



## DEPARTMENT OF ENERGY

### Western Area Power Administration

### Central Valley Project - Rate Order No. WAPA-194

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of rate order concerning Energy Imbalance Market Services, Sale of Surplus Products, and revisions to existing Energy Imbalance and Generator Imbalance rate schedules.

**SUMMARY:** This Rate Order confirms, approves, and places into effect Provisional Formula Rates for the Central Valley Project's (CVP) Energy Imbalance Market (EIM) Services, Sale of Surplus Products (SSP), and revisions to the existing Energy Imbalance (EI) and Generator Imbalance (GI) formula rates (collectively, Provisional Formula Rates). The Provisional Formula Rates are associated with three events: participation in the California Independent System Operator's (CAISO) EIM; alignment of CVP's SSP with other Western Area Power Administration (WAPA) regions; and revision of existing EI and GI rate schedules.

**DATES:** The Provisional Formula Rates under rate schedules CV-EIM1S, CV-EIM4S, CV-EIM9S, and CV-SSP2<sup>1</sup> are effective on March 25, 2021, and will remain in effect through December 31, 2024, pending confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis or until superseded. The Provisional Formula Rates under rate schedules CV-EID5 and CV-GID2 are effective on the first day of the first full billing period after March 25, 2021, and will remain in effect through

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<sup>1</sup> The Balancing Authority of Northern California accelerated the implementation date for Frequency Response Reserve, which is included under the Rate Schedule for SPP. To accommodate the schedule, WAPA implemented a short-term rate for SPP as CV-SSP1. This necessitated a change in numbering from proposed Rate Schedule CV-SSP1 to final Rate Schedule CV-SSP2.

December 31, 2024, pending confirmation and approval by FERC on a final basis or until superseded.

**FOR FURTHER INFORMATION CONTACT:** Ms. Sonja Anderson, Regional Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, CA 95630, or email: [SNR-RateCase@wapa.gov](mailto:SNR-RateCase@wapa.gov), or Ms. Autumn Wolfe, Rates Manager, Sierra Nevada Region, Western Area Power Administration, (916) 353-4686 or email: [SNR-RateCase@wapa.gov](mailto:SNR-RateCase@wapa.gov).

**SUPPLEMENTARY INFORMATION:** On September 12, 2019, as part of Rate Order WAPA-185, FERC confirmed and approved WAPA's formula rates for EI and GI Services and Rate Schedules CV-EID4 and CV-GID1 through September 30, 2024.<sup>2</sup> On July 31, 2020, WAPA published a notice in the *Federal Register* (FRN) (85 FR 46083) that proposed: (1) new formula rates for participation in EIM (CV-EIM1S, CV-EIM4S, and CV-EIM9S); (2) formula rate schedule SSP (CV-SSP2) that is consistent with other WAPA regions; and (3) revised EI (CV-EID5) and GI (CV-GID2) formula rate schedules. These rates are formula-based methodologies that include an annual update to the data in the rate formulas. The FRN initiated a public consultation and comment period and set forth the date and location of the public information and public comment forums.

WAPA made the decision to enter EIM on August 27, 2019, in the document posted on the website: <https://www.wapa.gov/regions/SN/PowerMarketing/Documents/sn-eim-recommendation-memo.pdf>. The participation in CAISO's EIM provides market liquidity to make EI purchases to maintain just and reasonable pricing, reduces WAPA's financial risk if there are few or no resources to purchase, mitigates the negative impacts of changing generation mix, and addresses WAPA's EI requirements with greater

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<sup>2</sup> Order Confirming and Approving Rate Schedule on a Final Basis, FERC Docket No. EF19-4-000, 168 FERC ¶ 62,150 (2019).

available resources. WAPA has a duty to recover its costs within certain statutory periods for fiscal year annual expenses and for capital repayment of projects based on DOE Orders and statutory obligations. WAPA will recover EIM costs through the CVP Power Revenue Requirement (PRR), including startup costs and EIM load costs for those customers with loads too small to identify. Any potential EIM benefits will also pass through to the PRR.

### **Legal Authority**

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the WAPA Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve on a final basis, remand, or disapprove such rates to FERC. By Delegation Order No. 00-002.00S, effective January 15, 2020, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary of Energy. By Redelegation Order No. 00-002.10E, effective February 14, 2020, the Under Secretary of Energy further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. By Redelegation Order No. 00-002.10-05, effective July 8, 2020, the Assistant Secretary for Electricity further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This rate action is issued under Redelegation Order No. 00-002.10-05 and Department of Energy procedures for public participation in rate adjustments codified at 10 CFR part 903.<sup>3</sup>

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<sup>3</sup> 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

Following DOE's review of WAPA's proposal, I hereby confirm, approve, and place Rate Order No. WAPA-194, which provides the formula rates for the CVP's EIM Services, SSP, and revisions to the existing EI and GI service, into effect on an interim basis. WAPA will submit Rate Order No. WAPA-194 to FERC for confirmation and approval on a final basis.

**DEPARTMENT OF ENERGY  
ADMINISTRATOR, WESTERN AREA POWER ADMINISTRATION**

In the Matter of: )  
 )  
Western Area Power Administration )  
Formula Rates for the ) Rate Order No. WAPA-194  
Central Valley Project )  
Energy Imbalance Market Services, Sale of Surplus )  
Products, Revisions to Existing Energy Imbalance )  
and Generator Imbalance Formula Rates )

ORDER CONFIRMING, APPROVING, AND PLACING THE ENERGY  
IMBALANCE MARKET SERVICES, SALE OF SURPLUS PRODUCTS, AND  
REVISIONS TO EXISTING ENERGY IMBALANCE AND GENERATOR  
IMBALANCE FORMULA RATES FOR THE CENTRAL VALLEY PROJECT INTO  
EFFECT ON AN INTERIM BASIS

The Provisional Formula Rates in Rate Order No. WAPA-194 are established following section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152).<sup>4</sup>

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Western Area Power Administration’s (WAPA) Administrator; (2) the authority to confirm, approve, and place into effect such rates on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates to the Federal Energy Regulatory Commission (FERC). By Delegation Order No. 00-002.00S, effective January 15, 2020, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary of Energy. By Redelelegation Order No. 00-002.10E, effective February 14, 2020, the Under Secretary of Energy

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<sup>4</sup> This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (ch.1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); and other acts that specifically apply to the Central Valley Project.

further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. By Redelegation Order No. 00-002.10-05, effective July 8, 2020, the Assistant Secretary for Electricity further delegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This rate action is issued under Redelegation Order No. 00-002.10-05 and Department of Energy procedures for public participation in rate adjustments set forth at 10 CFR part 903.<sup>5</sup>

### **Acronyms, Terms, and Definitions**

As used in this Rate Order, the following acronyms, terms, and definitions apply.

<u>BA</u> :	As defined in WAPA's OATT, is Balancing Authority and is the responsible entity that integrates resource plans ahead of time, maintains load Interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.
<u>BAA</u> :	As defined in WAPA's OATT, is Balancing Authority Area; the term Balancing Authority Area shall have the same meaning as "Control Area."
<u>BANC</u> :	As defined in WAPA's OATT, is Balancing Authority of Northern California (BANC). A joint powers authority that provides BA and other services to its members and other entities within the BAA. Members/entities of BANC may in turn provide transmission service to customers.
<u>Base Resource</u> :	As defined in Central Valley Project's 2025 Marketing Plan, Base Resource is the Central Valley and Washoe Project power (capacity and energy) output determined by WAPA to be available for marketing, including the environmental attributes, after meeting the requirements of project use and first preference customers, and any adjustments for maintenance, reserves, system losses, and certain ancillary services.

