

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

**CENTRAL VALLEY PROJECT**

**OPERATING RESERVE - SUPPLEMENTAL 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October 1, 2024, through September 30, 2029, or until superseded, whichever occurs earlier.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 supplemental reserve service.

**Character and Conditions of Service:**

Supplemental reserve service supplies capacity that is available within the first 10 minutes to take load and is synchronized with the power system.

**Formula Rate:**

The formula rate for supplemental reserve service includes three components:

**Component 1:**

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

For customers that have a contractual obligation to provide supplemental reserve service 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 rate.

**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 supplemental reserve service 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.