

## Failure to Comply, Version 10

Effective: TBD

The Failure to Comply Business Practice addresses the consequences of non-compliance with Dispatch Orders and how the Failure to Comply Penalty is determined.

Version 10 of the Failure to Comply Business Practice has been revised to implement the assessment of the Failure to Comply penalty charge for 15-minute scheduling.

### A. General Criteria

1. Generators within the BPA Balancing Authority Area or which directly interconnect to the FCRTS (e.g., through an Interconnection Agreement, or a Balancing Authority Area Service Agreement) are subject to a Failure to Comply Penalty.
2. Failure to shed load or modify generator output in response to a Dispatch Order will result in a Failure to Comply Penalty charge, except as provided in the following criteria.
3. The shortest schedule interval submitted for the hour will be used to determine the number of intervals within an hour. For example if one 15-minute schedule is submitted within an hour then all of the scheduling intervals for the hour will be broken into 15 minute schedule interval. Likewise, if a 30 minute schedule is submitted within the hour then the hour will be broken into two 30 minute scheduling intervals.
4. To establish the sum of schedules during ramping periods between scheduling intervals, the higher of the current interval FTC Level or the next interval FTC Level will be extended for the ramp time during the ramp when assessing the application of the Failure to Comply penalty charge. When the next schedule interval's FTC Level, as described in Section B.5.b for generation and Section C.2 for load, is lower than the current interval (a down ramp) the resource must be operating at or below the FTC Level of the next period for 1 minute following the end of the response time or ramp to that interval to avoid the application of the FTC penalty (the "touch line" rule).
5. Any generator or Customer that is unable to comply with a Dispatch Order due to a *Force Majeure* may not be subject to a Failure to Comply penalty provided that the said generator or Customer notifies BPA Transmission Services Dispatch of the situation immediately (within the 10-minute ramp window) upon the occurrence of the *Force Majeure*.
6. BPA Transmission Services may request documentation in support of the generators or Customer's assertion of a *Force Majeure*, and the generator or Customer shall provide such documentation within 30 days of BPA Transmission Services' request.
7. After notifying BPA Transmission Services Dispatch of a *Force Majeure* on their system, the generator or Customer must use best efforts to comply with the Dispatch Order as soon as practicable.
8. Information to support BPA Transmission Services' determination of a Failure to Comply penalty will be made available, upon request, for up to one year, to a generator or Customer subject to a Failure to Comply penalty.

## **B. Assessing Generator Penalty for a Failure to Modify Generation Output**

1. The Effective Time of a Dispatch Order is specified below (rounded up to the next minute).
  - a. Dispatch Orders communicated by phone, such as orders to redispatch generation up or down, will include a statement from the BPA Transmission Services dispatcher specifying the time of the Dispatch Order.
  - b. Dispatch Orders communicated by electronic signal, such as direct telemetry or web applications, to limit generation shall use the time stamp of the signal to start the 10-minute window.
  - c. Dispatch Orders communicated by NERC e-Tagging system, such as curtailments of transmission schedules and generation using those schedules, shall use the later of the Start-Time of the Energy Profile of the curtailment or the time stamp of when the curtailment achieves its final state and is APPROVED by all approval parties. An example of an e-Tag's profile and approval history are shown in the screen shots below.
    - i. If the start time of the Dispatch Order is at the start of a scheduling interval, parties have until the later of the end of the scheduling interval ramp or 10 minutes from the time stamp of when the curtailment achieves its final state and is APPROVED by all parties to shed load or modify generation as directed. Or;
    - ii. If the start time of the Dispatch Order is not at the start of a scheduling interval, parties have 10 minutes from the time stamp of when the curtailment achieves its final state and is APPROVED by all parties to shed load or modify generation as directed.

