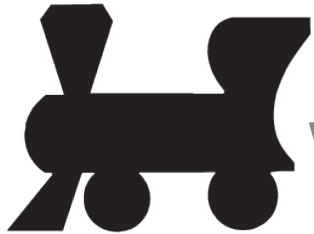


Taking a Ride on Exhibit C-SS

Specified Source Confirmation
Attachment

Mock Trade Examples

WSPP OC Meeting October 9th 2013



Housekeeping Items

- This presentation is for informational purposes and should not be construed as, and does not constitute, legal advice on any subject matter discussed herein
- The presenters are not providing legal advice to any participant, and each participant should seek their own legal counsel to make their own legal determination regarding the subject matter discussed or contained in any presentation herein
- The opinions expressed herein by any presenter, moderator or speaker are solely their own, and do not necessarily reflect the opinion of WSPP, or any company or organization of a speaker on today's presentation
- The Cap-and-Trade Regulations are subject to change, and such changes may have a material impact on the operation of Exhibit C-SS. Accordingly, all WSPP members and other attendees of this training should consult with their own legal counsel regarding the then-current state of the Cap-and-Trade Regulations
- Exhibit C-SS may be periodically reviewed and revised after publication in response to such changes or other market developments and comments received. However, the foregoing is not a warranty that further revisions will be made, or of the timeliness or comprehensiveness of such revisions
- All trade information, including without limitation: price, term, meter data, damages, generating units and counterparties are FICTICIOUS and for ILLUSTRATIVE PURPOSES ONLY, and should not be construed to suggest any relation to real persons, prices, generating units or meter data of any specific facility.

Purpose of Presentation

- The purpose of this presentation is to demonstrate how the Exhibit is used and how damages are calculated
- Please see the presentation – “Specified Source Confirmation Attachment” for an overview of the Confirmation.

Agenda

- Overview of Specified Transactions and Damage Calculations
 - Harry Singh (p. 4-6)
- Mock Trade Negotiations
 - Max Carpenter & Braydon Boulanger
- Trade 1: Carbon Adjustment
 - Margaret Miller (p. 8-13)
- Trade 2: Carbon Adjustment with EF True Up
 - Jim Barnes (p. 14-19)
- Trade 3: Specified Re-Sale
 - Alex Spain (p. 20-24)

Specified vs. Unspecified Trades

Two Types of Power

- **Specified Source of Electricity**
 - A facility, unit, or Asset Controlling Supplier (ACS) which is permitted to be claimed as the source of the electricity delivered
 - Reporting company must have full or partial ownership in the facility or unit, or have a written power contract to procure electricity from that source
 - A power contract for a specified source is a contract that is contingent upon delivery of power from a particular facility, unit, system, or ACS system that is designated at the time the transaction is executed
- **Unspecified Source of Electricity**
 - Not Specified at the time of entry into the transaction to procure electricity
 - ICE Trades, Broker Trades, No Facility/Unit/System source referenced
- **Written Power Contract**
 - Power contracts may be, but are not limited to, power purchase agreements, enabling agreements, electricity transactions, applicable international treaties, and tariff provisions, without regard to duration, or written agreements to import or export on behalf of another entity, as long as that other entity also reports to ARB the same imported or exported electricity



Calculation of Damages in Specified Power Trades

- Intended to protect buyer in case buyer's compliance costs from importing the purchased specified power change
- Buyer's compliance costs can change if (1) any portion of the purchased specified power cannot be claimed as specified power and is considered unspecified power, or (2) if the specified emission factor assigned by CARB differs from that agreed to in the contract
- The calculation of *Carbon Adjustment* and *Emissions Factor True-up* can depend on the nature of the delivery point (busbar, non busbar or ACS system)
- Carbon Adjustment and Emission Factor True-up are in addition to and do not replace provisions in the WSPP Agreement

Carbon Adjustment and EF True up

Key Terms

Carbon Adjustment (busbar) =
 $SEQ * ((TL * EF_{unsp}) - EF_{sp}) * GHG_{avg}$

Carbon Adjustment (non busbar and ACS system) =
 $SEQ * TL * (EF_{unsp} - EF_{sp}) * GHG_{avg}$