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<sup>5</sup> 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

Transmission Customer  
Base Schedule:

As defined in WAPA’s OATT, Attachment S, means Transmission Customers Base Schedule and is an energy schedule that provides Transmission Customer hourly-level forecast data and other information used as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term “Transmission Customer Base Schedule” as used in this Tariff is synonymous with the term “EIM Participant Base Schedule” used in the EIM Entity’s business practices, and may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to the EIM Entity’s business practices) or any individual components of such schedule. This term is synonymous to “Base Schedule.”

CAISO:

As defined in WAPA’s OATT, is the California Independent System Operator Corporation. A state-chartered, California, non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.

Capacity:

As defined in Central Valley Project’s 2025 Marketing Plan, is the electric capability of a generator, transformer, transmission circuit, or other equipment.

Conforming Load:

The term is not officially defined by CAISO at this time and will be addressed in the future. The following description reasonably aligns with the CAISO’s use of the term in defining load forecasting requirements under EIM: is the load that changes in a reasonably predictable, uniform manner that is environmentally driven. A conforming load has a load profile that is similar to the aggregated load profile. Due to conventional weather- and temperature-based patterns, conforming loads can be forecast with a high level of accuracy using historical and meteorological data.

CVP:

As defined in Central Valley Project’s 2025

Marketing Plan, is Central Valley Project. The multipurpose Federal water development project extending from the Cascade Range in northern California to the plains along the Kern River south of the city of Bakersfield, California.

DOE:

United States Department of Energy.

DOE Order RA 6120.2:

Department of Energy Order outlining power marketing administration financial reporting and rate-making procedures.

EI Service:

Energy Imbalance Service is an ancillary service that provides for the difference between the scheduled and the actual delivery of energy to a load within the Transmission Provider's Sub-BAA.

EIM:

As defined in CAISO's Business Practice Manual, means Energy Imbalance Market and is the rules and procedures in Section 29 of the CAISO Tariff governing the CAISO's operation of the Real-Time Market in BAAs outside of the CAISO BAA and the participation of EIM Market Participants in the Real-Time Market.

EIM Administrative Charge:

As defined in CAISO's Business Practice Manual, is the fee imposed on transaction in the energy imbalance market as described in section 29.11(i)(1) of the CASIO Tariff.

EIM Entity:

As defined in WAPA's OATT, Attachment S, is a BAA that enters into the MO's EIM Entity Agreement to enable the EIM to occur in its BAA. BANC is the EIM Entity for the BANC EIM Entity BAA. For the purposes of this Attachment S, the EIM Entity is the BANC EIM Entity or the entity selected by the BANC EIM Entity who is certified by the MO. WAPA SN participates in the CAISO Western EIM under the BANC EIM Entity.

EIM Participating Resource:

As defined in WAPA's OATT, Attachment S, is a resource or a portion of a resource: (1) that meets the Transmission Provider's eligibility requirements; (2) has been certified by the BANC EIM Entity for participation in the EIM; and (3) for which the generation owner and/or operator enters

into the MO's EIM Participating Resource Agreement and any agreements as may be required by BANC and/or the BANC EIM Entity.

EIM Non-Participating Resource: As defined on CAISO's website <https://www.westerneim.com/Documents/EIMTrack5-MeteringFAQ.pdf>, EIM Resource that does not participate in the Real-Time Market but is required to be identified in the EIM BAA for settling charges and payments related to nonparticipating load and nonparticipating resources.

Energy: As defined in Central Valley Project's 2025 Marketing Plan, is measured in terms of the work it is capable of doing over a period of time; electric energy is usually measured in kilowatt-hours or megawatt-hours.

FERC: Federal Energy Regulatory Commission.

Firm Point-To-Point  
Transmission Service:

As defined in WAPA's OATT, is transmission service reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of the Tariff.

First Preference Customers/Entity: As defined in Central Valley Project's 2025 Marketing Plan, is a preference customer and/or a preference entity (an entity qualified to use, but not using, preference power) within a country or origin (Trinity, Calaveras, and Tuolumne) as specified under the Trinity River Division Act (69 Sta. 719) and the New Melones Project provisions of the Flood Control Act of 1962 (76 Stat. 1173, 1191-1192).

Frequency Response Reserve (FRR)  
or (FR):

As defined in SMUD's Operating Reserves OP-114, "NERC/WECC does not have an official definition for Frequency Response Reserve (FRR) yet. BANC is defining the FRR as an amount of reserve in MW that is synchronized to the system and can automatically respond to system frequency deviation. BANC in coordination with WAPA and SMUD procures and monitors sufficient FRR in both Day-Ahead scheduling process and Real-Time operations to ensure that BANC meet NERC

Reliability Standard BAL-003-1.1 R1.”

FY: Fiscal year; October 1 to September 30.

Generating Unit: As defined in CAISO Tariff, is an individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered or a Physical Scheduling Plant that, in either case, is: located within the CAISO BAA (which includes a Pseudo-Tie of a generating unit to the CAISO BAA) or, for purposes of scheduling and operating the Real-Time Market only, an EIM Entity BAA; connected to the CAISO Controlled Grid, either directly or via interconnected transmission, or distribution facilities or via a Pseudo-Tie; and capable of producing and delivering net Energy (Energy in excess of a generating station’s internal power requirements).

GI Service: Generator Imbalance Service is an ancillary service that provides for the difference between the output of a generator and the delivery schedule from that generator to: (1) another BAA, (2) the BANC BAA, or (3) a load within the Transmission Provider’s Sub-BAA. GI Service during EIM participation is that associated with a generator that is not an EIM Participating Resource located in the Transmission Provider’s Sub-BAA.

kW: As defined in WAPA’s 2025 Marketing Plan, is kilowatt. A unit measuring the rate of production of electricity; one kilowatt equals one thousand watts.

LAP: Load Aggregation Point is a set of Pricing Nodes as specified in Section 27.2 of the CAISO Tariff that are used for the submission of Bids and Settlement of Demand.

Load Ratio Share: As defined in WAPA’s OATT, is the ratio of a Transmission Customer’s Network Load to the Transmission Provider’s total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.

Long-Term Firm Point-To-Point  
Transmission Service:

As defined in WAPA's OATT, is Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

MO:

As defined in WAPA's OATT, Attachment S, is Market Operator. The entity responsible for operation, administration, settlement, and oversight of the EIM. The CAISO is the current MO of the EIM.

MO Tariff:

As defined in WAPA's OATT, Attachment S, is those portions of the MO's approved tariff, as such tariff may be modified from time to time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.

MW:

As defined in Central Valley Project's 2025 Marketing Plan, is a unit measuring the rate of production of electricity; one megawatt equals one million watts.

NERC:

The North American Electric Reliability Corporation.

New Rate:

As defined in WAPA's OATT, means the modification of a Rate for transmission or ancillary services provided by the Transmission Provider which has been promulgated pursuant to the rate development process outlined in Power and Transmission Rates, 10 CFR part 903 (2006).

NITS:

Network Integration Transmission Service, as defined in WAPA's OATT, is the transmission service provided under Part III of the Tariff.

Non-conforming Load:

The term is not officially defined by CAISO at this time and will be addressed in the future. The following description reasonably aligns with the CAISO's use of the term in defining load forecasting requirements under EIM: is the load with unpredictable load pattern, e.g., pumps, industrial plants, etc., that makes it difficult for the CAISO model to accurately forecast. CAISO's load forecasting model uses historical actual conforming load data and meteorological data determined

necessary to accurately forecast the conforming load. When non-conforming load causes more than 5% deviation (hourly) from the total actual load, they should be modeled separately from the load that CAISO will forecast for the EIM Entity (the conforming load). This requirement is part of the EIM Readiness Criteria in accordance with CAISO Tariff section 29.2(b)(7)(A)(iv).

