

December 17, 2015

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

**Re: California Independent System Operator Corporation  
Amendment to Rate Schedule No. 72  
Docket No. ER16-\_\_\_\_-000**

Dear Secretary Bose:

The California Independent System Operator Corporation (“CAISO”) submits for Commission filing and acceptance a third amendment to the Adjacent Balancing Authority Operating Agreement (“ABAOA”) between the CAISO and the Nevada Power Company (“NEVP”), doing business as NV Energy, a corporation organized and existing under the laws of the State of Nevada (“Amendment”).<sup>1</sup> The CAISO submits the Amendment, with the proposed effective date of December 18, 2015, to accommodate the project schedule of NEVP and San Diego Gas & Electric Company (“SDG&E”) for the planned removal of the Merchant Intertie and complete transition of the Merchant substation to the CAISO balancing authority area.

**I. Background**

The process to transition the Merchant switchyard from the NEVP balancing authority area to the CAISO balancing authority area commenced in 2012 with the transition of a portion of the Merchant switchyard to the CAISO balancing authority area.<sup>2</sup> The interim configuration included an intertie between

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<sup>1</sup> The CAISO submits the Amendment pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d.

<sup>2</sup> See Commission Letter Order dated July 5, 2012, Docket No. ER12-1897-000 (accepting an amendment to the Interconnected Control Area Operating Agreement that changed the point of interconnection and transitioned a portion of the Merchant Switchyard to the CAISO balancing authority area on an interim basis); see also *Cal. Indep. Sys. Operator Corp.*, 139 FERC ¶ 61,006 (2012) (accepting a Large Generator Interconnection Agreement between the CAISO and

the CAISO and NEVP balancing authority areas within the Merchant switchyard. The Amendment concludes this process by removing that intertie and transitioning the remaining facilities that constitute the Merchant switchyard and the NEVP transmission facilities that connect the Merchant switchyard to the Eldorado switchyard from the NEVP balancing authority area to the CAISO balancing authority area.

Since 2012, the north bus of the Merchant switchyard has been located within the NEVP balancing authority area. The north bus is owned by NEVP and the south bus is owned by SDG&E. The CAISO has been working with NEVP, SDG&E and other interested parties, including Southern California Edison (“SCE”) and Sempra Generation, to transition the entire Merchant switchyard to the CAISO balancing authority area in support of an operation and ownership transfer from NEVP to SDG&E of the Merchant switchyard and the Eldorado – Merchant No. 2 230 kV transmission line.

The CAISO understands that NEVP intends to turn over its operational control of the north bus of the Merchant switchyard and the Merchant – Eldorado 230 kV transmission line to SDG&E.<sup>3</sup> The CAISO also understands that NEVP intends to remove the North Solar One (“NSO”) and McCullough 230 KV transmission lines from the Merchant switchyard. The above actions will eliminate an intertie between NEVP’s balancing authority area and the CAISO’s balancing authority area because all facilities associated with the Merchant switchyard and the 230 kV Eldorado - Merchant No. 2 transmission line will be located in the CAISO balancing authority area.

NEVP completed the new interconnection within the Eldorado substation<sup>4</sup> and is currently planning to remove the Merchant – NSO and Merchant – Magnolia 230 kV transmission lines from the Merchant switchyard. The CAISO understands that the affected parties<sup>5</sup> are preparing to commence work to

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SDG&E for the Desert Star Energy Center).

<sup>3</sup> The CAISO understands that SDG&E intends to file the Merchant 230 kV Substation Operation and Maintenance Agreement, dated November 6, 2015, concurrent with this CAISO filing. The CAISO also understands that this agreement authorizes SDG&E to turn operational control of the NEVP facilities over to the CAISO until ownership transfers from NEVP to SDG&E.

<sup>4</sup> See Commission Letter Order dated January 15, 2015, Docket No. ER15-620-000 (accepting an amendment to the ABAOA between the CAISO and NEVP for the interconnection of two transmission lines).

<sup>5</sup> The CAISO has an interest in the Merchant transition but does not establish the associated sequencing of changes to the transmission system or participate in the associated commercial arrangements. NEVP and SDG&E are the concerned parties in interest and SCE has been engaged as a co-owner of the Eldorado substation. Together they are referenced as

implement the transfer of operational control beginning on December 18, 2015.<sup>6</sup> Accordingly, NEVP and SDG&E have asked that the CAISO support a December 18, 2015 effective date for the Amendment to incorporate the Merchant switchyard into the CAISO balancing authority area.

## **II. Amendment**

The original ABAOA was filed with the Commission on October 29, 2012 in Docket No. ER13-224-000, which was designated as CAISO Rate Schedule No. 72. The Commission accepted the ABAOA by order issued on December 31, 2012.<sup>7</sup> The Amendment includes proposed changes to Schedule A to reflect the elimination of an intertie and related scheduling point as described above as a result of fully incorporating the Merchant switchyard into the CAISO balancing authority area.

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

CAISO respectfully requests that the Commission accept the ABAOA Amendment No. 3 effective as of December 18, 2015, *i.e.*, the day SDG&E assumes operational control of the entire Merchant switchyard and Merchant - Eldorado No. 2 230 kV transmission line.

CAISO requests waiver of the notice requirements set forth in the Commission's regulations to permit this effective date.<sup>8</sup> The affected parties including NEVP and SDG&E have agreed upon the December 18, 2015 date in order to facilitate the ability of NEVP to accommodate SDG&E's planned transfer of operational control of the Merchant substation to the CAISO balancing authority area, and the CAISO is prepared to support this effective date. Commission precedent supports waiver of the 60-day notice requirement when the filing does not propose to change rates, and is consistent with an agreed-upon date in a filed agreement.<sup>9</sup>

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affected parties.

<sup>6</sup> NEVP scheduled outages of these facilities that removed them from service on December 7, 2015.

<sup>7</sup> See *Cal. Indep. Sys. Operator Corp.*, 141 FERC ¶ 61,276 (2012).

<sup>8</sup> Specifically, pursuant to Section 35.11 of the Commission's regulations (18 C.F.R. § 35.11), the CAISO requests waiver of the notice requirements set forth in Section 35.3 of the Commission's regulations (18 C.F.R. § 35.3).

<sup>9</sup> See *Central Hudson Gas & Elec. Corp., et al.*, 60 FERC ¶ 61,106 at p. 4, *reh'g denied*, 61 FERC ¶ 61,089 (1992). See also *Prior Notice and Filing Requirements under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,984, *order on reh'g*, 65 FERC ¶ 61,081 (1993) (waiver of prior notice will be granted if service agreements are filed within 30 days after service

The CAISO has submitted the Amendment with a requested effective date of December 18, 2015, the earliest expected date upon which SDG&E assumes operational control of the facilities. However, the actual transition date may be other than December 18. Consequently, CAISO will submit a subsequent filing reflecting a revised effective date of the Amendment if in fact the in-service date is other than expected.

#### **IV. Attachments**

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

Attachment A: Amendment to the ABAOA;

Attachment B: Clean version of the amended ABAOA; and

Attachment C: Redline version of the amended ABAOA.

#### **V. Service**

Copies of this filing have been served upon the CAISO, NEVP, SDG&E, Southern California Edison Company, the California Public Utilities Commission and the California Energy Commission. In addition, the filing has been posted on the CAISO website.

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commences)).

## **VI. Correspondence**

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

### Name and contact information

John C. Anders\*  
Lead Counsel  
California ISO  
250 Outcropping Way  
Folsom, CA 95630  
Tel: (916) 608-7287  
Fax: (916) 608-7222  
janders@caiso.com

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

## **VII. Conclusion**

The CAISO respectfully requests that the Commission accept this filing and permit the Amendment to be effective as of the date requested.

The Honorable Kimberly D. Bose  
December 17, 2015  
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Respectfully submitted,

/s/ John C. Anders  
John C. Anders

Roger E. Collanton  
General Counsel  
Sidney L. Mannheim  
Assistant General Counsel  
John C. Anders  
Lead Counsel  
California Independent  
System Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630  
Tel: (916) 608-7287  
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janders@caiso.com

Counsel for the California Independent System Operator Corporation

## CERTIFICATE OF SERVICE

I certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 17th day of December, 2015.

*Martha Sedgley*  
Martha Sedgley

**Attachment A**  
**Rate Schedule No. 72 –Amendment No. 3 to the**  
**Adjacent Balancing Authority Operating Agreement**  
**between the California ISO and NV Energy**  
**(Executed)**

**California Independent System Operator Corporation**

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
AND  
NEVADA POWER COMPANY**

**AMENDMENT NO. 3  
TO THE  
ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT**

**THIS AMENDMENT NO. 3** is effective as of the transition of operational responsibilities of the Merchant switchyard and the Merchant – Eldorado 220kV No 2 transmission line from NEVP to San Diego Gas & Electric Company and is entered into by and between:

(1) **Nevada Power Company** (“NEVP”), doing business as NV Energy, having its registered and principal executive office at 6226 West Sahara Avenue, Las Vegas, Nevada 89146;

and

(2) **California Independent System Operator Corporation** (“CAISO”), a California nonprofit public benefit corporation having a principal executive office located at 250 Outcropping Way, Folsom, California 95630.

NEVP and the CAISO are hereinafter referred to as the "Parties."

**Whereas:**

- A.** The Parties are signatories to an Adjacent Balancing Authority Operating Agreement dated October 29, 2012 (the "Agreement"), as amended by Amendment No. 1 effective June 11, 2014 and Amendment No. 2 effective February 25, 2015.
- B.** The Parties desire to amend the Agreement to remove the Merchant Balancing Authority Area boundary.
- C.** In all other respects, the Parties intend that the Agreement remain in full force and effect in accordance with its terms.



NOW THEREFORE, **THE PARTIES AGREE** as follows:

1. **Termination.** This Amendment No. 3 shall remain in full force and effect until the termination of the Agreement.
2. **Amendment to the Agreement.** The Agreement shall be amended as follows:
  - 2.1 Schedule A to the Agreement is deleted in its entirety and Schedule A attached to this Amendment No. 3 is substituted in its place.
3. This Amendment No. 3 constitutes the complete and final agreement of the Parties with respect to the purpose of this Amendment No. 3 as described in the Recitals hereto and supersedes all prior understandings, whether written or oral, with respect to such subject matter.
4. Except as expressly modified in this Amendment No. 3, the Agreement shall remain in full force and effect in accordance with its terms, and the unmodified provisions of the Agreement shall apply to any new rights and/or obligations established by this Amendment No. 3.
5. This Amendment No. 3 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.



**IN WITNESS WHEREOF**, the Parties have caused this Amendment No. 3 to be duly executed by and through their respective authorized representatives.

**California Independent System Operator Corporation**

By: DocuSigned by: Eric Schmitt  
0971A84CB55B4B8...  
Name: Eric Schmitt  
Title: VP, Operations  
Date: 12/7/2015

**Nevada Power Company, d/b/a NV Energy**

By: DocuSigned by: Walter Spansel  
6903BABC3E894A4...  
Name: Walter Spansel  
Title: Vice President, Transmission  
Date: 12/14/2015

## SCHEDULE A

### ADJACENT BALANCING AUTHORITY INTERCONNECTION POINTS [Sections 5.1, 5.2 and 6.2]

1. The point(s) of interconnection of the Parties' Balancing Authority Areas are defined by the following:

**The interconnections between the CAISO and NEVP are comprised of six interties described below:**

- **Mohave – Laughlin 500 kV Intertie**

The Mohave – Laughlin 500 kV Intertie is used to supply the energy needs of NEVP's isolated load located in the general vicinity of Laughlin, Nevada. The Mohave – Laughlin 500 kV Intertie consists of the NEVP-owned Laughlin-Mohave No.1 and No.2 500 kV transmission lines (the "Laughlin - Mohave 500 kV transmission lines") between the jointly owned Mohave 500 kV Switchyard<sup>1</sup> and NEVP's Laughlin Substation, all located in Laughlin, Nevada.

<b>CAISO Terminal:</b>	Mohave 500 kV Switchyard
<b>Participating Transmission Owner:</b>	Southern California Edison Company ("SCE")
<b>NEVP Terminal:</b>	Laughlin Substation
<b>Point of Interconnection:</b>	The East and West bus sides of the disconnect switches for switchyard positions 5 and 6 in the Mohave 500 kV Switchyard.
<b>Voltage:</b>	500 kV

**CAISO/SCE Switching Responsibility:**

SCE has sole operational and maintenance responsibility for all facilities inside the Mohave 500 kV Switchyard. SCE will coordinate with NEVP all operating and maintenance activity on the portions of NEVP's Laughlin-Mohave No.1 and No. 2 500 kV lines that are inside the Mohave 500 kV Switchyard. SCE's Eldorado Switching Center, as approved by the CAISO, will direct all switching at the Mohave 500 kV Switchyard for the Laughlin - Mohave 500 kV transmission lines in coordination with the NEVP Transmission Operator.

**NEVP Switching Responsibility:**

The NEVP Transmission Operator will direct all switching at the Laughlin 500/69 kV Substation for the Laughlin - Mohave 500 kV transmission lines, including the

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<sup>1</sup> The Mohave 500 kV Switchyard is a component of the Eldorado System which also consists of the Eldorado Substation, the Eldorado – Mohave 500 kV line and the Eldorado – Mead No. 1 and No. 2 220 kV lines. The Eldorado System is jointly owned by LADWP, NEVP, SRP and SCE. SCE is the Operating Agent for the Eldorado System which is entirely within the metered boundary of the CAISO Balancing Authority Area.

transformer 500 kV disconnects, in coordination with SCE's Eldorado Switching Center.

**Operational and Maintenance Responsibility:**

The NEVP Transmission Operator has operational and maintenance responsibility for the portions of the Laughlin - Mohave 500 kV transmission lines outside the Mohave 500 kV Switchyard fence to the Laughlin Substation. The NEVP Transmission Operator has operational and maintenance responsibility for the Laughlin 500/69 kV Substation, including the transformer 500 kV jack bus and disconnects.

- **Eldorado 220 kV Intertie**

The termination facilities for the NEVP-owned Eldorado - Magnolia and Eldorado - NSO 230 kV transmission lines are contained in a breaker-and-a-half configuration within the jointly-owned Eldorado Substation 220 kV Switchyard position 3.

<b>CAISO Terminal:</b>	Eldorado 220 kV North and South busses
<b>Participating Transmission Owner:</b>	SCE
<b>NEVP Terminals:</b>	NSO 230 kV switchyard and Magnolia 230 kV switchyard.
<b>Points of Interconnection:</b>	The North bus side of disconnect switch 4032 and the South bus side of disconnect switch 6032 in switchyard position 3 in the jointly-owned Eldorado 220 kV Switchyard.
<b>Voltage:</b>	220 kV

Eldorado - NSO 230 kV Line

The Eldorado - NSO 230 kV line connects NEVP's NSO switchyard with the jointly owned Eldorado 220 kV Switchyard.

