

*PUD No. 1 of Chelan County
Wenatchee, Washington*



Business Practice 02

Subject: Pond Account Management for Chelan Slice Contracts

Summary

Chelan PUD has developed this Business Practice to ensure Slice Purchasers are meeting their contractual obligations regarding pond account management and staying within their contractual pond limits per the Contracts for Sale of Output from the Rocky Reach Project and Rock Island Project (“Slice Contracts”).

Policy

Required of all Slice Purchasers pursuant to the Slice Contracts (Section 6)

- Imports for pond account management are intended to be used for maintaining a positive pond balance when inflows change and to optimize Output as provided for in the Slice Contracts.
- Imports for pond account management must meet the following requirements:
 - Slice Purchasers are allowed to import energy for pond account management only when actual inflows are lower than the inflow estimate OR are necessary to increase a low pond balance.
 - When a Slice Purchaser is importing for pond account management, real-time exports are not allowed in the same hour. Exports are considered real-time if the exports are tagged after the preschedule deadline.
 - Slice Purchasers are allowed to import energy to their pond account in an amount no greater than that Slice Purchaser’s available pond storage (pond maximum limit less current pond balance) for any single hour.
 - Pond imports will not be allowed if necessitated by or associated with transfers out of pond.
 - Both firm and non-firm imports for pond account management are allowed. The Slice Purchaser must carry 100% reserves for non-firm imports (Business Practice

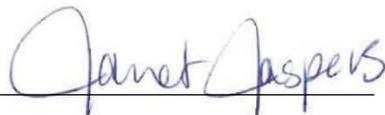
No. 1). The sole purpose of non-firm imports is to fill pond. New real-time schedules and real-time revisions to existing tag(s) must be communicated and tagged by the Slice Purchaser at least 30 minutes prior to the start of each hour. If the real-time tag or adjustment is made after this time, it is considered a late tag. Chelan PUD will make reasonable efforts to accommodate up to one late non-firm real-time tag adjustment or curtailment after T-30 per day. Curtailed or adjusted tags may not be reloaded. If a non-firm import tag is curtailed or adjusted after T-30, then additional non-firm imports will not be allowed for the remainder of that calendar day and multi-hour non-firm tags must be curtailed for the remainder of the day.

- Slice Purchaser's net schedules shall meet or exceed the minimum generation limit while importing.
 - The number of allowable import tags is designated in Section 6 of each Slice Contract. No real-time imports will be allowed if the pond is already above the maximum pond limit or if the quantity of energy imported would cause the pond to go above the maximum pond limit.
 - Imports for pond account management are not allowed if an import would cause increased spill for the importing Slice Purchaser.
- Exports for pond account management are intended to be used for maintaining an adequate pond balance when inflows change from preschedule forecasts or to decrease a high pond balance. Exports for pond account management must meet the following requirements:
 - If the pond balance is below the minimum pond limit, real-time exports will not be allowed.
 - If an export request would cause the pond balance to go below the minimum pond limit, the real-time export will not be allowed.
 - Real-time capacity may be limited by MCHC negative pond policy or the successor Chelan independent operations Capacity Reduction policy (Business Practice No. 3) to recover to the minimum pond limit.
 - Tag Limits: Tags for pond account management count toward the tag limits in Section 6 of the Slice Contracts.
 - Pond Limits: Pond balances shall remain within contractual limits. If pond goes outside Slice Purchaser's Output Percentage of Pond/Storage, the Slice Purchaser will take immediate corrective action unless otherwise directed by Chelan PUD system operator. Chelan PUD reserves the right to reduce Slice Purchaser's capacity to maintain contractual requirements per the Slice Contract (Appendix A, Management, Sec. 3(b)).

Business Practice Revision

Chelan PUD reserves the right to revise this business practice.

Approval by:

Owner/Approved By: 
Janet Jaspers
Energy Planning and Trading Manager


Approved By: _____
Holli Krebs
Power Marketing Manager

Owner	Rev. Date	Ver.	Section/Items Changed	Approved By
Jaspers	5/8/2014	0	Original Document	Jaspers/Krebs
Jaspers	5/24/2019	1	To implement numbering system for Business Practices; clean up language and references; add reference to new independent operations Capacity Reduction Policy (BP 3)	Jaspers/Krebs