Non-Firm Point-To-Point  
Transmission Service:

As defined in the Tariff, is Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of the Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month. The Transmission provider may offer Non-Firm Point-To-Point Transmission Service for periods longer than one month. If offered, the terms and conditions will be consistent with Part II of the Tariff and will be posted on the Transmission Provider's OASIS.

OASIS:

As defined in WAPA's OATT, is Open Access Same-Time Information System. The information system and standards of conduct contained in Part 37 of FERC's regulations and all additional requirements implemented by subsequent FERC orders dealing with OASIS.

OATT:

The Open Access Transmission Tariff or 'OATT', including all schedules or attachments thereto, of the Transmission Provided as amended from time to time, and approved by the Commission.

OM&R:

Operation, Maintenance, and Replacements expense refers to the annual expense incurred for attending/servicing/replacement of power and transmission lines and facilities.

Preference:

As defined in Central Valley Project's 2025 Marketing Plan, is the requirements of Reclamation Law that provide for preference in the sale of Federal power be given to certain entities, such as governments (state, Federal and Native American), municipalities and other public corporations or

agencies, and cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 (*See, e.g.*, Reclamation Project Act of 1939, Section 9(c), 43 U.S.C. 485h(c)).

Point-To-Point Transmission Service:

As defined in WAPA's OATT, is the reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

Project Use:

As defined in Central Valley Project's 2025 Marketing Plan, is power as defined by Reclamation Law and/or used to operate CVP and Washoe Project facilities.

Power:

As defined in Central Valley Project's 2025 Marketing Plan, is capacity and energy.

Provisional Formula Rates:

The formula rates confirmed, approved, and placed into effect on an interim basis by the Deputy Secretary of Energy or his designee.

PRR:

Power Revenue Requirement is revenue required by the PRS to recover annual expenses (such as operation and maintenance, purchase power, transmission service expenses, interest, and deferred expenses) and repay Federal investments and other assigned costs.

PRS:

Power Repayment Study, as defined in DOE Order RA 6120.2 and used for the rate adjustment period, is a tool used to determine if the projected power revenue for each project is adequate to meet the annual revenue requirement. The PRS is used to calculate how much revenue is needed to meet annual investment obligations, O&M expenses, and repayment requirements (including repayment periods).

Rate:

As defined in WAPA's OATT, means the monetary charge or the formula for computing such a charge for any electric service provided a Transmission Provider as defined in 10 CFR part 903.

Rate Adjustment: As defined in WAPA's OATT, means a change in an existing rate or rates, or the establishment of a rate or rates for a new service. It does not include a change in rate schedule provisions or in contract terms, other than changes in the price per unit of service, nor does it include changes in the monetary charge pursuant to a formula stated in a rate schedule or a contract as defined in 10 CFR part 903.

Rate Formula Adjustment: As defined in WAPA's OATT, means a change in an existing rate formula, or the establishment of a rate formula for a new service. It does not include updates to the monetary charge pursuant to a formula stated in a rate schedule or a contract.

Rate Brochure: A document prepared for public distribution explaining the rationale and background for the information contained in this rate order.

Reclamation: United States Department of the Interior; Bureau of Reclamation, and formerly the United States Reclamation Service.

Reclamation Law: As defined in WAPA's 2025 Marketing Plan, refers to a series of Federal laws with a lineage dating back to the late 1800s. Viewed as a whole, those laws create the framework under which WAPA markets CVP power.

Regulation: As defined in CAISO's Tariff, is the service provided either by resources certified by the CAISO as equipped and capable of responding to the CAISO's direct digital control signals, or by System Resources that have been certified by the CAISO as capable of delivering such service to the CAISO BAA, in an upward and downward direction to match, on a Real-Time basis, Demand and resources, consistent with established NERC and WECC reliability standards and any requirements of the Nuclear Regulatory Commission, or its successor. Regulation is used to control the operating level of a resource within a prescribed area in response to a change in system frequency, tie line loading, or the relation of these to each other so as to maintain the target system frequency and/or the established Interchange with other BAAs within

the predetermined Regulation Limits. Regulation includes both an increase in Energy production by a resource or decrease in Energy consumption by a resource (Regulation Up) and a decrease in Energy production by a resource or increase in Energy consumption by a resource (Regulation Down). Regulation Up and Regulation Down are distinct capacity products, with separately stated requirements and Ancillary Service Marginal Pricings in each Settlement Period.

Resource Sufficiency:

CAISO defines and proposes resource sufficiency evaluation require all BAAs offer sufficient resources to meet their bid-in demand, reliability capacity to meet forecasted net load, provide ramp capability to meet their 24-hour net demand variation, and their forecasted ancillary service and imbalance reserve requirements (adjusted for diversity benefit).

Short-Term Firm Point-To-Point  
Transmission Service:

As defined in WAPA's OATT, is Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

Sub-BAA:

As defined in WAPA's OATT, is Sub-Balancing Authority Area. An electric power system operating within a host BAA that is bounded by meters and is responsible for BAA-like performance of generation, load, and transmission. WAPA-SN is a Sub-BAA within the BANC BAA.

Tariff:

As defined in WAPA's OATT, is the Open Access Transmission Tariff or 'OATT', including all schedules or attachments thereto, of the Transmission Provided as amended from time to time, and approved by the Commission.

TO:

As defined in WAPA's OATT, means Transmission Owner and is the entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Transmission Customer:

As defined in WAPA's OATT, is any Eligible

Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider provide transmission service without a Service Agreement, pursuant to section 15.3 of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

Transmission Provider:

As defined in WAPA's OATT, is the Regional Office of the WAPA that owns, controls, or operates the facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

Transmission System:

As defined in WAPA's OATT, is the facilities owned, controlled, or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

UIE:

As defined in WAPA's OATT, Attachment S, is Uninstructed Imbalance Energy. Settlement charges incurred by the Transmission Provider on behalf of Transmission Customers due to uninstructed deviations of supply or demand.

WAPA:

United States Department of Energy, Western Area Power Administration.

WAPA-SN:

United States Department of Energy, Western Area Power Administration, Sierra Nevada Region.

WECC:

The Western Electricity Coordinating Council.

Webex:

The Webex is an online secure by invite only meeting platform used by WAPA. The general Website is <https://doe.webex.com>.

Website:

WAPA's public online source for resources at <https://www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2021-WAPA-194.aspx>.

**Effective Date**

The Provisional Formula Rates, under Rate Schedules CV-EIM1S, CV-EIM4S, CV-EIM9S, and CV-SSP2, are effective on March 25, 2021, and will remain in effect through

December 31, 2024, pending confirmation and approval by FERC on a final basis or until superseded. The Provisional Formula Rates, under Rate Schedules CV-EID5 and CV-GID2, are effective on the first day of the first full billing period after March 25, 2021, and will remain in effect through December 31, 2024, pending confirmation and approval by FERC on a final basis or until superseded.

### **Public Notice and Comment**

WAPA followed the Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR part 903, in developing these formula rates. WAPA took steps to involve interested parties in the rate process:

1. On July 31, 2020, a *Federal Register* notice (85 FR 46083) (Proposal FRN) announced the proposed formula rates and launched a 90-day public consultation and comment period.
2. On July 31, 2020, WAPA notified Preference Customers and interested parties of the proposed rates and provided a copy of the Proposal FRN.
3. On August 17, 2020, WAPA held a public information forum via Webex. WAPA's representatives explained the proposed Formula Rates, answered questions, and gave notice that more information was available in the customer rate brochure.
4. On August 17, 2020, WAPA held a public comment forum via Webex to provide an opportunity for customers and other interested parties to comment for the record.
5. WAPA provided a website that contains all dates, customer letters, presentations, FRNs, customer Rate Brochure, and other information about this rate process. The website is located at <https://www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2021-WAPA-194.aspx>.
6. During the 90-day consultation and comment period, which ended on October 29, 2020, WAPA received twelve oral comments and one written comment. The comments and WAPA's responses are addressed below. All comments have been

considered in the preparation of this Rate Order.