**Operational and Maintenance Responsibility:**

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - NSO 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-NSO 230 kV line outside of the Eldorado Substation fence ("Structure No. X25962").

NEVP will have operational and maintenance responsibility for the Eldorado - NSO 230 kV line from NSO Substation up to, and including Structure No. X25962.

Eldorado - Magnolia 230 kV Line

The Eldorado - Magnolia 230 kV line connects the jointly owned Eldorado 220 kV Switchyard with NEVP's Magnolia Substation.

**Operational and Maintenance Responsibility:**

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - Magnolia 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-Magnolia 230 kV line outside of the Eldorado Substation fence ("Structure No. X25961").

NEVP will have operational and maintenance responsibility for the Eldorado - Magnolia 230 kV line from Magnolia Substation up to and including Structure No. X25961.

- **Amargosa – Sandy Valley 138 kV Intertie**

Valley Electric Association's ("VEA") Amargosa – Sandy Valley 138 kV transmission line connects Western Area Power Administration's ("Western") Amargosa Substation with VEA's Sandy Valley Substation.

The Amargosa Substation is owned by Western.

<b>CAISO Terminal:</b>	Sandy Valley Substation
<b>Participating Transmission Owner:</b>	VEA
<b>NEVP Terminal:</b>	Amargosa Substation
<b>Point of Interconnection:</b>	The first dead-end structure outside the Amargosa Substation fence.
<b>Voltage:</b>	138 kV

**Switching Responsibility:**

Western will coordinate with the VEA Transmission Operator and the CAISO Transmission Operator for all switching at the Amargosa Substation for the Amargosa – Sandy Valley 138 kV transmission line. Western will also coordinate with NEVP on such switching.

**Operational and Maintenance Responsibility:**

VEA has operational and maintenance responsibility for the Amargosa – Sandy Valley 138 kV transmission line from the connection to the respective A-frame structure in the applicable bay position in the Amargosa Substation to the Sandy Substation.

- **Northwest – Desert View 230 kV Intertie**

VEA's Northwest – Desert View 230 kV transmission line connects NEVP's Northwest Substation to VEA's Desert View Substation.

<b>CAISO Terminal:</b>	Desert View Switch Station
<b>Participating Transmission Owner:</b>	VEA
<b>NEVP Terminal:</b>	Northwest Substation

<b>Point of Interconnection:</b>	The first dead-end structure outside the Northwest Substation fence.
<b>Voltage:</b>	230 kV

**NEVP Switching Responsibility:**

The NEVP Transmission Operator will direct all switching at the Northwest Substation for the Northwest – Desert View 230 kV transmission line.

**Operational and Maintenance Responsibility:**

VEA has operational and maintenance responsibility for the Northwest – Desert View 230 kV transmission line from the Point of Interconnection at the Northwest Substation to the Desert View Substation.

- **Jackass Flats 138 kV Intertie**

The Department of Energy (“DOE”) owns the Jackass Flats Substation and the Mercury Switching Center<sup>1</sup>. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access between its transmission system and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

<b>CAISO Terminal:</b>	Jackass Flats Substation
<b>Participating Transmission Owner:</b>	VEA
<b>NEVP Terminal:</b>	Jackass Flats Substation
<b>Point of Interconnection:</b>	The Jackass Flats 138 kV bus
<b>Voltage:</b>	138 kV
<b>Metered Interchange Segment:</b>	Jackass Flats – Mercury 138 kV line
<b>Metered End:</b>	Jackass Flats Substation

The diagram at the end of this Section 1 shows the point of interconnection of the Parties’ Balancing Authority Areas for the Jackass Flats 138 kV Intertie.

- **Mercury Switching Center 138 kV Intertie**

The DOE owns the Mercury Switching Center and the Jackass Flats Substation. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access over its Jackass Flats – Mercury Switching Center 138 kV transmission line to its transmission system through the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the

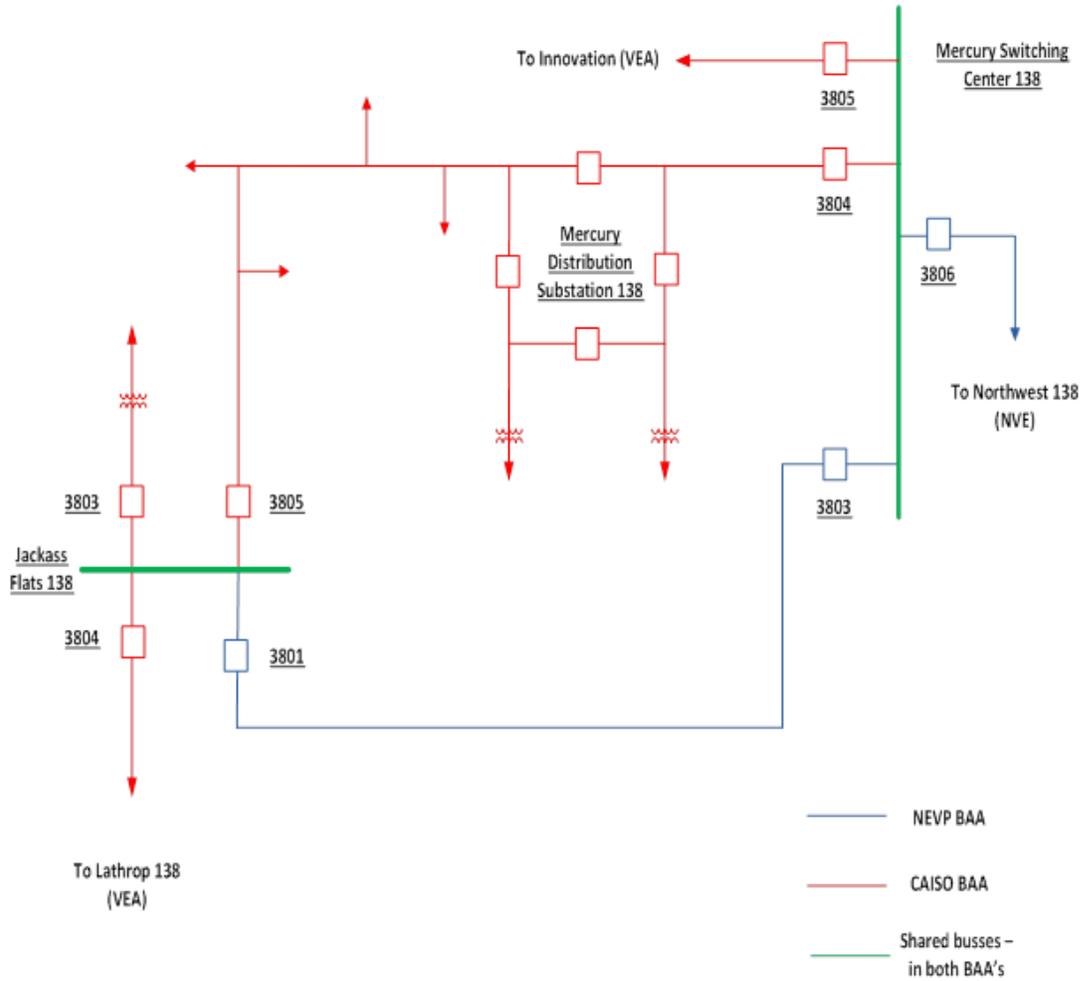
<sup>1</sup> The Jackass Flats Substation and the Mercury Switching Center also serve as end points of a 138 kV loop of transmission facilities owned by DOE.

CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

<b>CAISO Terminal:</b>	Mercury Switching Center
<b>Participating Transmission Owner:</b>	VEA
<b>NEVP Terminal:</b>	Mercury Switching Center
<b>Point of Interconnection:</b>	The Mercury Switching Center 138 kV bus
<b>Voltage:</b>	138 kV
<b>Metered Interchange Segments:</b>	Mercury Switching Center – Mercury Distribution 138 kV line Mercury Switching Center – Innovation 138 kV line
<b>Metered End:</b>	Mercury Switching Center

The diagram at the end of this Section 1 shows the point of interconnection of the Parties' Balancing Authority Areas at the Mercury Switching Center.

### ONE LINE DIAGRAM OF FACILITIES AT THE NEVADA NATIONAL SECURITY SITE



## 2. REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

NEVP and CAISO metering shall meet any metering standards mutually agreed upon by the Parties for the purpose of operating their adjacent Balancing Authority Areas. NEVP and the CAISO shall be entitled to witness testing of the involved interconnection metering. Any change or modification to such metering equipment by NEVP or the CAISO shall be coordinated between the Parties. NEVP shall allow daily, once a day, read-only access by the CAISO to direct poll revenue data from the interconnection revenue metering in five (5) minute intervals at the metering points identified in this Schedule A. The CAISO shall allow daily, once a day, read-only access by NEVP to direct poll revenue data from the interconnection revenue metering in five (5) minute intervals at the interconnection points identified in this Schedule A.

NEVP and the CAISO shall maintain arrangements that ensure that both Parties shall have access to the same real-time data from the interconnection points identified in this Schedule A between their Balancing Authority Areas for the purpose of complying with NERC reliability standards, specifically, Standards BAL-005 and BAL-006. The Parties understand that each Party wants to obtain MW and MVAR data from interconnection metering, which may include RTUs, at the interconnection points identified in this Schedule A between their Balancing Authority Areas. The Parties agree to allow each other to directly poll real-time data from metering at such interconnection points under the other Party's operational control as a Balancing Authority. In the event that a second communication port of a RTU is not available for direct polling by a Party, the Party shall have the option to provide a RTU to the substation owner for the purpose of establishing a communication port available for direct polling by such Party. The Parties may mutually agree to provide interconnection point data via Inter-Company Communications Protocol ("ICCP") or its successor protocol. In the event that a Party supplies ICCP data to the other Party, the supplying Party shall have no obligation to manipulate or perform conditioning of any such data for the convenience of the receiving Party.

This Schedule A shall remain in effect until it is superseded by mutual written agreement by the Parties or is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.

**Attachment B – Clean Tariff Records**  
**Rate Schedule No. 72 –Amendment No. 3 to the**  
**Adjacent Balancing Authority Operating Agreement**  
**between the California ISO and NV Energy**

**California Independent System Operator Corporation**

## **ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT**

Executed by

NEVADA POWER COMPANY

and

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

This Adjacent Balancing Authority Operating Agreement, (“Agreement”) dated as of \_\_\_\_\_, 2012, is between NEVADA POWER COMPANY (“NEVP”), doing business as NV Energy, having its registered and principal executive office at 6226 West Sahara Avenue, Las Vegas, Nevada 89146, and the CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION (“CAISO”), a California nonprofit public benefit corporation having a principal executive office located at 250 Outcropping Way, Folsom, California 95630. Each is referred to herein as a “Party” and collectively as the “Parties.”

### **Recitals**

- A) Each Party is a member of the Western Electricity Coordinating Council (“WECC”), an organization whose members are located in the Western Interconnection as defined in the WECC Bylaws and is registered with WECC as a Balancing Authority pursuant to the North American Electric Reliability Corporation (“NERC”) Reliability Functional Model and Registry Criteria.
- B) Federal Energy Regulatory Commission (“FERC”) approved mandatory NERC Reliability Standards for the Bulk-Power Systems of North America include Standard EOP-001 which provides that each Balancing Authority is required to develop, maintain, and implement a set of plans to mitigate operating emergencies and to coordinate such plans with other Balancing Authorities. Standard EOP-001, which may be revised from time to time, directs Balancing Authorities to have operating agreements in place with adjacent Balancing Authorities that, at a minimum, contain provisions for emergency assistance, including provisions to obtain emergency assistance from remote Balancing Authorities.
- C) The Parties are adjacent Balancing Authorities by virtue of their transmission systems being interconnected at one or more points. The CAISO has responsibilities as a Balancing Authority and operates the CAISO Balancing Authority Area. NEVP has responsibilities as a Balancing Authority and operates the NEVP Balancing Authority Area.
- D) The Parties intend by this Agreement to identify each Party’s responsibilities to the other under the Requirements of Standard EOP-001 by recognizing the continuing

commitment of each Party to the other to cooperate to mitigate operating emergencies.

Therefore, the Parties mutually agree as follows:

## **1. Definitions**

1.1 NERC Definitions: Except as defined in Section 1.2 or as otherwise defined in this Agreement, terms and expressions used in this Agreement shall have the same meanings as those contained in the NERC Glossary of Terms Used in Reliability Standards.

### **1.2 Specific Definitions:**

1.2.1 CAISO Tariff: CAISO operating agreement and tariff as amended from time to time.

1.2.2 EOP-001: Emergency Operations Planning Standard EOP-001, as it may be modified from time to time.

1.2.3 Scheduling Coordinator: An entity certified by the CAISO for the purposes of undertaking the functions of: submitting bids and self-schedules for energy, generation, transmission losses, and ancillary services; coordinating generation; tracking, billing, and settling trades with other Scheduling Coordinators; submitting forecast information; paying the CAISO's charges; and ensuring compliance with CAISO protocols.

## **2. Term and Termination**

2.1 This Agreement shall be effective on the date this Agreement is accepted for filing and made effective by FERC pursuant to a filing with FERC by the CAISO (the "Effective Date") without any material modification or condition that is unacceptable to either Party in that Party's sole discretion. If any material modification or condition is ordered by FERC that is unacceptable to a Party, such Party shall communicate its lack of consent to such modification or condition to the other Party within ten (10) business days after the date on which FERC issues its order, and the Parties shall use best efforts to negotiate mutually acceptable revisions to this Agreement to address the modification or condition. Upon the occurrence of the Effective Date, this Agreement shall remain in effect until terminated by either Party upon thirty (30) days advance written notice to the other Party or upon written consent of both Parties. The CAISO shall file a notice of termination with FERC as soon as practicable but no later than thirty (30) days after its issuance or receipt of such advance written notice of termination or the date of the Parties' written consent. Termination will be effective upon acceptance of the notice of termination by FERC.

### **3. Responsibilities of the Parties**

3.1 The Parties agree to cooperate to mitigate any operating emergencies by adhering to: (1) the mandatory NERC Reliability Standards and WECC Regional Reliability Standards which relate to emergency operations, as may be amended from time to time, and (2) the directives of the applicable WECC Reliability Coordinator ("Reliability Coordinator").

3.2 Each Party further agrees that it shall develop, maintain, implement, and annually review and update its emergency plans to mitigate operating emergencies and shall share and coordinate such plans with the other Party as required by EOP-001.

3.3 To the extent possible, and in accordance with NERC mandatory Reliability Standards, each Party ("Delivering Party") shall assist the other Party ("Receiving Party") in an operating emergency by delivering emergency assistance to the requesting Receiving Party, including emergency capacity or energy transfers from such Delivering Party's Balancing Authority Area or from other remote Balancing Authorities over available transmission capacity, in accordance with Schedule B to this Agreement. Arrangements for deliveries of emergency capacity or energy transfers shall be through normal operating channels in accordance with EOP-001. Such emergency assistance shall be provided at the sole discretion of the entity supplying it and shall be recallable without advance notice as required to meet reliability requirements.