Examples of FTC evaluation start time

Issue Time of Directive	Start Time of Directive	APPROVED Time of Directive	Begin Time of FTC Evaluation	FTC Rule
:40	:00	:45	:10	Section B.1.c.i - End of Ramp
:55	:15	:00	:20	Section B.1.c.i - End of Ramp
:38	:45	:40	:50	Section B.1.c.i - 10 Minute Window
:12	:12	:13	:23	Section B.1.c.ii - 10 Minute Window
:24	:24	:29	:39	Section B.1.c.ii - 10 Minute Window

Screen Shots of e-Tag profiles

Energy and Transmission Profiles MW (out of)						
	Energy	Transmission				
Start Time	2009-09-03 00:00	2009-09-03 00:00	<input checked="" type="checkbox"/> MW <input checked="" type="checkbox"/> Reservation <input checked="" type="checkbox"/> Trans Total			
Stop Time	2009-09-04 00:00	2009-09-04 00:00	<input type="button" value="Enter"/>			
Date	Start	Stop	Gen	BPAT		
			MW	Trans	16718	MW
9/03	00:00	15:12	65	65	65	65
9/03	15:12	15:27	53	65	65	53
9/03	15:27	16:00	37	65	65	37
9/03	16:00	00:00	65	65	65	65
Display MWH Total:			1542	1560	1560	1542

Approval Status History							
Req ID	Request	Company	Type	Origin	Action	Action Time (PDT)	User
1	Curtailment	BPAT	CA	INT	CREATE	2009-09-03 15:12:55	WD-OATI
1	Curtailment	BPAT	CA	INT	APPROVE	2009-09-03 15:12:56	WD-OATI
1	Curtailment				APPROVED	2009-09-03 15:12:56	

2. In the event that multiple Dispatch Orders are in effect simultaneously (for example, a DSO 216 limit and a Dispatch Order to reduce output), Failure to Comply will be based on the lowest Dispatch Order.
3. Under circumstances where a wind turbine generating facility is under-generating and BPA Transmission Services curtails that facility’s e-Tags under DSO 216, the generator will not be charged a Failure to Comply Penalty if it generates above the sum of the approved e-Tags for the remainder of the interval, unless there are multiple Dispatch Orders (See Section B.2).
4. Curtailments
  - a. In the event of a curtailment, the generator may submit additional schedules (i.e. replacement schedules) or increase current schedules to other Points of Delivery.
    - i. Each approved replacement schedule must state the curtailed e-Tag number (last 7 digits) in the Reason field.
    - ii. The replacement schedules and increases will be processed in accordance with the Scheduling Transmission Service Business Practice.
    - iii. The stated curtailment will not generate an FTC for an interval when a resource
      1. is subject to a curtailed tag, and;
      2. has designated non-curtailed replacement schedules, and;
      3. the sum of those replacement schedules are greater than or equal to the sum of the amounts that were curtailed.
  - b. E-Tag curtailments initiated by other Balancing Authorities and approved by BPA Transmission Services are curtailment Dispatch Orders subject to the Failure to Comply Penalty. For more information on curtailments, please refer to the Redispatch and Curtailment Business Practice.
5. Calculating the Failure to Comply Billing Factor

- a. Average Generation data for FTC is collected at 1-minute intervals (unless that granularity is not available, in which case the data that is available will be used).
- b. After the 10-minute window until the top of the next interval, for each interval, the actual generation will be compared with the FTC Level. The FTC Level for generation is:
  - i. the sum of the approved, non-curtailed e-Tag(s) and the reliability level of curtailed e-Tag(s), or,
  - ii. In the case of DSO 216 events, the generator limit for that interval.
  - iii. In the case of congestion management procedures, the generator limit for that interval.
- c. With the exception of instances where a resource submits replacement schedules pursuant to section B.4.a above, any power generated in excess of the generator limit or in excess of the total approved, non-curtailed e-Tag(s) and the reliability level of curtailed e-Tag(s) after 10 minutes will be converted to kWh (by summing the excess kW for each scheduling interval and dividing by the applicable number of scheduling intervals per hour) and that power will be the billing factor for the Failure to Comply penalty.
- d. The billing factor for a generator's failure to generate the amount specified in a redispatch order after 10 minutes will be converted to kWh by summing the deficit kW for each interval and dividing by the applicable number of intervals per hour.
- e. If a generator's billing factor for any interval 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 for that interval.
- f. For examples relating to this section, please refer to the examples in Section E.