**Oral comments were received from the following organizations:**

Balancing Authority of Northern California (BANC), California

University of California (UC) Davis, California

Northern California Power Agency (NCPA), California

Modesto Irrigation District (MID), California

Turlock Irrigation District (TID), California

City of Redding (REU), California

**Written comments were received from the following organization:**

Northern California Power Agency (NCPA), California

**Supplementary Information**

WAPA will participate in EIM, as a Transmission Provider, within BANC's BAA. To recover all imbalance costs, WAPA will need rates for: (1) EIM Administrative Service (CV-EIM1S), (2) EIM EI Service (CV-EIM4S), and (3) EIM GI Service (CV-EIM9S). The new EIM Administrative Services Provisional Formula Rate (CV-EIM1S) will allow WAPA to pass through certain administrative costs incurred by WAPA resulting from its participation in EIM as a Transmission Provider. The Provisional Formula Rates and cost allocation for Administrative, EI and GI Services will be in effect when WAPA is participating in EIM, and to the extent WAPA incurs associated settlements during market suspension or contingency.

In addition to implementing new rates, WAPA revised the existing rates for EI Services (CV-EID4) and GI Services (CV-GID1). Since CAISO's EIM economically dispatches energy under CAISO's Tariff to meet the imbalances for loads and resources over multiple BAAs as a centralized, automated, and region-wide dispatch for imbalances, WAPA revised its settlement of EI and GI Services to settle financially

rather than with energy. The revised EI Services (CV-EID5) and GI Services (CV-GID2) rate schedules apply when EIM has been suspended.

The Provisional Formula Rate for the Sale of Surplus Products (CV-SSP2) is a new rate. This rate makes WAPA-SN's practices consistent with other WAPA regions. CV-SSP2 is further discussed in the section on Sale of Surplus Products.

The Provisional Formula Rates along with the existing effective formula rates provide WAPA with sufficient revenue to recover annual OM&R expenses, interest expense, aid to irrigation, and capital repayment requirements while ensuring repayment of the project within the cost recovery criteria set forth in DOE Order RA 6120.2.

The Provisional Formula Rates under rate schedules CV-EIM1S, CV-EIM4S, CV-EIM9S, and CV-SSP2, will go into effect on March 25, 2021, through December 31, 2024, or until WAPA changes the formula rates through another public rate process pursuant to 10 CFR part 903, whichever occurs first. The Provisional Formula Rates under rate schedules CV-EID5 and CV-GID2 will go into effect on the first day of the first full billing period after March 25, 2021, through December 31, 2024, or until WAPA changes the formula rates through another public rate process pursuant to 10 CFR part 903, whichever occurs first.

### **EIM Administrative Service Charge, CV-EIM1S**

WAPA's new rate schedule, CV-EIM1S, is applicable under Attachment S, Addendum 1, of WAPA's Tariff. CV-EIM1S will apply when WAPA, as Transmission Provider, is participating in EIM and when EIM has not been suspended. EIM Administrative Service and the associated rate will apply in addition to the services provided under Schedule 1 of WAPA's Tariff, which are incorporated in existing WAPA transmission service rates. To the extent WAPA incurs EIM Administrative Service related charges during periods of market suspension or contingency, as described in Attachment S, Section 11, of WAPA's Tariff, Schedule 1S and rate schedule CV-EIM1S

will both apply to ensure that WAPA, as Transmission Provider, remains revenue-neutral for its participation in EIM.

EIM Administrative Service recovers the administrative costs for participating in EIM by WAPA as a Transmission Provider, including, but not limited to, such administrative charges as may be incurred by WAPA from the MO and those MO charges passed through by the EIM Entity.

Unless such charges are allocated to the Transmission Customer directly by the EIM Entity, all Transmission Customers purchasing Long-Term Firm Point-To-Point Transmission Service, Short-Term Firm Point-To-Point Transmission Service, Non-Firm Point-To-Point Transmission Service, or NITS from WAPA will be required to acquire EIM Administrative Service from WAPA.

The MO's Administrative Service charge, as defined in the MO's Tariff, will be included in CV-EIM1S. This rate also includes administrative charges assessed to WAPA by the EIM Entity based on net energy load within the WAPA Sub-BAA. The new formula rate for EIM Administrative Service Charge will be sub-allocated to WAPA's Transmission Customers based on load ratio share for the time-period in which WAPA incurs EIM administrative costs.

WAPA's costs for EIM start up, including software, hardware, and other features, to implement EIM, will not be included as administrative costs under this schedule. WAPA will allocate startup costs for EIM according to the cost allocation methodologies and procedures discussed under the Energy Imbalance Market Cost Allocation heading, below.

#### **EIM Energy Imbalance Service, CV-EIM4S**

WAPA's new rate schedule, CV-EIM4S for Energy Imbalance Service, is applicable under Schedule 4S of the Tariff. CV-EIM4S will apply when WAPA, as Transmission Provider, is participating in EIM and when EIM has not been suspended. In accordance

with Attachment S, Section 11, of WAPA's Tariff, Schedule 4 of the Tariff will apply when WAPA is not participating in EIM or when EIM has been suspended. To the extent WAPA incurs EIM EI Service related charges from the EIM Entity during periods of market suspension or contingency, as described in Attachment S, Section 11, of WAPA's Tariff, Schedule 4S and rate schedule CV-EIM4S will both apply to ensure that WAPA, as Transmission Provider, remains revenue-neutral for its participation in EIM.

EIM EI Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the WAPA Sub-BAA. WAPA offers this service when transmission service is used to serve load within the WAPA Sub-BAA.

Unless subsequently imposed by the MO as part of the MO Tariff and promulgated by WAPA through rate proceedings, there will be no incremental transmission charge assessed for transmission use related to EIM EI Service. Transmission Customers must have transmission service rights, as set forth in Attachment S of the Tariff.

The formula rate for EIM EI Service, CV-EIM4S, is the deviation of the Transmission Customer's metered load compared to the load component of the Transmission Customer Base Schedule settled as UIE for the period of the deviation at the applicable LAP price where the load is located.

Unless such charges are allocated to the Transmission Customer directly by the EIM Entity, a Transmission Customer will be responsible for any pass-through charges/credits associated with applicable EIM EI Service charges allocated to WAPA, as Transmission Provider, for its participation in the EIM, in accordance with this rate schedule. WAPA will sub-allocate load charges based on a Transmission Customer's load ratio share.

#### **EIM Generator Imbalance Service, CV-EIM9S**

EIM GI Service is provided when a difference occurs between the output of a generator that is not an EIM Participating Resource located in the WAPA Sub-BAA, as reflected in the resource component of the Transmission Customer Base Schedule, and

the delivery schedule from that generator to: (1) another BAA, (2) the BANC BAA, or (3) a load within the WAPA Sub-BAA. The EIM Entity does not allow EIM Non-Participating Resources.

WAPA's new rate schedule, CV-EIM9S, is applicable under Schedule 9S of the Tariff. CV-EIM9S will apply when WAPA, as Transmission Provider, is participating in EIM and when EIM has not been suspended. In accordance with Attachment S, Section 11, of WAPA's Tariff, Schedule 9 and CV-EIM9S will both apply when WAPA is not participating in the EIM and when the EIM has been suspended. To the extent WAPA incurs EIM GI Service-related charges from the EIM Entity during periods of market suspension or contingency, as described in Attachment S, Section 11, of WAPA's Tariff, Schedule 9S and CV-EIM9S will both apply to ensure that WAPA, as Transmission Provider, remains revenue-neutral for its participation in EIM.