3.4 Import of Regulation Service by the CAISO. The CAISO and NEVP shall allow for the import of regulation service from the NEVP Balancing Authority Area to the CAISO Balancing Authority Area in accordance with the provisions of Schedule D. NEVP shall be under no obligation to supplement the import of regulation service contracted by third parties to be delivered to the CAISO Balancing Authority Area from resources in the NEVP Balancing Authority Area and shall have the right to terminate Schedule D without prior approval of the CAISO, subject to NEVP providing the CAISO a copy of the termination letter(s) pursuant to the agreement(s) NEVP has entered into with third parties to facilitate the import of regulation service into the CAISO Balancing Authority Area. NEVP shall notify the CAISO and provide to the CAISO a copy of such termination letter a minimum of thirty (30) days prior to such termination.

3.5 Import of Dynamically Scheduled Energy and Non-Regulation Ancillary Services by the CAISO. The CAISO and NEVP shall allow for the import of dynamically scheduled energy and non-regulation ancillary services from the NEVP Balancing Authority Area to the CAISO Balancing Authority Area in accordance with the provisions of Schedule E. NEVP shall be under no obligation to supplement the import of dynamically scheduled energy and non-regulation ancillary services contracted by third parties to be delivered to the CAISO Balancing Authority Area from resources in the NEVP Balancing Authority area and shall have the right to terminate Schedule E without prior approval of the CAISO, subject to NEVP providing the CAISO a copy of the termination letter(s) pursuant to the agreement(s) NEVP has entered into with third parties to facilitate the import of dynamically scheduled energy and non-regulation

ancillary services into the CAISO Balancing Authority Area. NEVP shall notify the CAISO and provide to the CAISO a copy of such termination letter a minimum of thirty (30) days prior to such termination.

#### **4. Coordination and Communication**

4.1 In the event of an operating emergency that affects or may affect the reliable operation of interconnected transmission facilities, each Party shall coordinate its actions with the other Party, as such Party deems necessary or as directed by the appropriate Reliability Coordinator(s), to preserve or restore the interconnected transmission system to stable operations and to preserve or restore reliable, safe, and efficient service as quickly as practicable. The Parties shall, without delay, individually notify the appropriate Reliability Coordinator(s) as to the nature and extent of the operating emergency.

4.2 Each Party operates and maintains a 24-hour, 7-day control center with real-time scheduling and control functions. The appropriate control center staff shall be responsible for operational communications and shall have sufficient authority to commit and bind that Party on decisions relating to emergency operations. The Parties agree to exchange operational contact information for ensuring reliable communication in a format to be agreed to by the Parties and completed within thirty (30) days of the Effective Date of this Agreement.

#### **5. Interconnection Points**

5.1 The Parties are adjacent Balancing Authorities and are interconnected at the points specified in Schedule A to this Agreement and subject to the conditions set forth therein. In the event that new interconnection points are added, or existing points are modified or eliminated, Schedule A will be amended as necessary to reflect any such changes that are mutually agreed upon by both Parties in a written agreement.

5.2 Schedule A is included for the sole purpose of identifying those interconnection points that result in the Parties being adjacent Balancing Authorities. This Agreement is not intended to act as an interconnection agreement between the Parties.

#### **6. Miscellaneous Provisions**

6.1 Exchange of Information and Confidentiality: When a Party ("Providing Party") provides information to the other Party ("Receiving Party") under this Agreement and marks such information as privileged or confidential commercial or financial information, critical energy infrastructure information, or trade secret information, the Receiving Party shall treat such information as confidential and protected from disclosure to the extent permitted by law. The Receiving Party shall promptly notify the Providing Party in writing of any request to release such information. The Parties agree to use such information only for purposes of performing each Party's obligations under this Agreement. The provisions of

this Section 6.1 shall survive the termination of this Agreement.

- 6.2 Amendment: The Parties may amend or modify this Agreement only by written agreement. In the event the mandatory NERC Reliability Standards including EOP-001 are revised or replaced, the Parties shall meet within sixty (60) days of the implementation date of the revised standard to discuss and determine whether such change will affect the terms and conditions of this Agreement and whether a modification or replacement of the Agreement is needed. An amendment that is subject to FERC approval shall not take effect until FERC has accepted such amendment for filing and has made it effective without any material modification or condition that is unacceptable to either Party in that Party's sole discretion. If any material modification or condition is ordered by FERC that is unacceptable to a Party, such Party shall communicate its lack of consent to such modification or condition to the other Party within ten (10) business days after the date on which FERC issues its order, and the Parties shall use best efforts to negotiate mutually acceptable revisions to this Agreement to address the modification or condition. Revisions to Schedules other than with regard to the contact information in Schedule C shall be processed as an amendment to this Agreement.
- 6.3 Assignment and Successors: Neither this Agreement nor any rights or responsibilities under this Agreement may be assigned by either Party to a third party without the written consent of the other Party, and such consent will not be unreasonably delayed, conditioned, or withheld. Subject to the preceding sentence, this Agreement is binding upon and will inure to the benefit of the Parties and their successors in interest.
- 6.4 Notices: Any notice, demand, or request which may be given to or made upon either Party regarding this Agreement shall be made in writing and shall 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 facsimile if sent by facsimile; or (d) upon delivery if delivered by prepaid commercial courier service. A Party must update the information in Schedule C of this Agreement relating to its address as that information changes. Such updates to Schedule C shall not constitute an amendment to this Agreement.
- 6.5 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 that if a dispute concerns the operation of transmission lines or facilities, the law of the state where the transmission lines or facilities are located will control. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement shall be brought in any of the following forums, as appropriate: (i) a court of the State of California or any federal court of the United States of America located in the State of California for all disputes under this Agreement

except any disputes concerning transmission lines or facilities located in the State of Nevada or disputes determined to be FERC jurisdictional; (ii) a court of the State of Nevada or any federal court of the United States of America located in the State of Nevada if the dispute concerns transmission lines or facilities located in the State of Nevada; or (iii) where subject to its jurisdiction, before FERC. No provision of this Agreement shall be deemed to waive the right of any Party to protest, or challenge in any manner, whether this Agreement, or any action or proceeding arising under or relating to this Agreement, is subject to the jurisdiction of FERC.

- 6.6 No Warranties or Representations; Disclaimer: All information, including confidential information, provided by the Providing Party under this Agreement carries no warranty or representation of any kind, either express or implied. The Receiving Party receives the information “as is” and with all faults, errors, defects, inaccuracies, and omissions. The Providing Party makes no representations or warranties whatsoever with respect to the availability, timeliness, accuracy, reliability, or suitability of any information. The Receiving Party disclaims and waives all rights and remedies that it may otherwise have with respect to all warranties and liabilities of the Providing Party, expressed or implied, arising by law or otherwise, with respect to any faults, errors, defects, inaccuracies or omissions in, or availability, timeliness, reliability, or suitability of the information. Each Party assumes any and all risk and responsibility for selection and use of, and reliance on, any information provided under this Agreement.
- 6.7 Liability: The Parties’ duties and standard of care with respect to each other, and the benefits and rights conferred on each other, shall be no greater than as explicitly stated herein. Neither Party, its directors, officers, employees, nor agents, shall be liable to the other Party for any loss, damage, claim, cost, charge, or expense, whether direct, indirect, or consequential, arising from the Party’s performance or nonperformance under this Agreement, except for a Party’s gross negligence or willful misconduct subject to applicable law. Except as otherwise expressly provided herein, nothing in this Agreement shall be construed or deemed to confer any right or benefit on, or to create any duty to, or standard of care with reference to any third party, or any liability or obligation, contractual or otherwise, on the part of either Party.
- 6.8 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 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.
- 6.9 Authority: Each individual signing this Agreement certifies that the Party

represented has duly authorized such individual to sign, bind, and obligate such Party.

Accepted and agreed to by:

California Independent System Operator Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Nevada Power Company, d/b/a NV Energy

By: \_\_\_\_\_

Name: Richard Salgo

Title: Executive, Grid Operations and Reliability

Date: \_\_\_\_\_

## Schedule A

### ADJACENT BALANCING AUTHORITY INTERCONNECTION POINTS

[Sections 5.1, 5.2 and 6.2]

1. The point(s) of interconnection of the Parties' Balancing Authority Areas are defined by the following:

**The interconnections between the CAISO and NEVP are comprised of six interties described below:**

- **Mohave – Laughlin 500 kV Intertie**

The Mohave – Laughlin 500 kV Intertie is used to supply the energy needs of NEVP's isolated load located in the general vicinity of Laughlin, Nevada. The Mohave – Laughlin 500 kV Intertie consists of the NEVP-owned Laughlin-Mohave No.1 and No.2 500 kV transmission lines (the "Laughlin - Mohave 500 kV transmission lines") between the jointly owned Mohave 500 kV Switchyard<sup>11</sup> and NEVP's Laughlin Substation, all located in Laughlin, Nevada.

<b>CAISO Terminal:</b>	Mohave 500 kV Switchyard
<b>Participating Transmission Owner:</b>	Southern California Edison Company ("SCE")
<b>NEVP Terminal:</b>	Laughlin Substation
<b>Point of Interconnection:</b>	The East and West bus sides of the disconnect switches for switchyard positions 5 and 6 in the Mohave 500 kV Switchyard.
<b>Voltage:</b>	500 kV

CAISO/SCE Switching Responsibility:

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<sup>11</sup> The Mohave 500 kV Switchyard is a component of the Eldorado System which also consists of the Eldorado Substation, the Eldorado – Mohave 500 kV line and the Eldorado – Mead No. 1 and No. 2 220 kV lines. The Eldorado System is jointly owned by LADWP, NEVP, SRP and SCE. SCE is the Operating Agent for the Eldorado System which is entirely within the metered boundary of the CAISO Balancing Authority Area.

SCE has sole operational and maintenance responsibility for all facilities inside the Mohave 500 kV Switchyard. SCE will coordinate with NEVP all operating and maintenance activity on the portions of NEVP's Laughlin-Mohave No.1 and No. 2 500 kV lines that are inside the Mohave 500 kV Switchyard. SCE's Eldorado Switching Center, as approved by the CAISO, will direct all switching at the Mohave 500 kV Switchyard for the Laughlin - Mohave 500 kV transmission lines in coordination with the NEVP Transmission Operator.

**NEVP Switching Responsibility:**

The NEVP Transmission Operator will direct all switching at the Laughlin 500/69 kV Substation for the Laughlin - Mohave 500 kV transmission lines, including the transformer 500 kV disconnects, in coordination with SCE's Eldorado Switching Center.

**Operational and Maintenance Responsibility:**

The NEVP Transmission Operator has operational and maintenance responsibility for the portions of the Laughlin - Mohave 500 kV transmission lines outside the Mohave 500 kV Switchyard fence to the Laughlin Substation. The NEVP Transmission Operator has operational and maintenance responsibility for the Laughlin 500/69 kV Substation, including the transformer 500 kV jack bus and disconnects.

- **Eldorado 220 kV Intertie**

The termination facilities for the NEVP-owned Eldorado - Magnolia and Eldorado - NSO 230 kV transmission lines are contained in a breaker-and-a-half configuration within the jointly-owned Eldorado Substation 220 kV Switchyard position 3.

<b>CAISO Terminal:</b>	Eldorado 220 kV North and South busses
<b>Participating Transmission Owner:</b>	SCE
<b>NEVP Terminals:</b>	NSO 230 kV switchyard and Magnolia 230 kV switchyard.
<b>Points of Interconnection:</b>	The North bus side of disconnect switch 4032 and the South bus side of disconnect switch 6032 in switchyard position 3 in the jointly-owned Eldorado 220 kV Switchyard.
<b>Voltage:</b>	220 kV

### Eldorado - NSO 230 kV Line

The Eldorado - NSO 230 kV line connects NEVP's NSO switchyard with the jointly owned Eldorado 220 kV Switchyard.

#### Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - NSO 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-NSO 230 kV line outside of the Eldorado Substation fence ("Structure No. X25962").

NEVP will have operational and maintenance responsibility for the Eldorado - NSO 230 kV line from NSO Substation up to, and including Structure No. X25962.

### Eldorado - Magnolia 230 kV Line

The Eldorado - Magnolia 230 kV line connects the jointly owned Eldorado 220 kV Switchyard with NEVP's Magnolia Substation.

#### Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - Magnolia 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-Magnolia 230 kV line outside of the Eldorado Substation fence ("Structure No. X25961").

NEVP will have operational and maintenance responsibility for the Eldorado - Magnolia 230 kV line from Magnolia Substation up to and including Structure No. X25961.

- **Amargosa – Sandy Valley 138 kV Intertie**

Valley Electric Association’s (“VEA”) Amargosa – Sandy Valley 138 kV transmission line connects Western Area Power Administration’s (“Western”) Amargosa Substation with VEA’s Sandy Valley Substation.

The Amargosa Substation is owned by Western.

<b>CAISO Terminal:</b>	Sandy Valley Substation
<b>Participating Transmission Owner:</b>	VEA
<b>NEVP Terminal:</b>	Amargosa Substation
<b>Point of Interconnection:</b>	The first dead-end structure outside the Amargosa Substation fence.
<b>Voltage:</b>	138 kV

Switching Responsibility:

Western will coordinate with the VEA Transmission Operator and the CAISO Transmission Operator for all switching at the Amargosa Substation for the Amargosa – Sandy Valley 138 kV transmission line. Western will also coordinate with NEVP on such switching.

Operational and Maintenance Responsibility:

VEA has operational and maintenance responsibility for the Amargosa – Sandy Valley 138 kV transmission line from the connection to the respective A-frame structure in the applicable bay position in the Amargosa Substation to the Sandy Substation.

- **Northwest – Desert View 230 kV Intertie**

VEA’s Northwest – Desert View 230 kV transmission line connects NEVP’s Northwest Substation to VEA’s Desert View Substation.

<b>CAISO Terminal:</b>	Desert View Switch Station
<b>Participating Transmission Owner:</b>	VEA

**NEVP Terminal:** Northwest Substation  
**Point of Interconnection:** The first dead-end structure outside the Northwest Substation fence.  
**Voltage:** 230 kV

**NEVP Switching Responsibility:**

The NEVP Transmission Operator will direct all switching at the Northwest Substation for the Northwest – Desert View 230 kV transmission line.

**Operational and Maintenance Responsibility:**

VEA has operational and maintenance responsibility for the Northwest – Desert View 230 kV transmission line from the Point of Interconnection at the Northwest Substation to the Desert View Substation.

• **Jackass Flats 138 kV Intertie**

The Department of Energy (“DOE”) owns the Jackass Flats Substation and the Mercury Switching Center<sup>2</sup>. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access between its transmission system and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

**CAISO Terminal:** Jackass Flats Substation  
**Participating Transmission Owner:** VEA  
**NEVP Terminal:** Jackass Flats Substation  
**Point of Interconnection:** The Jackass Flats 138 kV bus  
**Voltage:** 138 kV

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<sup>2</sup> The Jackass Flats Substation and the Mercury Switching Center also serve as end points of a 138 kV loop of transmission facilities owned by DOE.

