

RESOLUTION NO. 11-13659

A RESOLUTION AUTHORIZING THE GENERAL MANAGER
TO ENTER INTO AGREEMENTS IMPLEMENTING
SCHEDULING SERVICES WITHIN THE DISTRICT'S
BALANCING AUTHORITY

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No.1 of Chelan County (the "District") is a balancing authority (BA) operator. The District's primary responsibility as a BA operator is to maintain the reliability of electricity service within the District's BA. As a BA, the District is able to provide scheduling services to entities in the wholesale electric power market.

The Board adopted a resolution on August 17, 1998 (Resolution No. 98-11048) authorizing the General Manager to enter into and implement scheduling service agreements. The industry has changed since 1998. The wholesale electric market, including provision of scheduling services, is very dynamic. Resolution No. 98-11048 requires updating. The purpose of this resolution is to update and restate the authority delegated to the General Manager with regard to agreements for the District to provide scheduling services.

The District is interested in providing scheduling services to meet the needs of those entities scheduling wholesale electric energy into, out of, and through the District's BA. The wholesale electric markets have changed in such a way that there is an increased volume of schedules transferring power into, out of, and through the District's electric BA. In an effort to further address reliability, minimize scheduling confusion and define the terms and conditions of scheduling in the District's BA, general enabling agreements to provide certain scheduling services are necessary.

The scheduling services the District currently proposes to offer are described in the following categories: Single Tag Service I (Preschedule), Multiple Tag Service 1 (No System Support provided by the District), and Multiple Tag Service 2 (System Support provided by the District). Other scheduling services would be provided as necessary to facilitate the wholesale electric market at or through the District's BA.

The District's staff is of the opinion that it would be in the District's best interests for the Commission to authorize the General Manager (or his designee) to execute such enabling agreements for the provision of scheduling services as the General Manager (or his designee) deems appropriate or necessary. Staff recommends that the General Manager (or his designee) be authorized to execute such Agreements for terms up to five (5) years if the scheduling service impacts the load resource balance of the District and up to ten (10) years if the scheduling service does not impact the load resource balance of the District. The enabling agreements should also include appropriate charges for the services, limitations and exclusions of liability as well as other terms that meet the needs and best interests of the District. The

proposed transactions will be reviewed and approved by the Power Risk Management Committee.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON, as follows:

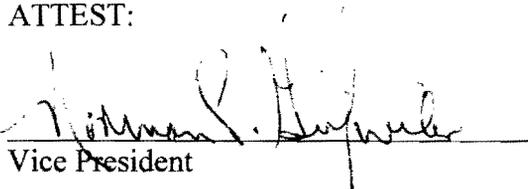
Section 1. The Commission finds that it is in the best interests of the District and its customers to authorize the General Manager (or designee) to execute such scheduling services enabling agreements as deemed necessary or appropriate for the provision of scheduling services into, out of and through the District's BA, provided that such agreements are no longer than five (5) years in duration from the time of execution if they impact the load resource balance of the District and are no longer than ten (10) years in duration from the time of execution if they do not impact the load resource balance of the District. The agreements will include other terms and conditions as deemed, by the General Manager (or designee), to be appropriate and in the best interests of the District. The proposed transactions will be reviewed and approved by the Power Risk Management Committee. A report about scheduling services agreements entered into shall be provided to the Commission at the same time as reports are given on power marketing activities.

Section 2. Resolution No. 98-11048 is hereby rescinded and superseded by this resolution.

Dated this 13th day of June 2011.

President

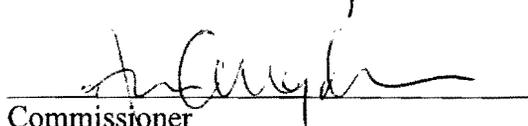
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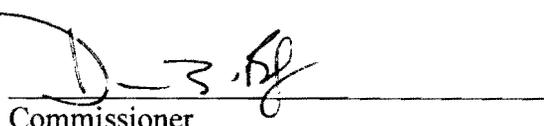
Vice President



Secretary



Commissioner



Commissioner

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