UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

CENTRAL VALLEY PROJECT

SCHEDULE OF RATE FOR SALE OF SURPLUS PRODUCTS

Effective:

April 1, 2021, through December 31, 2024.

Available:

Within the marketing area served by the Western Area Power Administration (WAPA), Sierra Nevada Customer Service Region (SN).

Applicable:

To WAPA-SN customers participating in the Sale of Surplus Products.

Character and Conditions of Service:

Sale of Surplus Products occurs when there is a sale of surplus energy and/or capacity products. This includes: (1) Energy, (2) Frequency Response, (3) Regulation, (4) Reserves, and (5) Resource Sufficiency. If any of surplus products are available, WAPA-SN can make the product(s) available for sale, provided entities enter into separate agreement(s) which will specify the terms of the sale(s).

Formula Rate:

The formula rate for Sale of Surplus Products service includes three components:

Component 1:

WAPA-SN shall determine the charge for each product at the time of sale to be the greater of WAPA-SN's cost or market rates, to include transmission charges. WAPA-SN shall use a separate agreement(s) to specify the terms of sale(s). The customer may be responsible for

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acquiring additional transmission service necessary to deliver the product(s), for which a separate charge may be incurred from the transmission provider.

Component 2:

Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved by the Federal Energy Regulatory Commission (FERC) or other regulatory bodies will be passed on to each relevant customer. The FERC's or other regulatory bodies' accepted or approved charges or credits apply to the service to which this rate methodology applies. When possible, WAPA-SN will pass through directly to the relevant customer FERC's or other regulatory bodies' accepted or approved charges or credits in the same manner WAPA-SN is charged or credited. If FERC's or other regulatory bodies' accepted or approved charges or credits cannot be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.

Component 3:

Any charges or credits from the Host Balancing Authority (HBA) applied to WAPA-SN for providing this service will be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited to the extent possible. If the HBA's charges or credits cannot be passed through to the relevant customer in the same manner WAPA-SN is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.

Billing:

Billing will occur monthly.

Adjustment for Audit Adjustments:

Financial audit adjustments that apply to the formula rate under this rate schedule will be

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evaluated on a case-by-case basis to determine the appropriate treatment for repayment and cash flow management.

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