**Metered Interchange Segment:** Jackass Flats – Mercury 138 kV line  
**Metered End:** Jackass Flats Substation

The diagram at the end of this Section 1 shows the point of interconnection of the Parties' Balancing Authority Areas for the Jackass Flats 138 kV Intertie.

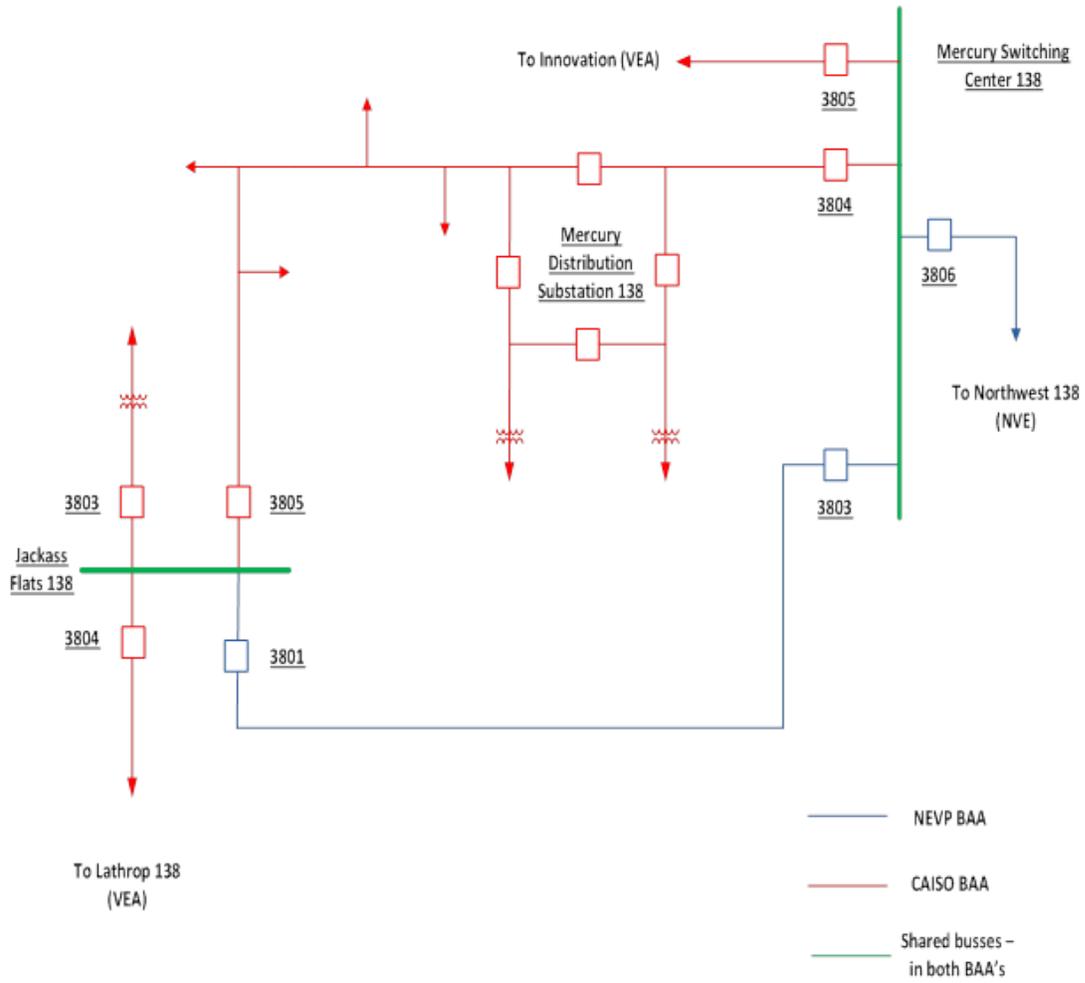
- **Mercury Switching Center 138 kV Intertie**

The DOE owns the Mercury Switching Center and the Jackass Flats Substation. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access over its Jackass Flats – Mercury Switching Center 138 kV transmission line to its transmission system through the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

**CAISO Terminal:** Mercury Switching Center  
**Participating Transmission Owner:** VEA  
**NEVP Terminal:** Mercury Switching Center  
**Point of Interconnection:** The Mercury Switching Center 138 kV bus  
**Voltage:** 138 kV  
**Metered Interchange Segments:** Mercury Switching Center – Mercury Distribution 138 kV line  
Mercury Switching Center – Innovation 138 kV line  
**Metered End:** Mercury Switching Center

The diagram at the end of this Section 1 shows the point of interconnection of the Parties' Balancing Authority Areas at the Mercury Switching Center.

# ONE LINE DIAGRAM OF FACILITIES AT THE NEVADA NATIONAL SECURITY SITE



## 2. REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

NEVP and CAISO metering shall meet any metering standards mutually agreed upon by the Parties for the purpose of operating their adjacent Balancing Authority Areas. NEVP and the CAISO shall be entitled to witness testing of the involved interconnection metering. Any change or modification to such metering equipment by NEVP or the CAISO shall be coordinated between the Parties. NEVP shall allow daily, once a day, read-only access by the CAISO to direct poll revenue data from the interconnection revenue metering in five (5) minute intervals at the metering points identified in this Schedule A. The CAISO shall allow daily, once a day, read-only access by NEVP to direct poll revenue data from the interconnection revenue metering in five (5) minute intervals at the interconnection points identified in this Schedule A.

NEVP and the CAISO shall maintain arrangements that ensure that both Parties shall have access to the same real-time data from the interconnection points identified in this Schedule A between their Balancing Authority Areas for the purpose of complying with NERC reliability standards, specifically, Standards BAL-005 and BAL-006. The Parties understand that each Party wants to obtain MW and MVAR data from interconnection metering, which may include RTUs, at the interconnection points identified in this Schedule A between their Balancing Authority Areas. The Parties agree to allow each other to directly poll real-time data from metering at such interconnection points under the other Party's operational control as a Balancing Authority. In the event that a second communication port of a RTU is not available for direct polling by a Party, the Party shall have the option to provide a RTU to the substation owner for the purpose of establishing a communication port available for direct polling by such Party. The Parties may mutually agree to provide interconnection point data via Inter-Company Communications Protocol ("ICCP") or its successor protocol. In the event that a Party supplies ICCP data to the other Party, the supplying Party shall have no obligation to manipulate or perform conditioning of any such data for the convenience of the receiving Party.

This Schedule A shall remain in effect until it is superseded by mutual written agreement by the Parties or is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.

## **Schedule B**

### **EMERGENCY CAPACITY AND ENERGY [Sections 3.3 and 6.2]**

In accordance with EOP-001, the Parties will, to the extent possible, assist each other in an emergency by scheduling energy and/or capacity. Such emergency assistance will be available at the sole discretion of the Party supplying it and will be recallable without advance notice as required to meet reliability requirements. The Parties will agree upon and log MW values, start and end times, ramp rates and times, and integrated values for any emergency assistance provided.

The emergency assistance to be provided by a Party will be for system reliability. Such emergency assistance may be estimated prior to delivery and finalized in the settlement process.

The price paid for CAISO emergency assistance will be at the CAISO market price for the energy and/or capacity sold, plus all applicable charges, as specified in the CAISO Tariff for emergency assistance. Such price may be estimated prior to delivery and finalized in the settlement process. Payment to the CAISO for emergency assistance provided by the CAISO will be made by the Scheduling Coordinator representing NEVP, in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

The price paid for NEVP emergency assistance will be at the price specified by NEVP. In the event NEVP does not specify the price for energy or capacity at the time of the request for emergency assistance and no other settlement price is established prior to the delivery of the emergency assistance, the default settlement price shall be the CAISO market price, plus all other applicable charges, as specified or as otherwise established in the CAISO Tariff for emergency assistance. If the default settlement price does not compensate NEVP for the value of the emergency assistance delivered to the CAISO, NEVP shall have the opportunity to justify a higher settlement price in accordance with the CAISO Tariff for emergency assistance. Payment to NEVP for emergency assistance provided by NEVP will be made to the Scheduling Coordinator representing NEVP, in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

Nothing in this Agreement shall obligate NEVP to be bound by the CAISO Tariff unless expressly provided for herein.

This Schedule B shall remain in effect until it is superseded by mutual written agreement by the Parties or it is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.

## Schedule C

### CONTACTS FOR NOTICES [Sections 6.2 and 6.4]

#### **CAISO:**

##### Name of Primary

Representative: Regulatory Contracts  
Address: 250 Outcropping Way  
City/State/Zip Code: Folsom, CA 95630  
Email Address: RegulatoryContracts@caiso.com  
Phone: (916) 351-4400  
Fax No.: (916) 608-5063

##### Name of Alternate

Representative: Daune Kirrene  
Title: Senior Contracts Negotiator  
Address: 250 Outcropping Way  
City/State/Zip Code: Folsom, CA 95630  
Email Address: dkirrene@caiso.com  
Phone: (916) 608-7058  
Fax No.: (916) 608-5063

#### **NEVP:**

##### Name of Primary

Representative: Jeri Fisher  
Title: Project Manager, Transmission Project Delivery  
Street Address: 6100 Neil Road - M/S S3B40  
City/State/Zip Code: Reno, NV 89511  
Mailing Address: P.O. Box 10100 - M/S S3B40  
City/State/Zip Code: Reno, NV 89520-0024  
Email Address: JFisher@nvenergy.com  
Phone: (775) 834-3915  
Fax No.: (775) 834-3047

##### Name of Alternate

Representative: John Wickersham, III  
Title: Manager, Transmission Project Services  
Street Address: 6100 Neil Road - M/S S3B40  
City/State/Zip Code: Reno, NV 89511  
Mailing Address: P.O. Box 10100 - M/S S3B40  
City/State/Zip Code: Reno, NV 89520-0024  
Email Address: JWickersham3@nvenergy.com  
Phone: (775) 834-3893  
Fax No.: (775) 834-3047

This Schedule shall remain in effect until superseded by written notice from either of the Parties.

## Schedule D

### INTER-BALANCING AUTHORITY AREA REQUIREMENTS FOR SCHEDULING AND DELIVERING REGULATION SERVICE TO THE CAISO [Section 3.4]

#### 1. General

- 1.1. Purpose. This Schedule D sets forth the requirements that must be satisfied by the NEVP Balancing Authority Area (referred to herein as the “Host Balancing Authority Area”) should it elect to support Scheduling Coordinators’ requests for certification, scheduling and delivery of regulation service into the CAISO Balancing Authority Area. The requirements encompass technical (energy management system (“EMS”)/automatic generation control (“AGC”) and communications), interchange scheduling, telemetry and control aspects of interconnected Balancing Authority Area operations.
- 1.2. NERC/WECC Operating Standards Observed. Nothing in this Schedule D is intended to change, supersede, or alter either Party’s obligations to abide by NERC standards and WECC criteria.
- 1.3. Applicable Standards. This Schedule D incorporates, by reference, the CAISO’s “*Standards for Imports of Regulation*” (“Standards”) document. The Standards document is available for viewing and can be downloaded from the CAISO internet home page: [www.caiso.com](http://www.caiso.com) <<http://www.caiso.com>>.
- 1.4. Meaning of “System Resource.” “System Resource” is defined in the CAISO Tariff and, in the context of this Schedule D, may include combinations of resources as described in the Standards.

#### 2. Telecommunications Requirements

The CAISO and Host Balancing Authority Area shall establish and maintain real time, redundant, diversely routed, bi-directional, communications links between the CAISO EMS and the Host Balancing Authority Area EMS, utilizing the standard inter-control center communications protocol (“ICCP”). Further details regarding telecommunications requirements may be found in the Standards document.

#### 3. Telemetry and Control

- 3.1. Telemetry. For each operating hour for which a System Resource is scheduled to deliver regulation service to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall provide, via the ICCP communications links to the CAISO EMS, the data for each System Resource as set forth in the Standards document.

3.2. Control. The Host Balancing Authority Area EMS shall be able to receive control signals, in real time, from the CAISO EMS, via the ICCP communications links, causing the System Resource to vary its energy production or allocation level from the prescheduled preferred operating point by the specified amount. Further detailed information regarding control requirements may be found in the Standards document.

3.3. Delivery of Megawatts (“MW”). The Host Balancing Authority Area shall only deliver to the CAISO the amount of MW being generated by the System Resource. The Host Balancing Authority Area shall not be obligated to make up any difference between the CAISO’s set-point and the MW being generated by the System Resource.

#### **4. Interchange Scheduling Requirements**

4.1. Dynamic Scheduling. The Host Balancing Authority Area shall support Scheduling Coordinators’ requests to arrange dynamic interchange schedules for the delivery of regulation service to the CAISO Balancing Authority Area, reflecting the System Resource’s instantaneous energy production or allocation level as caused by real time control signals issued by the CAISO EMS/AGC and taking into account available transmission capacity.

4.2. Treatment of Area Control Error (“ACE”). The Host Balancing Authority Area shall instantaneously compensate its AGC for the System Resource’s variable energy output level such that the System Resource energy production or allocation changes, caused by the CAISO EMS/AGC control signals, have an equal in magnitude and opposite in sign effect on the Host Balancing Authority Area’s ACE.

4.3. Integration of Dynamic Scheduling. For each operating hour during which regulation service was dynamically scheduled for delivery to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall compute an integrated amount of interchange based on the System Resource’s integrated energy production by integrating the instantaneous System Resource production levels. Such integrated MWH value shall be agreed to hourly by the real time schedulers.

4.4. Access to Information. The Parties agree to exchange information related to control signals issued and telemetry received with respect to the delivery of regulation service (i) at the request of the other Party for purposes of after-the-fact interchange accounting or (ii) on demand for any other purpose.

#### **5. Other**

5.1. Losses. The CAISO shall not be responsible for transmission losses caused by transmitting regulation service within or across the Host Balancing Authority

Area for deliver to the CAISO.

- 5.2. Certification. Only CAISO-certified System Resource/Host Balancing Authority Area arrangements will be allowed to bid or self-provide regulation service in the CAISO's ancillary services market through a CAISO-certified Scheduling Coordinator.
- 5.3. No Guarantee of Award. Certification of a System Resource/Host Balancing Authority Area arrangement allows for bidding of regulation service into the CAISO market; it does not, however, guarantee selection of such bid.
- 5.4. Performance Assessment. The CAISO will monitor and measure imported regulation service, whether bid or self-provided, against the performance benchmarks described in the Standards document.