Emissions Factor True-up (busbar) =
 $(CQ - SEQ) * (EF_{asn} - EF_{sp}) * GHG_{avg}$

Emissions Factor True-up (non busbar and ACS system) =
 $(CQ - SEQ) * TL * (EF_{asn} - EF_{sp}) * GHG_{avg}$

CQ (MW)	Contract Quantity of Specified Source Power
SEQ (MW)	Substituted Quantity of Unspecified Source Power (non busbar)
TL	Transmission Loss factor (currently fixed by CARB at 1.02)
EF_sp	Emissions Factor for specified source in specified power contract
EF_asn	Final Emissions Factor for specified source assigned by CARB
EF_unsp	Emissions Factor for unspecified power (currently fixed at 0.428)
GHG_avg	Price for Carbon Allowance Damages equals 15 day average of CAISO GHG Allowance Index

Three Mock Trades

1. Specified Source Sale
With Carbon Adjustment
2. Specified Source Sale
With Carbon and EF True-up Adjustments
3. Specified Source Re-sale
Without adequate Written Power Contract



NOTE:

- Exhibit C-SS addresses Carbon Adjustment (CA) and Emissions Factor (EF) Damages
- WSPP addresses Seller/Purchaser Energy Damages and Uncontrollable Force

Trade #1

Specified Source Sale from a Single Unit

Counterparties

- Sunny Power Corp (SPC) (Max) Buyer
- Lots-A-Water PUD (LAW) (Braydon) Seller

Transaction Details

- SPC calls LAW to buy 50 MW for November from Leaky Rock Hydro Plant for All hours
- Price is Index + \$1.50 (premium for low carbon factor)
- GHG risks/MWh maxed equal to the premium

a. Identity of Source:

The following (i) facility, generator, unit or (ii) ACS system (“Source”):

Leaky Rock Hydro Plant

Source CARB IDs, if applicable and available:

ARB ID: 09992

California Energy Commission RPS ID, if Source is an ERR:

N/A

WREGIS ID#, if applicable:

N/A

b. Source EF_{sp}:

0

c. Carbon Adjustment (rapid settlement if Seller delivers higher emissions factor energy than agreed):

Carbon Adjustment **applies unless** the following box is checked:

Carbon Adjustment **does not** apply. Instead of Carbon Adjustment, Seller shall compensate Purchaser as follows, in addition to Purchaser’s remedies in Section 21 of the WSPP Agreement, if Seller fails to schedule and deliver energy from the Source unless excused pursuant to the terms of the applicable Schedule or this Confirmation:

Carbon Adjustment is applied to a maximum of \$1.50 per MWh. This is equal to the premium paid on top of the index.

d. EF True-Up (full indemnity for difference between agreed and CARB-assigned emissions factors, settled after verification): EF True-Up does not apply unless one or more of the following boxes that are checked cause a change to EF_{sp} or EF_{asn} :

Change in generator operations or fuel source.

Prospective or retroactive change in law (including AB32).

Other:

All other circumstances.

EF True Up damages are limited as follows: *[e.g., caps]*

e. RECs Disclosure (not applicable for an ACS system Source): Seller represents and warrants that the **Source is not an ERR**, unless the box is checked below. This is a disclosure, not an option, and failure to check this box does not excuse performance if the Source is or becomes an ERR.

The Source is an ERR, and Section 6.c therefore applies.

f. Regulation Incorporation: This transaction is not Regulation Incorporation unless the following box is checked:

This transaction is Regulation Incorporation and Section 6.e. below applies.

g. Additional provisions:

Fast Forward To December

Leaky Rock DAM
Lots-A-Water PUD



	HE1	HE2	HE3	HE4	HE5	HE6	HE7	HE8	HE9	HE10	HE11	HE12	HE13	HE14	HE15	HE16	HE17	HE18	HE19	HE20	HE21	HE22	HE23	HE24	Min	Performance Met
2013/11/01	168	120	164	178	145	172	163	194	204	88	96	118	62	216	141	173	65	77	169	116	136	119	201	72	62	yes
2013/11/02	66	193	156	207	104	158	82	148	120	198	248	149	92	142	61	195	115	149	78	133	65	234	71	131	61	yes
2013/11/03	144	86	128	51	208	184	58	110	104	242	65	76	145	176	160	239	134	72	225	106	63	138	202	235	51	yes
2013/11/04	143	61	217	122	70	224	85	248	143	189	220	144	103	250	188	202	173	126	88	249	192	90	219	152	61	yes
2013/11/05	92	96	162	86	59	226	55	190	111	99	150	250	128	133	67	166	154	193	203	183	130	204	208	211	55	yes
2013/11/06	199	125	99	52	136	240	114	215	207	86	101	135	211	244	77	239	138	110	83	216	100	107	223	99	52	yes
2013/11/07	161	157	58	80	175	177	130	203	74	60	83	153	248	140	142	92	187	199	166	64	198	124	63	156	58	yes
2013/11/08	54	211	149	172	210	66	130	239	161	101	158	187	164	81	246	77	237	244	113	179	195	248	185	127	54	yes
2013/11/09	221	160	173	146	225	73	221	78	172	201	221	229	188	64	217	216	178	126	244	228	78	118	92	126	64	yes
2013/11/10	137	140	110	193	211	215	217	97	158	107	224	161	87	174	91	176	222	80	96	163	246	54	163	101	54	yes
2013/11/11	150	76	213	211	231	230	221	97	66	237	135	60	215	200	107	112	138	108	63	243	87	125	229	240	60	yes
2013/11/12	65	197	78	242	95	81	170	170	208	235	155	52	94	53	160	246	228	118	126	175	70	179	82	52	52	yes
2013/11/13	151	63	185	130	227	139	127	109	117	132	148	188	55	230	120	154	114	85	168	79	171	108	62	70	55	yes
2013/11/14	55	101	219	136	113	225	195	177	101	233	137	48	203	120	226	98	98	59	96	107	196	127	168	183	102	yes
2013/11/15	213	209	174	106	222	167	228	75	51	54	68	249	62	215	199	96	243	194	58	91	117	171	163	149	51	yes
2013/11/16	144	241	138	91	114	111	148	59	92	114	74	78	55	118	146	104	83	104	77	121	209	95	108	197	55	yes
2013/11/17	225	179	222	70	63	92	78	145	248	237	137	147	157	151	121	133	89	156	44	101	50	126	54	100	52	no
2013/11/18	57	200	177	204	203	219	97	202	164	175	243	54	192	130	245	174	202	58	208	229	66	111	132	56	54	yes
2013/11/19	95	63	95	209	53	98	133	204	209	180	51	64	146	189	213	143	136	103	111	197	108	124	76	229	51	yes
2013/11/20	248	145	193	94	183	95	141	198	227	106	106	49	75	189	146	205	241	179	77	177	184	64	168	167	50	yes
2013/11/21	247	143	207	89	155	124	129	123	162	78	86	110	130	166	136	165	75	241	123	242	204	77	99	72	72	yes
2013/11/22	225	126	181	212	85	168	226	137	170	73	96	226	155	223	200	99	158	184	201	139	244	56	183	187	56	yes
2013/11/23	124	68	229	196	198	50	78	71	169	171	140	143	145	173	52	145	230	165	195	211	123	150	228	155	50	yes
2013/11/24	139	200	173	247	219	226	158	191	87	67	205	164	144	128	142	178	120	103	159	150	147	140	222	112	67	yes
2013/11/25	214	218	167	90	83	122	213	219	97	208	146	158	148	189	36	56	173	48	94	198	176	71	218	101	102	no
2013/11/26	87	81	133	97	141	235	68	99	98	230	88	232	104	193	137	147	50	202	96	84	114	245	100	106	50	yes
2013/11/27	231	199	218	69	197	225	137	105	160	126	209	105	184	121	227	69	121	243	166	143	125	174	96	246	69	yes
2013/11/28	86	123	183	121	237	203	117	148	170	135	84	116	232	76	65	135	249	151	162	192	103	241	190	110	65	yes
2013/11/29	160	61	178	85	97	226	106	188	130	109	163	136	176	146	165	164	226	218	74	88	189	220	141	84	61	yes
2013/11/30	173	109	126	103	202	241	194	234	119	240	137	120	145	138	137	100	220	64	87	129	145	83	137	235	64	yes

