

**Western Area Power Administration  
System Operations Transmission Scheduling Business Practices**

**ANCILLARY SERVICES**

Effective November 17, 2011

1. Ancillary services charges apply to all customers taking service under Western's Open Access Transmission Tariff (OATT) or operating within the Western Area Lower Colorado (WALC) Balancing Authority (BA) except where noted.
2. Scheduling, System Control and Dispatch Service (Scheduling Service) charges are included in the transmission rate for each project in the WALC BA.
3. Reactive Supply and Voltage Control Service from Generation Resources (Voltage Support) will apply to all entities taking transmission service under the OATT with the following exceptions:
  - i. Customer holds agreement(s) which require they supply Voltage Support to the WALC BA when requested.
  - ii. Transmission service is taken directly from customers' generation source within the WALC BA.
4. Regulation and Frequency Response Service (Regulation) will apply to all entities taking transmission service in the WALC BA that have not made arrangements, satisfactory to Western, to either self-supply or purchase this service from a third party. The following exception applies:
  - i. Regulation for non-conforming loads, as defined in the rate schedule, will be charged at a rate determined on a case by case basis and memorialized in a contract.
5. Energy Imbalance Service will apply to all entities with load in the WALC BA. All deviations between scheduled and actual use will be returned in energy except where financial arrangements have been negotiated between the parties. Imbalance penalties are assessed based on a multi-tiered penalty schedule under the rate schedule in effect at the time of the deviation. Under current approved rates, penalties will be calculated beginning with the 1<sup>st</sup> tier penalty, and depending on the magnitude of the imbalance, will move into the succeeding tiers. For example, an entity with a load (or generation) forecast of 100MWh and actual output or delivery of 80MWh has an imbalance of 20MWh or 20%. The penalty of 23MWh (peak hour imbalance) is calculated as follows: 4MWh for 1<sup>st</sup> tier

Business Practice Number: WAPA-DSW-AS-R1

Issue Date: 11/09/2011

Effective Date: 11/17/2011

(+/-1.5%, 4MW min=100% X 4MWh); 6.6MWh for 2<sup>nd</sup> tier (+/-1.5%-7.5%, 4MWh-10MWh minimum=110% X 6MWh); and 12.5MWh for 3<sup>rd</sup> tier (+/- greater than 7.5%, greater than 10MWh minimum=125%X10MWh).

6. Generator Imbalance Service will apply to all entities with generation resources and no metered load in the WALC BA, unless previous contracts have been executed. All deviations between scheduled and actual use will be returned in energy except where financial arrangements have been negotiated between the parties. Generator Imbalance penalties are calculated exactly the same as those listed above for Energy Imbalance service, with one exception; intermittent resource generators are not subject to the penalties in the outer band (3<sup>rd</sup> tier).

Business Practice Number: WAPA-DSW-AS-R1

Issue Date: 11/09/2011

Effective Date: 11/17/2011