

June 8, 2011

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: California Independent System Operator Corporation  
Filing of an Amendment to Service Agreement No. 784  
Docket No. ER11-\_\_\_\_-000**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”), 16 U.S.C. § 824d, the California Independent System Operator Corporation submits for Commission filing and acceptance an executed amendment to the scheduling coordinator agreement (“Amended SCA”) between the ISO and the Western Area Power Administration – Desert Southwest Region (“Western-DSR”). The ISO requests an effective date for the Amended SCA of June 15, 2011 to account for changes to other agreements coincident with this date.

In conjunction with the instant filing, the ISO submitted today in Docket No. ER11-3756-000 a separate filing of the already-effective scheduling coordinator agreement between the ISO and Western-DSR into the eTariff system as non-conforming service agreement no. 784 of the ISO, in addition to filing the attached Amended SCA. The ISO’s separate submittal today of the scheduling coordinator agreement is the first time that the ISO is submitting the Western-DSR scheduling coordinator agreement into the eTariff system pursuant to the provisions of Order No. 714 regarding electronic tariffs.

## **I. Background**

On April 25, 2007, the CAISO and Western-DSR entered into a scheduling coordinator agreement and a meter service agreement for scheduling coordinators. Both these agreements were submitted to FERC through the Electric Quarterly Report filing and made effective May 1, 2007 as requested by Western-DSR. Thereafter, Western-DSR requested to make certain changes to the agreements to make them compatible with federal contracting guidelines, and as such the CAISO and Western-DSR agreed to formalize the changes through an amendment to the agreements submitted in ER08-812-000, which were accepted in a letter order issued by the Commission on June 3, 2008.

## **A. Purpose of the Amended Scheduling Coordinator Agreement**

The primary purpose of the Amended SCA is to update the agreement to be consistent with the current *pro forma* version of the scheduling coordinator agreement included in the ISO tariff and the changes previously accepted by the Commission as part of the ISO's new market implementation and as part of the ISO's more recent tariff clarifications.<sup>1</sup> In addition, certain information included in the schedules has been updated. The following paragraph summarizes these two categories of proposed changes.

The ISO tariff now includes updated terminology, including the terms "Bids" and "Settlement." These updated terms have been incorporated in the Amended SCA along with other updated terms. In addition, the *pro forma* scheduling coordinator agreement "boilerplate provisions" contained in Appendix B.1 to the ISO tariff have been updated. These updated provisions are now reflected in the Amended SCA, including provisions regarding: (i) rules of interpretation, (ii) covenant of the scheduling coordinator, (iii) term and termination, (iv) settlement account, (v) penalties and sanctions, (vi) costs, (vii) dispute resolution, (viii) representation and warranties, (ix) liability, (x) uncontrollable forces, (xi) miscellaneous, (xii) notices, (xiii) waivers, (xiv) governing law and forum, (xv) consistency with federal laws and regulations, (xvi) merger, (xvii) severability, (xviii) amendments, and (xix) counterparts. Several of the schedules to the *pro forma* scheduling coordinator agreement were also updated in the ISO's tariff clarifications filing, and these updates have been made in the Amended SCA as well. All of these changes, along with other miscellaneous changes such as referring to "CAISO" instead of "ISO," represent the totality of changes necessary to update the currently effective scheduling coordinator agreement between the ISO and Western-DSR to the *pro forma* scheduling coordinator agreement currently included in the ISO tariff. The Amended SCA also contains changes to Schedule 1, Contacts for Notices, to update the contact information for Western-DSR and the ISO.

The provisions of the Amended SCA are of immediate significance only to the ISO and Western-DSR and are agreed to by the parties. The ISO requests that the Commission accept the amended Western-DSR scheduling coordinator agreement as filed as non conforming service agreement no. 784.

