

Priest Rapids Development Power Scheduling and Operating Reserves

Balancing Area:

The auction winner can have its PRP slice hosted by the Grant Balancing Area or it may have its slice hosted outside Grant. If the auction winner elects to have any BA other than Grant host its slice, the auction winner is responsible to make all commercial arrangements required for and associated with the hosting BA and provide required information to Grant. Grant's BA is adjacent to PAC, PGE, CHPD, DCPD, AVA, BPA, PSE, SCL and TPWR at the Mid-Columbia Hub. If Grant is selected to host the auction winner's slice, it will do so at no charge but the BA hosting services shall be limited to those necessary to implement the slice sale and the auction winner must comply with Grant BA business practices.

Preschedule and Real Time Scheduling:

The auction winner will submit preschedules (e-tags), each prescheduling workday, based on the expected inflows and available pondage and within the limit set by the formula below. Preschedule quantities must be above minimum and below maximum generation requirements as communicated by Grant.

- For each hour prescheduled, the amount of day-ahead estimated capacity available to the auction winner divided by 15 (rounded up), plus 1

This limitation on the number of e-tags will not apply in the event of a transmission curtailment or a force majeure event however the auction winner will endeavor to minimize the e-tag impact during these events.

For an auction winner not utilizing a time varying generation request / return signal (i.e. "dynamic request") for all or part of its PRDO:

- For the portion of PRDO not requested dynamically, no more than three schedules (e-tags) on an hourly basis will be accepted on real time, unless necessary to maintain a positive pond balance or to avoid spill, or as otherwise mutually agreed upon.

Note: Grant will NOT be serving as a "host control area" or "host balancing authority" for the auction winner with respect to services other than scheduling of the auction winner's slice. If other BA services are desired by an auction winner and Grant is able to provide such services, they shall be provided under a separate and distinct agreement(s).

Operating Reserves:

If the auction winner elects Grant as the host BA, the auction winner shall be required to provide all required operating reserves (regulation and contingency) from its PRP slice.

For all firm schedules (e-tags marked as Generation Firm, G-F), Grant shall require 1% of the Hourly Estimated Capacity to be set aside for BA regulation reserve and in addition, Grant shall require 5% of the hourly scheduled energy quantity to be set aside from the auction winner's PRP capacity to provide required contingency reserve. The Grant BA shall be responsible for ensuring the required spinning and non-spinning portions of the contingency reserves are maintained as needed from the auction winner's set aside capacity. For interruptible exports from the Grant BA, no reserve requirements from the auction winner's PRP slice shall be required.

If an auction winner elects to have its PRP slice hosted by a BA other than Grant, Grant will require no reserve capacity set asides (i.e. reserve arrangements between auction winner and its host BA will be dealt with in the external hosting arrangements).