



August 6, 2019

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 Non-Conforming Reliability Coordinator Services
Agreement with Gridforce Energy Management, LLC**

Docket No. ER19-___-000

Dear Secretary Bose:

The California Independent System Operator Corporation (“CAISO”) submits for Commission acceptance a non-conforming Reliability Coordinator Services Agreement (“Agreement”) between the CAISO and Gridforce Energy Management, LLC (“Gridforce”).¹ The Agreement sets forth the scope of services and associated rate for the CAISO to become the reliability coordinator of record for the generating facilities² included in the Gridforce balancing authority area that is located within the CAISO’s reliability coordinator service area.³ The CAISO respectfully requests that the Commission accept the Agreement effective October 7, 2019, 61 days from the date of this filing, so that the CAISO can provide reliability coordinator services to Gridforce as of November 1, 2019.

I. Background

The CAISO tariff includes provisions for delivering reliability coordinator services to transmission operators within the CAISO balancing authority area, as

¹ The CAISO submits the Agreement pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d. The Agreement is designated as Service Agreement No. 5225 under the CAISO tariff.

² The generating facilities include the Herimston Generating Facility (230 kV); Hermiston Generating Facility (500 kV); Centralia Generating Station; Mesquite Generating Facility; Broadview Units 1 & 2; Grady; and Sun Stream.

³ Gridforce operates other generator-only balancing authority areas that will receive reliability coordinator services from the Southwest Power Pool.

well as other balancing authority areas and the transmission operators within those other balancing authority areas.⁴ Each entity that wants the CAISO to be its reliability coordinator must execute a Reliability Coordinator Services Agreement. The *pro forma* Reliability Coordinator Services Agreement, which is contained in appendix B.22 of the CAISO tariff, includes an initial term of 18 months and states that the agreement will thereafter remain in effect until termination, with the customer able to terminate the agreement upon at least 12 months' advance written notice after the initial term.⁵

The CAISO understands that Gridforce intends to pursue certification as a reliability coordinator. However, Gridforce will not have completed the certification process prior to the wind down of Peak Reliability in December 2019. Gridforce does believe that it can complete the certification process prior to the earliest opportunity to terminate the *pro forma* Reliability Coordinator Services Agreement. The CAISO believes that reducing the number of entities that assume responsibility for reliability coordinator services from Peak Reliability in 2019 will simplify the transition process and help ensure the reliability through this time. Accordingly, the CAISO and Gridforce entered into the Agreement, which includes a shortened term such that termination of the Agreement could occur closer in time to when Gridforce hopes to receive its certification as a reliability coordinator.

II. Agreement Between the CAISO and Gridforce

The Agreement differs from the *pro forma* Reliability Coordinator Services Agreement solely with respect to the termination provision in section 3.1 and a few related provisions necessary to reflect the termination provision.⁶ The Agreement will initially remain in effect for 12 months, at which point Gridforce will have 2 months to provide the CAISO with a notice of termination, effective April 1, 2021. If Gridforce provides such notice, the CAISO will account for reliability coordinator services provided until April 1, 2021. If Gridforce does not provide such notice, the Agreement will automatically renew and will remain in effect until terminated pursuant to the termination procedures in the Agreement, which are the same as the *pro forma* Reliability Coordinator Services Agreement. No other material change to the *pro forma* Reliability Coordinator Services Agreement is proposed. In other words, Gridforce will pay the same rate (no changes proposed) for the same services (no changes proposed) as all other CAISO reliability coordinator customers—the Agreement only permits it to do so

⁴ See *Cal. Indep. Sys. Operator* 165 FERC ¶ 61,116 (2018) (order accepting the tariff provisions). The Commission issued the order in Docket No. ER18-2366-000.

⁵ *Pro forma* Reliability Coordinator Services Agreement, sections 3.1-3.2.

⁶ Attachment B hereto contains a document showing the differences between the Agreement and the *pro forma* Reliability Coordinator Services Agreement in red-line format, which is provided for informational purposes only.

for a shortened period. The CAISO expects that the minimum term will reasonably recover the costs associated with implementing reliability coordinator services for Gridforce.

The CAISO believes that the agreed upon term reasonably balances the desire for Gridforce to be certified as a reliability coordinator with the CAISO's interest in ensuring a smooth transition of reliability coordinator services across the western interconnection when Peak Reliability winds down. Deferring the need for coordination with another reliability coordinator until at least April 2021 will afford all interested entities at least a full year before another boundary change may be required. This will also provide all of the reliability coordinators initially assuming responsibility for Peak Reliability's customers a full year of experience prior to making further changes. Accordingly, the Agreement is a just and reasonable approach under the circumstances.

III. Effective Date

The CAISO respectfully requests that the Commission permit the Agreement to go into effect on October 7, 2019, 61 days from the date of this filing. Making the Agreement effective October 7, 2019 will allow Gridforce to receive reliability coordinator services from the CAISO as of November 1, 2019, while still providing a short period for the parties to consider alternatives for Gridforce to receive reliability coordinator services if the Agreement is not accepted.

IV. Service

The CAISO has served copies of this filing upon Gridforce, the California Public Utilities Commission, the California Energy Commission, and all parties in Docket No. ER19-2366-000 (*i.e.*, the proceeding in which the Commission accepted the revisions to the CAISO tariff to allow delivery of reliability coordinator services). In addition, the CAISO has posted the filing on the CAISO website.

V. Contents of Filing

In addition to this transmittal letter, this filing includes the following attachments:

- | | |
|--------------|--|
| Attachment A | The fully executed Agreement; and |
| Attachment B | A document showing the differences between the Agreement and the <i>pro forma</i> Reliability Coordinator Services Agreement in red-line format. |

VI. Correspondence

Pursuant to Rule 203(b) of the Commission's Rules of Practice and Procedure,⁷ the CAISO requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

John C. Anders
Assistant General 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

VII. Conclusion

The CAISO respectfully requests that the Commission accept the Agreement effective October 15, 2019. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,

By: /s/ John C. Anders

Roger E. Collanton
General Counsel
Burton A. Gross
Deputy General Counsel
John C. Anders
Assistant General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630

*Attorneys for the California Independent
System Operator Corporation*

⁷ 18 C.F.R. § 385.203(b).