---

<sup>1</sup> See *California Independent System Operator Corporation*, 125 FERC ¶ 61,262 (2008) (accepting revisions to the *pro forma* scheduling coordinator agreement and other agreements, among other revisions, filed in connection with the ISO's new market, subject to compliance filing regarding unrelated matters); see also *California Independent System Operator Corporation*, 134 FERC ¶ 61,140 (2011) (accepting clarifications to the *pro forma* scheduling coordinator agreement and other agreements, among other tariff clarifications, subject to a compliance filing by the ISO regarding which an order is still pending).

## **II. Effective Date and Request for Waiver**

The ISO requests that the Amended SCA be made effective on June 15, 2011. The ISO requests waiver, pursuant to Section 35.11 of the Commission's regulations (18 C.F.R. § 35.11), of the 60-day notice requirement set forth in Section 35.3 of the Commission's regulations (18 C.F.R. § 35.3), and to the extent necessary, the ISO respectfully requests that the Commission grant any other waivers of Part 35 of its regulations that may be required in connection with the requested effective date. June 15, 2011 is the effective date that the ISO and Western-DSR have agreed upon and will allow the parties to update additional agreements effective as of the same date. Granting the requested effective date and waiver, therefore, is appropriate.

## **III. Expenses**

No expense or cost associated with this filing has been alleged or judged in any judicial or administrative proceeding to be illegal, duplicative, unnecessary, or demonstratively the product of discriminatory employment practices.

## **IV. Service**

Copies of this filing have been served upon Western-DSR, the California Public Utilities Commission, and the California Energy Commission. In addition, the filing has been posted on the ISO website.

The ISO encloses the following for filing:

- (1) this letter of transmittal;
- (2) the executed Amended SCA (Attachment A);and
- (4) the Amended SCA with revisions to the prior version shown in red-line format (Attachment B).

## VI. Correspondence

The ISO requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

John C. Anders\*  
Senior Counsel  
California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630  
Tel: (916) 608-7287  
Fax: (916) 608-7222  
E-mail: [janders@caiso.com](mailto:janders@caiso.com)

\* Individual designated for service pursuant to Rule 203(b)(3),  
18 C.F.R. § 203(b)(3).

## VII. Conclusion

The ISO respectfully requests that the Commission accept this filing and permit the ISO's submittal of the Amended SCA to be effective as of the date requested. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,  
**By: /s/ John C. Anders**

Nancy Saracino  
General Counsel  
Sidney M. Davies  
Assistant General Counsel  
John C. Anders  
Senior Counsel  
California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630  
Tel: (916) 608-7287  
Fax: (916) 608-7222  
[janders@caiso.com](mailto:janders@caiso.com)

Attorneys for the California Independent  
System Operator Corporation

**Attachment A –  
Revised Service Agreement No. 784  
Non-Conforming Scheduling Coordinator Agreement**

---

---

**CALIFORNIA INDEPENDENT SYSTEM  
OPERATOR CORPORATION**

**AND**

**WESTERN AREA POWER ADMINISTRATION  
DESERT SOUTHWEST REGION**

**SCHEDULING COORDINATOR  
AGREEMENT**

---

---

## **Scheduling Coordinator Agreement**

**THIS AGREEMENT** is made this 19<sup>TH</sup> day of MAY, 2011 and is entered into, by and between:

- (1) **Western Area Power Administration – Desert Southwest Region** having a registered or principal executive office at **615 South 43<sup>rd</sup> Avenue, Phoenix, Arizona 85009** (the “Scheduling Coordinator”);

and

- (2) **CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the CAISO Governing Board may from time to time designate, currently 250 Outcropping Way, Folsom, California 95630 (the “CAISO”).

(the “CAISO”).

The Scheduling Coordinator and the CAISO are hereinafter referred to as the “Parties”.

Whereas:

- A. The Scheduling Coordinator has applied for certification by the CAISO under the certification procedure referred to in Section 4.5.1 of the CAISO Tariff.
- B. The Scheduling Coordinator wishes to submit Bids for Energy and Ancillary Services on the CAISO Controlled Grid under the terms and conditions set forth in the CAISO Tariff.

