This guideline describes a Generator, a Load, or a Transmission Customer’s (all referred to as Customers) obligations to LADWP (the Transmission Provider and the Balancing Authority) that is responsible for Contingency Reserve requirements as stated in the BAL-002-WECC-2 Standard.

Contingency Reserve is made up of Spinning Reserve and Supplemental Reserve.

- **Spinning Reserve** – is needed to serve load immediately in the event of a system contingency.
- **Supplemental Reserve** – is needed to serve load in the event of a system contingency but is not available immediately.

If Contingency Reserves are not covered contractually in other agreements with LADWP then Customers must provide Contingency Reserves via one of the following methods:

- Self-Supply
- Supply from a Third Party
- Purchase from LADWP

The Customer must make prior arrangement and obtain the approval of LADWP to Self-Supply or supply Contingency Reserves via a Third Party. If arrangement is not made and approved, LADWP will be the default provider and bill for the Contingency Reserves accordingly.

If the Customer fails to Self-Supply the Contingency Reserves when needed, LADWP will bill the Customer for the reserves and any penalties or costs associated with not being able to supply the reserves.

If the Customer’s Third Party supplier fails to provide the Contingency Reserves when needed, LADWP will bill the Customer for the Reserves and any penalties or costs associated with not being able to supply the reserves when needed. The Customer is responsible for all costs necessary for the designated Third Party supplier to be able to provide Contingency Reserves to LADWP.

The Contingency Reserves must be available at all times when required by LADWP. It must be fully deliverable within 10 minutes and sustainable for 60 minutes.
LADWP contingency reserves requirement is based on the Most Severe Single Contingency (MSSC) in its balancing authority area (BAA). When a customer’s generation contributes to LADWP’s MSSC, the purchase requirement is 50% Spinning reserves, and 50% Supplemental reserves, based on the customer’s schedule of the generation output of the plant. Layoffs sales from the customer will not reduce the contingency requirements. Any purchases from the same MSSC plant will not increase the contingency reserve requirements, as they will be carried by the owner/seller of that generation as their obligation to LADWP. If the generation inside the LADWP BAA is not a MSSC plant, the purchase requirement is 6.4% Spinning reserves, and 5.3% Supplemental reserves, based on the customer’s share of the generation output of the plant. These requirements are based on customers who have ownership or grandfathered transmission rights.

For a customer who has purchased OASIS transmission to wheel its share of the generation out of the LADWP BAA, similar requirements above apply, but the charges are based on transmission reserved capacities as stated in the OATT. However, if the customer has established dynamic scheduling, and the customer’s contingency reserves (based on entire generation schedule) are contractually responsible by an external BAA, then no Schedules 5 and 6 charges from LADWP will be assessed to the customer.

LADWP’s rates for Contingency Reserves and purchase requirements are posted on the LADWP OASIS website: [http://www.oasis.oati.com/LDWP/LDWPdocs/OATT_Rates.pdf](http://www.oasis.oati.com/LDWP/LDWPdocs/OATT_Rates.pdf)

**Revision**

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