**Attachment A – Executed Reliability Coordinator Service Agreement
between Gridforce Energy Management, LLC and the
California Independent System Operator Corporation**

**CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION**

AND

GRIDFORCE ENERGY MANAGEMENT, LLC

**RELIABILITY COORDINATOR
SERVICE AGREEMENT**



CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

AND

GRIDFORCE ENERGY MANAGEMENT, LLC

RELIABILITY COORDINATOR SERVICES AGREEMENT (RCSA)

THIS AGREEMENT is dated this 25th day of July, 2019, and is entered into, by and between:

(1) **Gridforce Energy Management, LLC**, having its registered and principal place of business located at 1301 Fannin Street, Suite 1000, Houston, Texas, 77002 (the "RC Customer");

and

(2) **California Independent System Operator Corporation** (the "CAISO"), 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.

The RC Customer and the CAISO are hereinafter referred to as the "Parties".

Whereas:

- A.** WHEREAS, the CAISO has registered with and will be certified by NERC as a Reliability Coordinator prior to the RC Services Date identified in this Agreement;
- B.** WHEREAS, the RC Customer is registered with and certified by NERC as a Balancing Authority and/or Transmission Operator;
- C.** WHEREAS, the RC Customer has determined that there is a need for the RC Customer to identify a Reliability Coordinator for its operations, currently and into the foreseeable future;
- D.** WHEREAS, the RC Customer is in the process of being certified by NERC as a Reliability Coordinator and desires to receive RC Services from the CAISO until it is certified and assumes responsibility as a Reliability Coordinator; and
- E.** WHEREAS, pursuant to this Agreement, the CAISO agrees to provide to the RC Customer services as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Specific Definitions.

1.1.1 CAISO Tariff: The CAISO electric tariff, as amended from time to time.

1.1.2 Confidential Information: Documents, materials, data, or information (“Data”) provided to it by any other Party that reflects or contains: (a) Data treated as confidential or commercially sensitive under the confidentiality provisions of Section 20 of the CAISO Tariff; (b) Critical Energy Infrastructure Information, as defined in Section 388.113(c)(1) of FERC’s regulations; (c) Critical Electric Infrastructure Information defined in Section 215A of the Federal Power Act and regulations published by the Department of Energy; (d) pricing of third party vendor software costs for services under this Agreement; or (e) technical information and materials that constitute valuable, confidential, and proprietary information, know-how, and trade secrets belonging to a Party, including, but not limited to, information relating to drawings, maps, reports, specifications, and records and/or software, data, computer models, and related documentation.

1.1.3 FERC: The Federal Energy Regulatory Commission.

1.1.4 Initial Term: The Initial Term of the Agreement is one (1) year from the RC Services Date.

1.1.5 Person: Any individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, non-profit corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), or organization recognized as a legal entity by law in the United States, Mexico, or Canada, as applicable.

1.1.6 RC Services: The Reliability Coordinator services provided by the CAISO and described in Section 19 of the CAISO Tariff. RC Services do not include the supplemental services also offered under this Agreement, as described in Sections 2.2.1 and 2.2.2.

1.1.7 RC Services Date: The date upon which the CAISO becomes the Reliability Coordinator of record for an RC Customer and the RC Customer begins receiving RC Services from the CAISO.

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

- (a) if there is any inconsistency between this Agreement and Section 19 of the CAISO Tariff, Section 19 of the CAISO Tariff will prevail to the extent of the inconsistency;
- (b) the singular will include the plural and vice versa;
- (c) the masculine will include the feminine and neutral and vice versa;
- (d) “includes” or “including” will mean “including without limitation”;
- (e) references to a Section, Article or Schedule will 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 will 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 will 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 Party includes a reference to its permitted successors and assigns;
- (i) any reference to a day, week, month or year is to a calendar day, week, month or year;
- (j) the captions and headings in this Agreement are inserted solely to facilitate reference and will not have any bearing upon the interpretation of any of the terms and conditions of this Agreement; and
- (k) unless otherwise defined in this Agreement, terms and expressions used in this Agreement will have the same meanings as those contained in the “NERC Glossary of Terms Used in Reliability Standards”.

ARTICLE II

GENERAL RESPONSIBILITIES OF THE PARTIES

- 2.1 Agreement.** This Agreement is subject to Section 19 of the CAISO Tariff, which is incorporated herein.
- 2.2 Description of CAISO Responsibilities.** The CAISO agrees to provide RC Services to the RC Customer, commencing on the RC Services Date, in accordance with Section 19 of the CAISO Tariff. The CAISO will establish a Reliability Coordinator Oversight Committee in accordance with Section 19.11 of the CAISO Tariff.
- 2.2.1 Supplemental Services – Hosted Advanced Network Application (HANA).** The CAISO agrees to provide HANA services to the RC Customer at its request for an additional charge, as set forth in Section 19.3 of the CAISO Tariff.
- (a) The RC Customer shall: (i) notify the CAISO 90 calendar days in advance of the RC Customer's requested start date of initial HANA services and which HANA services the RC Customer desires to take in accordance with Section 19.3(c) of the CAISO Tariff; and (ii) pay for such services in accordance with Section 19.8 of the CAISO Tariff. The start date of taking the initial HANA services will establish the anniversary date for the minimum three years of taking the HANA services and the billing date.
 - (b) Each subsequent year, the RC Customer will notify the CAISO in writing 90 calendar days in advance of the anniversary date of the HANA services as to which HANA services it is electing to take for the following calendar year. If the RC Customer does not provide such notice to the CAISO 90 calendar days in advance of the anniversary date of the HANA services, the CAISO will continue to provide the RC Customer with the same HANA services it is providing to the RC Customer during the then current year.
 - (c) If the RC Customer elects to receive HANA services, the RC Customer agrees to pay for three years of services regardless of whether it takes HANA services for the entire three year term, and will be invoiced one-third of that amount annually during the initial three year term. Thereafter, the RC Customer will be invoiced annually for HANA services as described in Section 2.2.1(b) above.
 - (d) The CAISO will post the HANA service costs on the RC secure website.
- 2.2.2 Supplemental Services – Physical Security Review.** The CAISO agrees to provide physical security review services to the RC Customer at its request for an additional charge, as set forth in Section 19.4 of the CAISO Tariff, in accordance

with applicable Reliability Standards (currently, NERC CIP-014).

2.3 Description of RC Customer Responsibilities. The RC Customer agrees to comply with the provisions of Section 19 of the CAISO Tariff. The RC Customer shall notify the CAISO in the event there is a change in the registered reliability functions applicable to the RC Customer or, if it is a Transmission Operator, a change in its Balancing Authority Area.