**NOW IT IS HEREBY AGREED as follows:**

**1. Definitions and Interpretation.**

**1.1 Master Definitions Supplement.** Terms and expressions used in this Agreement shall have the same meanings as those contained in the Master Definitions Supplement to the CAISO Tariff.

**1.2 Rules of Interpretation.** The following rules of interpretation and conventions shall apply to this Agreement:

- (a) if there is any inconsistency between this Agreement and the CAISO Tariff, the CAISO Tariff will prevail to the extent of the inconsistency;
- (b) the singular shall include the plural and vice versa;
- (c) the masculine shall include the feminine and neutral and vice versa;
- (d) “includes” or “including” shall mean “including without limitation”;
- (e) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year; and
- (k) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.



## **2. Covenant of the Scheduling Coordinator.**

### **2.1 The Scheduling Coordinator agrees that:**

**2.1.1** The CAISO Tariff governs all aspects of bidding and scheduling of Energy and Ancillary Services on the CAISO Controlled Grid, including (without limitation), the financial and technical criteria for Scheduling Coordinators, bidding, Settlement, information reporting requirements and confidentiality restrictions;

**2.1.2** It will abide by, and will perform all of the obligations under the CAISO Tariff placed on Scheduling Coordinators in respect of all matters set forth therein including, without limitation, all matters relating to the bidding and scheduling of Energy and Ancillary Services on the CAISO Controlled Grid, obligations regarding Resource Adequacy Plans and other requirements of Section 40 of the CAISO Tariff applicable to Scheduling Coordinators for affected Load Serving Entities, ongoing obligations in respect of scheduling, Settlement, system security policy and procedures to be developed by the CAISO from time to time, billing and payments, confidentiality and dispute resolution;

**2.1.3** It shall ensure that each UDC, over whose Distribution System Energy or Ancillary Services are to be transmitted in accordance with Bids submitted to the CAISO by the Scheduling Coordinator, enters into a UDC Operating Agreement in accordance with Section 4.4 of the CAISO Tariff;

**2.1.4** It shall ensure that each Generator for which it submits Bids enters into a Participating Generator Agreement in accordance with Section 4.6 of the CAISO Tariff;

**2.1.5** It shall have the primary responsibility to the CAISO, as principal, for all Scheduling Coordinator payment obligations under the CAISO Tariff;

**2.1.6** Its status as a Scheduling Coordinator is at all times subject to the CAISO Tariff.

## **3. Term and Termination.**

**3.1** This Agreement shall commence on the later of (a) \_\_\_\_\_ or (b) the date the Scheduling Coordinator is certified by the CAISO as a Scheduling Coordinator.

**3.2** This Agreement may be terminated in accordance with the provisions of Section 4.5.4.4 and 4.5.4.5 of the CAISO Tariff; provided, however, any outstanding financial right or obligation or any other right or obligation under the CAISO Tariff of the Scheduling Coordinator that may have arisen under this Agreement, and any provision of this Agreement necessary to give effect to such right or obligation, shall survive such termination until satisfied. The CAISO shall timely file any notice of termination with FERC, if this Agreement has been filed with FERC, or must otherwise comply with the requirements of FERC rules regarding termination.

**4. Settlement Account.**

**4.1** The Scheduling Coordinator shall maintain at all times an account with a bank capable of Fed-Wire transfer to which credits or debits shall be made in accordance with the billing and Settlement provisions of Section 11 of the CAISO Tariff. Such account shall be the account as notified by the Scheduling Coordinator to the CAISO from time to time by giving at least 20 days written notice before the new account becomes operational, together with all information necessary for the CAISO's processing of a change in that account.

**5. Agreement to be bound by CAISO Tariff.**

**5.1** The CAISO Tariff is incorporated herein and made a part hereof. In the event of a conflict between the terms and conditions of this Agreement and any other terms and conditions set forth in the CAISO Tariff, the terms and conditions of the CAISO Tariff shall prevail.

