



May 11, 2021

Versant Power Policy Statement Regarding Calculating Wheeling Charges for the Bangor Hydro District.

Context: Versant Power charges customers who transmit electricity over its local transmission system in accordance with Schedule 21-VP of the ISO New England Open Access Transmission Tariff (OATT).

Customers make point-to-point transmission reservations on Versant Power's Open Access Same Time Information System (OASIS), and are charged for the quantity of Megawatts reserved multiplied by the effective tariff rates for Schedule 1-VP (Scheduling, System Control & Dispatch Service) as well as for either Firm Point-to-Point Transmission Service (Schedule 7) or Non-Firm Point-to-Point Transmission Service (Schedule 8). Reservation classifications include Yearly (Firm Service only), Monthly, Weekly, Daily, and Hourly (Non-Firm Service only).

Schedule 21-VP includes provisions for 'unreserved use penalties' for both Firm Transmission Reservations (Schedule 9.3) or Non-Firm Transmission Reservations (Schedule 10.2). These provisions state that Versant Power may charge a customer "up to 200% of the Firm Point-to-Point Transmission Service charge for the period during which the Transmission Customer exceeded" its Firm or Non-Firm reserved capacity.

In accordance and consistent with the foregoing provisions, and in order to provide clarity and consistency in its application of these provisions, Versant Power is posting this Policy Statement to be effective upon issuance and until further notice.

Policy: Versant Power will apply a fee for unreserved use of Firm or Non-Firm Point-to-Point transmission service of 200% times the \$/MWh rate the customer would have paid should it have properly reserved transmission service on Versant Power's OASIS (whether that be the stated tariff rate or a discounted rate at its \$/MWh equivalent) for the number of unreserved Megawatts in any hour.

Example: Assume a generator has scheduled 10 MW for a 24-hour period, but exceeds the reservation by 2 MW in two separate hours, the penalty will be calculated to be \$12.62 (based on the 2021 discounted rate of \$1.5776/MWh which may change after December 31, 2023):

$$\begin{aligned} \text{Occurrence one: } & 2 \text{ MW} \times \$1.5776/\text{MWh} \times 200\% = \$6.3104 \\ \text{Occurrence two: } & 2 \text{ MW} \times \$1.5776/\text{MWh} \times 200\% = \underline{\$6.3104} \\ \text{Total:} & \quad \quad \quad = \$12.62 \end{aligned}$$

This Policy Statement supersedes that issued April 15, 2021, and is effective May 12, 2021.