Unless subsequently imposed by the MO as part of the MO Tariff and promulgated by WAPA through rate proceedings, there will be no incremental transmission charge assessed for transmission use related to EIM GI Service. Transmission Customers must have transmission service rights, as set forth in Attachment S of the Tariff.

EIM GI Services does not have a direct rate component for EIM GI Services for EIM Non-Participating Resources. WAPA expects all EIM Participating Resources to directly settle with CAISO. However, if charges are allocated to the Transmission Provider by the EIM Entity, a Transmission Customer will be responsible for any pass-through charges/credits associated with applicable EIM GI Service charges allocated to WAPA, as Transmission Provider, for its participation in EIM, in accordance with CV-EIM9S. Such charges will be included due to operational adjustments of any affected interchange. WAPA will directly assign charges and/or sub-allocate charges based on the Transmission Customer's load ratio share. In the event the EIM Entity modifies its procedures to allow EIM Non-Participating Resources, WAPA will update CV-EIM9S.

### **Energy Imbalance Service, CV-EID5**

WAPA revised its existing rate schedule for EI Services, CV-EID4, to settle charges financially rather than with energy. Component one to the EI schedule states: “EI Service is applied to deviations as follows unless otherwise dictated by contract or policy: (1) deviations within the bandwidth will be tracked and settled financially at the greater of the California Independent System Operator market price or WAPA’s actual cost.” The revised EI Services rate schedule, CV-EID5, will remain in effect when EIM has been suspended.

### **Generator Imbalance Service, CV-GID2**

WAPA revised its existing rate schedule for GI Services, CV-GID1, to settle charges financially rather than with energy. Component one to the GI schedule states: “GI is applied to deviations as follows unless otherwise dictated by contract or policy: (1) deviations within the bandwidth will be tracked and settled financially at the greater of the California Independent System Operator market price or WAPA’s actual cost.” The GI schedule further adds to component one: “to the extent that an entity incorporates intermittent resources, deviations will be charged as follows unless otherwise dictated by contract or policy: (1) deviations within the bandwidth will be tracked and settled financially at the greater of the California Independent System Operator market price or WAPA-SN’s actual cost.” The revised GI Services rate schedule, CV-GID2, will apply when EIM has been suspended.

### **Sale of Surplus Products (SSP), CV-SSP2**

WAPA’s new rate schedule, CV-SSP2, is applicable for the sale of surplus energy and/or capacity products. This includes: (1) Energy, (2) Frequency Response, (3) Regulation, (4) Reserves, and (5) Resource Sufficiency. If any surplus products are available, WAPA may make the product(s) available for sale, provided entities enter into separate agreement(s), which will specify the terms of sale(s).

WAPA will determine the charge for each product at the time of sale to be the greater of WAPA's cost or market rates including transmission charges, as appropriate. WAPA may use a separate agreement(s) to specify the terms of sale(s). The customer will be responsible for acquiring additional transmission service necessary to deliver the product(s), for which a separate charge may be incurred from the transmission provider(s).

SSP includes two new products for sale: FRR and Resource Sufficiency. FRR is a new product requirement based on Reliability Standard BAL-003-1.1, as approved by NERC. FRR is used to serve load immediately in the event of a system contingency. Generating units that are on-line and generating at less than maximum output provides these reserves. FRR supplies capacity that is available immediately to serve load and is synchronized with the power system. BANC implemented this requirement in January 2021, and WAPA therefore will include this FRR service under rate schedule CV-SSP2.<sup>6</sup>

Resource Sufficiency product supplies capacity to aid with EIM balancing resources to load forecast, and flexible ramping for aid with EIM 15-minute ramp up or down. WAPA bids energy into the EIM market for immediate dispatch. Resource Sufficiency is not a spin or regulation product. It is a new product available to BANC EIM members as a balancing or flexible ramping product. WAPA's Merchant handles the sale and bidding of the products in EIM, which may result in adjustments to the EIM Transmission Customer Base Schedule market submission or bid ranges.

### **Energy Imbalance Market Cost Allocation**

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<sup>6</sup> As discussed in footnote 1, BANC accelerated the implementation of FRR, which was originally scheduled to take effect in April 2021. WAPA proposed to include FRR service under the proposed rate for SSP, as discussed in the July 31, 2020, *Federal Register* notice. To accommodate BANC's accelerated schedule, WAPA implemented a rate for the short term sale of SSP (which included FRR) CV-SSP-1, with an effective date of January 7, 2021. CV-SSP-2 will supersede CV-SSP-1.

WAPA's EIM cost allocation methodology for EIM implementation costs and net EIM ongoing charges and/or benefits will be allocated to the CVP PRR, with an exception for Non-Conforming Loads which will be directly charged to the customer. BANC's, WAPA's, and Reclamation's EIM implementation costs will be recovered over a period not to exceed three years. WAPA has identified four separate categories to allocate ongoing charges and/or benefits: (1) Conforming Loads; (2) Non-Conforming Loads; (3) small loads; and (4) statutory loads.

A Conforming Load is a type of load generally associated with a weather-based element, which is somewhat predictable based on given conditions. For Conforming Loads, WAPA will allocate the net EIM ongoing cost and/or net benefits to the CVP PRR.

A Non-Conforming Load changes abnormally – such as a factory that consumes high demand intermittently. For Non-Conforming Loads, WAPA will allocate the net EIM ongoing charges and/or benefits directly to the customer(s) with the Non-Conforming Load(s), in accordance with WAPA's applicable draft business practice, BP-44 "Energy Imbalance Market Settlements," posted on its OASIS, or at [http://www.oasis.oati.com/woa/docs/WASN/WASNdocs/Energy\\_Imbalance\\_Market\\_Settlements\\_Clean\\_v1.1.pdf](http://www.oasis.oati.com/woa/docs/WASN/WASNdocs/Energy_Imbalance_Market_Settlements_Clean_v1.1.pdf).

EIM implementation costs and net ongoing costs will be allocated to the CVP PRR for customers with small loads less than one MW. WAPA will assign load charges and benefits for those customers with statutory obligations, such as project use, to the CVP PRR. Customers with small loads or with statutory obligations will not directly pay nor benefit from EIM charges.

## **Comments**

WAPA received twelve oral comments and one written comment during the public consultation and comment period. The comments expressed have been paraphrased,

where appropriate, without compromising the meaning of the comments.

A. Comment: Commenter from BANC provided clarification regarding WAPA's share of BANC's annual ongoing costs for EIM. The commenter explained the annual cost presented, approximately \$376,597 per year, is a little low as it is based on 9 calendar months, not a whole year. WAPA's share of BANC's annual ongoing costs for a full year will be approximately \$417,000 per year.

Response: WAPA agreed to update the estimated cost information to reflect ongoing costs of approximately \$417,000 per year.

B. Comment: Commenter asked whether there are savings associated with implementation of EIM and, if so, where WAPA will account for the savings in the PRR.

Response: EIM costs and benefits will be allocated to the PRR. WAPA anticipates the annual benefits to exceed the annual costs beginning in FY 2022, after the BANC EIM implementation costs are fully expensed.

C. Comment: Commenter asked whether WAPA or Reclamation plan to hire additional staff to support the implementation of EIM, or if the implementation costs are just a shift from other activities. Commenter asked whether the current staff will be charged to EIM.

Response: No additional staff will be needed. EIM activities will be absorbed as part of WAPA's current labor staff. WAPA has separate labor codes for EIM. WAPA employees will record their time to the EIM specific labor codes. WAPA will be providing EIM cost/benefit information at future customer meetings.

D. Comment: Commenter requested clarification regarding EIM implementation and ongoing costs not being charged to the PRR until after the rate proceedings. Commenter asked whether customers would begin paying in October 2020.

Response: The costs will be included in the FY 2021 PRR, which is for the period October 2020 through September 2021. The costs are included in the PRR at the beginning of FY 2021 to allow a full 12 months to recover the implementation costs.