### C. Customer's Failure to Shed Load

1. The start time of the 10-minute window is the Effective Time of the Dispatch Order (rounded up to the next minute).
  - a. Load Shedding Dispatch Orders are communicated by phone and will include a statement from the BPA Transmission Services dispatcher specifying the time of the Dispatch Order.
2. Load data is collected at the most granular level provided (typically at two-second intervals). After the Effective Time of the Dispatch Order, until the top of the next interval, for each interval, the actual load will be compared with the FTC Level. The FTC Level for load is the modified schedule or limit for that interval.
3. Any load in excess of the curtailed or limited schedule after 10 minutes will be converted to kWh (by summing the excess kW for each interval and dividing by the most granular level provided (typically at two-second intervals) and that energy will be the billing factor for the Failure to Comply Penalty.

### D. Assessment of Reliability Penalty and Other Costs

1. A generator's or Customer's Failure to Comply with a Dispatch Order from BPA Transmission Services may cause BPA Transmission Services, as the Registered Entity responsible for compliance, to violate certain Reliability Standards. If the Regional Reliability Organization (currently the Western Electricity Coordinating Council, or WECC), Electric Reliability Organization (currently the North American Electric

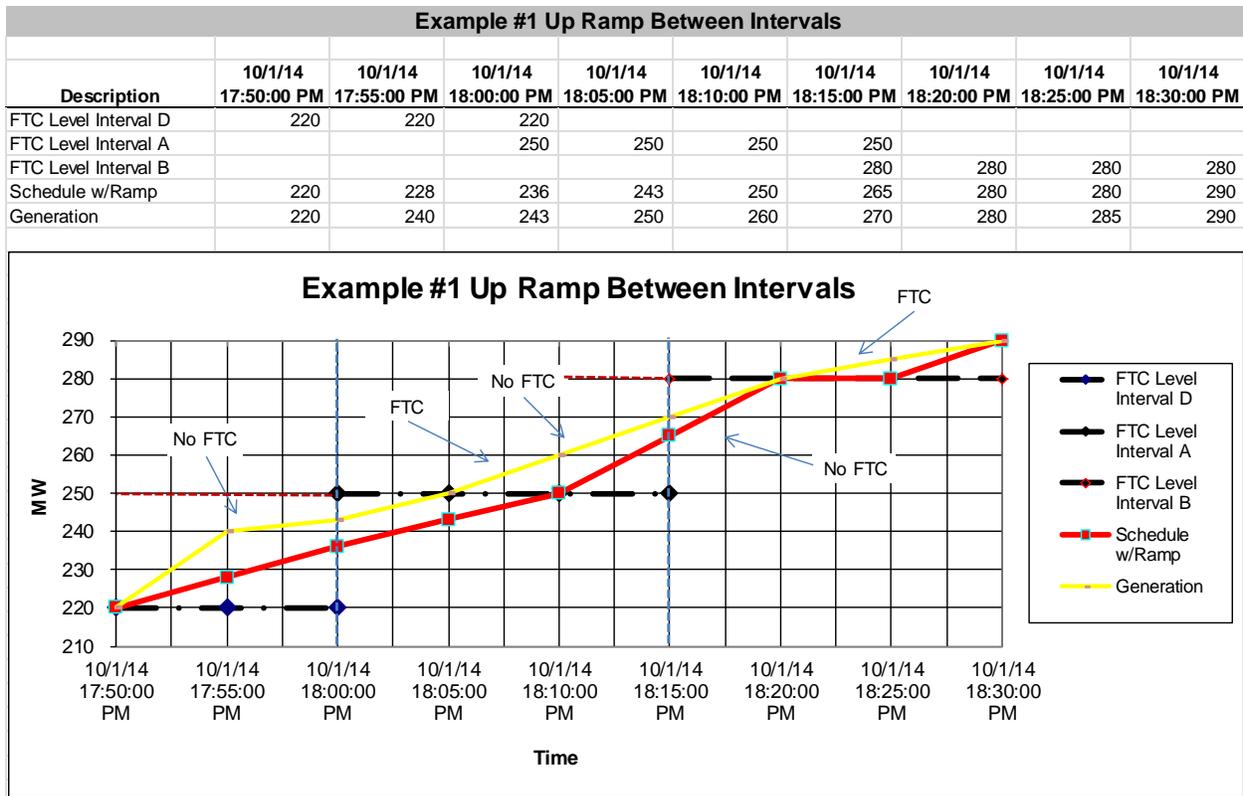
Reliability Corporation, or NERC), or FERC assesses a monetary penalty against BPA Transmission Services as the registered Entity for a violation of a Reliability Standard, and a generator's or Customer's Failure to Comply contributed to or caused the Reliability Standard violation at issue, then BPA Transmission Services will directly assign such penalty amount or a portion thereof to such generator or Customer based on the extent of its contribution. In order to directly assign costs associated with a monetary penalty to a generator or Customer, BPA Transmission Services shall use by the following procedures:

- a. If BPA Transmission Services determines that any Reliability Standards have been violated, and that a generator's or Customer's Failure to Comply caused or contributed to the violation(s), BPA Transmission Services will self-report the violation(s) pursuant to WECC's Compliance Monitoring and Enforcement Program (CMEP). Within thirty (30) calendar days of such self-report, BPA Transmission Services will provide notice to the generator or Customer that BPA Transmission Services intends to directly assign all or a portion of the potential monetary penalty to the generator or Customer and set forth the factual basis supporting BPA Transmission Services' determination that the generator's or Customer's Failure to Comply caused or contributed to the Reliability Standard violation(s).
  - b. BPA Transmission Services will notify the generator or Customer when a Notice of Alleged Violation is issued pursuant to the CMEP, and the penalty amount proposed.
  - c. BPA Transmission Services will not oppose any attempts by the generator or Customer to intervene in the CMEP proceedings conducted by WECC, NERC, or FERC. Failure by the generator or Customer to successfully intervene in the CMEP proceedings will not prevent BPA Transmission Services from directly assigning costs associated with a monetary penalty to that generator or Customer.
  - d. BPA Transmission Services shall have the sole discretion to decide whether to proceed through the Settlement Process or the Hearing Process under the CMEP. Regardless of whether BPA Transmission Services chooses to proceed through the Settlement Process or Hearing Process, BPA Transmission Services will present to WECC, NERC, or FERC the factual basis supporting BPA Transmission Services' determination that the generator's or Customer's failure to comply caused or contributed to the Reliability Standard violation(s).
  - e. Regardless of BPA Transmission Services' determination that a generator or Customer caused or contributed to the Reliability Standard violation(s), BPA shall be bound by the findings of WECC, NERC, or FERC regarding whether the generator or Customer caused or contributed to the Reliability Standard violation(s).
  - f. Based on the findings of WECC, NERC, or FERC, BPA Transmission Services will directly assign the appropriate amount of the monetary penalty to the generator or Customer. In the case where the generator's or Customer's Failure to Comply only contributed to the Reliability Standard violation(s), and the findings of WECC, NERC, or FERC do not allocate a specific percentage of contribution, BPA Transmission Services shall determine the appropriate contribution percentage. Should the generator or Customer disagree with BPA Transmission Services' determination of the appropriate contribution percentage in such a situation, BPA Transmission Services and the generator or Customer shall resolve the dispute in accordance with the Internal Dispute Resolution and External Arbitration Procedures set forth in Section 12 of [BPA Transmission Services' OATT](#).
2. The costs of any alternative measures taken by BPA Transmission Services to maintain the reliability of the Federal Columbia River Transmission System (FCRTS) as a result of

- a generator's or Customer's Failure to Comply will be assessed to the noncompliant generator or Customer.
- a. BPA Transmission Services will notify the Customer within 30 calendar days if BPA Transmission Services determines that the generators or Customer's Failure to Comply resulted in BPA Transmission Services' incurrence of costs of alternative measures to maintain the reliability of the FCRTS.
  - b. Information to support BPA Transmission Services' determination will be available to the affected generator or Customer, upon request, for up to one year after the date the generator or Customer received notice under step 2.a above.
  - c. Any dispute regarding BPA Transmission Services' determination will be resolved in accordance with the Internal Dispute Resolution and External Arbitration Procedures set forth in Section 12 of BPA Transmission Services' OATT.