2.4 RC Customer Entity Status. The RC Customer is either a (check all of the boxes that apply):

- (a) Balancing Authority (settled based on Net Energy for Load (NEL) of the BAA)
- (b) Generator Only Balancing Authority (settled based on Net Generation (NG) of the BAA)
- (c) Transmission Operator:
 - 1) Outside CAISO BAA with no load (settled based on fee)
 - 2) Outside CAISO BAA with load (settled based on Transmission Owner load or share of BAA NEL)
 - 3) Inside CAISO BAA with no load (settled based on fee)
 - 4) Inside CAISO BAA with load (settled based on share of CAISO BAA NEL)

2.4.1 Conflict of Designation. If there is a conflict between the Balancing Authority and the Transmission Operator regarding who will be billed and pay for the RC Services, the CAISO will give precedence to the Balancing Authority.

2.5 Identification of Transmission Operators and Transmission Owners. Each RC Customer that is a Balancing Authority will provide the CAISO with a list of the Balancing Authority Areas, Transmission Operators and corresponding Transmission Owners it is representing for RC Services in Schedule 1, if any. Each RC Customer that is a Transmission Operator will provide the CAISO with a list of the Transmission Owners it is representing for RC Services in Schedule 1 and will identify the Balancing Authority Area in which it and any Transmission Owners are located. Any changes to Schedule 1 will not constitute an amendment to this Agreement.

- 2.6 Non-Jurisdictional Entities.** For an RC Customer that is an exempt entity as described in section 201(f) of the Federal Power Act, 16 U.S.C. 824(f), the CAISO acknowledges that this Agreement does not extend FERC's jurisdiction over the RC Customer.

ARTICLE III

TERM AND TERMINATION

- 3.1 Term.** This Agreement will be effective as of the later of the date it is executed by the Parties or the date accepted for filing and made effective by FERC ("Effective Date"). The Agreement will remain in full force and effect for twelve (12) months from the RC Services Date ("Initial Term"). Upon expiration of the Initial Term, the RC Customer will have two (2) months to provide CAISO with a notice of termination, effective April 1, 2021 (a "Section 3.1 Termination"). If the RC Customer provides such notice, the CAISO will account only for RC Services provided until April 1, 2021. If the RC Customer does not provide such notice, this Agreement will automatically renew and will remain in full force and effect until terminated pursuant to Sections 3.2.1 or 3.2.2 of this Agreement.
- 3.2 Termination.**
- 3.2.1 Termination by CAISO.** In the event the RC Customer commits any material default under this Agreement, which, if capable of being remedied, is not remedied within sixty (60) days after the CAISO has given written notice to the RC Customer of the default, the CAISO may terminate this Agreement at any time upon thirty (30) days prior written notice of termination, provided the notice of termination incorporates a transition plan for the RC Customer to transition to a new Reliability Coordinator to ensure that the termination of this Agreement results in no harm to the Western grid. The CAISO shall inform all RC Customers at the time it sends written notice of termination to any RC Customer. Any outstanding financial right or obligation or any other obligation under the CAISO Tariff of the RC Customer that has arisen while that RC Customer was receiving services under this Agreement, and any provision of this Agreement necessary to give effect to such right or obligation, will survive until satisfied. With respect to any notice of termination given pursuant to this Section, the CAISO must file a notice of termination with FERC, or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. For avoidance of doubt, if the CAISO terminates the Agreement under this Section 3.2.1 prior to expiration of the Initial Term, the RC Customer will still be required to pay the RC Service Charge for the remainder of the Initial Term and the HANA services charge, if applicable.
- 3.2.2 Termination by RC Customer.** The RC Customer may terminate this Agreement, without penalty, by giving the CAISO not less than twelve (12)

months advance written notice after the Initial Term unless a Section 3.1 Termination occurs. This notice will be given on or before April 1 of the current calendar year and such termination will become effective on April 1 of the following year. If the RC Customer gives the CAISO less than twelve (12) months' notice after the Initial Term and is being billed directly for the RC Services in accordance with Section 5.3, the RC Customer will be charged an amount equal to the balance of the RC Service Charge remaining on the twelve (12) month required notice period. Any outstanding financial right or obligation or any other obligation under the CAISO Tariff of the RC Customer that has arisen while that RC Customer was receiving services under this Agreement, and any provision of this Agreement necessary to give effect to such right or obligation, will survive until satisfied. With respect to any notice of termination given pursuant to this Section, the CAISO must timely file a notice of termination with FERC, or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. For entities defined under Section 201(f) of the Federal Power Act, 16 U.S.C. 824(f), termination will be effective upon twelve (12) months' notice irrespective of acceptance by FERC.

- 3.2.3 Transition Assistance.** Except in the case of a CAISO termination for a default by the RC Customer, if the RC Customer requests in their notice of termination, the CAISO will reasonably assist the RC Customer to transition to another Reliability Coordinator prior to the effective date of the transition, including providing data and assistance, provided that the RC Customer will reimburse the CAISO for its reasonable costs for such assistance.

ARTICLE IV

PENALTIES AND SANCTIONS

- 4.1 Allocation of Reliability Related Penalty Costs.** The CAISO will have the right to allocate reliability-related penalty costs assessed to the CAISO by FERC, NERC and/or WECC to the RC Customer in accordance with Section 19.14 of the CAISO Tariff.

ARTICLE V

BILLINGS AND SETTLEMENTS

- 5.1 Data and Submission.** The RC Customer will be responsible for submitting its RC Services' settlements data and related information to the CAISO in accordance with Section 19.6 of the CAISO Tariff.
- 5.2 Default MWh.** At the time it executes this Agreement, the RC Customer will provide an initial default MWh volume in Schedule 1. The default MWh volume will be used to calculate the RC Customer's Net Energy for Load or Net

Generation to the extent it fails to submit the Net Energy for Load or Net Generation in accordance with Section 19.6 of the CAISO Tariff. If the RC Customer's installed capacity changes, the default Net Generation MWh volume set forth in Schedule 1 must be amended.

5.2.1 Validation of Default MWh Amount. The CAISO reserves the right to request that the RC Customer provide it with data to validate the RC Customer's stated default MWh amount in Schedule 1. The RC Customer agrees to provide in a timely manner such requested data necessary for the CAISO to perform such validation, and the CAISO agrees to use this information solely for this purpose.

