

# Failure to Comply Policy

October 13, 2011



# Changes to FTC Applications

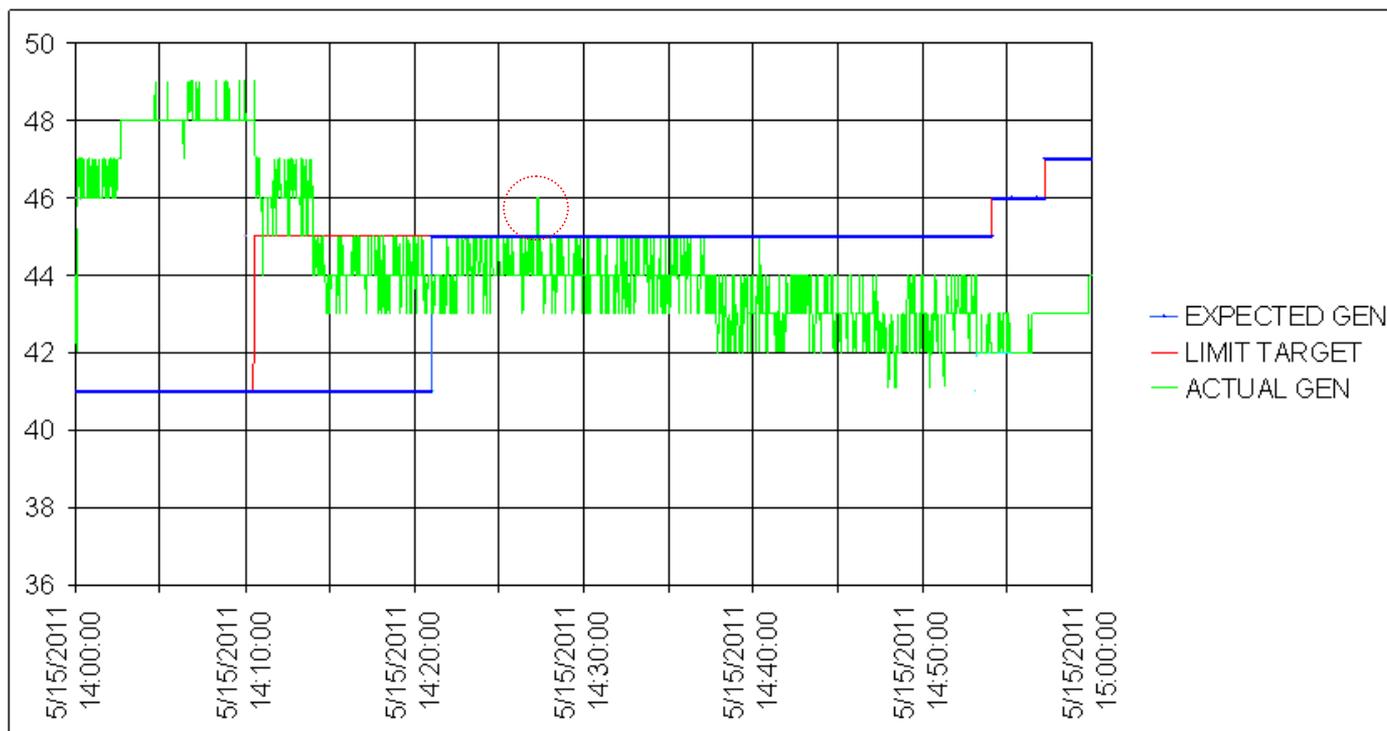
## Policy Changes

- 100-kWh Compliance Threshold
  - Effective 10/1/11
- End of Hour Ramps
  - Effective 10/2009
  - Implemented 5/2011

## Rate Change

- \$500/MWh or 150% of an hourly energy index in the Pacific Northwest
  - Effective 10/1/11
  - Hourly energy index used – Powerdex
  - Old Rate \$1,000/MWh