## Schedule E

### INTER-BALANCING AUTHORITY AREA REQUIREMENTS FOR SCHEDULING AND DYNAMIC DELIVERY OF ENERGY, SUPPLEMENTAL ENERGY, AND ENERGY ASSOCIATED WITH NON-REGULATION ANCILLARY SERVICES TO THE CAISO [Section 3.5]

#### 1. General

- 1.1 Purpose. This Schedule E sets forth the requirements that must be satisfied by Nevada Power Company (referred to herein as the "Host Balancing Authority Area") should it elect to support Scheduling Coordinators' requests for implementation of a dynamic scheduling functionality and delivery of energy, supplemental energy, and energy associated with ancillary services (except regulation service) into the CAISO Balancing Authority Area. The requirements encompass technical (energy management system ("EMS")/automatic generation control ("AGC") and communications), interchange scheduling, telemetry, and aspects of interconnected Balancing Authority Area operations.
- 1.2 NERC/WECC Operating Standards Observed. Nothing in this Schedule E is intended to change, supersede, or alter either Party's obligations to abide by NERC standards and policies and WECC criteria.
- 1.3 Applicable Standards. This Schedule E incorporates, by reference, the CAISO's *Dynamic Scheduling Protocol* ("DSP") posted on the CAISO internet home page: "www.caiso.com".
- 1.4 Meaning of "System Resource". "System Resource" is defined in the CAISO Tariff and, in the context of this Schedule E, may include combinations of resources as described in the DSP.

#### 2. Telecommunications Requirements

The CAISO and Host Balancing Authority Area shall establish and maintain real time, redundant, diversely routed, communications links between the CAISO EMS and the Host Balancing Authority Area EMS, with the primary link utilizing the standard inter-Balancing Authority center communications protocol ("ICCP") in accordance with the DSP.

#### 3. Telemetry

For each operating hour for which a System Resource is scheduled to deliver energy, supplemental energy, and/or energy associated with any of the non-regulating ancillary services to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall provide, via the ICCP communication links to

the CAISO EMS, the data for each System Resource as set forth in the DSP.

#### **4. Interchange Scheduling Requirements**

4.1 Dynamic Scheduling. The Host Balancing Authority Area shall support Scheduling Coordinators' requests to arrange dynamic interchange schedules for the delivery of energy to the CAISO Balancing Authority Area, reflecting the System Resource's instantaneous energy production or allocation level and taking into account available transmission capacity.

4.2 Treatment of Area Control Error ("ACE"). The Host Balancing Authority Area shall instantaneously compensate its AGC for the System Resource's energy output that is generated or allocated for establishing the dynamic schedule to the CAISO such that the System Resource energy production or allocation changes have an equal in magnitude and opposite in sign effect on the Host Balancing Authority Area's ACE.

4.3 Integration of Dynamic Scheduling. For each operating hour during which energy was dynamically scheduled for delivery to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall compute an integrated amount of interchange based on the System Resource's integrated energy production, by integrating the instantaneous System Resource production levels. Such integrated MWH value shall be agreed to hourly by the real time schedulers.

4.4 Delivery of Megawatts ("MW"). The Host Balancing Authority Area shall not be obligated to make up any difference between the dynamic energy schedule and the MW being generated or allocated by the System Resource.

4.5 Access to Information. The Parties agree to exchange information related to telemetry sent and received with respect to the delivery of energy (i) at the request of the other Party for purposes of after-the-fact interchange accounting or (ii) on demand for any other purpose.

#### **5. Other Host Balancing Authority Area Responsibilities**

5.1 Operational Jurisdiction. The Host Balancing Authority Area will have, at a minimum, the level of operational jurisdiction over the System Resource and the associated dynamic schedule that NERC and WECC vest in Host Balancing Authority Areas.

5.2 E-Tagging. The Host Balancing Authority Area must support associated e-tagging as described in the DSP to the extent such e-tagging is deemed not to be inconsistent with NERC and/or WECC requirements.

5.3 Real-Time Adjustments. The Host Balancing Authority Area must have a means

to manually override and/or otherwise adjust the dynamic signal in real time, if needed.

5.4 Coordination with Other Balancing Authority Areas. The Host Balancing Authority Area must provide in real time the instantaneous value of each dynamic schedule to every intermediary Balancing Authority Area through whose systems such dynamic schedule may be implemented to the CAISO.

## 6. Other

6.1 Losses. The CAISO shall not be responsible for transmission losses caused by transmitting energy dynamically within or across the Host Balancing Authority Area for delivery to the CAISO.

6.2 Certification. Only CAISO-certified System Resource/Host Balancing Authority Area arrangements will be allowed to bid or self provide ancillary services in the CAISO's ancillary services market through an CAISO-certified Scheduling Coordinator.

6.3 No Guarantee of Award. Certification of a System Resource/Host Balancing Authority Area arrangement allows for bidding of supplemental energy and/or certain ancillary services into the CAISO market; it does not, however, guarantee selection of such bid.

6.4 Performance Assessment. The CAISO will monitor and measure dynamically imported ancillary services, whether bid or self-provided, against the performance benchmarks described in the DSP.

## 7. Consent to Implementation of Dynamic System Resources

Each dynamically scheduled System Resource shall be permitted pursuant to this Schedule E only upon the written consent of both the Host Balancing Authority Area and the CAISO, which written consent may be communicated by e-mail, and only if the System Resource is subject to a Dynamic Scheduling Agreement for Scheduling Coordinators with the CAISO.

**Attachment C – Marked Tariff Record**  
**Rate Schedule No. 72 –Amendment No. 3 to the**  
**Adjacent Balancing Authority Operating Agreement**  
**between the California ISO and NV Energy**

**California Independent System Operator Corporation**

## **ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT**

Executed by

NEVADA POWER COMPANY

and

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

This Adjacent Balancing Authority Operating Agreement, (“Agreement”) dated as of \_\_\_\_\_, 2012, is between NEVADA POWER COMPANY (“NEVP”), doing business as NV Energy, having its registered and principal executive office at 6226 West Sahara Avenue, Las Vegas, Nevada 89146, and the CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION (“CAISO”), a California nonprofit public benefit corporation having a principal executive office located at 250 Outcropping Way, Folsom, California 95630. Each is referred to herein as a “Party” and collectively as the “Parties.”

### **Recitals**

- A) Each Party is a member of the Western Electricity Coordinating Council (“WECC”), an organization whose members are located in the Western Interconnection as defined in the WECC Bylaws and is registered with WECC as a Balancing Authority pursuant to the North American Electric Reliability Corporation (“NERC”) Reliability Functional Model and Registry Criteria.
- B) Federal Energy Regulatory Commission (“FERC”) approved mandatory NERC Reliability Standards for the Bulk-Power Systems of North America include Standard EOP-001 which provides that each Balancing Authority is required to develop, maintain, and implement a set of plans to mitigate operating emergencies and to coordinate such plans with other Balancing Authorities. Standard EOP-001, which may be revised from time to time, directs Balancing Authorities to have operating agreements in place with adjacent Balancing Authorities that, at a minimum, contain provisions for emergency assistance, including provisions to obtain emergency assistance from remote Balancing Authorities.
- C) The Parties are adjacent Balancing Authorities by virtue of their transmission systems being interconnected at one or more points. The CAISO has responsibilities as a Balancing Authority and operates the CAISO Balancing Authority Area. NEVP has responsibilities as a Balancing Authority and operates the NEVP Balancing Authority Area.
- D) The Parties intend by this Agreement to identify each Party’s responsibilities to the other under the Requirements of Standard EOP-001 by recognizing the continuing

commitment of each Party to the other to cooperate to mitigate operating emergencies.

Therefore, the Parties mutually agree as follows:

## **1. Definitions**

1.1 NERC Definitions: Except as defined in Section 1.2 or as otherwise defined in this Agreement, terms and expressions used in this Agreement shall have the same meanings as those contained in the NERC Glossary of Terms Used in Reliability Standards.

### **1.2 Specific Definitions:**

1.2.1 CAISO Tariff: CAISO operating agreement and tariff as amended from time to time.

1.2.2 EOP-001: Emergency Operations Planning Standard EOP-001, as it may be modified from time to time.

1.2.3 Scheduling Coordinator: An entity certified by the CAISO for the purposes of undertaking the functions of: submitting bids and self-schedules for energy, generation, transmission losses, and ancillary services; coordinating generation; tracking, billing, and settling trades with other Scheduling Coordinators; submitting forecast information; paying the CAISO's charges; and ensuring compliance with CAISO protocols.

## **2. Term and Termination**

2.1 This Agreement shall be effective on the date this Agreement is accepted for filing and made effective by FERC pursuant to a filing with FERC by the CAISO (the "Effective Date") without any material modification or condition that is unacceptable to either Party in that Party's sole discretion. If any material modification or condition is ordered by FERC that is unacceptable to a Party, such Party shall communicate its lack of consent to such modification or condition to the other Party within ten (10) business days after the date on which FERC issues its order, and the Parties shall use best efforts to negotiate mutually acceptable revisions to this Agreement to address the modification or condition. Upon the occurrence of the Effective Date, this Agreement shall remain in effect until terminated by either Party upon thirty (30) days advance written notice to the other Party or upon written consent of both Parties. The CAISO shall file a notice of termination with FERC as soon as practicable but no later than thirty (30) days after its issuance or receipt of such advance written notice of termination or the date of the Parties' written consent. Termination will be effective upon acceptance of the notice of termination by FERC.

### **3. Responsibilities of the Parties**

3.1 The Parties agree to cooperate to mitigate any operating emergencies by adhering to: (1) the mandatory NERC Reliability Standards and WECC Regional Reliability Standards which relate to emergency operations, as may be amended from time to time, and (2) the directives of the applicable WECC Reliability Coordinator (“Reliability Coordinator”).

3.2 Each Party further agrees that it shall develop, maintain, implement, and annually review and update its emergency plans to mitigate operating emergencies and shall share and coordinate such plans with the other Party as required by EOP-001.

3.3 To the extent possible, and in accordance with NERC mandatory Reliability Standards, each Party (“Delivering Party”) shall assist the other Party (“Receiving Party”) in an operating emergency by delivering emergency assistance to the requesting Receiving Party, including emergency capacity or energy transfers from such Delivering Party’s Balancing Authority Area or from other remote Balancing Authorities over available transmission capacity, in accordance with Schedule B to this Agreement. Arrangements for deliveries of emergency capacity or energy transfers shall be through normal operating channels in accordance with EOP-001. Such emergency assistance shall be provided at the sole discretion of the entity supplying it and shall be recallable without advance notice as required to meet reliability requirements.

3.4 Import of Regulation Service by the CAISO. The CAISO and NEVP shall allow for the import of regulation service from the NEVP Balancing Authority Area to the CAISO Balancing Authority Area in accordance with the provisions of Schedule D. NEVP shall be under no obligation to supplement the import of regulation service contracted by third parties to be delivered to the CAISO Balancing Authority Area from resources in the NEVP Balancing Authority Area and shall have the right to terminate Schedule D without prior approval of the CAISO, subject to NEVP providing the CAISO a copy of the termination letter(s) pursuant to the agreement(s) NEVP has entered into with third parties to facilitate the import of regulation service into the CAISO Balancing Authority Area. NEVP shall notify the CAISO and provide to the CAISO a copy of such termination letter a minimum of thirty (30) days prior to such termination.

3.5 Import of Dynamically Scheduled Energy and Non-Regulation Ancillary Services by the CAISO. The CAISO and NEVP shall allow for the import of dynamically scheduled energy and non-regulation ancillary services from the NEVP Balancing Authority Area to the CAISO Balancing Authority Area in accordance with the provisions of Schedule E. NEVP shall be under no obligation to supplement the import of dynamically scheduled energy and non-regulation ancillary services contracted by third parties to be delivered to the CAISO Balancing Authority Area from resources in the NEVP Balancing Authority area and shall have the right to terminate Schedule E without prior approval of the CAISO, subject to NEVP providing the CAISO a copy of the termination letter(s) pursuant to the agreement(s) NEVP has entered into with third parties to facilitate the import of dynamically scheduled energy and non-regulation

ancillary services into the CAISO Balancing Authority Area. NEVP shall notify the CAISO and provide to the CAISO a copy of such termination letter a minimum of thirty (30) days prior to such termination.

#### **4. Coordination and Communication**

4.1 In the event of an operating emergency that affects or may affect the reliable operation of interconnected transmission facilities, each Party shall coordinate its actions with the other Party, as such Party deems necessary or as directed by the appropriate Reliability Coordinator(s), to preserve or restore the interconnected transmission system to stable operations and to preserve or restore reliable, safe, and efficient service as quickly as practicable. The Parties shall, without delay, individually notify the appropriate Reliability Coordinator(s) as to the nature and extent of the operating emergency.

4.2 Each Party operates and maintains a 24-hour, 7-day control center with real-time scheduling and control functions. The appropriate control center staff shall be responsible for operational communications and shall have sufficient authority to commit and bind that Party on decisions relating to emergency operations. The Parties agree to exchange operational contact information for ensuring reliable communication in a format to be agreed to by the Parties and completed within thirty (30) days of the Effective Date of this Agreement.

#### **5. Interconnection Points**

5.1 The Parties are adjacent Balancing Authorities and are interconnected at the points specified in Schedule A to this Agreement and subject to the conditions set forth therein. In the event that new interconnection points are added, or existing points are modified or eliminated, Schedule A will be amended as necessary to reflect any such changes that are mutually agreed upon by both Parties in a written agreement.

5.2 Schedule A is included for the sole purpose of identifying those interconnection points that result in the Parties being adjacent Balancing Authorities. This Agreement is not intended to act as an interconnection agreement between the Parties.

#### **6. Miscellaneous Provisions**

6.1 Exchange of Information and Confidentiality: When a Party ("Providing Party") provides information to the other Party ("Receiving Party") under this Agreement and marks such information as privileged or confidential commercial or financial information, critical energy infrastructure information, or trade secret information, the Receiving Party shall treat such information as confidential and protected from disclosure to the extent permitted by law. The Receiving Party shall promptly notify the Providing Party in writing of any request to release such information. The Parties agree to use such information only for purposes of performing each Party's obligations under this Agreement. The provisions of

this Section 6.1 shall survive the termination of this Agreement.