Total MWhs subject to Carbon Adjustment: 20

On December 15th, Lots-A-Water PUD sends SPC meter data from the specified facility in accordance with the confirmation

Lots-A-Water PUD also notifies SPC that for two hours in the month, they did not produce enough water to fulfill Exhibit C-SS Specified contract provisions, but LAW did provide substitute power to fulfill WSPP contract provisions

Carbon Adjustment (CA)

- CA is triggered during two hours of the month = 20 MWh
 - Delivery in the contract is the Source Bus Bar
 - CA calculation is: $SEQ * ((TL * EF_{unsp}) - EF_{sp}) * GHG_{avg}$
 $20 * ((1.02 * 0.428) - 0) * \$12.25 = \$106.96$
 - GHG costs were capped at \$1.50: SPC will receive \$30.00 in damage payments, but their exposure is actually \$106.96
 $20 \text{ MWH} * \$ 1.50 = \30.00

- Note – to the extent Buyer has to re-supply the power (vs Seller), then the standard WSPP Section 21 damage provisions would apply to the replacement power costs
- Note – No WSPP Section 21 damage provisions apply because WSPP energy delivery requirements fulfilled



SEQ	20
TL	1.02
EF unsp	0.428
EF sp	0.0
GHG avg	\$ 12.25
Max Cap	\$ 1.50
Full Carbon Adjustment	\$ 106.96
Carbon Adjustment	\$ 30.00

Fast Forward to Next Year

- SPC goes through verification. The verifier confirms:
 - Specified confirm is deemed a written power contract by CARB
 - CARB accepts meter data and approves SPC claim to all but 20 MWhs of energy imported was procured from the specified facility identified by the confirm and the NERC e-tag
 - Specified facility emissions factor is verified as zero resulting in no Exhibit C-SS Emission Factor true up requirement

Trade #2

Specified Sale from a Single Unit

(with CA and EF True-up)

Counterparties

- Sunny Power Corp (SPC) (Max) Buyer
- Lots-A-Water PUD (LAW) (Braydon) Seller

Transaction Details

- SPC calls LAW to buy 25 MW of Specified Power for November – all hrs
- LAW offers 25 MW from their biomass facility at Mid C

a. Identity of Source:

The following (i) facility, generator, unit or (ii) ACS system (“Source”):

Burning Wood Biomass Facility

Source CARB IDs, if applicable and available:

ARB ID: 79900

California Energy Commission RPS ID, if Source is an ERR:

California RPS ID: 9009909

WREGIS ID#, if applicable:

WREGIS ID# 54873

b. Source EF_{sp}:

0.15

c. Carbon Adjustment (rapid settlement if Seller delivers higher emissions factor energy than agreed): Carbon Adjustment applies unless the following box is checked:

- Carbon Adjustment does not apply. Instead of Carbon Adjustment, Seller shall compensate Purchaser as follows, in addition to Purchaser’s remedies in Section 21 of the WSP Agreement, if Seller fails to schedule and deliver energy from the Source, unless excused pursuant to the terms of the applicable Schedule or this Confirmation:
[e.g., fixed damages of \$0, \$2, or % of Carbon Adjustment.]

d. EF True-Up (full indemnity for difference between agreed and CARB-assigned emissions factors, settled after verification): EF True-Up **does not apply unless** one or more of the following boxes that are checked cause a change to EF_{sp} or EF_{asn} :

- × Change in generator operations or fuel source.
- Prospective or retroactive change in law (including AB32).
- Other:
- All other circumstances.
- EF True Up damages are limited as follows: *[e.g., caps]*

e. RECs Disclosure (not applicable for an ACS system Source): Seller represents and warrants that the **Source is not an ERR, unless** the box is checked below. This is a disclosure, not an option, and failure to check this box does not excuse performance if the Source is or becomes an ERR.