5.3 Invoice and Payment Process. If the RC Customer is a Balancing Authority, or if it is a Transmissions Operator who elects to be billed directly in exchange for the RC Services provided by this Agreement, said RC Customer will be invoiced for RC Services in accordance with Section 19.7 of the CAISO Tariff and will have the right to dispute the RC Services invoiced amount in accordance with Sections 19.7 and 19.10 of the CAISO Tariff. If the RC Customer is a Transmission Operator and does not elect to be billed directly, the costs for its RC Services will be borne by its Balancing Authority. If the RC Customer is within the CAISO Balancing Authority Area, the Transmission Operator will be billed in accordance with Section 11.20.9 of the CAISO Tariff. For billing purposes in accordance with this Section, the RC Customer represents that it is either a (check the box that applies):

- (a) **Balancing Authority**
- (b) **Transmission Operator (direct billing elected)**
- (c) **Transmission Operator (billed to Balancing Authority)**
- (d) **Transmission Operator within the CAISO BAA**

The invoice and payment process for the HANA services will be in accordance with Section 19.8 of the CAISO Tariff. The invoice and payment process for other supplemental services will be in accordance with Section 19.9 of the CAISO Tariff.

5.4 Payment Default. The CAISO will have the right to recover unpaid RC Services invoiced amounts from the RC Customer pursuant to Section 19.7 of the CAISO Tariff. For RC Customers in the CAISO Balancing Authority Area, the CAISO will have the right to recover unpaid RC Services invoiced amounts from the RC Customer pursuant to Section 11.20.9 of the CAISO Tariff.

ARTICLE VI

CONFIDENTIALITY

- 6.1 Confidentiality.** Each Party's Confidential Information will be treated in accordance with the NERC Operating Reliability Data agreement and Section 19.15 of the CAISO Tariff and any other applicable confidentiality rules such as provided in the NERC Rules of Procedure, or data sharing agreements in effect between the Parties.

ARTICLE VII

GOVERNING LAW

- 7.1 Governing Law and Forum.** This Agreement will be deemed to be a contract made under, and for all purposes will 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 will 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 FERC.

ARTICLE VIII

LIABILITY

- 8.1 Liability.** Except as expressly provided in this Agreement, neither Party, nor any of its directors, officers, employees, consultants or agents will be liable to the other Party under any circumstances, whether any claim is based in contract in tort, in equity for any punitive, or otherwise, for any special, consequential, indirect or incidental damages of any nature whatsoever, including, but not limited to, lost profits, loss of earnings or revenue, loss of use, loss of contract or loss of goodwill, or for any costs or expenses (including legal expenses) arising out of or in connection the performance or non-performance of its obligations under this Agreement.
- 8.2 No Third-Party Enforcement.** No third-party will be entitled to enforce this Agreement against any Party hereto. This Agreement is made and entered into for the sole protection and legal benefit of the Parties. No other Person will be a direct or indirect legal beneficiary, or have any direct or indirect cause of action or claim in connection with, this Agreement. No other Person will be a third-party beneficiary under this Agreement.

- 8.3 Recovery for Third-Party Indemnity.** To the extent that the CAISO suffers any loss as a result of any third-party claims arising out of the performance of this Agreement, the CAISO will be entitled to seek recovery of such loss through Section 14.4 of the CAISO Tariff, except that any reference in Section 14.4 of the CAISO Tariff to Market Participants will be read to include a reference to the RC Customer and references to the CAISO Tariff will be read to include a reference to this Agreement.

ARTICLE IX

DISPUTE RESOLUTION

- 9.1 Dispute Resolution.** The Parties will 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 must adhere to the dispute resolution procedures as set forth in Section 19.10 of the CAISO Tariff.

ARTICLE X

MISCELLANEOUS

- 10.1 Representation and Warranties.** 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.
- 10.1.1 Information Exchange.** All information, including Confidential Information provided by any Party under this Agreement, is accurate to the extent of the providing Party's knowledge. The receiving Party receives the information "as is" and with the understanding that the information is accurate to the best of the providing Party's knowledge at the time of receipt.
- 10.2 Uncontrollable Forces Tariff Provisions.** Section 19.12 of the CAISO Tariff will be incorporated by reference into this Agreement.
- 10.3 Consistency with Federal Laws and Regulations.** This Agreement incorporates by reference Section 22.9 of the CAISO Tariff as if the references to the CAISO Tariff were referring to this Agreement.
- 10.3.1 Federal Entity Contract Requirements.** The provisions of Schedule 2 hereto contain provisions applicable to certain contracts entered into with the federal government. The provisions of Schedule 2 are applicable to a Party that is a federal entity if and to the extent required by applicable law and if not otherwise exempted.

- 10.3.2 No Waiver of Federal Rights.** By entering into this Agreement, no federal entity shall be deemed to have waived its rights to protest or challenge in any action or proceeding, any allocation of reliability related penalties, nor does any federal entity waive its sovereign immunity.
- 10.4 Assignments.** The RC Customer may assign or transfer any or all of its rights and/or obligations under this Agreement with the CAISO's prior written consent. Such consent will not be unreasonably withheld. Any such transfer or assignment will 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.
- 10.5 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement will be deemed properly served, given, or made: (a) upon delivery if delivered in person, (b) five (5) days after deposit in the mail if sent by first class United States mail, postage prepaid, (c) upon receipt of confirmation by return e-mail if sent by e-mail, or (d) upon delivery if delivered by prepaid commercial courier service, and unless otherwise stated or agreed must be made to the representative of the other Party indicated in Schedule 3. A Party must update the information in Schedule 3 of this Agreement as information changes. Such changes will not constitute an amendment to this Agreement.
- 10.6 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, will 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 will not constitute or be deemed a waiver of such right.
- 10.7 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.
- 10.8 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 will 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 will not be affected thereby, but will remain in force and effect and the Parties will be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental

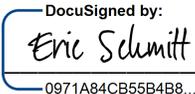
agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.

- 10.9 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 will not take effect until FERC has accepted such amendments for filing and made them effective. Nothing contained herein will 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 RC Customer will 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 will 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 will 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.
- 10.10 Counterparts.** This Agreement may be executed in one or more counterparts at different times, each of which will be regarded as an original and all of which, taken together, will constitute one and the same Agreement. Each individual signing this Agreement certifies that the Party represented has duly authorized such individual to sign, bind, and obligate such Party.



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation

By:  _____
DocuSigned by:
Eric Schmitt
0971A84CB55B4B8...

Name: Eric Schmitt

Title: VP, Operations

Date: 7/25/2019

Gridforce Energy Management, LLC

By:  _____
DocuSigned by:
Tom Bartolomei
A9E0D4E531954D0...