**6. Electronic Contracting.**

**6.1** All submitted applications, schedules, Bids, confirmations, changes to information on file with the CAISO and other communications conducted via electronic transfer (e.g. direct computer link, FTP file transfer, bulletin board, e-mail, facsimile or any other means established by the CAISO) shall have the same legal rights, responsibilities, obligations and other implications as set forth in the terms and conditions of the CAISO Tariff as if executed in written format.

**7. Penalties and Sanctions.**

**7.1** The Scheduling Coordinator shall be subject to all penalties made applicable to Scheduling Coordinators set forth in the CAISO Tariff.

**8. Costs.**

8.1 The Scheduling Coordinator shall be responsible for all its costs incurred for the purpose of meeting its obligations under this Agreement.

**9. Dispute Resolution.**

9.1 The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall adhere to the CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff, which is incorporated by reference, except that any reference in Section 13 of the CAISO Tariff to Market Participants shall be read as a reference to the Scheduling Coordinator and references to the CAISO Tariff shall be read as references to this Agreement.

**10. Representation and Warranties.**

10.1 Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.

**11. Liability.**

11.1 The provisions of Section 14 of the CAISO Tariff will apply to liability arising under this Agreement, except that all references in Section 14 of the CAISO Tariff to Market Participants shall be read as references to the Scheduling Coordinator and references to the CAISO Tariff shall be read as references to this Agreement.

**12. Uncontrollable Forces.**

12.1 Section 14.1 of the CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14.1 of the CAISO Tariff to Market Participants shall be read as a reference to the Scheduling Coordinator and references to the CAISO Tariff shall be read as references to this Agreement.

**13. Miscellaneous.**

13.1 **Assignments.** Either Party may assign or transfer any or all of its rights and/or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the CAISO Tariff. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting

the rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.

- 13.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the CAISO Tariff, provided that all references in Section 22.4 of the CAISO Tariff to Market Participants shall be read as a reference to the Scheduling Coordinator and references to the CAISO Tariff shall be read as references to this Agreement, and unless otherwise stated or agreed shall be made to the representative of the other Party indicated in Schedule 1. A Party must update the information in Schedule 1 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.
- 13.3 Waivers.** Any waiver at any time by either Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 13.4 Governing Law and Forum.** This Agreement shall be deemed to be a contract made under, and for all purposes shall be governed by and construed in accordance with, the laws of the State of California, except its conflict of law provisions. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement to which the CAISO ADR Procedures do not apply, shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.
- 13.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the CAISO Tariff as if the references to the CAISO Tariff were referring to this Agreement.
- 13.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 13.7 Severability.** If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest

by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.

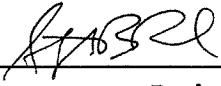
- 13.8 Amendments.** This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. Nothing contained herein shall be construed as affecting in any way the right of the CAISO to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the FPA and pursuant to FERC's rules and regulations promulgated thereunder, and the Scheduling Coordinator shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 206 or any other applicable provision of the FPA and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the FPA and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
- 13.9 Counterparts.** This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.
- 13.10 Contingent upon Appropriations.** Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States' obligations under the contract. In case such appropriation is not made, the CAISO hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.
- 13.11 Covenant against Contingent Fees.** The CAISO warrants that no person or selling agency has been employed or retained to solicit or

secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the CAISO for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

- 13.12 Contract Work Hours and Safety Standards.** The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 329, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 327-334, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.
- 13.13 Equal Opportunity Employment Practices.** Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the CAISO will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated herein by reference the same as if the specific language had been written into the contract, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.
- 13.14 Use of Convict Labor.** The CAISO agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.
- 13.15 Counterparts.** This Amendment may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same agreement.
- 13.16 Termination.** The provisions of this Amendment including any subsequent amendments shall remain in full force and effect until the termination of the Agreement.


IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials.