- × The Source is an ERR, and Section 6.c therefore applies.

f. Regulation Incorporation: This transaction is **not** Regulation Incorporation **unless** the following box is checked:

- × This transaction is Regulation Incorporation and Section 6.e. below applies.

g. Additional provisions:

Fast Forward To December

Nov - Meter Data
Burning Wood Biomass

Lots-A-Water PUD



	HE1	HE2	HE3	HE4	HE5	HE6	HE7	HE8	HE9	HE10	HE11	HE12	HE13	HE14	HE15	HE16	HE17	HE18	HE19	HE20	HE21	HE22	HE23	HE24	Min	Performance Met
2013/11/01	60	62	44	50	31	40	37	45	23	63	33	33	51	23	58	54	25	49	51	24	51	65	58	50	23	no
2013/11/02	52	30	49	63	30	44	36	55	38	52	39	34	39	65	50	27	48	36	47	40	30	55	40	49	27	yes
2013/11/03	30	36	49	51	54	46	61	63	41	42	29	32	64	46	43	63	42	39	28	28	32	47	38	26	26	yes
2013/11/04	27	49	54	61	54	38	40	44	58	39	63	58	47	45	48	26	39	39	34	32	62	45	33	26	26	yes
2013/11/05	62	53	30	41	52	35	64	56	47	26	47	53	47	51	49	55	55	24	33	48	36	34	31	43	24	no
2013/11/06	57	49	28	60	61	24	38	60	35	28	29	44	54	26	60	54	52	28	28	34	34	50	36	47	24	no
2013/11/07	39	51	45	62	45	62	29	52	56	29	36	31	30	55	52	28	25	30	36	45	40	50	33	54	25	yes
2013/11/08	53	54	44	54	50	50	32	39	56	64	62	24	50	28	39	33	63	28	34	33	56	58	42	25	24	no
2013/11/09	27	30	41	64	58	52	49	64	53	34	33	35	46	42	54	33	52	65	50	24	23	25	24	64	23	no
2013/11/10	43	26	40	34	30	55	54	55	59	59	38	60	46	49	61	57	62	59	44	41	36	49	33	28	26	yes
2013/11/11	34	59	37	46	31	50	62	29	51	60	58	64	31	34	62	37	62	54	36	48	54	23	64	35	23	no
2013/11/12	53	41	40	33	30	51	31	37	31	32	48	38	46	29	55	38	49	50	23	47	37	50	52	65	23	no
2013/11/13	51	62	52	39	24	60	60	24	64	30	37	42	51	46	47	51	44	35	25	42	30	38	34	60	24	no
2013/11/14	53	29	43	61	23	62	28	55	47	63	38	38	61	29	64	43	39	28	61	38	26	55	43	64	23	no
2013/11/15	50	23	51	65	46	29	65	61	50	58	25	40	65	28	43	33	24	28	31	25	54	45	27	36	23	no
2013/11/16	24	38	32	48	53	65	30	40	46	52	64	57	57	47	23	42	34	56	33	58	39	28	55	58	23	no
2013/11/17	48	36	24	30	49	39	31	26	61	61	32	61	38	45	64	48	35	25	32	40	52	44	49	35	24	no
2013/11/18	65	25	31	30	51	26	42	44	53	54	27	37	34	48	24	57	40	24	54	65	52	34	48	34	24	no
2013/11/19	58	33	43	49	45	63	44	57	43	39	28	34	54	49	49	40	60	44	30	33	38	34	38	34	28	yes
2013/11/20	44	36	29	41	40	46	61	25	31	49	34	63	25	53	28	29	37	48	62	45	45	23	65	44	23	no
2013/11/21	28	64	44	65	36	43	34	23	59	42	65	43	36	61	32	31	43	33	24	41	56	26	30	64	23	no
2013/11/22	47	40	41	26	35	57	31	31	50	31	36	51	61	45	33	37	30	59	42	62	38	44	46	42	26	yes
2013/11/23	45	48	26	60	47	46	27	63	40	46	58	39	64	43	26	37	30	33	36	51	62	51	45	46	26	yes
2013/11/24	23	54	58	63	62	25	58	55	48	24	40	35	45	32	57	64	24	28	34	56	39	38	52	40	23	no
2013/11/25	31	46	54	33	56	49	62	27	27	34	53	61	25	45	49	38	40	55	55	51	35	26	23	34	23	no
2013/11/26	46	57	32	25	42	50	27	35	64	32	37	59	24	36	31	41	38	37	60	27	60	57	35	54	24	no
2013/11/27	58	38	32	37	27	44	61	30	39	56	48	61	41	58	61	57	59	47	62	44	53	51	29	42	27	yes
2013/11/28	43	37	32	24	28	60	58	29	25	48	61	62	28	35	32	30	56	44	62	44	30	61	53	55	24	no
2013/11/29	52	39	33	60	64	31	37	34	64	44	60	25	25	61	35	36	42	62	35	62	47	39	35	48	25	yes
2013/11/30	28	44	36	25	43	28	41	51	24	29	31	40	51	56	54	30	25	33	64	51	61	63	62	48	24	no

