

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

CENTRAL VALLEY PROJECT

OPERATING RESERVE - SPINNING RESERVE SERVICE

Effective:

October 1, 2024, through September 30, 2029, or until superseded, whichever occurs earlier.

Available:

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

Applicable:

To customers receiving spinning reserve service.

Character and Conditions of Service:

Spinning Reserve Service supplies capacity that is available immediately to serve load and is synchronized with the power system.

Formula Rate:

The formula rate for spinning reserve includes three components:

Component 1:

The formula rate for spinning reserve service is the price consistent with the California Independent System Operator's (CAISO) market plus all costs incurred from the sale of spinning reserves, such as WAPA-SN's scheduling costs.

For customers that have a contractual obligation to provide spinning reserve to WAPA-SN and do not fulfill that obligation, the penalty for non-performance is the greater of 150-percent of

WAPA-SN's actual cost or 150-percent of the market price.

Component 2:

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

Component 3:

Any charges or credits from the Host Balancing Authority for providing this service will be passed on to each relevant customer. When possible, WAPA-SN will pass through charges and credits directly to the customer in the same manner WAPA-SN is charged or credited. When not possible, the charges or credits will be passed through using Component 1 of the formula rate.

Billing:

The formula rate above will be applied to the amount of spinning reserve sold. Billing will occur monthly.

Audit Adjustments:

Financial audit adjustments that apply to the formula rate under this rate schedule will be evaluated on a case-by-case basis to determine the appropriate treatment for repayment and cash flow management.