- 6.2 Amendment: The Parties may amend or modify this Agreement only by written agreement. In the event the mandatory NERC Reliability Standards including EOP-001 are revised or replaced, the Parties shall meet within sixty (60) days of the implementation date of the revised standard to discuss and determine whether such change will affect the terms and conditions of this Agreement and whether a modification or replacement of the Agreement is needed. An amendment that is subject to FERC approval shall not take effect until FERC has accepted such amendment for filing and has made it effective without any material modification or condition that is unacceptable to either Party in that Party's sole discretion. If any material modification or condition is ordered by FERC that is unacceptable to a Party, such Party shall communicate its lack of consent to such modification or condition to the other Party within ten (10) business days after the date on which FERC issues its order, and the Parties shall use best efforts to negotiate mutually acceptable revisions to this Agreement to address the modification or condition. Revisions to Schedules other than with regard to the contact information in Schedule C shall be processed as an amendment to this Agreement.
- 6.3 Assignment and Successors: Neither this Agreement nor any rights or responsibilities under this Agreement may be assigned by either Party to a third party without the written consent of the other Party, and such consent will not be unreasonably delayed, conditioned, or withheld. Subject to the preceding sentence, this Agreement is binding upon and will inure to the benefit of the Parties and their successors in interest.
- 6.4 Notices: Any notice, demand, or request which may be given to or made upon either Party regarding this Agreement shall be made in writing and shall 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 facsimile if sent by facsimile; or (d) upon delivery if delivered by prepaid commercial courier service. A Party must update the information in Schedule C of this Agreement relating to its address as that information changes. Such updates to Schedule C shall not constitute an amendment to this Agreement.
- 6.5 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 that if a dispute concerns the operation of transmission lines or facilities, the law of the state where the transmission lines or facilities are located will control. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement shall be brought in any of the following forums, as appropriate: (i) a court of the State of California or any federal court of the United States of America located in the State of California for all disputes under this Agreement

except any disputes concerning transmission lines or facilities located in the State of Nevada or disputes determined to be FERC jurisdictional; (ii) a court of the State of Nevada or any federal court of the United States of America located in the State of Nevada if the dispute concerns transmission lines or facilities located in the State of Nevada; or (iii) where subject to its jurisdiction, before FERC. No provision of this Agreement shall be deemed to waive the right of any Party to protest, or challenge in any manner, whether this Agreement, or any action or proceeding arising under or relating to this Agreement, is subject to the jurisdiction of FERC.

- 6.6 No Warranties or Representations; Disclaimer: All information, including confidential information, provided by the Providing Party under this Agreement carries no warranty or representation of any kind, either express or implied. The Receiving Party receives the information “as is” and with all faults, errors, defects, inaccuracies, and omissions. The Providing Party makes no representations or warranties whatsoever with respect to the availability, timeliness, accuracy, reliability, or suitability of any information. The Receiving Party disclaims and waives all rights and remedies that it may otherwise have with respect to all warranties and liabilities of the Providing Party, expressed or implied, arising by law or otherwise, with respect to any faults, errors, defects, inaccuracies or omissions in, or availability, timeliness, reliability, or suitability of the information. Each Party assumes any and all risk and responsibility for selection and use of, and reliance on, any information provided under this Agreement.
- 6.7 Liability: The Parties’ duties and standard of care with respect to each other, and the benefits and rights conferred on each other, shall be no greater than as explicitly stated herein. Neither Party, its directors, officers, employees, nor agents, shall be liable to the other Party for any loss, damage, claim, cost, charge, or expense, whether direct, indirect, or consequential, arising from the Party’s performance or nonperformance under this Agreement, except for a Party’s gross negligence or willful misconduct subject to applicable law. Except as otherwise expressly provided herein, nothing in this Agreement shall be construed or deemed to confer any right or benefit on, or to create any duty to, or standard of care with reference to any third party, or any liability or obligation, contractual or otherwise, on the part of either Party.
- 6.8 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 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.
- 6.9 Authority: Each individual signing this Agreement certifies that the Party

represented has duly authorized such individual to sign, bind, and obligate such Party.

Accepted and agreed to by:

California Independent System Operator Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Nevada Power Company, d/b/a NV Energy

By: \_\_\_\_\_

Name: Richard Salgo

Title: Executive, Grid Operations and Reliability

Date: \_\_\_\_\_

## Schedule A

### ADJACENT BALANCING AUTHORITY INTERCONNECTION POINTS [Sections 5.1, 5.2 and 6.2]

1. The point(s) of interconnection of the Parties' Balancing Authority Areas are defined by the following:

**The interconnections between the CAISO and NEVP are comprised of seven (7) interties described below:**

#### **1 Mohave - Laughlin 500 kV Intertie**

The Mohave - Laughlin 500 kV Intertie is used to supply the energy needs of NEVP's isolated load located in the general vicinity of Laughlin, Nevada. The Mohave - Laughlin 500 kV Intertie consists of the NEVP-owned Laughlin-Mohave No.1 and No.2 500 kV transmission lines (the "Laughlin - Mohave 500 kV transmission lines") between the jointly owned Mohave 500 kV Switchyard and NEVP's Laughlin Substation, all located on the property of the decommissioned Mohave Generating Station.

CAISO Terminal: Mohave 500 kV Switchyard

Participating Transmission Owner: Southern California Edison Company ("SCE")

NEVP Terminal: Laughlin Substation

Point of Interconnection: The East and West bus sides of the disconnect switches for switchyard positions 5 and 6 in the Mohave 500 kV Switchyard.

Voltage: 500 kV

CAISO/SCE Switching Responsibility:

SCE has sole operational and maintenance responsibility for all facilities inside the Mohave 500 kV Switchyard. SCE will coordinate with NEVP all operating and maintenance activity on the portions of NEVP's Laughlin-Mohave No.1 and No. 2 500 kV lines that are inside the Mohave 500 kV Switchyard. SCE's Eldorado Switching Center, as approved by the CAISO, will direct all switching at the Mohave 500 kV Switchyard for the Laughlin - Mohave 500 kV transmission lines in coordination with the NEVP Transmission Operator.

NEVP Switching Responsibility:

The NEVP Transmission Operator will direct all switching at the Laughlin 500/69 kV Substation for the Laughlin - Mohave 500 kV transmission lines, including the

~~transformer 500 kV disconnects, in coordination with SCE's Eldorado Switching Center.~~

~~Operational and Maintenance Responsibility:~~

~~The NEVP Transmission Operator has operational and maintenance responsibility for the portions of the Laughlin - Mohave 500 kV transmission lines outside the Mohave 500 kV Switchyard fence to the Laughlin Substation. The NEVP Transmission Operator has operational and maintenance responsibility for the Laughlin 500/69 kV Substation, including the transformer 500 kV jack bus and disconnects.~~

## ~~2 Eldorado 220 kV Intertie~~

~~The termination facilities for the NEVP-owned Eldorado - Magnolia and Eldorado - NSO 230 kV transmission lines are contained in a breaker and a half configuration within Eldorado Substation 220 kV Switchyard position 3.~~

~~**CAISO Terminal:** Eldorado 220 kV North and South busses~~

~~**Participating Transmission Owner:**  
SCE~~

~~**NEVP Terminals:** NSO 230 kV switchyard and Magnolia 230 kV switchyard.~~

~~**Points of Interconnection:** The North bus side of disconnect switch 4032 and the South bus side of disconnect switch 6032 in switchyard position 3 in the Eldorado 220 kV Substation.~~

~~**Voltage:** 220 kV~~

### ~~Eldorado - NSO 230 kV Line~~

~~The Eldorado - NSO 230 kV line connects NEVP's NSO switchyard with the jointly owned Eldorado Substation.~~

~~**Operational and Maintenance Responsibility:**  
SCE's Eldorado Switching Center has~~

~~operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - NSO 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-NSO 230 kV line outside of the Eldorado Substation fence ("Structure No. X25962").~~

~~NEVP will have operational and maintenance~~

responsibility for the Eldorado – NSO 230 kV line from NSO Substation up to, and including Structure No. X25962.

Eldorado – Magnolia 230 kV Line

The Eldorado – Magnolia 230 kV line connects the jointly owned Eldorado Substation with NEVP’s Magnolia Substation.

**Operational and Maintenance Responsibility:**  
SCE’s Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado – Magnolia 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado Magnolia 230 kV line outside of the Eldorado Substation fence (“Structure No. X25961”).

NEVP will have operational and maintenance responsibility for the Eldorado – Magnolia 230 kV line from Magnolia Substation up to and including Structure No. X25961.

**3 Merchant 230 kV Intertie**

The Eldorado – Merchant No. 2 230 kV line connects the jointly owned Eldorado Substation with the Merchant Substation. Center breakers 2308, 2305 and 2302 in the Merchant Substation connect the Merchant 230 kV North Bus to the Merchant 230 kV South Bus. Collectively the Eldorado – Merchant No. 2 230 kV line and center breakers 2308, 2305 and 2302 form the Merchant 230 kV Intertie.

**CAISO Terminal:**

Eldorado 220 kV Bus and Merchant 230 kV South Bus

**Participating Transmission Owner:**

Southern California Edison Company and San Diego Gas & Electric Company

**NEVP Terminal:** Merchant 230 kV North Bus

**Point of Interconnection:** The North and South bus sides of the disconnect switches for bay position 2 in the Eldorado Substation and the South side of center breakers 2308, 2305 and 2302 in the Merchant Substation.

**Voltage:** 230 kV

Eldorado – Merchant No. 2 230 kV Line

The Eldorado - Merchant No. 2 230 kV line connects the Eldorado Substation with the Merchant Substation.

Operational and Maintenance Responsibility: SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - Merchant No. 2 230 kV line from the connection to the A-frame structure in bay position 2 in the 220 kV switchyard of the Eldorado Substation to the Eldorado Substation fence.

NEVP will have operational and maintenance responsibility for the Eldorado - Merchant No. 2 230 kV line from the Eldorado Substation fence to the Merchant Substation.

#### Merchant 230 kV Substation

Center breakers 2308, 2305 and 2302 in the Merchant Substation connect the Merchant 230 kV North Bus to the Merchant 230 kV South Bus.

Operational and Maintenance Responsibility: NEVP will have operational and maintenance responsibility for the Merchant Substation.

#### 4 Amargosa - Sandy Valley 138 kV Intertie

Valley Electric Association's ("VEA") Amargosa - Sandy Valley 138 kV transmission line connects Western Area Power Administration's ("Western") Amargosa Substation with VEA's Sandy Valley Substation.

The Amargosa Substation is owned by Western.

**CAISO Terminal:** Sandy Valley Substation

**Participating Transmission Owner:**

— VEA

**NEVP Terminal:** Amargosa Substation

**Point of Interconnection:** The first dead-end structure outside the Amargosa Substation fence.

**Voltage:** 138 kV

Switching Responsibility:

Western will coordinate with the VEA Transmission Operator and the CAISO Transmission Operator for all switching at the Amargosa Substation for the

~~Amargosa - Sandy Valley 138 kV transmission line. Western will also coordinate with NEVP on such switching.~~

~~Operational and Maintenance Responsibility:~~

~~EA has operational and maintenance responsibility for the Amargosa - Sandy Valley 138 kV transmission line from the connection to the respective A-frame structure in the applicable bay position in the Amargosa Substation to the Sandy Substation.~~

---

### **5 Northwest - Desert View 230 kV Intertie**

~~VEA's Northwest - Desert View 230 kV transmission line connects NEVP's Northwest Substation to VEA's Desert View Substation.~~

~~CAISO Terminal: Desert View Switch Station~~

~~Participating Transmission Owner: VEA~~

~~NEVP Terminal: Northwest Substation~~

~~Point of Interconnection: The first dead-end structure outside the Northwest Substation fence.~~

~~Voltage: 230 kV~~

~~NEVP Switching Responsibility:~~

~~The NEVP Transmission Operator will direct all switching at the Northwest Substation for the Northwest - Desert View 230 kV transmission line.~~

~~Operational and Maintenance Responsibility:~~

~~VEA has operational and maintenance responsibility for the Northwest - Desert View 230 kV transmission line from the Point of Interconnection at the Northwest Substation to the Desert View Substation.~~

---

### **6 Jackass Flats 138 kV Intertie**

~~The Department of Energy ("DOE") owns the Jackass Flats Substation and the Mercury Switching Center. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access between its transmission system and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.~~

~~CAISO Terminal: Jackass Flats Substation~~  
~~Participating Transmission Owner: VEA~~  
~~NEVP Terminal: Jackass Flats Substation~~  
~~Point of Interconnection: The Jackass Flats 138 kV bus~~  
~~Voltage: 138 kV~~  
~~Metered Interchange Segment: Jackass Flats - Mercury 138 kV line~~  
~~Metered End: Jackass Flats Substation~~

The diagram at the end of this Section 1 shows the point of interconnection of the Parties' Balancing Authority Areas for the Jackass Flats 138 kV Intertie.

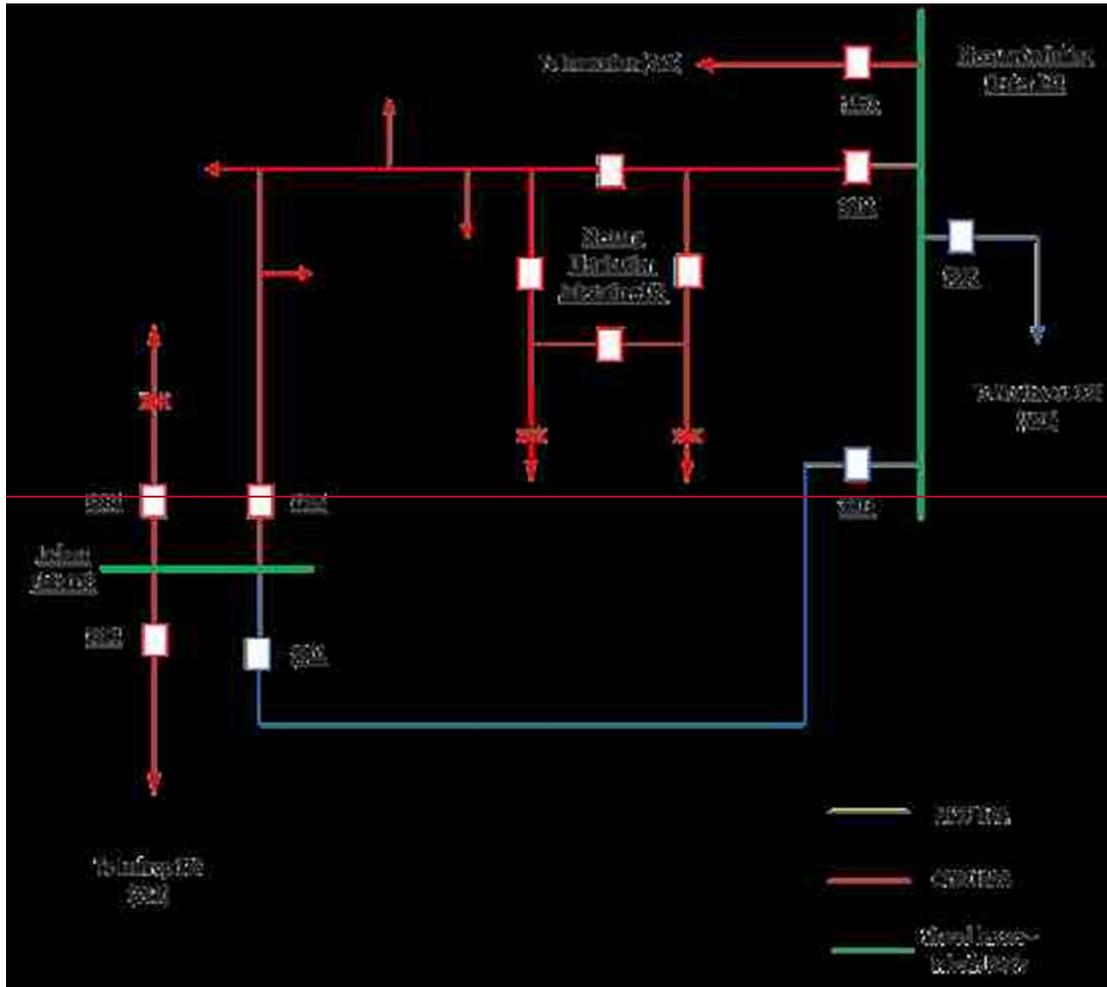
• ~~Mercury Switching Center 138 kV Intertie~~

The DOE owns the Mercury Switching Center and the Jackass Flats Substation. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access over its Jackass Flats - Mercury Switching Center 138 kV transmission line to its transmission system through the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

~~CAISO Terminal: Mercury Switching Center~~  
~~Participating Transmission Owner: VEA~~  
~~NEVP Terminal: Mercury Switching Center~~  
~~Point of Interconnection: The Mercury Switching Center 138 kV bus~~  
~~Voltage: 138 kV~~  
~~Metered Interchange Segments: Mercury Switching Center - Mercury Distribution 138 kV line~~  
~~Mercury Switching Center - Innovation 138 kV line~~  
~~Metered End: Mercury Switching Center~~

The diagram at the end of this Section 1 shows the point of interconnection of the Parties' Balancing Authority Areas at the Mercury Switching Center.