### E. Examples of Failure to Modify Generation Output

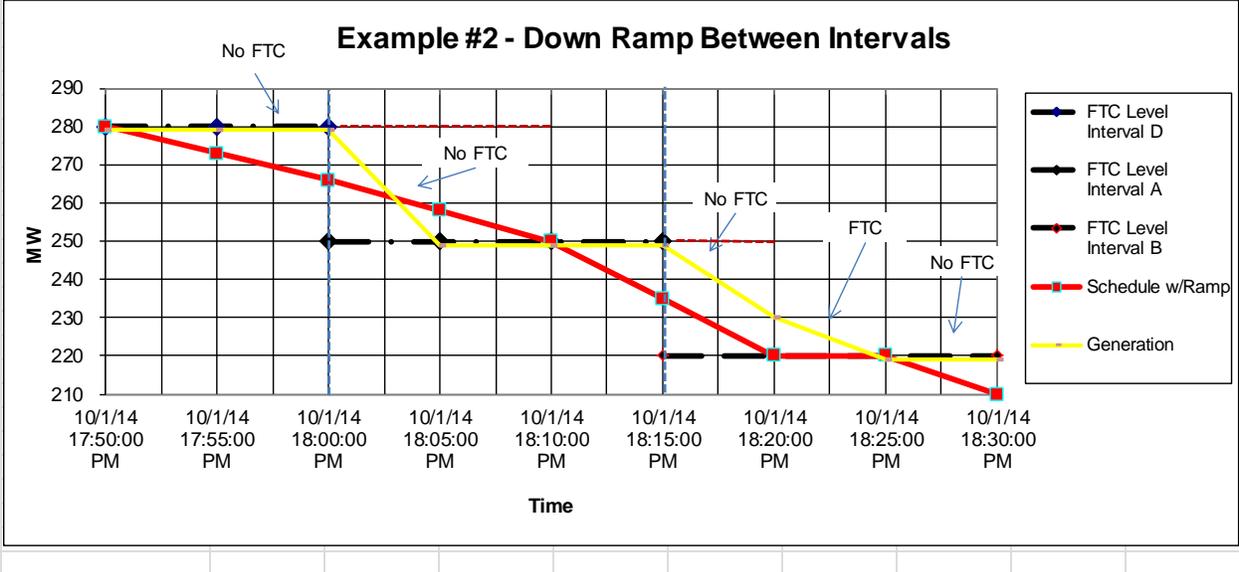
1. In the following examples:
  - a. The schedule can be any of the FTC Levels as described in Section B.5.b for generation and Section C.2 for load.
  - b. Each interval is curtailed to the FTC Level.
  - c. The schedule submitted to BPA Transmission Services is flat for the interval at the same level as the FTC Level
  - d. The Schedule with Ramp is the ramp basepoints for the schedule submitted to BPA Transmission Services for the interval.
  - e. The thin dashed red line represents the applicable "higher of" schedule for establishing the sum of schedules to determine the application of the Failure to Comply penalty charge during a ramp.
2. Example 1 - Ramping Up Across Intervals
  - a. Example 1 shows a curtailment order being issued at 40 minutes into the hour to start at 40 minutes into the hour. There is then a 10-minute period, from the time the curtailment order was issued, for a generator to comply. After the 10-minute period, the Failure to Comply penalty will be assessed if a generator has not complied with the curtailment. In an up ramp the resource must be below the next intervals FTC Level during the portion of the ramp period that is in the current interval to not be assessed the Failure to Comply penalty charge.