**California Independent System Operator Corporation**

By:   
Name: Steve Berberich  
Title: Vice President & Chief Operating Officer  
Date: May 19, 2011



**Western Area Power Administration – Desert Southwest Region**

By:   
Name: Penny D. Casey  
Title: DSW, EMMO Manager  
Date: 5/12/2011

**SCHEDULE 1****NOTICES****[Section 13.2]****Scheduling Coordinator**

Name of Primary Representative: Penny Casey  
Title: Manager, Energy Management & Marketing Office  
Company: Western Area Power Administration – Desert Southwest Region  
Address: 615 South 43<sup>rd</sup> Avenue  
City/State/Zip Code: Phoenix, AZ 85009  
Email Address: Casey@wapa.gov  
Phone: (602) 605-2585  
Fax No: (602) 605-2831

Name of Alternative Representative: John Paulsen  
Title: Lead Energy Management/Marketing Specialist  
Company: Western Area Power Administration – Desert Southwest Region  
Address: 615 South 43<sup>rd</sup> Avenue  
City/State/Zip Code: Phoenix, AZ 85009  
Email Address: Paulsen@wapa.gov  
Phone: (602) 605-2557  
Fax No: (602) 605-2831



**CAISO****Name of Primary**

**Representative:** Ms. Roni L. Reese  
**Title:** Sr. Contracts Analyst  
**Address:** 250 Outcropping Way  
**City/State/Zip Code:** Folsom, CA 95630  
**Email address:** rreese@caiso.com  
**Phone:** (916) 608-7027  
**Fax:** (916) 608-7292

**Name of Alternative**

**Representative:** Christopher J. Sibley  
**Title:** Lead Contract Negotiator  
**Address:** 250 Outcropping Way  
**City/State/Zip Code:** Folsom, CA 95630  
**Email address:** csibley@caiso.com  
**Phone:** (916) 608-7030  
**Fax:** (916) 608-7292

**Attachment B – Blacklines**  
**Revised Service Agreement No. 784**  
**Non-Conforming Scheduling Coordinator Agreement**

---

---

**CALIFORNIA INDEPENDENT SYSTEM  
OPERATOR CORPORATION**

**AND**

**WESTERN AREA POWER ADMINISTRATION  
DESERT SOUTHWEST REGION**

**SCHEDULING COORDINATOR  
AGREEMENT**

---

---

---

## Scheduling Coordinator Agreement

**THIS AGREEMENT** is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and is entered into, by and between:

- (1) **Western Area Power Administration – Desert Southwest Region** having a registered or principal executive office at **615 South 43<sup>rd</sup> Avenue, Phoenix, Arizona 85009** (the “Scheduling Coordinator”);

and

- (2) **CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the ISOCAISO Governing Board may from time to time designate, currently 250 Outcropping Way, Folsom, California 95630 (the “ISOCAISO”).

(the “CAISO”).

The Scheduling Coordinator and the CAISO are hereinafter referred to as the “Parties”.

Whereas:

A. A. The Scheduling Coordinator has applied for certification by the ISOCAISO under the certification procedure referred to in Section 4.5.1 of the ISOCAISO Tariff.

B. B. The Scheduling Coordinator wishes to ~~schedule~~ submit Bids for Energy and Ancillary Services on the ISOCAISO Controlled Grid under the terms and conditions set forth in the ISOCAISO Tariff.

**NOW IT IS HEREBY AGREED as follows:**

**1. Definitions and Interpretation.**

**1.1 Master Definitions Supplement.** Terms and expressions used in this Agreement shall have the same meanings as those contained in the Master Definitions Supplement to the ISOCAISO Tariff.