WAPA recovers such costs under its current rates. If there are revisions made to the proposed allocation of EIM implementation costs, WAPA will provide an adjustment to the PRR as needed to reflect the revisions. The estimated EIM costs are included in the 10-year PRR forecast posted to WAPA's website.

E. Comment: Commenter asked how often WAPA will monitor the costs and benefits of participation in EIM. Commenter asked whether, if the costs are greater than the benefits, WAPA will stop participating in EIM.

Response: WAPA expects the annual financial benefits of EIM to exceed annual costs, but EIM also brings intangible benefits. WAPA will closely monitor the costs and benefits and will share information at future customer meetings.

F. Comment: Commenter asked whether the 3-year rolling average of the net energy load percentage (used for determining participating entities share of BANC ongoing costs) is an ongoing rolling average for prospective costs.

Response: Yes, this is a prospective 3-year rolling average.

G. Comment: Commenter asked where Turlock Irrigation District (TID) fits within the Conforming and Non-Conforming Loads in WAPA's footprint, and noted that currently, TID has a Base Resource percentage it pays. Commenter asked whether this would remain the same. The commentor asked whether the Provisional Rates for EIM directly apply to TID.

Response: WAPA Merchant Customers (such as TID) will be impacted by the Tier 2 allocation of EIM costs and benefits that are applied to the PRR and will share in the costs and benefits based on Base Resource percentages. The Provisional Rates for EIM do not directly apply to TID since TID does not take transmission service under the WAPA Tariff.

H. Comment: Commenter asked WAPA to clarify which customers identified on slide 15 of WAPA's public information forum presentation represents the 8.6% of WAPA's

net energy load, and of those customers, which are considered Conforming or Non-Conforming Loads. Commenter asked whether there is a process for tracking those costs.

Response: All of the customers identified on slide 15 represent WAPA's 8.6% net energy load, and all are Conforming Loads, except for Lawrence Livermore National Labs (LLNL) and project use. LLNL and project use are considered non-conforming loads. LLNL will be directly charged for all EIM costs related to their non-conforming loads. Project use will not be charged, as it does not share in the costs or benefits of EIM. The process for the allocation of Tier 1 costs is described in Business Practice-44 (BP44) posted on OASIS. The presentation is posted on WAPA's website at <https://www.wapa.gov/regions/SN/rates/Documents/wapa-194-eim-public-information-forum-presentation-2020-08-13.pdf>.

I. Comment: Commenter noted that slide 40 of the WAPA public information forum presentation states that charge code 4575 will be allocated based on load ratio share; however, slide 47 states that it will be allocated based on simple division by five.

Response: For charge code 4575 from BANC, as the EIM Entity, the scheduling coordinator charges are allocated based on load ratio share, as described on slide 40. For charge code 4575 from WAPA, as a EIM Participating Resource, the scheduling coordinator charges are allocated by number of resource identifications, as described on slide 47. The presentation is posted on WAPA's website at <https://www.wapa.gov/regions/SN/rates/Documents/wapa-194-eim-public-information-forum-presentation-2020-08-13.pdf>.

J. Comment: Commenter asked whether, as described on slide 39 of the WAPA public information forum presentation, regarding changes at the intertie after T-57, Tracy Pump would be different than its load. Commenter asked whether WAPA has a sense of how often that would happen. Commenter also asked how on slide 41 the first three costs are allocated since there is no applicable rate schedule, and whether, if it is not a rate

schedule, it is pursuant to a business process.

Response: Slide 39 does not apply to Tracy Pump. Only Conforming Loads are submitted to CAISO through BANC as the EIM Entity. Tracy Pump is not a generator nor is it at an intertie. Tracy Pump is a Non-Conforming Load modeled as a non-generator resource. Since Tracy Pump is the load, it will not be different than its load. The first three charge codes in the table on slide 41 are related to BANC administrative charges. BANC administrative charges are not recovered under the EIM Rate Schedules because they are determined to be specific to WAPA's generation and load participation in EIM. They are recovered as a cost on the annual PRR. The presentation is posted on the *WAPA's website at <https://www.wapa.gov/regions/SN/rates/Documents/wapa-194-eim-public-information-forum-presentation-2020-08-13.pdf>*.

K. Comment: Commenter asked whether the simulations WAPA performed to measure Sub-Balancing Area resources and demand in EIM consider the limitations on hydrology in terms of managing levels.

Response: WAPA attempted to capture the limitations of hydrology by applying the caps. For the EIM dispatches, WAPA used a cap of 50 MWh per hour, 300 MWh/day, and 600 MWh/week. In the simulation, if the resource is continually receiving incremental (or decremental) dispatch during the day, WAPA capped that to 300 MWh, then assumed that bidding is put on hold until the resource receives a decremental (or incremental) dispatch. At the end of the day, the resource can potentially be in a net positive or negative energy position. The 600 MWh cap for the week is applied similarly to the 300 MWh cap that is in place for the day.

L. Comment: Commenter asked whether the information on slide 86 of the WAPA public information forum presentation, in regard to the 11 MW of FR, describes the surplus product or the Sub-BA requirement. Commenter asked whether there is a specific charge related to the FR for the SBA.

Response: The 11 MW is the SBA requirement. WAPA will provide its own FR, so there would not be a charge from BANC. If WAPA needed to purchase FR, it would be at market rates. WAPA would sell at market rates for the reserves and set a price for the energy similar to how WAPA markets spin. The presentation is posted on WAPA's website at <https://www.wapa.gov/regions/SN/rates/Documents/wapa-194-eim-public-information-forum-presentation-2020-08-13.pdf>.

### **Certification of Rates**

WAPA's Administrator certifies that the Provisional Formula Rates for the CVP and services under Rate Schedules CV-EIM1S, CV-EIM4S, CV-EIM9S, CV-SSP2, CV-EID5, and CV-GID2 are the lowest possible rates, consistent with sound business principles. The Provisional Formula Rates were developed following administrative policies and applicable laws.

### **Availability of Information**

Information about this rate adjustment, including the customer rate brochure, PRSs, comments, letters, memorandums, and other supporting materials that were used to develop the Provisional Formula Rates, is available for inspection and copying at the Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, California 95630. These documents are also available on WAPA's website at <https://www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2021-WAPA-194.aspx>.

## **RATEMAKING PROCEDURE REQUIREMENTS**

### **Environmental Compliance**

WAPA determined that this action fits within the class listed in Appendix B to Subpart D of 10 C.F.R. Part 1021.410: categorical exclusions applicable to B4.3: Electric power marketing rate changes and B4.4: Power marketing services and activities, which do not require preparation of either an environmental impact statement (EIS) or an

environmental assessment (EA).<sup>7</sup> Specifically, WAPA has determined that this rulemaking is consistent with activities identified in B4, Categorical Exclusions Applicable to Specific Agency Actions (see 10 C.F.R. Part 1021, Appendix B to Subpart D, Part B4). A copy of the categorical exclusion determination is available on WAPA's website at <https://www.wapa.gov/regions/SN/environment/Pages/environment.aspx>.

### **Determination Under Executive Order 12866**

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

### **Submission to the Federal Energy Regulatory Commission**

The Provisional Formula Rates herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to FERC for confirmation and final approval.

## **ORDER**

In view of the above and under the authority delegated to me, I hereby confirm, approve, and place into effect, on an interim basis, Rate Order No. WAPA-194. The rates will remain in effect on an interim basis until: (1) FERC confirms and approves them on a final basis; (2) subsequent rates are confirmed and approved; or (3) such rates are superseded.

### **Signing Authority**

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<sup>7</sup> The determination was done in compliance with the National Environmental Policy Act (NEPA) of 1969, as amended, 42 U.S.C. 4321-4347; the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

This document of the Department of Energy was signed on February 10, 2021, by Mark A. Gabriel, Administrator, Western Area Power Administration, pursuant to delegated authority from the Acting Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on February 19, 2021.

