

Day-ahead Market in Provider of Choice

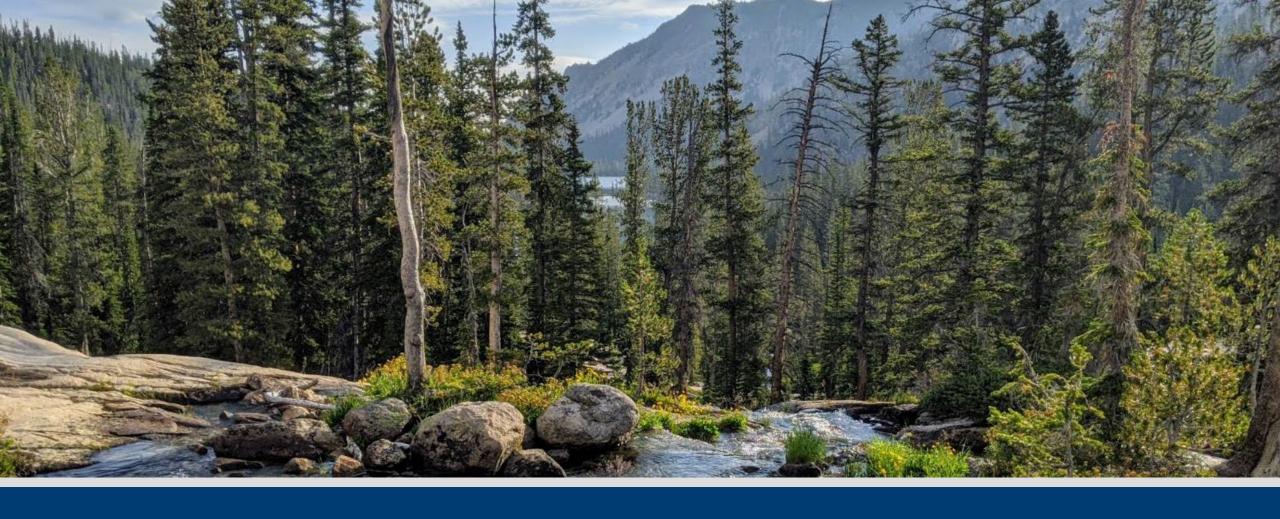






DAM in POC - Contractual Approach

- Difficulty in drafting terms at this stage.
 - Pending decisions, system design, etc.
 - Future documents needed to further clarify exact terms and conditions (e.g. BPA/Market Tariff updates, business practices, etc).
- Risk with specifying terms now incorrect terms and conditions: too conservative, unfair or inconsistent with market design/unimplementable.
- Instead wise to plan for future changes once details are known.
 - Landed on simple centralized and structured change right for Day-ahead Markets in POC.
 - Commitment to conduct future public process to discuss and determine necessary revisions to the POC template.
 - Future public process would also will determine timeline of POC amendment offer.
- Language also notes additional process on settlements after experience in the DAM.



Contract Language

Additional Details on Future Amendment

- Some parts of the contract may need significant new language, terms and conditions (e.g. Exhibit F), others could be surgical edits to adjust concepts. The list below is indicative, BPA expects that additional sections would be identified and require amendment once the particulars of the DAM are known.
- Anticipated sections to amend:
 - Section 2 Definitions
 - Section 3 Purchase Obligation
 - Section 14 Delivery
 - Section 15 Metering
 - Section 23.3 NLSLs
 - Exhibit D
 - Exhibit F Scheduling
 - Exhibit J Resource Extras

- Possible other areas of emphasis:
 - Section 5 Slice (and slice exhibits)
 - Any place the contract mentions hourly or scheduling.
 - Any terms around pass through of costs or settlements





Questions?