3. Example 2 - Ramping Down Across Intervals

- a. Example 2 shows a curtailment order being issued at 40 minutes into the hour to start at 40 minutes into the hour. There is then a 10-minute period, from the time the curtailment order was issued, for a generator to comply. After the 10-minute period, the Failure to Comply penalty will be assessed if a generator has not complied with the curtailment. In a down ramp the resource must be below the current interval’s FTC Level during the portion of the ramp period that is in the next interval to not be assessed the Failure to Comply penalty charge.

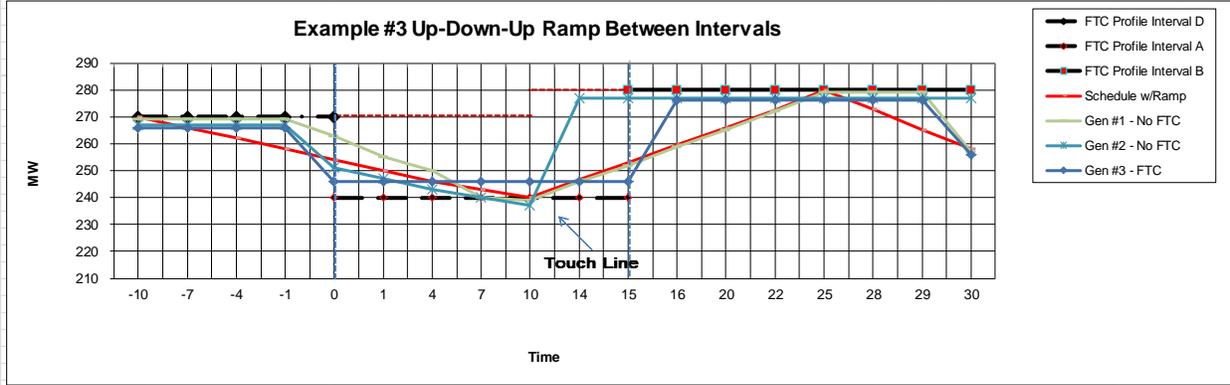
Example #2 - Down Ramp Between Intervals									
Description	10/1/14 17:50:00 PM	10/1/14 17:55:00 PM	10/1/14 18:00:00 PM	10/1/14 18:05:00 PM	10/1/14 18:10:00 PM	10/1/14 18:15:00 PM	10/1/14 18:20:00 PM	10/1/14 18:25:00 PM	10/1/14 18:30:00 PM
FTC Level Interval D	280	280	280						
FTC Level Interval A			250	250	250	250			
FTC Level Interval B						220	220	220	220
Schedule w/Ramp	280	273	266	258	250	235	220	220	210
Generation	279	279	279	249	249	249	230	219	219



4. Example 3 - Up then Down then Up Ramping Between Intervals

- a. Example 3 shows a curtailment order being issued at 40 minutes into the hour to start at 40 minutes into the hour. There is then a 10-minute period, from the time the curtailment order was issued, for a generator to comply. After the 10-minute period, the Failure to Comply penalty will be assessed if a generator has not complied with the curtailment. This example shows the generation of three generators. Generator #3 is assessed Failure to Comply for not operating at or below the FTC Level of the next period for 1 minute following the end of the response time or ramp to that interval (“touch line”).