Name: Tom Bartolomei

Title: CEO and President

Date: 7/25/2019



SCHEDULE 1

RC Customer Required Information

(Sections 1.1.6, 2.5 and 5.2)

The RC Customer represents the following Transmission Operators and corresponding Transmission Owners for RC Services:

Balancing Authority Area ("BAA")	Transmission Operator ("TOP")		Transmission Owner ("TO")	Notes
	Name	Direct Billed (Yes/No)		
Gridforce Energy Management, LLC	N/A	N/A	N/A	Generation consists of: Herimston Generating Facility (230 kV) Hermiston Generating Facility (500 kV) Centralia Generating Station Mesquite Generating Facility Broadview Units 1 & 2 Grady Sun Stream

RC Services Date: November 1, 2019

Default MWH*: 4,796,316 MWH

MWH are based on what period (MM-YY to MM-YY)? January 1 to December 31, 2017

**Default MWh will be used to determine the first year's RC service charge.*

Installed MW: 3,150 MW

**Applies to Generation Only BAAs only*

SCHEDULE 2

FEDERAL GOVERNMENT CONTRACT PROVISIONS

(Section 10.3.1)

This Schedule 2 contains provisions that are necessary for the United States of America, acting by and through the Western Area Power Administration (“Western”) and the Bonneville Power Administration (“Bonneville”) to enter into the Agreement.

1. Billing and Payment

Notwithstanding Section 5.3 of the body of the Agreement, the CAISO will submit an annual invoice to Bonneville and Western for RC Services for the current year. The invoice will contain information specified in 5 C.F.R. § 1315.9(b). The amount of the invoice will be paid on a monthly basis to the CAISO in an amount equal to 1/12 of the invoiced amount calculated for Bonneville and Western, respectively, pursuant to Section 19.7 of the CAISO Tariff and sent to the persons designated by Bonneville and Western. Bonneville and Western may change the persons designated to receive the invoices at any time by written notice to the CAISO. Bonneville and Western will make each monthly payment by the twentieth day of the month, and such payments will be in accordance with the Prompt Payment Act, 31 U.S.C. § 3900 et seq.

2. Contingent Upon Appropriations and Authorization

Where activities provided for in this Agreement extend beyond the current fiscal year, continued expenditures by Western are contingent upon Congress making the necessary appropriations required for the continued performance of Western’s obligations under the Agreement. In case such appropriation is not made, (i) Western will promptly give each of the other Parties written notice of such failure. (ii) Western will from and after the occurrence of any such failure no longer be a party to this Agreement, and (iii) the Parties hereby release Western from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

3. Covenant Against Contingent Fees

Each of the Parties warrants to each of the other Parties that no person or selling agency has been employed or retained by it to solicit or secure the Agreement 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 any Party for the purpose of securing business. For breach or violation of this warranty by any Party other than Western or Bonneville, Western and Bonneville will have the right to annul the contract with respect to Western and Bonneville 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.

4. Contract Work Hours and Safety Standards

The Agreement, 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. § 3701, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 3701-3708, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

5. 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 Parties 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.

6. Use of Convict Labor

The Parties agree not to employ any person undergoing sentence of imprisonment in performing the Agreement 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.

SCHEDULE 3
NOTICES
(Section 10.5)

RC Customer

Name of Primary Representative: CJ Ingersoll
Title: President
Company: Gridforce Energy Management, LLC
Address: 1301 Fannin Street, Suite 1000
City/State/Zip Code: Houston, Texas, 77002
Email address: cj.ingersoll@grid4ce.net
Phone: (713) 332-2906

Name of Alternative Representative: Denise Ayers
Title: Vice President
Company: Gridforce Energy Management, LLC
Address: 1301 Fannin Street, Suite 1000
City/State/Zip Code: Houston, Texas, 77002
Email address: denise.ayers@grid4ce.net
Phone: (713) 332-2902



CAISO

Name of Primary Representative: Regulatory Contracts
Title: N/A
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email address: RegulatoryContracts@caiso.com
Phone: (916) 351-4400

Name of Alternative Representative: Christopher J. Sibley
Title: Manager, Regulatory Contracts
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email address: csibley@caiso.com
Phone: (916) 608-7030

**Attachment B – Marked Reliability Coordinator Service Agreement
between Gridforce Energy Management, LLC and the
California Independent System Operator Corporation**

**CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION**

AND

GRIDFORCE ENERGY MANAGEMENT, LLC

**RELIABILITY COORDINATOR
SERVICE AGREEMENT**

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**AND****GRIDFORCE ENERGY MANAGEMENT, LLC****RELIABILITY COORDINATOR SERVICES AGREEMENT (RCSA)**

THIS AGREEMENT is dated this _____ day of _____, 2019, and is entered into, by and between:

- (1) **Gridforce Energy Management, LLC**, having its registered and principal place of business located at 1301 Fannin Street, Suite 1000, Houston, Texas, 77002 (the “RC Customer”);

and

- (2) **California Independent System Operator Corporation** (the “CAISO”), 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.

The RC Customer and the CAISO are hereinafter referred to as the “Parties”.

Whereas:

- A.** WHEREAS, the CAISO has registered with and will be certified by NERC as a Reliability Coordinator prior to the RC Services Date identified in this Agreement;
- B.** WHEREAS, the RC Customer is registered with and certified by NERC as a Balancing Authority and/or Transmission Operator;
- C.** WHEREAS, the RC Customer has determined that there is a need for the RC Customer to identify a Reliability Coordinator for its operations, currently and into the foreseeable future;
- D.** WHEREAS, the RC Customer is in the process of being certified by NERC as a Reliability Coordinator and desires to receive RC Services from the CAISO until it is certified and assumes responsibility as a Reliability Coordinator; and
- E.** WHEREAS, pursuant to this Agreement, the CAISO agrees to provide to the RC Customer services as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Specific Definitions.

1.1.1 CAISO Tariff: The CAISO electric tariff, as amended from time to time.

1.1.2 Confidential Information: Documents, materials, data, or information (“Data”) provided to it by any other Party that reflects or contains: (a) Data treated as confidential or commercially sensitive under the confidentiality provisions of Section 20 of the CAISO Tariff; (b) Critical Energy Infrastructure Information, as defined in Section 388.113(c)(1) of FERC’s regulations; (c) Critical Electric Infrastructure Information defined in Section 215A of the Federal Power Act and regulations published by the Department of Energy; (d) pricing of third party vendor software costs for services under this Agreement; or (e) technical information and materials that constitute valuable, confidential, and proprietary information, know-how, and trade secrets belonging to a Party, including, but not limited to, information relating to drawings, maps, reports, specifications, and records and/or software, data, computer models, and related documentation.

1.1.3 FERC: The Federal Energy Regulatory Commission.

1.1.4 Initial Term: The Initial Term of the Agreement is ~~one eighteen~~ (18) yearmonths from the RC Services Date.

1.1.5 Person: Any individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, non-profit corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), or organization recognized as a legal entity by law in the United States, Mexico, or Canada, as applicable.

