

**Rate Schedule DSW-GI2
SCHEDULE 9 to OATT
(Supersedes Schedule DSW-GI1)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**Desert Southwest Region and
Western Area Lower Colorado Balancing Authority**

GENERATOR IMBALANCE SERVICE

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and will remain in effect through September 30, 2021, or until superseded.

Applicable

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Balancing Authority Area (BA Area) and the delivery schedule from that generator to another BA Area or a load within the Transmission Service Provider's (TSP) BA Area over a single hour. The TSP or the Balancing Authority (BA) who performs this function for the TSP must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when transmission is used to deliver energy from a generator located within its BA Area.

The Western Area Lower Colorado Balancing Authority (WALC) performs this function for the Federal TSP. Customers of a Federal TSP must purchase this service from WALC or make alternative comparable arrangements to satisfy their Generator Imbalance obligations. Non-Federal TSPs must have separate agreements with WALC that specify the terms of Generator Imbalance Service. An intermittent resource serving load outside WALC will be required to dynamically schedule or dynamically meter their generation to another BA Area unless

arrangements, satisfactory to WALC, are made to acquire this service from a third-party. An intermittent resource, for the limited purpose of this schedule, is an electric generator that is not dispatchable and cannot store its fuel source, and therefore cannot respond to changes in demand or respond to transmission security constraints.

WALC may charge a transmission customer for either generator imbalances under this schedule or energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

Formula Rate

Charges for generator imbalances are based on the deviation bands as follows:

1. For deviations within ± 1.5 percent (with a minimum of 4 MW) of the metered generation, the settlement for on-peak and off-peak hours is 100 percent.
2. For deviations greater than ± 1.5 up to 7.5 percent (or greater than 4 MW up to 10 MW) of the metered generation, the settlement for on-peak hours is 110 percent for under-delivery and 90 percent for over-delivery, and the settlement for off-peak hours is 110 percent for under-delivery and 75 percent for over-delivery.
3. For deviations greater than ± 7.5 percent (or 10 MW) of the metered generation, the settlement for on-peak hours is 125 percent for under-delivery and 75 percent for over-delivery, and the settlement for off-peak hours is 125 percent for under-delivery and 60 percent for over-delivery. An intermittent resource will be exempt from this deviation band but will be subject to the settlement provisions in the second deviation band for all deviations greater than ± 7.5 percent (or 10 MW).

The deviation bands will be applied hourly and any generator imbalances that occur as a result of the transmission customer's scheduled transactions will be netted on a monthly basis and settled

financially at the end of the month. For purposes of this schedule, the proxy prices used to determine financial settlement will be derived from the Palo Verde electricity price indexes, or similar alternative, for on-peak and off-peak. WALC may accept settlement in energy in lieu of financial settlement.

During periods of BA operating constraints, WALC reserves the right to eliminate credits for over-delivery. The cost to WALC of any penalty assessed by a regulatory authority due to a violation of operating standards resulting from under or over-delivery of energy may be passed through to customers.