual Hourly
15 Tier 1 Load (in kilowatts) in a month.

16 **Tier 1 Firm System Output:** the firm output of the Tier 1 System Resources adjusted for
17 non-power constraints and not reduced for Designated System Obligations.

18 **Tier 1 Non-Slice Capacity Acquisitions:** the portion of BPA's capacity resource
19 acquisition made exclusively for meeting its Tier 1 Non-Slice load obligations.

20 **Tier 1 Rate:** any Priority Firm Power (PF) rate (e.g., Energy Rates, Demand Rates, and
21 Peak Load Variance Rates) that reflects Tier 1 Costs and Credits and applies to power
22 purchased under a CHWM Contract to meet a customer's general requirements.

1 **Tier 1 Secondary Energy:** the amount of electric energy BPA forecasts in a 7(i) Process
2 that will be produced by the Tier 1 System Resources in excess of the Tier 1 Firm System
3 Output.

4 **Tier 1 Secondary Energy Credit:** the revenue credit allocated to the Non-Slice Cost Pool
5 from the disposition of Tier 1 Secondary Energy, as forecast in a 7(i) Process.

6 **Tier 1 System Resources:** the resources listed in Table 3-1, as updated for any new
7 resources, including market purchases, that BPA determines are needed to meet its CHWM
8 obligations.

9 **Tier 2 Long-Term Change Charge:** a charge associated with a customer's election to
10 change its Tier 2 Long-Term Alternative election as established in each 7(i) Process. See
11 Section 5.4.1

12 **Tier 2 Long-Term Change Fee:** a fee associated with a customer's election to change its
13 Tier 2 Long-Term Alternative election as established in each 7(i) Process. See Section 5.4.1

14 **Tier 2 Long-Term Cost Pool:** cost pool comprised of costs and credits used to establish
15 the Tier 2 Long-Term Rate.

16 **Tier 2 Cost Pools:** cost pools comprised of costs and revenues attributable to each Tier 2
17 Rate Alternative.

18 **Tier 2 Costs:** the costs and credits that BPA will identify in Table 2 and allocate to the
19 appropriate Tier 2 Cost Pool during the applicable 7(i) Process.

20 **Tier 2 Flexible Above-CHWM Path:** *(rough draft)* a contractual option a customer elects
21 for serving its Above-CHWM Load.

22 **Tier 2 Long-Term Alternative:** a contractual option a customer elects for serving its
23 Above-CHWM Load.

1 **Tier 2 Long-Term Path:** (*rough draft*) a contractual option a customer elects for serving
2 its Above-CHWM Load.

3 **Tier 2 Long-Term Rate:** rate or rates aimed at recovering only the costs of the Tier 2
4 Long-Term Cost Pool, expressed in mills per kilowatthours, which are multiplied by the
5 Tier 2 Billing Determinant to determine the Tier 2 Charge, as described in Sections 5.1 and
6 5.2 and established in each 7(i) Process.

7 **Tier 2 Rate:** any Priority Firm Power (PF) rate that reflects Tier 2 Costs and applies to
8 power purchased under a CHWM Contract to meet a customer's Above-CHWM Load.

9 **Tier 2 Rate Alternative:** a contractual option a customer elects for serving its Above-
10 CHWM Load.

11 **Tier 2 Short-Term Rate:** rate or rates aimed at recovering only the costs of the Tier 2
12 Short-Term Cost Pool which are multiplied by the Tier 2 Billing Determinant to determine
13 the Tier 2 Charge, as described in Sections 5.1 and 5.2 and established in each 7(i) Process.

14 **Tier 2 Vintage Alternative:** a contractual option a customer may elect to serve its Above-
15 CHWM Load.

16 **Tier 2 Vintage Rate:** rates aimed at recovering only the costs of the Tier 2 Vintage
17 Alternative Cost Pool, which are multiplied by the Tier 2 Billing Determinant to determine
18 the Tier 2 Charge, as described in Sections 5.1 and 5.2 and established in each 7(i) Process.

19 **Tiered Rate Methodology (TRM):** BPA's rate methodology applicable from October 1,
20 2012, through September 30, 2028.

21 **Total Retail Load (TRL):** (*rough draft*) all retail electric power consumption, including
22 electric system losses, within a customer's electrical system, excluding:

- 23 • those loads BPA and the customer have agreed are nonfirm or interruptible loads
- 24 • loads of other utilities served by such customer

- any loads not on such customer's electrical system or not within such customer's service territory, unless specifically agreed to by BPA

Transmission Services: the organization, or its successor organization, within BPA that is responsible for the management and sale of transmission service on the Federal Columbia River Transmission System.

Unanticipated Load: Public preference loads that BPA is obligated to serve under the Northwest Power Act, but for which BPA has not had notice to serve as required by the CHWM Contract or General Rate Schedule Provisions (GRSPs) in order for a customer to receive service at Tier 1 or Tier 2 Rate.

Unauthorized Increase (UAI): a customer taking more power from BPA than it is contractually entitled to take.

Unused CHWM: the difference between a customer's CHWM amount and the amount of power the customer is allowed to purchase at a Tier 1 Rate for a given rate period.

Variable Energy Resource: a Specified Resource where the energy output cannot be intentionally shifted between time periods or days, and which has capacity capability less than the energy capability as defined in CHWM Contract.