
Explanation of Proposed Amendment to Service Schedule C

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Contract Subcommittee Proposes Two Material Changes

- ❑ C-3.3: “Firm capacity is deemed a capacity sale from the Seller’s resources and backed by the Seller’s capacity reserves,” appears ambiguous to many.
- ❑ C-3.2 to clarify scheduling
- ❑ Also edit to eliminate seemingly needless language.

Modification of C-3.3 to Resolve Arguable Ambiguities

1. Does the language require Seller to provide operating reserves with each firm energy sale?
2. Does it apply only to a capacity transaction without energy (and what would that mean)?
 - (C-3.3 refers to “Firm capacity transactions” and C-3.4 to Firm energy transactions.)
3. Does C-3.3 apply to a C-3.4 energy transaction, because firm energy inherently includes capacity?
 - The WSPP WECC Task Force and Contract Subcommittee seek to resolve these kinds of questions.

Proposed Revised C-3.3

Firm capacity transactions shall include buying, selling, or exchanging capacity between Parties with or without associated energy. [DELETE: *Firm capacity is deemed a capacity sale from the Seller's resources and backed by the Seller's capacity reserves*]

INSERT: A firm capacity sale is a commitment, in accordance with the terms and conditions specified in the Confirmation, of the Seller's capacity resources.

C-3.2 Prescheduling

- Current Text:
- “Unless otherwise agreed between the Purchaser and the Seller, all transactions shall be prescheduled, subject to any conditions agreed to by schedulers.”
- Problems: Unclear what “prescheduled” means, or who the schedulers are.
- When this was written, the language was as much as members could/would do.

Proposed Revised C-3.2

Segregation of language into parts is for facilitation.

- The Seller shall ensure that Service Schedule C transactions are scheduled as firm power consistent with the current rules of the applicable NERC Regional Reliability Organization.
- Except as may be otherwise agreed, **day-ahead or longer transactions** shall be scheduled no later than the Business Day prior to the delivery date. **All other transactions** shall be scheduled prior to the delivery time, or as otherwise permitted or required by regional business practices or standards applicable to scheduling.
- The Parties shall cooperate in providing each other, as requested, with information reasonably necessary to facilitate compliance with such scheduling requirements.

Other Proposed Changes

- C-3.4 would point to the t/c of the confirmation. Existing language said nothing about “firm” and added little
- C-3.5 provision that Purchaser shall arrange purchases directly with Sellers seemed to eliminate brokers who may “arrange” purchases. Would deletion detract?
- C-3.10 regarding scheduling was moved into revised C-3.2.