Total MWhs subject to Carbon Adjustment: 43

On December 15th, Lots-A-Water PUD sends SPC meter data from the specified facility in accordance with the confirmation.

Lots-A-Water PUD also notifies SPC that for multiple hours in the month, they did not produce enough power to fulfill Exhibit C-SS Specified contract provisions, but LAW did provide substitute power to fulfill WSPP contract provisions.

Carbon Adjustment

- CA is triggered for those hours in the month
 - Delivery in the contract is Mid C (not busbar)
 - CA calculation is as follows:
 - $SEQ \times TL \times (EF_{unsp} - EF_{sp}) \times GHG_{avg}$
 - $43 \text{ MWh} * 1.02 * (.428 - .15) * \$12.25 = \$149.37$
 - No Cap to CA, LAW pays SPC = \$149.37



SEQ	43
TL	1.02
EF unsp	0.428
EF sp	0.15
GHG avg	\$ 12.25
Max Cap	
Full Carbon Adjustment	\$ 149.37

EF True-up

- After Verification, the biomass plant has been given a higher emission factor by CARB.
 - EF is triggered
 - $(CQ - SEQ) \times TL \times (EF_{asn} - EF_{sp}) \times GHG_{avg}$
 - $(18,000 - 43) * 1.02 * (.23 - .15) * \$12.25 = \$17,949.82$

Contract Quantity	18,000
SEQ	43
EF asn	0.23
Ef sp	0.15
GHG avg	\$ 12.25
EF True Up	\$ 17,949.82



Trade #3

Specified Re-Sale

The Counterparties:

- Northern Pacific Power (NPP) (Alex) Generator
 - NPP is a registered Asset Controlling Supplier (ACS)
- Sunny Power Corp (SPC) (Max) - Reseller
- Lots-A-Water (LAW) (Braydon) - CA Importer

The Transaction:

1. NPP sells 25 MW of Unspecified November to SPC
2. SPC sells “NPP ACS Specified” power to LAW
3. LAW imports “NPP ACS Specified” power

The Problems:

- SPC resold unspecified power as specified power
- NPP did not provide SPC with a Specified Power Confirm
- LAW did not request a redacted NPP Specified Power Confirm from SPC

Confirm between LAW & SPC

a. Identity of Source:
The following (i) facility, generator, unit or (ii) ACS system (“Source”): NPP ACS System
Source CARB IDs, if applicable and available: ARB ID: 201357
California Energy Commission RPS ID, if Source is an ERR: N/A
WREGIS ID#, if applicable: N/A
b. Source EF_{sp}:
0.03
c. Carbon Adjustment (rapid settlement if Seller delivers higher emissions factor energy than agreed): Carbon Adjustment <u>applies unless</u> the following box is checked:
<input type="checkbox"/> Carbon Adjustment <u>does not</u> apply. Instead of Carbon Adjustment, Seller shall compensate Purchaser as follows, in addition to Purchaser’s remedies in Section 21 of the WSPP Agreement, if Seller fails to schedule and deliver energy from the Source unless excused pursuant to the terms of the applicable Schedule or this Confirmation: <i>[e.g., fixed damages of \$0, \$2, or % of Carbon Adjustment.]</i>

d. EF True-Up (full indemnity for difference between agreed and CARB-assigned emissions factors, settled after verification): EF True-Up **does not apply unless** one or more of the following boxes that are checked cause a change to EF_{sp} or EF_{asn} :