**1.2 Rules of Interpretation.** The ~~ISO~~ following rules of interpretation and conventions shall apply to this Agreement:

- 
- (a) if there is any inconsistency between this Agreement and the CAISO Tariff, the CAISO Tariff will prevail to the extent of the inconsistency;
  - (b) the singular shall include the plural and vice versa;
  - (c) the masculine shall include the feminine and neutral and vice versa;
  - (d) “includes” or “including” shall mean the ISO Operating Agreement and Tariff “including without limitation”;
  - (e) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
  - (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
  - A. (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time, together with any Appendices of attachments thereto;
  - (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
  - (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
  - (j) any reference to a day, week, month or year is to a calendar day, week, month or year; and
  - (k) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

## 2. Covenant of the Scheduling Coordinator.

### 2.1 The Scheduling Coordinator agrees that:

~~the ISO~~**2.1.1** The CAISO Tariff governs all aspects of bidding and scheduling of Energy and Ancillary Services on the ISOCAISO Controlled Grid, including (without limitation), the financial and technical criteria for Scheduling Coordinators, bidding, ~~settlement~~Settlement, information reporting requirements and confidentiality restrictions;

~~it~~**2.1.2** It will abide by, and will perform all of the obligations under the ISOCAISO Tariff placed on Scheduling Coordinators in respect of all matters set forth therein including, without limitation, all matters relating to the bidding and scheduling of Energy and Ancillary Services on the ISOCAISO Controlled Grid, obligations regarding Resource Adequacy Plans and other requirements of Section 40 of the CAISO Tariff applicable to Scheduling Coordinators for affected Load Serving Entities, ongoing obligations in respect of scheduling, Settlement, system security policy and ~~Procedures~~procedures to be developed by the ISOCAISO from time to time, billing and payments, confidentiality and dispute resolution;

A.~~it~~**2.1.3** It shall ensure that each UDC, over whose Distribution System Energy or Ancillary Services are to be transmitted in accordance with ~~Schedules, Adjustment Bids or bids for Ancillary Services~~ submitted to the ISOCAISO by the Scheduling Coordinator, enters into a UDC ~~operating agreement~~Operating Agreement in accordance with Section 4.4 of the ISOCAISO Tariff;

B.~~it~~**2.1.4** It shall ensure that each Generator for which it ~~schedules Energy or on whose behalf it~~ submits ~~to the ISO Adjustment Bids or bids for Ancillary Services~~ enters into a Participating Generator agreementAgreement in accordance with Section 4.6 of the ISOCAISO Tariff;

C.~~it~~**2.1.5** It shall have the primary responsibility to the ISOCAISO, as principal, for all Scheduling Coordinator payment obligations under the ISOCAISO Tariff;

~~D.its~~**2.1.6** Its status as a Scheduling Coordinator is at all times subject to the ISOCAISO Tariff.

~~1.~~ **3. Term and Termination.**

~~1.1~~ **3.1** This Agreement shall commence on the later of (a) \_\_\_\_\_ or (b) the date the Scheduling Coordinator is certified by the ISOCAISO as a Scheduling Coordinator.

~~1.2~~ **3.2** This Agreement may be terminated in accordance with the provisions of Section 4.5.4.4 and 4.5.4.5 of the CAISO Tariff; provided, however, any outstanding financial right or obligation or any other right or obligation under the CAISO Tariff of the Scheduling Coordinator that may have arisen under this Agreement, and any provision of this Agreement necessary to give effect to such right or obligation, shall terminate upon acceptance by FERC of a notice of survive such termination until satisfied. The ISOCAISO shall timely file any notice of termination with FERC.

~~2.~~ **Assignment**

~~Either party may assign its obligations under this Agreement with the other party's consent; such consent shall not be unreasonably withheld.~~

~~3.~~ **Partial Invalidity**

~~If any provision of this Agreement, or the application of such provision to any persons, circumstance or transaction, shall be held invalid, the remainder of, if this Agreement, or the application of such provision to other persons has been filed with FERC, or circumstances or transactions, shall not be affected thereby must otherwise comply with the requirements of FERC rules regarding termination.~~

~~4.~~ **4. Settlement Account.**

~~4.1~~ The Scheduling Coordinator shall maintain at all times an account with a bank capable of Fed-Wire transfer to which credits or debits shall be made in accordance with the billing and Settlement provisions of Section 11 of the ISOCAISO Tariff. Such account shall be the account ~~referred to in Clause 7 hereof or~~ as notified by the Scheduling Coordinator to the ISOCAISO from time to time by giving at least 720 days written notice before the new account becomes operational, together with all information necessary for the CAISO's processing of a change in that account.