**Treena V. Garrett,**

*Federal Register Liaison Officer,*

*U.S. Department of Energy.*

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

**CENTRAL VALLEY PROJECT**

**SCHEDULE OF RATE FOR ENERGY IMBALANCE MARKET  
ADMINISTRATIVE SERVICE CHARGE**

Effective:

March 25, 2021, through December 31, 2024.

Available:

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

Applicable:

This rate applies to WAPA-SN customers when WAPA-SN, as Transmission Provider, is participating in Energy Imbalance Market (EIM) and when EIM has not been suspended. To the extent WAPA-SN incurs EIM Administrative Service-related charges from the EIM Entity during periods of market suspension or contingency, this schedule also applies to ensure that WAPA-SN, as Transmission Provider, remains revenue-neutral for its participation in EIM.

Character and Conditions of Service:

EIM Administrative Service Charge recovers the administrative costs for participating in the EIM by WAPA-SN as a Transmission Provider, including but not limited to such administrative charges as may be incurred by WAPA-SN from California Independent System Operator (CAISO) as the EIM Market Operator (MO) and/or Balancing Authority of Northern California (BANC) as the EIM Entity.

Unless such charges are allocated to the Transmission Customer directly by BANC, all Transmission Customers purchasing Long-Term Firm Point-to-Point Transmission

Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from WAPA-SN shall be required to acquire EIM Administrative Service Charge from WAPA-SN.

CAISO's Administrative Service Charge, as defined in the MO Tariff, is included in this rate. This rate also includes administrative charges assessed to WAPA-SN by BANC based on net energy load within the WAPA-SN Sub-Balancing Authority Area.

Formula Rate:

The formula rate for EIM Administrative Service Charge includes three components:

Component 1:

The EIM Administrative Service Charge will be sub-allocated to WAPA-SN's Transmission Customers based on load ratio share for the time period in which WAPA-SN incurs EIM administrative costs.

Component 2:

Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved by the Federal Energy Regulatory Commission (FERC) or other regulatory bodies will be passed on to each relevant customer. FERC's or other regulatory bodies' accepted or approved charges or credits apply to the service to which this rate methodology applies. When possible, WAPA-SN will pass through directly to the relevant customer FERC's or other regulatory bodies' accepted or approved charges or credits in the same manner WAPA-SN is charged or credited. If FERC's or other regulatory bodies' accepted or approved charges or credits cannot be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited, 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 (HBA) applied to WAPA-

SN for providing this service will be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited to the extent possible. If the HBA's charges or credits cannot be passed through to the relevant customer in the same manner WAPA-SN is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.

Billing:

Billing will occur monthly.

Adjustment for 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.

Rate Schedule CV-EIM4S

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

**CENTRAL VALLEY PROJECT**

**SCHEDULE OF RATE FOR ENERGY IMBALANCE MARKET  
ENERGY IMBALANCE SERVICE**

Effective:

March 25, 2021, through December 31, 2024.

Available:

Within the marketing area served by the Western Area Power Administration

(WAPA), Sierra Nevada Customer Service Region (SN).

Applicable:

This rate applies to WAPA-SN customers receiving Energy Imbalance (EI) Service when WAPA-SN, as Transmission Provider, is participating in Energy Imbalance Market (EIM) and when EIM has not been suspended. To the extent WAPA-SN incurs EIM EI Service-related charges from the EIM Entity during periods of market suspension or contingency, this schedule will also apply to ensure that WAPA-SN, as Transmission Provider, remains revenue-neutral for its participation in EIM.

Character and Conditions of Service:

EI Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the WAPA-SN Sub-Balancing Authority Area (Sub-BAA). WAPA-SN offers this service when transmission service is used to serve load within the WAPA-SN Sub-BAA.

Unless subsequently imposed by California Independent System Operator (CAISO) as the Market Operator (MO) as part of the MO Tariff and promulgated by WAPA through rate proceedings, there shall be no incremental transmission charge assessed for transmission use related to the EIM. Transmission Customers must have transmission service rights, as set forth in Attachment S of WAPA's Tariff.

Formula Rate:

The formula rate for EI Service includes three components:

Component 1:

EI Service is the deviation of the Transmission Customer's metered load compared to the load component of the Transmission Customer Base Schedule settled as Uninstructed Imbalance Energy (UIE) for the period of the deviation at the applicable Load Aggregation Point (LAP) price where the load is located.

Unless such charges are allocated to the Transmission Customer directly by Balancing

Authority of Northern California (BANC) as the EIM Entity, a Transmission Customer will be responsible for any pass-through charges and/or credits associated with applicable EI Service charges allocated to WAPA-SN, as Transmission Provider, for its participation in the EIM, in accordance with this rate schedule. WAPA-SN will sub-allocate load charges based on a Transmission Customer's load ratio share.

Component 2:

Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved by the Federal Energy Regulatory Commission (FERC) or other regulatory bodies will be passed on to each relevant customer. FERC's or other regulatory bodies' accepted or approved charges or credits apply to the service to which this rate methodology applies. When possible, WAPA-SN will pass through directly to the relevant customer FERC's or other regulatory bodies' accepted or approved charges or credits in the same manner WAPA-SN is charged or credited. If FERC's or other regulatory bodies' accepted or approved charges or credits cannot be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited, 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 (HBA) applied to WAPA-SN for providing this service will be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited to the extent possible. If the HBA's charges or credits cannot be passed through to the relevant customer in the same manner WAPA-SN is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.

Billing:

Billing will occur monthly.

Adjustment for 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.

Rate Schedule CV-EIM9S

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

**CENTRAL VALLEY PROJECT**

**SCHEDULE OF RATE FOR ENERGY IMBALANCE MARKET  
GENERATOR IMBALANCE SERVICE**

Effective:

March 25, 2021, through December 31, 2024.

Available:

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

Applicable:

This rate applies to WAPA-SN customers receiving Generator Imbalance (GI) Service when WAPA-SN, as Transmission Provider, is participating in Energy Imbalance Market (EIM) and when EIM has not been suspended. To the extent WAPA-SN incurs EIM GI Service-related charges from the EIM Entity during periods of market suspension or contingency, this schedule will also apply to ensure that WAPA-SN, as Transmission Provider, remains revenue-neutral for its participation in EIM.

Character and Conditions of Service:

GI Service is provided when a difference occurs between the output of EIM Non-Participating Resource located in the WAPA-SN Sub-Balancing Authority (Sub-BAA), as reflected in the resource component of the Transmission Customer Base Schedule, and the delivery schedule from that generator to (1) another BAA, (2) the Balancing Authority of Northern California (BANC) BAA, or (3) a load within the WAPA-SN Sub-BAA.

Unless subsequently imposed by California Independent System Operator (CAISO) as the Market Operator (MO) as part of the MO Tariff and promulgated by WAPA through rate proceedings, there shall be no incremental transmission charge assessed for transmission use related to the EIM. Transmission Customers must have transmission service rights, as set forth in Attachment S of WAPA's Tariff.

Formula Rate:

The formula rate for GI Service includes three components:

Component 1:

Unless such charges are allocated to the Transmission Customer directly by BANC as the EIM Entity, a Transmission Customer shall be responsible for any pass-through charges and/or credits associated with applicable GI Service charges allocated to WAPA-SN, as Transmission Provider, for its participation in EIM, in accordance with this rate schedule. Such charges will be included due to operational adjustments of any affected Interchange. WAPA-SN will directly assign charges and/or sub-allocate charges based on the Transmission Customer's load ratio share.

