

**Transmission Business Model**  
 Pro Forma/Industry Standard Gap Analysis:  
*Ancillary Services*

**Hourly Firm**

- Address Hourly Firm Product, it covers the energy, price-regulation signals, requires high coordination and interdependency commitment priorities with all other SE/PP products

**Ancillary Services**

- State FERC language in the Tariff for Schedule 3
- Include Generator Imbalance
- FERC includes VERBS and DERBS in its capacity charges in rate schedule

**Losses**

- BPA processes more in-kind reserves than financial
- BPA does collect 10 generation and unique processes to accomplish new reserves (around 100 hours after flow, tracking to BPA loads)

September 20, 2017

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**BPA Direction: Ancillary Services**

**Regulation and Frequency Response**

"Speed and Accuracy" terms in Schedule 3

**Generation Imbalance**

Bring stability to Terms and Conditions by moving from Rate Case Process to Tariff

Move "Real Power Loss Calculation" language from Schedule 9

Add terms and conditions for Gen Imbalance to new Schedule 9

**Generation Imbalance Capacity**

Add terms and conditions for VERBS/DERBS to new Schedule 3A/10

**Problems to Solve**

- Stale FERC language in the Tariff Schedule 3
- BPA does not have a Tariff Schedule 9 for Generation Imbalance
- BPA does not have a Tariff Schedule 3A/10 for Generation Imbalance capacity (VERBS and DERBS charges in rate schedule)

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**New Schedule 3 Language**

9/20/17
FY 2022

**Steps**

Include "Speed and Accuracy" terms for Schedule 3 "Regulation and Frequency Response Service"

Review language with customers in regional stakeholders process

Revise BPA Tariff

**Objective**

Match the language in our tariff with existing BPA business process

Formal terms and conditions

**Implementation Considerations**

- Provide transparency that speed and accuracy is considered
- No impact to how BPA determines Balancing Reserves
- No additional burden on customers
- Workshops to discuss terms and conditions prior to 212 process

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**Schedule 9 Generation Imbalance**

9/20/17 | FY 2022

**Steps**

- Remove Real Power Loss Calculation language from Schedule 9 (Loss Team discussion)
- New language for Schedule 9 "Generation Imbalance Service"
- Review language with customers in regional stakeholders process
- Revise BPA Tariff

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**Objective**

Transparency, Stability and Consistency with Others

**Implementation Considerations**

- Remove uncertainty from rate case to rate case
- No material impact any existing or new generation
- Workshops to discuss terms and conditions prior to 212 process

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**Schedule 3A/10 Generation Imbalance Capacity**

9/20/17 | FY 2022

**Steps**

- Draft Schedule 3A/10 for Balancing Service for Variable Energy Resources and Dispatchable Energy Resources (VERBS and DERBS)
- Review language with customers in regional stakeholders process.
- Revise BPA Tariff

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**Objective**

Transparency, Stability and Consistency with Others

**Implementation Considerations**

- Removes uncertainty from rate case to rate case
- Methodology/terms/conditions move to tariff
- No material impact any existing or new generation
- Workshops to discuss terms and conditions prior to 212 process

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**How do you believe this change will affect your business?**

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**What are your thoughts on the proposed timeline?**

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**What did Bonneville not consider in formulating this change?**

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