



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

Sierra Nevada Region

Rate Schedules

CV-SPR3 for Spinning Reserve
CV-SUR3 for Non-Spinning
Reserve Service

Informal Rates Meeting

October 29, 2009

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Rate Schedule



- CVP: Spinning and Non-Spinning Rate Schedules effective under Rate Order No. WAPA-115
 - Effective thru September 30, 2011 via Rate extension: Rate Order No. WAPA-139
 - Applicable to Western's power customers who receive spinning and non-spinning service

Conditions of Service



- Spinning Reserve service supplies capacity that is available immediately to take load and is synchronized with the power system.
- Non-spinning Reserve service supplies capacity that is available within the first 10 minutes to take load.
- Interconnected Operations Agreement (IOA) is the contractual mechanism which obligates the entity to the spinning and non-spinning requirements.

Rate Schedule



Formula Rate:

- The rate for spinning and non-spinning reserve service is the price consistent with the CAISO market plus all costs incurred as a result of the sale of the spinning and non-spinning reserves such as:
 - Any FERC or other Regulatory body approved charges/credits are directly passed-through to customers receiving this service.
 - Any charges or credits from the HBA applied to Western for providing this service.

Rate Schedule (Cont.)



- **Example (Purchased from Western):**
On July 25, 2009, HE 17, Customer A has a requirement of 18 MW of spinning reserve obligation and the Day Ahead Market price is \$25.11/MWh; the total charge for Customer A for this hour is \$451.98.
- The spinning and non-spinning reserve charge is calculated for each hour during the month in order to derive the total monthly charge for the customer.

Rate Schedule (Cont.)



Example (Short-fall):

- For customers that have a contractual obligation to provide spinning and non-spinning reserve to Western and do not fulfill that obligation, the penalty for non-performance is equal to the greater of actual costs or 150% of the market price.

Western Billing



- Description of charges on the customer bill:
 - Spinning reserve
 - Non-spinning reserve
- Proposed change to the Rate Schedules CV-SPR3 and CV-SUR3
 - None



Questions?