# 100-kWh Compliance Threshold

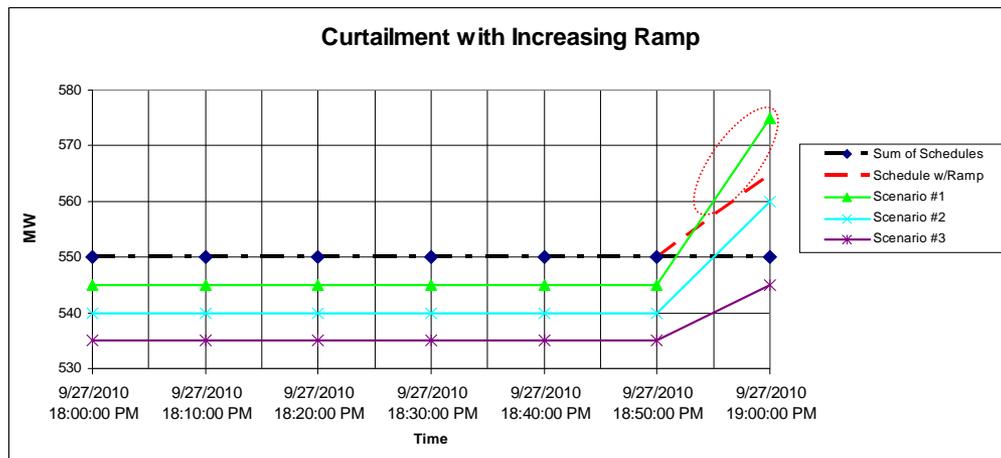


- Old Policy – this was a 1-kWh violation (\$1 FTC Penalty Charge)
- New Policy - a billing factor of 100-kWh or below has complied with the dispatch order

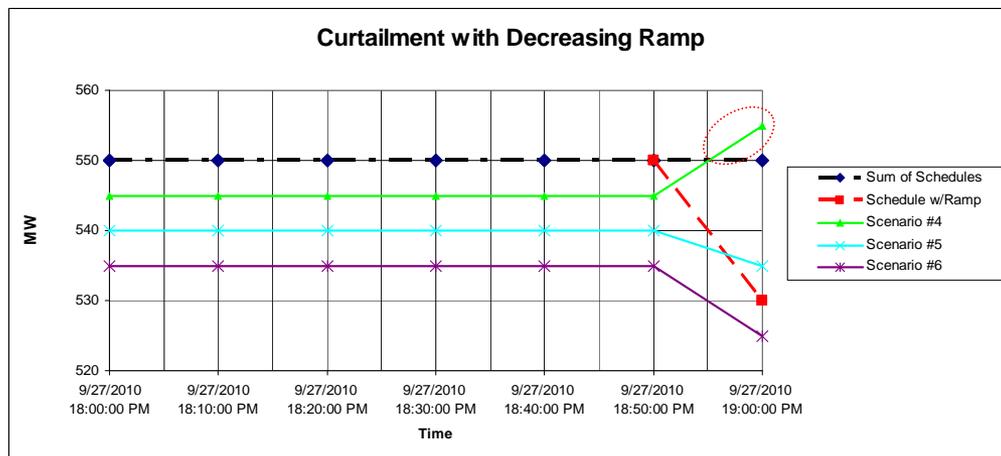
# Business Practice Revision

- 100-kWh Compliance Threshold
  - Section B.4 – Calculating the FTC Billing Factor
    - Add B.4.d
      - “If a generator's billing factor for any hour is less than or equal to 100-kWh, then that generator will be deemed to have fully complied with the Dispatch Order and will not be subject to the Failure to Comply penalty.”

# End of Hour Ramps



- Old Policy – maintain generation below the ramp
  - a) the sum of schedules or
  - b) the generation ramp to the next hour's schedule
- New Policy - Generators are to maintain output that is less than the greater of...
  - a) the sum of schedules or
  - b) the generation ramp to the next hour's schedule



- Increasing Ramp
  - Ramp establishes the FTC level
  - Scenario #1 charged FTC
- Decreasing Ramp
  - Sum of Schedules establishes the FTC level
  - Scenario #4 charged FTC

# Business Practice Revision

- End-of-Hour Ramps
  - Section E - Examples of Failure to Modify Generation Output
    - Revise Section E.2 to Add:
      - “If a generator’s next hour schedule is lower than or equal to the modified schedule, the Failure to Comply assessment during the last 10 minutes of the hour will be based on the modified schedule and not the ramp to that next hour schedule.”

# Next Steps

- Revise FTC Business Practice to implement the policy changes
- Implement 100-kWh Compliance Threshold
- Compile and issue credits for End of Hour Ramps from 10/09 – 4/11
- New Rate on October billing cycle

Questions / Comments?