# ONE LINE DIAGRAM OF FACILITIES AT THE NEVADA NATIONAL SECURITY SITE



## ~~2. REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS~~

~~NEVP and CAISO metering shall meet any metering standards mutually agreed upon by the Parties for the purpose of operating their adjacent Balancing Authority Areas. NEVP and the CAISO shall be entitled to witness testing of the involved interconnection metering. Any change or modification to such metering equipment by NEVP or the CAISO shall be coordinated between the Parties. NEVP shall allow daily, once a day, read-only access by the CAISO to direct poll revenue data from the interconnection revenue metering in five (5) minute intervals at the metering points identified in this Schedule A. The CAISO shall allow daily, once a day, read-only access by NEVP to direct poll revenue data from the interconnection revenue metering in five (5) minute intervals at the interconnection points identified in this Schedule A.~~

~~NEVP and the CAISO shall maintain arrangements that ensure that both Parties shall have access to the same real-time data from the interconnection points identified in this Schedule A between their Balancing Authority Areas for the purpose of complying with NERC reliability standards, specifically, Standards BAL-005 and BAL-006. The Parties understand that each Party wants to obtain MW and MVAR data from interconnection metering, which may include RTUs, at the interconnection points identified in this Schedule A between their Balancing Authority Areas. The Parties agree to allow each other to directly poll real-time data from metering at such interconnection points under the other Party's operational control as a Balancing Authority. In the event that a second communication port of a RTU is not available for direct polling by a Party, the Party shall have the option to provide a RTU to the substation owner for the purpose of establishing a communication port available for direct polling by such Party. The Parties may mutually agree to provide interconnection point data via Inter-Company Communications Protocol ("ICCP") or its successor protocol. In the event that a Party supplies ICCP data to the other Party, the supplying Party shall have no obligation to manipulate or perform conditioning of any such data for the convenience of the receiving Party.~~

~~This Schedule A shall remain in effect until it is superseded by mutual written agreement by the Parties or is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.~~

### **ADJACENT BALANCING AUTHORITY INTERCONNECTION POINTS**

#### **[Sections 5.1, 5.2 and 6.2]**

1. The point(s) of interconnection of the Parties' Balancing Authority Areas are defined by the following:

**The interconnections between the CAISO and NEVP are comprised of six interties described below:**

**• Mohave – Laughlin 500 kV Intertie**

The Mohave – Laughlin 500 kV Intertie is used to supply the energy needs of NEVP’s isolated load located in the general vicinity of Laughlin, Nevada. The Mohave – Laughlin 500 kV Intertie consists of the NEVP-owned Laughlin-Mohave No.1 and No.2 500 kV transmission lines (the “Laughlin - Mohave 500 kV transmission lines”) between the jointly owned Mohave 500 kV Switchyard<sup>1</sup> and NEVP’s Laughlin Substation, all located in Laughlin, Nevada.

**CAISO Terminal:** Mohave 500 kV Switchyard

**Participating Transmission Owner:** Southern California Edison Company (“SCE”)

**NEVP Terminal:** Laughlin Substation

**Point of Interconnection:** The East and West bus sides of the disconnect switches for switchyard positions 5 and 6 in the Mohave 500 kV Switchyard.

**Voltage:** 500 kV

**CAISO/SCE Switching Responsibility:**

SCE has sole operational and maintenance responsibility for all facilities inside the Mohave 500 kV Switchyard. SCE will coordinate with NEVP all operating and maintenance activity on the portions of NEVP’s Laughlin-Mohave No.1 and No. 2 500 kV lines that are inside the Mohave 500 kV Switchyard. SCE’s Eldorado Switching Center, as approved by the CAISO, will direct all switching at the Mohave 500 kV Switchyard for the Laughlin - Mohave 500 kV transmission lines in coordination with the NEVP Transmission Operator.

**NEVP Switching Responsibility:**

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<sup>1</sup> The Mohave 500 kV Switchyard is a component of the Eldorado System which also consists of the Eldorado Substation, the Eldorado – Mohave 500 kV line and the Eldorado – Mead No. 1 and No. 2 220 kV lines. The Eldorado System is jointly owned by LADWP, NEVP, SRP and SCE. SCE is the Operating Agent for the Eldorado System which is entirely within the metered boundary of the CAISO Balancing Authority Area.

The NEVP Transmission Operator will direct all switching at the Laughlin 500/69 kV Substation for the Laughlin - Mohave 500 kV transmission lines, including the transformer 500 kV disconnects, in coordination with SCE's Eldorado Switching Center.

Operational and Maintenance Responsibility:

The NEVP Transmission Operator has operational and maintenance responsibility for the portions of the Laughlin - Mohave 500 kV transmission lines outside the Mohave 500 kV Switchyard fence to the Laughlin Substation. The NEVP Transmission Operator has operational and maintenance responsibility for the Laughlin 500/69 kV Substation, including the transformer 500 kV jack bus and disconnects.

• Eldorado 220 kV Intertie

The termination facilities for the NEVP-owned Eldorado - Magnolia and Eldorado - NSO 230 kV transmission lines are contained in a breaker-and-a-half configuration within the jointly-owned Eldorado Substation 220 kV Switchyard position 3.

CAISO Terminal: Eldorado 220 kV North and South busses

Participating Transmission Owner: SCE

NEVP Terminals: NSO 230 kV switchyard and Magnolia 230 kV switchyard.

Points of Interconnection: The North bus side of disconnect switch 4032 and the South bus side of disconnect switch 6032 in switchyard position 3 in the jointly-owned Eldorado 220 kV Switchyard.

Voltage: 220 kV

Eldorado - NSO 230 kV Line

The Eldorado - NSO 230 kV line connects NEVP's NSO switchyard with the jointly owned Eldorado 220 kV Switchyard.

Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - NSO 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-NSO 230 kV line outside of the Eldorado Substation fence ("Structure No. X25962").

NEVP will have operational and maintenance responsibility for the Eldorado - NSO 230 kV line from NSO Substation up to, and including Structure No. X25962.

#### Eldorado - Magnolia 230 kV Line

The Eldorado - Magnolia 230 kV line connects the jointly owned Eldorado 220 kV Switchyard with NEVP's Magnolia Substation.

#### Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - Magnolia 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-Magnolia 230 kV line outside of the Eldorado Substation fence ("Structure No. X25961").

NEVP will have operational and maintenance responsibility for the Eldorado - Magnolia 230 kV line from Magnolia Substation up to and including Structure No. X25961.

#### **• Amargosa – Sandy Valley 138 kV Intertie**

Valley Electric Association's ("VEA") Amargosa – Sandy Valley 138 kV transmission line connects Western Area Power Administration's ("Western") Amargosa Substation with VEA's Sandy Valley Substation.

The Amargosa Substation is owned by Western.

**CAISO Terminal:**

**Sandy Valley Substation**

**Participating Transmission Owner: VEA**

**NEVP Terminal: Amargosa Substation**

**Point of Interconnection: The first dead-end structure outside the Amargosa Substation fence.**

**Voltage: 138 kV**

**Switching Responsibility:**

Western will coordinate with the VEA Transmission Operator and the CAISO Transmission Operator for all switching at the Amargosa Substation for the Amargosa – Sandy Valley 138 kV transmission line. Western will also coordinate with NEVP on such switching.

**Operational and Maintenance Responsibility:**

VEA has operational and maintenance responsibility for the Amargosa – Sandy Valley 138 kV transmission line from the connection to the respective A-frame structure in the applicable bay position in the Amargosa Substation to the Sandy Substation.

**• Northwest – Desert View 230 kV Intertie**

VEA's Northwest – Desert View 230 kV transmission line connects NEVP's Northwest Substation to VEA's Desert View Substation.

**CAISO Terminal: Desert View Switch Station**

**Participating Transmission Owner: VEA**

**NEVP Terminal: Northwest Substation**

**Point of Interconnection: The first dead-end structure outside the Northwest Substation fence.**

**Voltage: 230 kV**

**NEVP Switching Responsibility:**

The NEVP Transmission Operator will direct all switching at the Northwest Substation for the Northwest – Desert View 230 kV transmission line.

Operational and Maintenance Responsibility:

VEA has operational and maintenance responsibility for the Northwest – Desert View 230 kV transmission line from the Point of Interconnection at the Northwest Substation to the Desert View Substation.

• **Jackass Flats 138 kV Intertie**

The Department of Energy (“DOE”) owns the Jackass Flats Substation and the Mercury Switching Center<sup>1</sup>. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access between its transmission system and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

<b><u>CAISO Terminal:</u></b>	<u>Jackass Flats Substation</u>
<b><u>Participating Transmission Owner:</u></b>	<u>VEA</u>
<b><u>NEVP Terminal:</u></b>	<u>Jackass Flats Substation</u>
<b><u>Point of Interconnection:</u></b>	<u>The Jackass Flats 138 kV bus</u>
<b><u>Voltage:</u></b>	<u>138 kV</u>
<b><u>Metered Interchange Segment:</u></b>	<u>Jackass Flats – Mercury 138 kV line</u>
<b><u>Metered End:</u></b>	<u>Jackass Flats Substation</u>

The diagram at the end of this Section 1 shows the point of interconnection of the Parties’ Balancing Authority Areas for the Jackass Flats 138 kV Intertie.

• **Mercury Switching Center 138 kV Intertie**

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<sup>1</sup> The Jackass Flats Substation and the Mercury Switching Center also serve as end points of a 138 kV loop of transmission facilities owned by DOE.

The DOE owns the Mercury Switching Center and the Jackass Flats Substation. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access over its Jackass Flats – Mercury Switching Center 138 kV transmission line to its transmission system through the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

**CAISO Terminal:** Mercury Switching Center

**Participating Transmission Owner:** VEA

**NEVP Terminal:** Mercury Switching Center

**Point of Interconnection:** The Mercury Switching Center 138 kV bus

**Voltage:** 138 kV

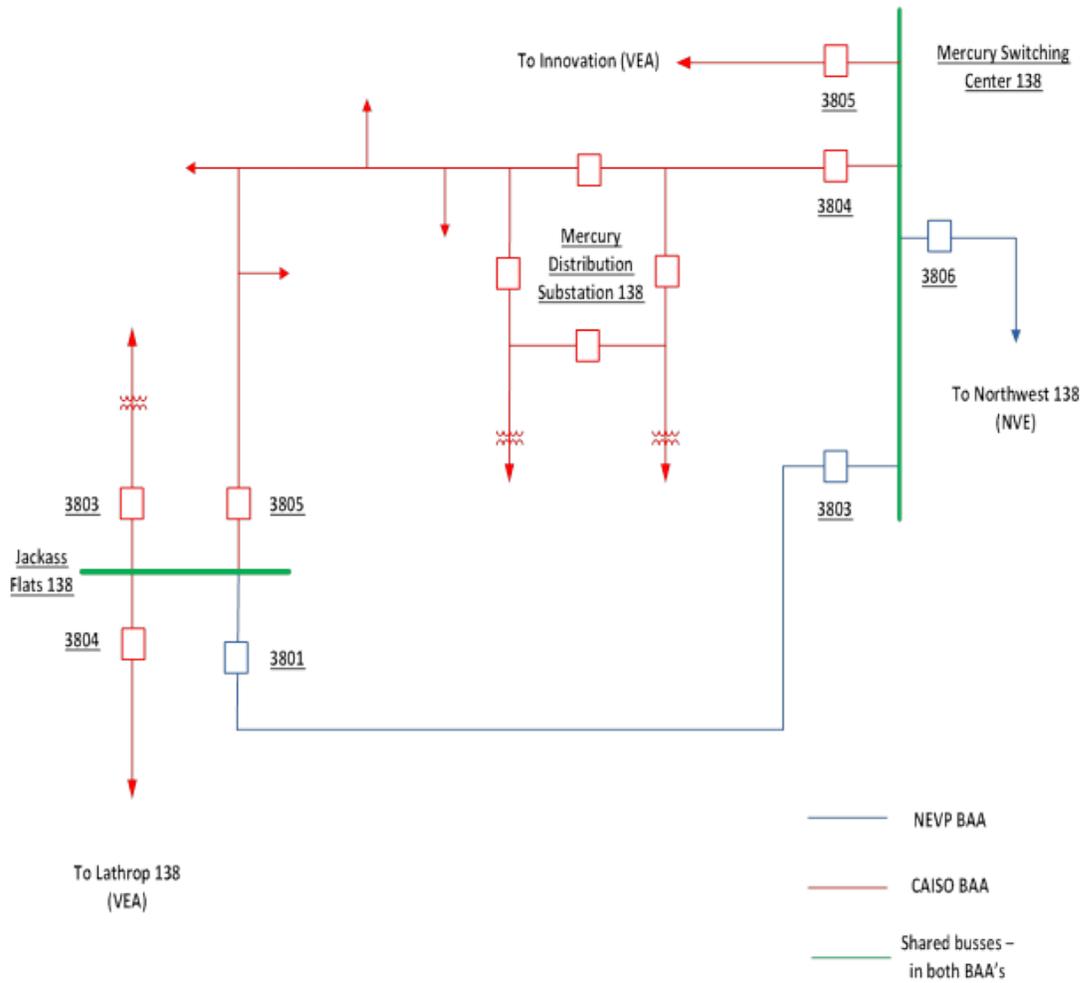
**Metered Interchange Segments:** Mercury Switching Center – Mercury Distribution 138 kV line

Mercury Switching Center – Innovation 138 kV line

**Metered End:** Mercury Switching Center

The diagram at the end of this Section 1 shows the point of interconnection of the Parties' Balancing Authority Areas at the Mercury Switching Center.