~~5.~~ **Notices**

~~Any notice, demand or request made to or by either party regarding this Agreement shall be made in accordance to the ISO Tariff and unless otherwise stated or agreed shall be made to the representative of the other party indicated below.~~

**California Independent System Operator Corporation:**

Name of Primary

Representative: \_\_\_\_\_ Roni L. Reese

~~Title: \_\_\_\_\_ Sr. Contracts Analyst~~

Company: \_\_\_\_\_ California Independent System Operator Corporation

Address: \_\_\_\_\_ 151 Blue Ravine Road

City/State/Zip Code: \_\_\_\_\_ Folsom, CA 95630

Email Address: \_\_\_\_\_ rreese@caiso.com~~Phone: \_\_\_\_\_ (916) 608-7027~~

Fax No: \_\_\_\_\_ (916) 608-7292

**Scheduling Coordinator:**

Name of Primary

Representative: \_\_\_\_\_ Penny Casey

Title: \_\_\_\_\_ Manager, Energy Management and Marketing Office

~~Company: \_\_\_\_\_ Western Area Power Administration - Desert Southwest  
Region~~~~Address: \_\_\_\_\_ 615 South 43<sup>rd</sup> Avenue~~

City/State/Zip Code: \_\_\_\_\_ Phoenix, AZ 95009

Email Address: \_\_\_\_\_ casey@wapa.gov

Phone: \_\_\_\_\_ (602) 605-2585

Fax No: \_\_\_\_\_ (602) 605-2831



\_\_\_\_ Settlement Account No:

\_\_\_\_ Title: \_\_\_\_\_ U.S. Treasury

\_\_\_\_ Sort Code: \_\_\_\_\_ 051036706

\_\_\_\_ Bank: \_\_\_\_\_ Federal Reserve Richmond

**~~6.~~ 5. Agreement to be bound by the ISOCAISO Tariff.**

**5.1** The ISOCAISO Tariff is incorporated herein and made a part hereof. In the event of a conflict between the terms and conditions of this Agreement and any other terms and conditions set forth in the ISOCAISO Tariff, the terms and conditions of the ISOCAISO Tariff shall prevail.

**~~7.~~ 6. Electronic Contracting.**

**6.1** All submitted applications, schedules, ~~bids~~Bids, confirmations, changes to information on file with the ISOCAISO and other communications conducted via electronic transfer (e.g. direct computer link, FTP file transfer, bulletin board, e-mail, facsimile or any other means established by the ISOCAISO) shall have the same legal rights, responsibilities, obligations and other implications as set forth in the terms and conditions of the ISOCAISO Tariff as if executed in written format.

**IN WITNESS WHEREOF, 7. Penalties and Sanctions.**

**7.1** The Scheduling Coordinator shall be subject to all penalties made applicable to Scheduling Coordinators set forth in the CAISO Tariff.

**8. Costs.**

**8.1** The Scheduling Coordinator shall be responsible for all its costs incurred for the purpose of meeting its obligations under this Agreement.

**9. Dispute Resolution.**

**9.1** The Parties ~~have caused this Amendment to be duly executed~~ shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall adhere to the CAISO ADR Procedures set forth in Section 13 of the CAISO Tariff, which is incorporated by and through their respective reference, except that any reference in Section 13 of the CAISO Tariff to Market Participants shall be read as a reference to the Scheduling Coordinator and references to the CAISO Tariff shall be read as references to this Agreement.

**10. Representation and Warranties.**

**10.1** Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized representatives ~~as of the date hereinabove~~ by all necessary corporate and/or governmental actions, to the extent authorized by law.

**11. Liability.**

**11.1** The provisions of Section 14 of the CAISO Tariff will apply to liability arising under this Agreement, except that all references in Section 14 of the CAISO Tariff to Market Participants shall be read as references to the Scheduling Coordinator and references to the CAISO Tariff shall be read as references to this Agreement.