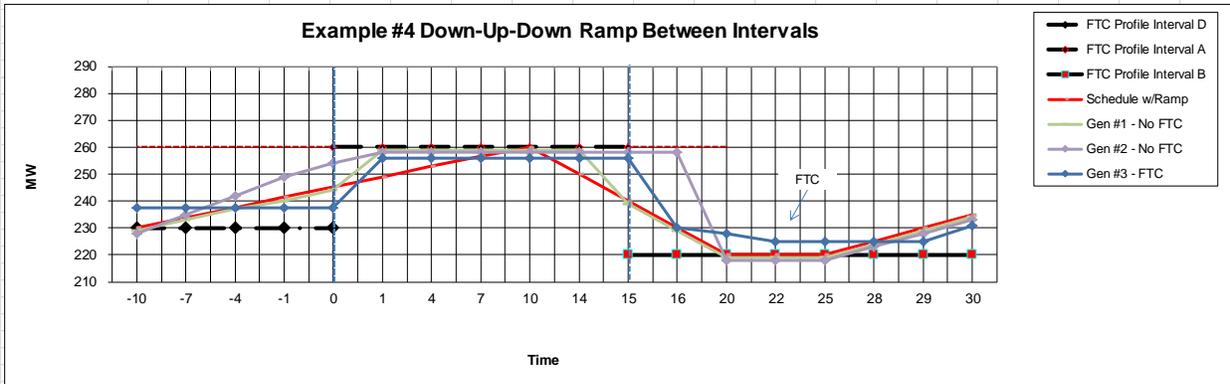
Example #3 - Up - Down - Up Ramp Between Intervals																		
Description	-10	-7	-4	-1	0	1	4	7	10	14	15	16	20	22	25	28	29	30
FTC Profile Interval D	270	270	270	270	270	240	240	240	240	240	240	240						
FTC Profile Interval A					240	240	240	240	240	240	240	240						
FTC Profile Interval B											280	280	280	280	280	280	280	280
Schedule w/Ramp	270	266	262	258	254	250	246	243	240	247	253	260	266	273	280	273	265	258
Gen #1 - No FTC	269	269	269	269	263	255	250	240	239	246	252	259	265	272	279	279	279	257
Gen #2 - No FTC	267	267	267	267	251	247	243	240	237	277	277	277	277	277	277	277	277	277
Gen #3 - FTC	266	266	266	266	246	246	246	246	246	246	246	276	276	276	276	276	276	256



5. Example 4 - Down then Up then Down Ramping Between Intervals

- a. Example 4 shows a curtailment order being issued at 40 minutes into the hour to start at 40 minutes into the hour. There is then a 10-minute period, from the time the curtailment order was issued, for a generator to comply. After the 10-minute period, the Failure to Comply penalty will be assessed if a generator has not complied with the curtailment. This example shows the generation of three generators. Generator #3 is assessed Failure to Comply for not operating at or below the FTC Level during the non-ramp period for the interval starting at xx:15.

Example #4 Down-Up-Down Ramp Between Intervals																		
Description	-10	-7	-4	-1	0	1	4	7	10	14	15	16	20	22	25	28	29	30
FTC Profile Interval D	230	230	230	230	230	260	260	260	260	260	260	260						
FTC Profile Interval A					260	260	260	260	260	260	260	260						
FTC Profile Interval B												220	220	220	220	220	220	220
Schedule w/Ramp	230	234	238	241	245	249	253	257	260	250	240	230	220	220	220	220	225	230
Gen #1 - No FTC	229	233	237	240	244	259	259	259	259	259	239	229	219	219	219	219	224	229
Gen #2 - No FTC	228	235	242	249	254	258	258	258	258	258	258	258	218	218	218	218	223	228
Gen #3 - FTC	238	238	238	238	238	256	256	256	256	256	256	230	228	225	225	225	225	231



## F. Additional Information

### Policy Reference

- [Transmission & Ancillary Service Rate Schedules : Section II.B](#)