1.1.6 RC Services: The Reliability Coordinator services provided by the CAISO and described in Section 19 of the CAISO Tariff. RC Services do not include the supplemental services also offered under this Agreement, as described in Sections 2.2.1 and 2.2.2.

1.1.7 RC Services Date: The date upon which the CAISO becomes the Reliability Coordinator of record for an RC Customer and the RC Customer begins receiving RC Services from the CAISO.

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

- (a) if there is any inconsistency between this Agreement and Section 19 of the CAISO Tariff, Section 19 of the CAISO Tariff will prevail to the extent of the inconsistency;
- (b) the singular will include the plural and vice versa;
- (c) the masculine will include the feminine and neutral and vice versa;
- (d) “includes” or “including” will mean “including without limitation”;
- (e) references to a Section, Article or Schedule will 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 will 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 will 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 Party includes a reference to its permitted successors and assigns;
- (i) any reference to a day, week, month or year is to a calendar day, week, month or year;
- (j) the captions and headings in this Agreement are inserted solely to facilitate reference and will not have any bearing upon the interpretation of any of the terms and conditions of this Agreement; and
- (k) unless otherwise defined in this Agreement, terms and expressions used in this Agreement will have the same meanings as those contained in the “NERC Glossary of Terms Used in Reliability Standards”.

ARTICLE II

GENERAL RESPONSIBILITIES OF THE PARTIES

- 2.1 Agreement.** This Agreement is subject to Section 19 of the CAISO Tariff, which is incorporated herein.
- 2.2 Description of CAISO Responsibilities.** The CAISO agrees to provide RC Services to the RC Customer, commencing on the RC Services Date, in accordance with Section 19 of the CAISO Tariff. The CAISO will establish a Reliability Coordinator Oversight Committee in accordance with Section 19.11 of the CAISO Tariff.
- 2.2.1 Supplemental Services – Hosted Advanced Network Application (HANA).** The CAISO agrees to provide HANA services to the RC Customer at its request for an additional charge, as set forth in Section 19.3 of the CAISO Tariff.
- (a) The RC Customer shall: (i) notify the CAISO 90 calendar days in advance of the RC Customer's requested start date of initial HANA services and which HANA services the RC Customer desires to take in accordance with Section 19.3(c) of the CAISO Tariff; and (ii) pay for such services in accordance with Section 19.8 of the CAISO Tariff. The start date of taking the initial HANA services will establish the anniversary date for the minimum three years of taking the HANA services and the billing date.
 - (b) Each subsequent year, the RC Customer will notify the CAISO in writing 90 calendar days in advance of the anniversary date of the HANA services as to which HANA services it is electing to take for the following calendar year. If the RC Customer does not provide such notice to the CAISO 90 calendar days in advance of the anniversary date of the HANA services, the CAISO will continue to provide the RC Customer with the same HANA services it is providing to the RC Customer during the then current year.
 - (c) If the RC Customer elects to receive HANA services, the RC Customer agrees to pay for three years of services regardless of whether it takes HANA services for the entire three year term, and will be invoiced one-third of that amount annually during the initial three year term. Thereafter, the RC Customer will be invoiced annually for HANA services as described in Section 2.2.1(b) above.
 - (d) The CAISO will post the HANA service costs on the RC secure website.
- 2.2.2 Supplemental Services – Physical Security Review.** The CAISO agrees to provide physical security review services to the RC Customer at its request for an additional charge, as set forth in Section 19.4 of the CAISO Tariff, in accordance

with applicable Reliability Standards (currently, NERC CIP-014).

2.3 Description of RC Customer Responsibilities. The RC Customer agrees to comply with the provisions of Section 19 of the CAISO Tariff. The RC Customer shall notify the CAISO in the event there is a change in the registered reliability functions applicable to the RC Customer or, if it is a Transmission Operator, a change in its Balancing Authority Area.

2.4 RC Customer Entity Status. The RC Customer is either a (check all of the boxes that apply):

- (a) Balancing Authority (settled based on Net Energy for Load (NEL) of the BAA)
- (b) Generator Only Balancing Authority (settled based on Net Generation (NG) of the BAA)
- (c) Transmission Operator:
 - 1) Outside CAISO BAA with no load (settled based on fee)
 - 2) Outside CAISO BAA with load (settled based on Transmission Owner load or share of BAA NEL)
 - 3) Inside CAISO BAA with no load (settled based on fee)
 - 4) Inside CAISO BAA with load (settled based on share of CAISO BAA NEL)

2.4.1 Conflict of Designation. If there is a conflict between the Balancing Authority and the Transmission Operator regarding who will be billed and pay for the RC Services, the CAISO will give precedence to the Balancing Authority.

2.5 Identification of Transmission Operators and Transmission Owners. Each RC Customer that is a Balancing Authority will provide the CAISO with a list of the Balancing Authority Areas, Transmission Operators and corresponding Transmission Owners it is representing for RC Services in Schedule 1, if any. Each RC Customer that is a Transmission Operator will provide the CAISO with a list of the Transmission Owners it is representing for RC Services in Schedule 1 and will identify the Balancing Authority Area in which it and any Transmission Owners are located. Any changes to Schedule 1 will not constitute an amendment to this Agreement.

- 2.6 Non-Jurisdictional Entities.** For an RC Customer that is an exempt entity as described in section 201(f) of the Federal Power Act, 16 U.S.C. 824(f), the CAISO acknowledges that this Agreement does not extend FERC's jurisdiction over the RC Customer.