Component 2:

Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved by the Federal Energy Regulatory Commission (FERC) or other regulatory bodies will be passed on to each relevant customer. FERC's or other regulatory bodies' accepted or approved charges or

credits apply to the service to which this rate methodology applies. When possible, WAPA-SN will pass through directly to the relevant customer FERC's or other regulatory bodies' accepted or approved charges or credits in the same manner WAPA-SN is charged or credited. If FERC's or other regulatory bodies' accepted or approved charges or credits cannot be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited, 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 (HBA) applied to WAPA-SN for providing this service will be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited to the extent possible. If the HBA's charges or credits cannot be passed through to the relevant customer in the same manner WAPA-SN is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.

Billing:

Billing will occur monthly.

Adjustment for 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.

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

**CENTRAL VALLEY PROJECT**

**SCHEDULE OF RATE FOR SALE OF SURPLUS PRODUCTS**

Effective:

March 25, 2021, through December 31, 2024.

Available:

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

Applicable:

To WAPA-SN customers participating in the Sale of Surplus Products.

Character and Conditions of Service:

Sale of Surplus Products occurs when there is a sale of surplus energy and/or capacity products. This includes: (1) Energy, (2) Frequency Response, (3) Regulation, (4) Reserves, and (5) Resource Sufficiency. If any of the surplus products are available, WAPA-SN could make the product(s) available for sale, provided entities enter into separate agreement(s) which will specify the terms of the sale(s).

Formula Rate:

The formula rate for Sale of Surplus Products service includes three components:

Component 1:

WAPA-SN will determine the charge for each product at the time of sale to be the greater of WAPA-SN's cost or market rates, to include transmission charges. WAPA-SN will use a separate agreement(s) to specify the terms of sale(s). The customer may be responsible for acquiring additional transmission service if necessary to deliver the product(s), for which a separate charge may be incurred from the transmission provider.

### Component 2:

Any charges or credits associated with the creation, termination, or modification to any tariff, contract, or rate schedule accepted or approved by the Federal Energy Regulatory Commission (FERC) or other regulatory bodies will be passed on to each relevant customer. FERC's or other regulatory bodies' accepted or approved charges or credits apply to the service to which this rate methodology applies. When possible, WAPA-SN will pass through directly to the relevant customer FERC's or other regulatory bodies' accepted or approved charges or credits in the same manner WAPA-SN is charged or credited. If FERC's or other regulatory bodies' accepted or approved charges or credits cannot be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited, 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 (HBA) applied to WAPA-SN for providing this service will be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited to the extent possible. If the HBA's charges or credits cannot be passed through to the relevant customer in the same manner WAPA-SN is charged or credited, 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 Sale of Surplus product(s) sold. Billing will occur monthly.

### Adjustment for 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.

Rate Schedule CV-EID5  
(Supersedes Schedule CV-EID4)

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

**CENTRAL VALLEY PROJECT**

**SCHEDULE OF RATE FOR ENERGY IMBALANCE SERVICE**

Effective:

The first day of the first full billing period after March 25, 2021, through December 31, 2024.

Available:

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

Applicable:

To customers receiving Energy Imbalance (EI) Service.

Character and Conditions of Service:

EI Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load within the Sub-Balancing Authority (SBA) over an hour or in accordance with approved policies and procedures. The deviation, in megawatts, is the net scheduled amount of energy minus the net metered (actual delivered) amount.

EI Service uses the deviation bandwidth that is established in the service agreement or Interconnected Operations Agreements.

Formula Rate:

The formula rate for EI Service includes three components:

Component 1:

EI Service is applied to deviations as follows unless otherwise dictated by contract or policy: (1) deviations within the bandwidth will be tracked and settled financially, at the greater of the California Independent System Operator (CAISO) market price, or WAPA-SN's actual cost; (2) negative deviations (under-delivery), outside the deviation bandwidth, will be charged the greater of 150-percent of the CAISO market price or 150-percent of WAPA-SN's actual cost; and (3) positive deviations (over-delivery), outside the deviation bandwidth, will be lost to the system, except for any hour when WAPA-SN incurs a cost to dispose of the energy, in which event the responsible party will bear that cost.

Deviations that occur as a result of actions taken to support reliability will be resolved in accordance with existing contractual requirements. Such actions include reserve

activations or uncontrolled event responses as directed by the responsible reliability authority such as SBA, Host Balancing Authority (HBA), Reliability Coordinator, or Transmission Operator.

Component 2:

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

Component 3:

Any charges or credits from the HBA applied to WAPA-SN for providing this service will be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited to the extent possible. If the HBA's charges or credits cannot be passed through to the relevant customer in the same manner WAPA-SN is charged or credited, the charges or credits will be passed through using Component 1 of the formula rate.

Billing:

Billing for negative deviations outside the bandwidth, or as otherwise required, will occur monthly.

Adjustment for 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.

Rate Schedule CV-GID2  
(Supersedes Schedule CV-GID1)

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

**CENTRAL VALLEY PROJECT**

**SCHEDULE OF RATE FOR GENERATOR IMBALANCE SERVICE**

Effective:

The first day of the first full billing period after March 25, 2021, through December 31, 2024.

Available:

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

Applicable:

To generators receiving Generator Imbalance (GI) Service.

Character and Conditions of Service:

GI Service is provided when a difference occurs between the scheduled and actual delivery of energy from an eligible generation resource within the Sub-Balancing

Authority (SBA), over an hour, or in accordance with approved policies. The deviation in megawatts is the net scheduled amount of generation minus the net metered output from the generator's (actual generation) amount.

GI Service is subject to the deviation bandwidth established in the service agreement or Interconnected Operations Agreements.

Formula Rate:

The formula rate for the GI Service has three components:

Component 1:

GI Service is applied to deviations as follows, unless otherwise dictated by contract or policy: (1) deviations within the bandwidth will be tracked and settled financially at the greater of the California Independent System Operator (CAISO) market price or WAPA-SN's actual cost; (2) negative deviations (under-delivery), outside the deviation bandwidth, will be charged the greater of 150-percent of the CAISO market price or 150-percent of WAPA-SN's actual cost; and (3) positive deviations (over-delivery), outside the deviation bandwidth, will be lost to the system, except for any hour when WAPA-SN incurs a cost to dispose of the energy, in which event the responsible party will bear that cost.

Deviations that occur as a result of actions taken to support reliability will be resolved in accordance with existing contractual requirements. Such actions include reserve activations or uncontrolled event responses as directed by the responsible reliability authority such as SBA, Host Balancing Authority (HBA), Reliability Coordinator, or Transmission Operator.

To the extent that an entity incorporates intermittent resources, deviations will be charged as follows, unless otherwise dictated by contract or policy: (1) deviations within the bandwidth will be tracked and settled financially at the greater of the CAISO market price or WAPA-SN's actual cost; (2) negative deviations (under-delivery), outside the

deviation bandwidth, will be charged the greater of market price or actual cost (no penalty); and (3) positive deviations (over-delivery), outside the deviation bandwidth, will be lost to the system, except for any hour where WAPA-SN incurs a cost, then that cost will be borne by the responsible party.

Intermittent generators serving load outside of WAPA-SN's SBA will be required to dynamically schedule or dynamically meter their generation to another Balancing Authority. An intermittent resource, for the limited purpose of these rate schedules, is an electric generator that is not dispatchable and cannot store its output, and therefore cannot respond to changes in demand or respond to transmission security constraints.

#### Component 2:

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

#### Component 3:

Any charges or credits from the HBA applied to WAPA-SN for providing this service will be passed through directly to the relevant customer in the same manner WAPA-SN is charged or credited to the extent possible. If the HBA's charges or credits cannot be passed through to the relevant customer in the same manner WAPA-SN is charged or

credited, the charges or credits will be passed through using Component 1 of the formula rate.

Billing:

Billing for negative deviations outside the bandwidth will occur monthly.

Adjustment for 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.

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