- Change in generator operations or fuel source.
- Prospective or retroactive change in law (including AB32).
- Other:
- All other circumstances.
- EF True Up damages are limited as follows: *[e.g., caps]*

e. RECs Disclosure (not applicable for an ACS system Source): Seller represents and warrants that the **Source is not an ERR, unless** the box is checked below. This is a disclosure, not an option, and failure to check this box does not excuse performance if the Source is or becomes an ERR.

- The Source is an ERR, and Section 6.c therefore applies.

f. Regulation Incorporation: This transaction is **not** Regulation Incorporation **unless** the following box is checked:

- This transaction is Regulation Incorporation and Section 6.e. below applies.

g. Additional provisions:

Fast Forward to Verification

- ACS Power does not require metered data
- Tag shows that all power originated from NPP System
- **CARB verifier requests proof that SPC and LAW have a Specified Power Contract, in addition to a redacted confirm between NPP and SPC**

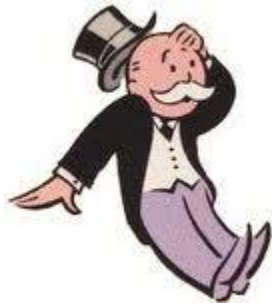
- LAW did not request, nor does SPC have, a Specified Power Contract with NPP as the initial contract between NPP and SPC was unspecified

- LAW imported power deemed Unspecified
- LAW seeks Exhibit C-SS Carbon Allowance Damage from SPC
- LAW could have recognized the problem earlier by requesting a redacted NPP confirm between SPC and NPP



Carbon Adjustment

- CA is triggered for 100% contract volume
 - 1.02 TL applies to all ACS power
 - CA calculation is as follows:
 - $SEQ \times TL \times (EF_{unsp} - EF_{sp}) \times GHG_{avg}$
 - $18,000 \text{ MWh} * 1.02 * (.428 - .03) * \$12.25 = \$89,514.18$
 - SPC pays LAW = \$89,514.18



SEQ	18,000.00
TL	1.02
EF unsp	0.428
EF sp	0.03
GHG avg	\$ 12.25
Full Carbon Adjustment	\$89,514.18

Questions?



Contact Information

- Jeremy Weinstein
 - Co-Chair, Specified Source Confirmation Attachment Drafting Initiative
 - 925-943-3103
 - jweinstein@prodigy.net
- Heather Harrison
 - Co-Chair, Specified Source Confirmation Attachment Drafting Initiative
 - 561-304-5839
 - Heather.harrison@nexteraenergy.com
- Clare Breidenich
 - GHG Consultant
 - 206-697-4946
 - cbreidenich@aciem.us
- Alex Spain
 - Trading Floor Manager, Bonneville Power Administration
 - 503-230-5780
 - ajspain@bpa.gov
- Jim Barnes
 - GM Risk Management – Power Operations, Portland General Electric
 - 503-464-8931
 - jim.barnes@pgn.com
- Braydon Boulanger
 - Market Analyst, Emissions, TransAlta
 - 403-267-5833
 - Braydon_Boulanger@transalta.com
- Margaret Miller
 - Director of Regulatory Affairs, Brookfield Renewable Energy Group
 - 916-673-3082
 - Margaret.Miller@brookfieldrenewable.com
- Max Carpenter
 - Southern California Edison, Manager of Power Trading
 - 626-302-3461
 - max.carpenter@sce.com
- Harry Singh
 - Vice President, US Power Trading, Goldman Sachs
 - 212-357-6449
 - harry.singh@gs.com