**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 GSRPs 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, GSRPs 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.

**Edits of Particular Note**

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

**Reservation of Rights**

The following draft language has not been agreed to by NRU or any NRU member and is provided for discussion purposes only. The draft Provider of Choice contract red-lines, including this section, are subject to NRU’s ongoing review and recommended revision. NRU reserves the right to subsequently object to, and if necessary, reject the language below, in whole or in part, and/or propose alternative language, including the right to reject or propose alternatives to the edits proposed by NRU in this draft.

**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), 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.

*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 priced at the NR rate and purchased for Planned NLSLs and NLSLs (with exception for the application of section 23.3.7.1 Renewable Resource/ Cogeneration Exception).

(2) Tier 2 Rates shall apply to planned annual amounts of Firm Requirements Power that «Customer Name» purchases to serve its Above-CHWM Load 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.*