ONE LINE DIAGRAM OF FACILITIES AT THE  
NEVADA NATIONAL SECURITY SITE



## 2. REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

NEVP and CAISO metering shall meet any metering standards mutually agreed upon by the Parties for the purpose of operating their adjacent Balancing Authority Areas. NEVP and the CAISO shall be entitled to witness testing of the involved interconnection metering. Any change or modification to such metering equipment by NEVP or the CAISO shall be coordinated between the Parties. NEVP shall allow daily, once a day, read-only access by the CAISO to direct poll revenue data from the interconnection revenue metering in five (5) minute intervals at the metering points identified in this Schedule A. The CAISO shall allow daily, once a day, read-only access by NEVP to direct poll revenue data from the interconnection revenue metering in five (5) minute intervals at the interconnection points identified in this Schedule A.

NEVP and the CAISO shall maintain arrangements that ensure that both Parties shall have access to the same real-time data from the interconnection points identified in this Schedule A between their Balancing Authority Areas for the purpose of complying with NERC reliability standards, specifically, Standards BAL-005 and BAL-006. The Parties understand that each Party wants to obtain MW and MVAR data from interconnection metering, which may include RTUs, at the interconnection points identified in this Schedule A between their Balancing Authority Areas. The Parties agree to allow each other to directly poll real-time data from metering at such interconnection points under the other Party's operational control as a Balancing Authority. In the event that a second communication port of a RTU is not available for direct polling by a Party, the Party shall have the option to provide a RTU to the substation owner for the purpose of establishing a communication port available for direct polling by such Party. The Parties may mutually agree to provide interconnection point data via Inter-Company Communications Protocol ("ICCP") or its successor protocol. In the event that a Party supplies ICCP data to the other Party, the supplying Party shall have no obligation to manipulate or perform conditioning of any such data for the convenience of the receiving Party.

This Schedule A shall remain in effect until it is superseded by mutual written agreement by the Parties or is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.

## **Schedule B**

### **EMERGENCY CAPACITY AND ENERGY [Sections 3.3 and 6.2]**

In accordance with EOP-001, the Parties will, to the extent possible, assist each other in an emergency by scheduling energy and/or capacity. Such emergency assistance will be available at the sole discretion of the Party supplying it and will be recallable without advance notice as required to meet reliability requirements. The Parties will agree upon and log MW values, start and end times, ramp rates and times, and integrated values for any emergency assistance provided.

The emergency assistance to be provided by a Party will be for system reliability. Such emergency assistance may be estimated prior to delivery and finalized in the settlement process.

The price paid for CAISO emergency assistance will be at the CAISO market price for the energy and/or capacity sold, plus all applicable charges, as specified in the CAISO Tariff for emergency assistance. Such price may be estimated prior to delivery and finalized in the settlement process. Payment to the CAISO for emergency assistance provided by the CAISO will be made by the Scheduling Coordinator representing NEVP, in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

The price paid for NEVP emergency assistance will be at the price specified by NEVP. In the event NEVP does not specify the price for energy or capacity at the time of the request for emergency assistance and no other settlement price is established prior to the delivery of the emergency assistance, the default settlement price shall be the CAISO market price, plus all other applicable charges, as specified or as otherwise established in the CAISO Tariff for emergency assistance. If the default settlement price does not compensate NEVP for the value of the emergency assistance delivered to the CAISO, NEVP shall have the opportunity to justify a higher settlement price in accordance with the CAISO Tariff for emergency assistance. Payment to NEVP for emergency assistance provided by NEVP will be made to the Scheduling Coordinator representing NEVP, in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

Nothing in this Agreement shall obligate NEVP to be bound by the CAISO Tariff unless expressly provided for herein.

This Schedule B shall remain in effect until it is superseded by mutual written agreement by the Parties or it is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.

## Schedule C

### CONTACTS FOR NOTICES [Sections 6.2 and 6.4]

#### **CAISO:**

##### Name of Primary

Representative: Regulatory Contracts  
Address: 250 Outcropping Way  
City/State/Zip Code: Folsom, CA 95630  
Email Address: RegulatoryContracts@caiso.com  
Phone: (916) 351-4400  
Fax No.: (916) 608-5063

##### Name of Alternate

Representative: Daune Kirrene  
Title: Senior Contracts Negotiator  
Address: 250 Outcropping Way  
City/State/Zip Code: Folsom, CA 95630  
Email Address: dkirrene@caiso.com  
Phone: (916) 608-7058  
Fax No.: (916) 608-5063

#### **NEVP:**

##### Name of Primary

Representative: Jeri Fisher  
Title: Project Manager, Transmission Project Delivery  
Street Address: 6100 Neil Road - M/S S3B40  
City/State/Zip Code: Reno, NV 89511  
Mailing Address: P.O. Box 10100 - M/S S3B40  
City/State/Zip Code: Reno, NV 89520-0024  
Email Address: JFisher@nvenergy.com  
Phone: (775) 834-3915  
Fax No.: (775) 834-3047

##### Name of Alternate

Representative: John Wickersham, III  
Title: Manager, Transmission Project Services  
Street Address: 6100 Neil Road - M/S S3B40  
City/State/Zip Code: Reno, NV 89511  
Mailing Address: P.O. Box 10100 - M/S S3B40  
City/State/Zip Code: Reno, NV 89520-0024  
Email Address: JWickersham3@nvenergy.com  
Phone: (775) 834-3893  
Fax No.: (775) 834-3047

This Schedule shall remain in effect until superseded by written notice from either of the Parties.

## Schedule D

### INTER-BALANCING AUTHORITY AREA REQUIREMENTS FOR SCHEDULING AND DELIVERING REGULATION SERVICE TO THE CAISO [Section 3.4]

#### 1. General

- 1.1. Purpose. This Schedule D sets forth the requirements that must be satisfied by the NEVP Balancing Authority Area (referred to herein as the “Host Balancing Authority Area”) should it elect to support Scheduling Coordinators’ requests for certification, scheduling and delivery of regulation service into the CAISO Balancing Authority Area. The requirements encompass technical (energy management system (“EMS”)/automatic generation control (“AGC”) and communications), interchange scheduling, telemetry and control aspects of interconnected Balancing Authority Area operations.
- 1.2. NERC/WECC Operating Standards Observed. Nothing in this Schedule D is intended to change, supersede, or alter either Party’s obligations to abide by NERC standards and WECC criteria.
- 1.3. Applicable Standards. This Schedule D incorporates, by reference, the CAISO’s “*Standards for Imports of Regulation*” (“Standards”) document. The Standards document is available for viewing and can be downloaded from the CAISO internet home page: [www.caiso.com](http://www.caiso.com) <<http://www.caiso.com>>.
- 1.4. Meaning of “System Resource.” “System Resource” is defined in the CAISO Tariff and, in the context of this Schedule D, may include combinations of resources as described in the Standards.

#### 2. Telecommunications Requirements

The CAISO and Host Balancing Authority Area shall establish and maintain real time, redundant, diversely routed, bi-directional, communications links between the CAISO EMS and the Host Balancing Authority Area EMS, utilizing the standard inter-control center communications protocol (“ICCP”). Further details regarding telecommunications requirements may be found in the Standards document.

#### 3. Telemetry and Control

- 3.1. Telemetry. For each operating hour for which a System Resource is scheduled to deliver regulation service to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall provide, via the ICCP communications links to the CAISO EMS, the data for each System Resource as set forth in the Standards document.

3.2. Control. The Host Balancing Authority Area EMS shall be able to receive control signals, in real time, from the CAISO EMS, via the ICCP communications links, causing the System Resource to vary its energy production or allocation level from the prescheduled preferred operating point by the specified amount. Further detailed information regarding control requirements may be found in the Standards document.

3.3. Delivery of Megawatts ("MW"). The Host Balancing Authority Area shall only deliver to the CAISO the amount of MW being generated by the System Resource. The Host Balancing Authority Area shall not be obligated to make up any difference between the CAISO's set-point and the MW being generated by the System Resource.

#### **4. Interchange Scheduling Requirements**

4.1. Dynamic Scheduling. The Host Balancing Authority Area shall support Scheduling Coordinators' requests to arrange dynamic interchange schedules for the delivery of regulation service to the CAISO Balancing Authority Area, reflecting the System Resource's instantaneous energy production or allocation level as caused by real time control signals issued by the CAISO EMS/AGC and taking into account available transmission capacity.

4.2. Treatment of Area Control Error ("ACE"). The Host Balancing Authority Area shall instantaneously compensate its AGC for the System Resource's variable energy output level such that the System Resource energy production or allocation changes, caused by the CAISO EMS/AGC control signals, have an equal in magnitude and opposite in sign effect on the Host Balancing Authority Area's ACE.

4.3. Integration of Dynamic Scheduling. For each operating hour during which regulation service was dynamically scheduled for delivery to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall compute an integrated amount of interchange based on the System Resource's integrated energy production by integrating the instantaneous System Resource production levels. Such integrated MWH value shall be agreed to hourly by the real time schedulers.

4.4. Access to Information. The Parties agree to exchange information related to control signals issued and telemetry received with respect to the delivery of regulation service (i) at the request of the other Party for purposes of after-the-fact interchange accounting or (ii) on demand for any other purpose.

#### **5. Other**

5.1. Losses. The CAISO shall not be responsible for transmission losses caused by transmitting regulation service within or across the Host Balancing Authority

Area for deliver to the CAISO.

- 5.2. Certification. Only CAISO-certified System Resource/Host Balancing Authority Area arrangements will be allowed to bid or self-provide regulation service in the CAISO's ancillary services market through a CAISO-certified Scheduling Coordinator.
- 5.3. No Guarantee of Award. Certification of a System Resource/Host Balancing Authority Area arrangement allows for bidding of regulation service into the CAISO market; it does not, however, guarantee selection of such bid.
- 5.4. Performance Assessment. The CAISO will monitor and measure imported regulation service, whether bid or self-provided, against the performance benchmarks described in the Standards document.

## Schedule E

### INTER-BALANCING AUTHORITY AREA REQUIREMENTS FOR SCHEDULING AND DYNAMIC DELIVERY OF ENERGY, SUPPLEMENTAL ENERGY, AND ENERGY ASSOCIATED WITH NON-REGULATION ANCILLARY SERVICES TO THE CAISO [Section 3.5]

#### 1. General

- 1.1 Purpose. This Schedule E sets forth the requirements that must be satisfied by Nevada Power Company (referred to herein as the "Host Balancing Authority Area") should it elect to support Scheduling Coordinators' requests for implementation of a dynamic scheduling functionality and delivery of energy, supplemental energy, and energy associated with ancillary services (except regulation service) into the CAISO Balancing Authority Area. The requirements encompass technical (energy management system ("EMS")/automatic generation control ("AGC") and communications), interchange scheduling, telemetry, and aspects of interconnected Balancing Authority Area operations.
- 1.2 NERC/WECC Operating Standards Observed. Nothing in this Schedule E is intended to change, supersede, or alter either Party's obligations to abide by NERC standards and policies and WECC criteria.
- 1.3 Applicable Standards. This Schedule E incorporates, by reference, the CAISO's *Dynamic Scheduling Protocol* ("DSP") posted on the CAISO internet home page: "www.caiso.com".
- 1.4 Meaning of "System Resource". "System Resource" is defined in the CAISO Tariff and, in the context of this Schedule E, may include combinations of resources as described in the DSP.

#### 2. Telecommunications Requirements

The CAISO and Host Balancing Authority Area shall establish and maintain real time, redundant, diversely routed, communications links between the CAISO EMS and the Host Balancing Authority Area EMS, with the primary link utilizing the standard inter-Balancing Authority center communications protocol ("ICCP") in accordance with the DSP.

#### 3. Telemetry

For each operating hour for which a System Resource is scheduled to deliver energy, supplemental energy, and/or energy associated with any of the non-regulating ancillary services to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall provide, via the ICCP communication links to

the CAISO EMS, the data for each System Resource as set forth in the DSP.

#### **4. Interchange Scheduling Requirements**

4.1 Dynamic Scheduling. The Host Balancing Authority Area shall support Scheduling Coordinators' requests to arrange dynamic interchange schedules for the delivery of energy to the CAISO Balancing Authority Area, reflecting the System Resource's instantaneous energy production or allocation level and taking into account available transmission capacity.

4.2 Treatment of Area Control Error ("ACE"). The Host Balancing Authority Area shall instantaneously compensate its AGC for the System Resource's energy output that is generated or allocated for establishing the dynamic schedule to the CAISO such that the System Resource energy production or allocation changes have an equal in magnitude and opposite in sign effect on the Host Balancing Authority Area's ACE.

4.3 Integration of Dynamic Scheduling. For each operating hour during which energy was dynamically scheduled for delivery to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall compute an integrated amount of interchange based on the System Resource's integrated energy production, by integrating the instantaneous System Resource production levels. Such integrated MWH value shall be agreed to hourly by the real time schedulers.

4.4 Delivery of Megawatts ("MW"). The Host Balancing Authority Area shall not be obligated to make up any difference between the dynamic energy schedule and the MW being generated or allocated by the System Resource.

4.5 Access to Information. The Parties agree to exchange information related to telemetry sent and received with respect to the delivery of energy (i) at the request of the other Party for purposes of after-the-fact interchange accounting or (ii) on demand for any other purpose.

#### **5. Other Host Balancing Authority Area Responsibilities**

5.1 Operational Jurisdiction. The Host Balancing Authority Area will have, at a minimum, the level of operational jurisdiction over the System Resource and the associated dynamic schedule that NERC and WECC vest in Host Balancing Authority Areas.

5.2 E-Tagging. The Host Balancing Authority Area must support associated e-tagging as described in the DSP to the extent such e-tagging is deemed not to be inconsistent with NERC and/or WECC requirements.

5.3 Real-Time Adjustments. The Host Balancing Authority Area must have a means

to manually override and/or otherwise adjust the dynamic signal in real time, if needed.

5.4 Coordination with Other Balancing Authority Areas. The Host Balancing Authority Area must provide in real time the instantaneous value of each dynamic schedule to every intermediary Balancing Authority Area through whose systems such dynamic schedule may be implemented to the CAISO.

## 6. Other

6.1 Losses. The CAISO shall not be responsible for transmission losses caused by transmitting energy dynamically within or across the Host Balancing Authority Area for delivery to the CAISO.

6.2 Certification. Only CAISO-certified System Resource/Host Balancing Authority Area arrangements will be allowed to bid or self provide ancillary services in the CAISO's ancillary services market through an CAISO-certified Scheduling Coordinator.

6.3 No Guarantee of Award. Certification of a System Resource/Host Balancing Authority Area arrangement allows for bidding of supplemental energy and/or certain ancillary services into the CAISO market; it does not, however, guarantee selection of such bid.

6.4 Performance Assessment. The CAISO will monitor and measure dynamically imported ancillary services, whether bid or self-provided, against the performance benchmarks described in the DSP.

## 7. Consent to Implementation of Dynamic System Resources

Each dynamically scheduled System Resource shall be permitted pursuant to this Schedule E only upon the written consent of both the Host Balancing Authority Area and the CAISO, which written consent may be communicated by e-mail, and only if the System Resource is subject to a Dynamic Scheduling Agreement for Scheduling Coordinators with the CAISO.