



Department of Energy
Western Area Power Administration
Desert Southwest Customer Service Region
P.O. Box 6457
Phoenix, AZ 85005-6457

August 14, 2020

Dear Desert Southwest Region Customers and Interested Parties:

Western Area Power Administration (WAPA) has calculated the fiscal year (FY) 2021 charges for ancillary services for the Desert Southwest Region and Western Area Lower Colorado Balancing Authority (WALC). WAPA has also calculated the FY 2021 revenue requirements for Network Integration Transmission Service (Network) on the Pacific Northwest-Pacific Southwest Intertie Project (Intertie) and Parker-Davis Project (P-DP).

The charges for ancillary services and revenue requirements for Network are annual calculations under Rate Order No. WAPA-175 which also includes rate schedules for transmission losses and unreserved use penalties. The following tables contain the charges, settlements, revenue requirements and penalties that will be effective on October 1, 2020.

Rate Schedule	Ancillary Services	FY 2021
DSW-SD4	Scheduling, System Control and Dispatch	\$16.48 per schedule per day
DSW-RS4	Reactive Supply and Voltage Control	\$0.054/kW-Month
DSW-FR4	Regulation and Frequency Response	\$0.096/kW-Month
DSW-EI4	Energy Imbalance	See table below
DSW-SPR4 DSW-SUR4	Spinning Reserve Supplemental Reserve	None available ¹
DSW-GI2	Generator Imbalance	See table below

¹ Upon request, WALC will purchase at market price and pass-through the cost plus administrative fee.

Energy/Generator Imbalance Service		
Deviations	Settlements	
	On-Peak Hours	Off-Peak Hours
Less than or equal to $\pm 1.5\%$ (with a 4 MW minimum) of metered load or generation	100%	100%
Greater than $\pm 1.5\%$ up to 7.5% (or greater than 4 MW to 10 MW) of metered load or generation	110% for under-deliveries	110% for under-deliveries
	90% for over-deliveries	75% for over-deliveries
Greater than $\pm 7.5\%$ (or 10 MW) of metered load or generation ²	125% for under-deliveries	125% for under-deliveries
	75% for over-deliveries	60% for over-deliveries
² 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 $\pm 7.5\%$ (or 10 MW) of metered generation.		

Rate Schedule	Transmission Service	FY 2021
INT-NTS4	Intertie Network	\$30,607,826 ³
PDP-NTS4	P-DP Network	\$53,205,297 ³
DSW-TL1	Transmission Losses	3.0%
DSW-UU1	Unreserved Use Penalties	Two times the maximum allowable firm point-to-point transmission rate for the service at issue.
³ The monthly charge is the product of the Network customer's load-ratio share times one-twelfth of the annual transmission revenue requirement for the applicable transmission system.		

Information concerning these charges will be available for review on WAPA's website at <https://www.wapa.gov/regions/DSW/Rates/Pages/AnnualCharges.aspx>.

If you have any questions or need additional information, please contact Todd Statler at (602) 605-2781, statler@wapa.gov.

Sincerely,

Jim Kendrick
Vice President of Power Marketing
for Desert Southwest Region