

# Reserve Contracts – 2021 Power Marketing Initiative

Pick-Sloan Missouri Basin Program--Eastern Division

**Western Area Power Administration**

April 2012



# Webinar Purpose

- ▶ Provide 2021 Power Marketing Initiative (2021 PMI) update
- ▶ Provide 2021 PMI Reserve Contract information
- ▶ Address customer 2021 PMI contracting questions



# 2021 PMI Update

- ▶ Final 2021 PMI Federal Register Notice
  - Published – November 16, 2011
  - Effective – December 16, 2011
  
- ▶ 250 Reserve Contracts – March 2012
  - Affirm the resource commitment Western made through the 2021 PMI
  - Assist customer resource planning activities



# Reserve Contract Provision

- ▶ Term and Termination of Contract
  - Automatically terminates if the parties fail to enter into a new Firm Electric Service (FES) Contract and Interconnection Contract (if applicable) before January 1, 2021, unless otherwise agreed to in writing
  - Automatically terminates upon the parties entering into a new FES Contract and Interconnection Contract (if applicable) before January 1, 2021, with a contract term of January 1, 2021, through December 31, 2050



# Reserve Contract Provision

- ▶ Contract Rates of Delivery to be Reserved
  - Reserves customer's existing contract rates of delivery (CROD) until a new FES Contract is developed and executed. The existing CROD may be adjusted by:
    - Existing FES Contract provisions
    - 2021 PMI provisions

# Reserve Contract Customer Questions

- ▶ Will signature of the Reserve Contract impact the future FES Contract?
  - No, the two contracts are independent of each other
- ▶ What time frame do customers have to sign the Reserve Contract?
  - No deadline, please process promptly

# Reserve Contract Process

- ▶ Western is requesting customers review the Reserve Contract and complete it as per the contract cover letter instructions
- ▶ Customers return the Reserve Contract originals to Western
- ▶ Western will date and execute the Reserve Contract
- ▶ Western will provide an executed original(s) and copies of the contract for your use



# Future FES Contracts

- ▶ Western will follow the standard format for future FES Contracts
- ▶ Western is currently reviewing the following contract topics:
  - Separation of FES Contracts and Interconnection Contracts
  - Update of Maintenance, Replacement, or Modification provisions
  - Analyze physical verses financial transmission losses up to 7 percent
- ▶ Western plans to offer out FES Contracts in stages as contract topics are appropriately addressed



# 2021 PMI Information

- ▶ Website

<http://www.wapa.gov/ugp/powermarketing/2021PMI.htm>

- ▶ 2021 PMI Project Manager

- John Pankratz – 406-255-2932

- ▶ Field Representatives

- Jim Bach – 701-221-4505

- Tracy Thorne – 605-353-2716

- Greg Vaselaar – 605-353-2715



# Questions / Discussion