ARTICLE III

TERM AND TERMINATION

- 3.1 Term.** This Agreement will be effective as of the later of the date it is executed by the Parties or the date accepted for filing and made effective by FERC ("Effective Date"). The Agreement will remain in full force and effect for ~~twelve~~eighteen (1218) months from the RC Services Date ("Initial Term"). Upon expiration of the Initial Term, the RC Customer will have two (2) months to provide CAISO with a notice of termination, effective April 1, 2021 (a "Section 3.1 Termination"). If the RC Customer provides such notice, the CAISO will account only for RC Services provided until April 1, 2021. If the RC Customer does not provide such notice, this Agreement will automatically renew and will remain in full force and effect until terminated pursuant to Sections 3.2.1 or 3.2.2 of this Agreement.
- 3.2 Termination.**
- 3.2.1 Termination by CAISO.** In the event the RC Customer commits any material default under this Agreement, which, if capable of being remedied, is not remedied within sixty (60) days after the CAISO has given written notice to the RC Customer of the default, the CAISO may terminate this Agreement at any time upon thirty (30) days prior written notice of termination, provided the notice of termination incorporates a transition plan for the RC Customer to transition to a new Reliability Coordinator to ensure that the termination of this Agreement results in no harm to the Western grid. The CAISO shall inform all RC Customers at the time it sends written notice of termination to any RC Customer. Any outstanding financial right or obligation or any other obligation under the CAISO Tariff of the RC Customer that has arisen while that RC Customer was receiving services under this Agreement, and any provision of this Agreement necessary to give effect to such right or obligation, will survive until satisfied. With respect to any notice of termination given pursuant to this Section, the CAISO must file a notice of termination with FERC, or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. For avoidance of doubt, if the CAISO terminates the Agreement under this Section 3.2.1 prior to expiration of the Initial Term, the RC Customer will still be required to pay the RC Service Charge for the remainder of the Initial Term and the HANA services charge, if applicable.
- 3.2.2 Termination by RC Customer.** The RC Customer may terminate this

Agreement, without penalty, by giving the CAISO not less than twelve (12) months advance written notice after the Initial Term unless a Section 3.1 Termination occurs. This notice will be given on or before April 1 of the current calendar year and such termination will become effective on April 1 of the following year. If the RC Customer gives the CAISO less than twelve (12) months' notice after the Initial Term and is being billed directly for the RC Services in accordance with Section 5.3, the RC Customer will be charged an amount equal to the balance of the RC Service Charge remaining on the twelve (12) month required notice period. Any outstanding financial right or obligation or any other obligation under the CAISO Tariff of the RC Customer that has arisen while that RC Customer was receiving services under this Agreement, and any provision of this Agreement necessary to give effect to such right or obligation, will survive until satisfied. With respect to any notice of termination given pursuant to this Section, the CAISO must timely file a notice of termination with FERC, or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. For entities defined under Section 201(f) of the Federal Power Act, 16 U.S.C. 824(f), termination will be effective upon twelve (12) months' notice irrespective of acceptance by FERC.

- 3.2.3 Transition Assistance.** Except in the case of a CAISO termination for a default by the RC Customer, if the RC Customer requests in their notice of termination, the CAISO will reasonably assist the RC Customer to transition to another Reliability Coordinator prior to the effective date of the transition, including providing data and assistance, provided that the RC Customer will reimburse the CAISO for its reasonable costs for such assistance.

ARTICLE IV

PENALTIES AND SANCTIONS

- 4.1 Allocation of Reliability Related Penalty Costs.** The CAISO will have the right to allocate reliability-related penalty costs assessed to the CAISO by FERC, NERC and/or WECC to the RC Customer in accordance with Section 19.14 of the CAISO Tariff.

ARTICLE V

BILLINGS AND SETTLEMENTS

- 5.1 Data and Submission.** The RC Customer will be responsible for submitting its RC Services' settlements data and related information to the CAISO in accordance with Section 19.6 of the CAISO Tariff.
- 5.2 Default MWh.** At the time it executes this Agreement, the RC Customer will provide an initial default MWh volume in Schedule 1. The default MWh volume

will be used to calculate the RC Customer's Net Energy for Load or Net Generation to the extent it fails to submit the Net Energy for Load or Net Generation in accordance with Section 19.6 of the CAISO Tariff. If the RC Customer's installed capacity changes, the default Net Generation MWh volume set forth in Schedule 1 must be amended.

5.2.1 Validation of Default MWh Amount. The CAISO reserves the right to request that the RC Customer provide it with data to validate the RC Customer's stated default MWh amount in Schedule 1. The RC Customer agrees to provide in a timely manner such requested data necessary for the CAISO to perform such validation, and the CAISO agrees to use this information solely for this purpose.

5.3 Invoice and Payment Process. If the RC Customer is a Balancing Authority, or if it is a Transmission Operator who elects to be billed directly in exchange for the RC Services provided by this Agreement, said RC Customer will be invoiced for RC Services in accordance with Section 19.7 of the CAISO Tariff and will have the right to dispute the RC Services invoiced amount in accordance with Sections 19.7 and 19.10 of the CAISO Tariff. If the RC Customer is a Transmission Operator and does not elect to be billed directly, the costs for its RC Services will be borne by its Balancing Authority. If the RC Customer is within the CAISO Balancing Authority Area, the Transmission Operator will be billed in accordance with Section 11.20.9 of the CAISO Tariff. For billing purposes in accordance with this Section, the RC Customer represents that it is either a (check the box that applies):

- (a) **Balancing Authority**
- (b) **Transmission Operator (direct billing elected)**
- (c) **Transmission Operator (billed to Balancing Authority)**
- (d) **Transmission Operator within the CAISO BAA**

The invoice and payment process for the HANA services will be in accordance with Section 19.8 of the CAISO Tariff. The invoice and payment process for other supplemental services will be in accordance with Section 19.9 of the CAISO Tariff.

5.4 Payment Default. The CAISO will have the right to recover unpaid RC Services invoiced amounts from the RC Customer pursuant to Section 19.7 of the CAISO Tariff. For RC Customers in the CAISO Balancing Authority Area, the CAISO will have the right to recover unpaid RC Services invoiced amounts from the RC Customer pursuant to Section 11.20.9 of the CAISO Tariff.

ARTICLE VI

CONFIDENTIALITY

- 6.1 Confidentiality.** Each Party's Confidential Information will be treated in accordance with the NERC Operating Reliability Data agreement and Section 19.15 of the CAISO Tariff and any other applicable confidentiality rules such as provided in the NERC Rules of Procedure, or data sharing agreements in effect between the Parties.

ARTICLE VII

GOVERNING LAW

- 7.1 Governing Law and Forum.** This Agreement will be deemed to be a contract made under, and for all purposes will 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 will 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 FERC.

ARTICLE VIII

LIABILITY

- 8.1 Liability.** Except as expressly provided in this Agreement, neither Party, nor any of its directors, officers, employees, consultants or agents will be liable to the other Party under any circumstances, whether any claim is based in contract in tort, in equity for any punitive, or otherwise, for any special, consequential, indirect or incidental damages of any nature whatsoever, including, but not limited to, lost profits, loss of earnings or revenue, loss of use, loss of contract or loss of goodwill, or for any costs or expenses (including legal expenses) arising out of or in connection the performance or non-performance of its obligations under this Agreement.
- 8.2 No Third-Party Enforcement.** No third-party will be entitled to enforce this Agreement against any Party hereto. This Agreement is made and entered into for the sole protection and legal benefit of the Parties. No other Person will be a direct or indirect legal beneficiary, or have any direct or indirect cause of action or claim in connection with, this Agreement. No other Person will be a third-party beneficiary under this Agreement.