### Related Business Practices

- Redispatch & Curtailment Procedures

### Version History

Version 10	x/x/2014 Version 10 of the Failure to Comply Business Practice has been revised to implement the assessment of the Failure to Comply penalty charge for 15-minute scheduling.
Version 9	05/19/2014 Version 9 of the Failure to Comply Business Practice has been revised to establish a methodology for generators to submit replacement schedules for curtailed schedules in order to avoid incurring FTC Penalty charges. Amended Example 6 to reflect replacement schedule policy in step B.3.a.
Version 8	08/28/13 Version 8 of the Failure to Comply Business Practice revises the calculation of the FTC Penalty billing factor to include generation limits related to congestion management events. Specifically, if resources are overgenerating relative to scheduled output, and such overgeneration is contributing to an SOL concern, BPA-TS will issue a generator limit(s) for the resource(s) impacting the SOL to reduce output to schedule prior to initiating pro rata curtailments. This is intended to reduce the instances or magnitude of pro rata curtailment events related to SOL concerns. FTC Penalty charges will apply to resources that exceed the generation limit target under these circumstances. A new example has been added to demonstrate this situation. Further, all other example graphs have been clarified for readability. Additionally, section B.4.a has been revised to calculate FTC using one-minute intervals as opposed to two-second intervals.
Version 7	10/4/12 Version 7 of the Failure to Comply Business Practice revises the calculation of the FTC Penalty billing factor to consider reliability limits, as opposed to the sum of approved schedules only. Specifically, the FTC Penalty billing factor will be calculated by comparing the actual generation to the sum of approved, non-curtailed e-Tags and the reliability level of curtailed e-Tag(s).. This revision will prevent the application of FTC Penalty charges to generation in excess of schedules that are below a reliability limit.
Version 6	03/23/12 Version 6 of the Failure to Comply Business Practice refines the methodology for determining the billing factor for FTC Penalties by utilizing the most granular meter data available from resources, and clarifies that if two Dispatch Orders are simultaneously in effect, Failure to Comply will be based on the lowest Dispatch Order.
Version 5	12/05/11 Version 5 added clarification to example 7, in step E.10.a, including "plus allotment; "reduces, but the FTC"; "does not"; and "while C wil not, because its DSO 216 violation was less than or equal to 100-k-Wh and delected "C and" from example

	7. The example 7 chart titled "DSO 216 Wind Limit with Lower next-Hour Schedule" was revised and replaced.
Version 4	11/23/11 Version 4 of the Failure to Comply Business Practice has been amended to clarify that a generator that accrues a billing factor for an hour that is equal to or less than 100-kWh will be deemed to have fully complied with the Dispatch Order, and Failure to Comply will not apply for that hour in step B.4.d. • Language added to clarify that if a generator’s next hour schedule is lower than 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 in step E.2. • Amended Example 7 to reflect revised End-of-Hour ramp policy in step E.10.a.
Version 3.B	06/01/10 Version 3.B of the Failure to Comply Business Practice has been amended to clarify that the Failure to Comply penalty applies to all Dispatch Orders, including Dispatch Orders issued before the start of the hour. In particular, steps 7.7 and 7.8 include Example 5 and 6 to illustrate a curtailment Dispatch Order issued prior to the start of the hour. Example 7 illustrates a DSO 216 Wind Limit being issued, where the schedule for the next hour is lower than the current hour’s schedule. In these situations, the Failure to Comply penalty applies. Version 3.B of this business practice includes the following revisions: • Added language to the Dispatch Order definition in step 2.1 to include “orders or directives prior to the start of the hour or within the hour.” • Added step 3.1 to clarify the scope of the Failure to Comply Penalty. • Added step 3.3.1 to clarify the start time for the application of a Failure to Comply Penalty for Dispatch Orders issued prior to the start of the hour. • Added “except as noted in step 4.2” to step 4.1. • Added step 4.2 - 4.2.2 to clarify the start time for application of a Failure to Comply Penalty for Dispatch Orders issued prior to the start of the hour. • Added step 4.3 - 4.3.2 to address the treatment of curtailment Dispatch Orders. • Added step 4.5 to list the examples pertaining to step 4. • Added step 5.1.1 to specify communication of Load Shedding Dispatch Orders. • Added “except as specifically note” to step 7.1. • Added Example 5 in step 7.7 - 7.7.1, Example 6 in step 7.8 - 7.8.1, and Example 7 in step 7.9 - 7.9.1, including charts and tables. • Moved step 7.5.2 to step 7.10. Failure to Comply penalties on non-network paths will become effective beginning June 1, 2010. Changes to the version 3.B redline incorporate verbal and written customer comments.
Version 2	01/19/10 Version 2 of this business practice includes the following revisions: Step 2.2 Customer definition expanded to include non-Tariff transmission service. Step 3.3 “Will” changed to may, as the Bonneville Power Administration determines if the event qualifies as Force Majeure.
Version 1	10/01/09 The Failure to Comply business practice is the result of updating the General Rate Schedule Provision (GRSP) Section II.B. The purpose of updating the GRSP Section II.B is to allow Transmission Services to develop and implement a management method that allows for a more reliable transmission system.