



WESTERN AREA POWER ADMINISTRATION
An agency of the U.S. Department of Energy

Sierra Nevada Region

Rate Schedule (CV-EID3) for Western's Energy Imbalance Service

Informal Rates Meeting

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Rate Schedule



- Central Valley Project: Schedule of Rate for Energy Imbalance Service (CV-EID3) (WAPA-115)
 - Effective until September 30, 2011 (via Rate extension: Rate Order No. WAPA-139)
 - Applicable to Western's power customers who receive energy imbalance service
- See also OATT, Schedule 4
 - <http://www.oatioasis.com/WAPA/WAPAdocs/WAPA-Tariff-Docs.htm>

Conditions of Service



- Energy Imbalance (EI) service is provided when there is an integrated hourly deviation between the scheduled and actual delivery of energy to a load or from a generation resource.
- EI service uses the regulating capacity bandwidth that is established in the Interconnected Operations Agreement (IOA).



Formula Rate

Component 1:

- An hourly average negative deviation (under-delivery) outside the regulating capacity bandwidth will be charged the greater of 150 percent of market price or Western's actual cost.
- An hourly average positive deviation (over-delivery) outside the bandwidth is lost to the system.

(Example on next slides)

Formula Rate (Cont.)



- **Component 1 Example:** On October 1st, Hour ending (HE) 1, “Customer A” has

Scheduled Net Interchange	90 MW
Actual Net Interchange	102 MW
Actual Energy in excess of Scheduled	12 MW
Contractual Bandwidth	8 MW
Energy Imbalance for HE 1	4 MW

- The energy imbalance is calculated for each hour that it occurs during the month, in order to derive the total monthly charge for “Customer A”

Formula Rate (Cont.)



Component 1 Pricing Calculation:

- As per the rate schedule CV-EID3, the EI charge is based upon a comparison between the real-time energy pricing from the CAISO for each hour multiplied by 150% and Western's actual system cost for that same hour. The higher of the two is applied to derive the EI charge.

Hence,

Oct 1st, HE 1	Price
Western's Actual System Cost	\$18.27
Real Time CAISO price (\$21.84 * 150%) applied per Rate schedule	\$32.76

EI charge for Oct 1st, HE 1 is calculated as follows:

$$4 \text{ MW} * \$32.76 = \$131.04$$

Formula Rate (Cont.)



- Component 2: Any FERC or other Regulatory body charges/credits are directly passed through to customers receiving this service.
- Component 3: Any HBA charges/credits applied to Western for providing this service are directly passed through to customers receiving service.

Western Billing



- Description of charges on the customer bill:
 - Energy Imbalance



Questions?