- 8.3 Recovery for Third-Party Indemnity.** To the extent that the CAISO suffers any loss as a result of any third-party claims arising out of the performance of this Agreement, the CAISO will be entitled to seek recovery of such loss through Section 14.4 of the CAISO Tariff, except that any reference in Section 14.4 of the CAISO Tariff to Market Participants will be read to include a reference to the RC Customer and references to the CAISO Tariff will be read to include a reference to this Agreement.

ARTICLE IX

DISPUTE RESOLUTION

- 9.1 Dispute Resolution.** The Parties will 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 must adhere to the dispute resolution procedures as set forth in Section 19.10 of the CAISO Tariff.

ARTICLE X

MISCELLANEOUS

- 10.1 Representation and Warranties.** 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.
- 10.1.1 Information Exchange.** All information, including Confidential Information provided by any Party under this Agreement, is accurate to the extent of the providing Party's knowledge. The receiving Party receives the information "as is" and with the understanding that the information is accurate to the best of the providing Party's knowledge at the time of receipt.
- 10.2 Uncontrollable Forces Tariff Provisions.** Section 19.12 of the CAISO Tariff will be incorporated by reference into this Agreement.
- 10.3 Consistency with Federal Laws and Regulations.** This Agreement incorporates by reference Section 22.9 of the CAISO Tariff as if the references to the CAISO Tariff were referring to this Agreement.
- 10.3.1 Federal Entity Contract Requirements.** The provisions of Schedule 2 hereto contain provisions applicable to certain contracts entered into with the federal government. The provisions of Schedule 2 are applicable to a Party that is a federal entity if and to the extent required by applicable law and if not otherwise exempted.

- 10.3.2 No Waiver of Federal Rights.** By entering into this Agreement, no federal entity shall be deemed to have waived its rights to protest or challenge in any action or proceeding, any allocation of reliability related penalties, nor does any federal entity waive its sovereign immunity.
- 10.4 Assignments.** The RC Customer may assign or transfer any or all of its rights and/or obligations under this Agreement with the CAISO's prior written consent. Such consent will not be unreasonably withheld. Any such transfer or assignment will 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.
- 10.5 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement will be deemed properly served, given, or made: (a) upon delivery if delivered in person, (b) five (5) days after deposit in the mail if sent by first class United States mail, postage prepaid, (c) upon receipt of confirmation by return e-mail if sent by e-mail, or (d) upon delivery if delivered by prepaid commercial courier service, and unless otherwise stated or agreed must be made to the representative of the other Party indicated in Schedule 3. A Party must update the information in Schedule 3 of this Agreement as information changes. Such changes will not constitute an amendment to this Agreement.
- 10.6 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, will 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 will not constitute or be deemed a waiver of such right.
- 10.7 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.
- 10.8 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 will 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 will not be affected thereby, but will remain in force and effect and the Parties will 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.

- 10.9 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 will not take effect until FERC has accepted such amendments for filing and made them effective. Nothing contained herein will 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 RC Customer will 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 will 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 will 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.
- 10.10 Counterparts.** This Agreement may be executed in one or more counterparts at different times, each of which will be regarded as an original and all of which, taken together, will constitute one and the same Agreement. Each individual signing this Agreement certifies that the Party represented has duly authorized such individual to sign, bind, and obligate such Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Gridforce Energy Management, LLC

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 1

RC Customer Required Information

(Sections 1.1.6, 2.5 and 5.2)

The RC Customer represents the following Transmission Operators and corresponding Transmission Owners for RC Services:

Balancing Authority Area ("BAA")	Transmission Operator ("TOP")		Transmission Owner ("TO")	Notes
	Name	Direct Billed (Yes/No)		
Gridforce Energy Management, LLC	N/A	N/A	N/A	Generation consists of: Herimston Generating Facility (230 kV) Hermiston Generating Facility (500 kV) Centralia Generating Station Mesquite Generating Facility Broadview Units 1 & 2 Grady Sun Stream

RC Services Date: November 1, 2019

Default MWH*: 4,796,316 MWH

MWH are based on what period (MM-YY to MM-YY)? January 1 to December 31, 2017

**Default MWh will be used to determine the first year's RC service charge.*

Installed MW: 3,150 MW

**Applies to Generation Only BAAs only*

SCHEDULE 2

FEDERAL GOVERNMENT CONTRACT PROVISIONS

(Section 10.3.1)

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Where activities provided for in this Agreement extend beyond the current fiscal year, continued expenditures by Western are contingent upon Congress making the necessary appropriations required for the continued performance of Western’s obligations under the Agreement. In case such appropriation is not made, (i) Western will promptly give each of the other Parties written notice of such failure. (ii) Western will from and after the occurrence of any such failure no longer be a party to this Agreement, and (iii) the Parties hereby release Western from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

3. Covenant Against Contingent Fees

Each of the Parties warrants to each of the other Parties that no person or selling agency has been employed or retained by it to solicit or secure the Agreement 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 any Party for the purpose of securing business. For breach or violation of this warranty by any Party other than Western or Bonneville, Western and Bonneville will have the right to annul the contract with respect to Western and Bonneville 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.

4. Contract Work Hours and Safety Standards

The Agreement, 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. § 3701, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §§ 3701-3708, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

5. 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 Parties 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.

6. Use of Convict Labor

The Parties agree not to employ any person undergoing sentence of imprisonment in performing the Agreement 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.

SCHEDULE 3**NOTICES****(Section 10.5)****RC Customer**

Name of Primary Representative: CJ Ingersoll
Title: President
Company: Gridforce Energy Management, LLC
Address: 1301 Fannin Street, Suite 1000
City/State/Zip Code: Houston, Texas, 77002
Email address: cj.ingersoll@grid4ce.net
Phone: (713) 332-2906

Name of Alternative Representative: Denise Ayers
Title: Vice President
Company: Gridforce Energy Management, LLC
Address: 1301 Fannin Street, Suite 1000
City/State/Zip Code: Houston, Texas, 77002
Email address: denise.ayers@grid4ce.net
Phone: (713) 332-2902

CAISO

Name of Primary Representative: Regulatory Contracts
Title: N/A
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email address: RegulatoryContracts@caiso.com
Phone: (916) 351-4400

Name of Alternative Representative: Christopher J. Sibley
Title: Manager, Regulatory Contracts
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email address: csibley@caiso.com
Phone: (916) 608-7030