**12. Uncontrollable Forces.**

**12.1** Section 14.1 of the CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14.1 of the CAISO Tariff to Market Participants shall be read as a reference to the Scheduling Coordinator and references to the CAISO Tariff shall be read as references to this Agreement.

**13. Miscellaneous.**

**13.1 Assignments.** Either Party may assign or transfer any or all of its rights and/or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the CAISO Tariff. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.

**13.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the CAISO Tariff, provided that all references in Section 22.4 of the CAISO Tariff to Market Participants shall be read as a reference to the Scheduling Coordinator and references to the CAISO Tariff shall be read as references to this Agreement, and unless otherwise stated or agreed shall be made to the representative of the other Party indicated in Schedule 1. A Party must update the information in Schedule 1 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.

**13.3 Waivers.** Any waiver at any time by either Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.

**13.4 Governing Law and Forum.** This Agreement shall be deemed to be a contract made under, and for all purposes shall be governed by and construed in accordance with, the laws of the State of California, except its conflict of law provisions. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement to which the CAISO ADR Procedures do not apply, shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.

**13.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the CAISO Tariff as if the references to the CAISO Tariff were referring to this Agreement.

**13.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereof and supersedes all

prior agreements, whether written or oral, with respect to such subject matter.

**13.7 Severability.** If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.

**13.8 Amendments.** This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. Nothing contained herein shall be construed as affecting in any way the right of the CAISO to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the FPA and pursuant to FERC's rules and regulations promulgated thereunder, and the Scheduling Coordinator shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 206 or any other applicable provision of the FPA and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the FPA and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

**13.9 Counterparts.** This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.

**4-13.10 Contingent upon Appropriations.** Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United

States' obligations under the contract. In case such appropriation is not made, the CAISO hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

**2-13.11 Covenant against Contingent Fees.** The CAISO warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the CAISO for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

**3-13.12 Contract Work Hours and Safety Standards.** The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C. § 329, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 327-334, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

**4-13.13 Equal Opportunity Employment Practices.** Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the CAISO will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated herein by reference the same as if the specific language had been written into the contract, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

**5-13.14 Use of Convict Labor.** The CAISO agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.

**6-13.15 Counterparts.** This Amendment may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same agreement.

**13.16 Termination.** The provisions of this Amendment including any subsequent amendments shall remain in full force and effect until the termination of the Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials.

**California Independent System Operator Corporation**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Western Area Power Administration – Desert Southwest Region**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SCHEDULE 1**

**NOTICES**

**[Section 13.2]**

**Scheduling Coordinator**

Name of Primary

Representative: Penny Casey

Title: Manager, Energy Management & Marketing Office

Company: Western Area Power Administration – Desert  
Southwest Region

Address: 615 South 43<sup>rd</sup> Avenue

City/State/Zip Code Phoenix, AZ 85009

Email Address: Casey@wapa.gov

Phone: (602) 605-2585

Fax No: (602) 605-2831

Name of Alternative

Representative: John Paulsen

Title: Lead Energy Management/Marketing Specialist

Company: Western Area Power Administration – Desert  
Southwest Region

Address: 615 South 43<sup>rd</sup> Avenue

City/State/Zip Code Phoenix, AZ 85009

Email Address: Paulsen@wapa.gov

Phone: (602) 605-2557

Fax No: (602) 605-2831

**CAISO**

Name of Primary

Representative: Ms. Roni L. Reese

Title: Sr. Contracts Analyst

Address: 250 Outcropping Way

City/State/Zip Code: Folsom, CA 95630

Email address: rreese@caiso.com

Phone: (916) 608-7027

Fax: (916) 608-7292

Name of Alternative

Representative: Christopher J. Sibley

Title: Lead Contract Negotiator

Address: 250 Outcropping Way

City/State/Zip Code: Folsom, CA 95630

Email address: csibley@caiso.com

Phone: (916) 608-7030

Fax: (916) 608-7292

7.