



California Independent
System Operator Corporation

December 6, 2013

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

**Re: California Independent System Operator Corporation
Filing of Dynamic Transfer Balancing Authority Operating
Agreement, Rate Schedule No. 75
Docket No. ER14-____-000**

Dear Secretary Bose:

The California Independent System Operator Corporation submits for filing and acceptance a Dynamic Transfer Balancing Authority Operating Agreement (“Dynamic Transfer Agreement”) between the ISO and the Western Area Power Administration – Desert Southwest Region (“Western – DSR”).¹ The ISO submits the instant filing to continue dynamic transfers between the ISO and Western – DSR consistent with the dynamic transfer provisions of the ISO tariff.² The ISO proposes that the Dynamic Transfer Agreement be made effective on February 5, 2014.³

I. Purpose of the Dynamic Transfer Agreement

The Dynamic Transfer Agreement addresses both dynamically scheduled resources and pseudo-tie resources, collectively referred to as dynamic transfers. Both forms of dynamic transfer are made available either to or from the ISO and Western - DSR balancing authority areas. At this time there is one

¹ The ISO submits the Dynamic Transfer Balancing Authority Operating Agreement pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d and Part 35 of the Commission’s regulations, 18 C.F.R. Part 35, and in compliance with Order No. 714, *Electronic Tariff Filings*, FERC Stats. & Regs. ¶ 31,276 (2009).

² The dynamic transfer provisions of the ISO tariff were accepted by Commission order dated September 30, 2011 in ER11-4161-000 (136 FERC ¶ 61,239).

³ Dynamic transfers are facilitated pursuant to the Interconnected Balancing Authority Area Operating Agreement between the ISO and Western – DSR (“IBAAOA”). However, the ISO has separately and concurrently requested termination of the IBAAOA coincident with the requested effective date of an Adjacent Balancing Authority Operating Agreement between the ISO and Western – DSR (“ABAOA”) and this Dynamic Transfer Agreement. Together, the Dynamic Transfer Agreement and ABAOA cover all matters previously addressed by the IBAAOA.

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dynamic schedule from Western - DSR into the ISO balancing authority area with respect to the Hoover Dam resources.⁴ There will be one pseudo-tie resource from Western - DSR into the ISO balancing authority area concerning the Rice Solar Energy Project currently in development. Additional pseudo-tie resources or dynamically scheduled resources would be supported with agreement of the parties under the Dynamic Transfer Agreement.⁵

The Dynamic Transfer Agreement is consistent with the requirements of the ISO tariff, continues practices currently addressed in the Interconnected Balancing Authority Area Operating Agreement between the ISO and Western – DSR, and has been agreed to by Western - DSR.⁶ In the Dynamic Transfer Agreement, the ISO and Western - DSR have built upon a similar form of agreement between the ISO and other balancing authorities to provide for both dynamically scheduled resources and pseudo-tie resources, consistent with the dynamic transfer provisions of the ISO tariff.⁷ Specifically:

- Section 1 provides for the effective date and termination;
- Section 2 includes definitions referenced in the agreement;
- Section 3 describes the purpose of the agreement;
- Section 4 outlines the requirements for dynamic scheduling;
- Section 5 outlines the requirements for pseudo-ties;
- Section 6 establishes limitations on the parties' liability;
- Section 7 covers miscellaneous provisions of the agreement;
- Schedule 1 identifies dynamic scheduled resources;
- Schedule 2 identifies pseudo-tie resources; and
- Schedule 3 contains notice provisions.

⁴ Separate agreements with the resource and the resource's scheduling coordinator are also required (see, e.g., ISO Tariff Section 4.5.4.3.1).

⁵ The ISO would administer additional requests consistent with the dynamic transfer provisions of the ISO tariff. However, implementation of any additional dynamic scheduling arrangements in Schedule 1, or the addition of any pseudo-tie resources in Schedule 2, would require agreement of both balancing authorities through an appropriate amendment of the Dynamic Transfer Agreement and a subsequent filing of that revised Dynamic Transfer Agreement with the Commission pursuant to Section 205 of the Federal Power Act.

⁶ See CAISO Tariff, Appendix M, Sections 1.2.1 and 2.2.1 (requiring a balancing authority area operating agreement for dynamic scheduling); CAISO Tariff, Appendix N, Sections 1.3.1 and 2.3.1 (requiring a balancing authority operating agreement for pseudo-ties); see *also*, Schedules 16 and 17 of the IBAAOA.

⁷ See Letter Order dated June 14, 2012 in FERC Docket No. ER12-1636-000 (accepting a dynamic transfer agreement as filed by the ISO), and Letter Order dated February 21, 2013 in FERC Docket No. ER13-711-000 (accepting a dynamic transfer agreement as filed by the ISO).

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II. Effective Date

The ISO requests that the Dynamic Transfer Agreement be made effective on February 5, 2014.

III. Service

The ISO has served copies of this filing upon Western - DSR, [Resource owners such as Rice Solar Energy or Solar Reserve], the California Public Utilities Commission, and the California Energy Commission. In addition, the ISO has posted the filing on the ISO website.

Enclosed for filing is each of the following:

- (1) This letter of transmittal; and
- (2) Dynamic Transfer Balancing Authority Operating Agreement (Attachment A).

IV. Correspondence

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

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

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

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V. Conclusion

The ISO respectfully requests that the Commission accept this filing and permit the Dynamic Transfers Agreement, Rate Schedule No. 75, to be effective as of the date requested. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,

By: /s/ John C. Anders

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**CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION**

AND

**WESTERN AREA POWER
ADMINISTRATION
DESERT SOUTHWEST REGION**

**DYNAMIC TRANSFER BALANCING
AUTHORITY OPERATING AGREEMENT**

DYNAMIC TRANSFER BALANCING AUTHORITY OPERATING AGREEMENT

Executed by

WESTERN AREA POWER ADMINISTRATION

DESERT SOUTHWEST REGION

and

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

This Dynamic Transfer Balancing Authority Operating Agreement (“Agreement”), dated as of _____, 2013, is between the WESTERN AREA POWER ADMINISTRATION DESERT SOUTHWEST REGION (“Western”), having its registered and principal executive office at 615 South 43rd Avenue, Phoenix, Arizona 85009. Western has responsibilities as a Balancing Authority and operates the Western Area Power Administration, Lower Colorado (“WALC”) Balancing Authority area,

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. The CAISO has responsibilities as a Balancing Authority and operates the CAISO Balancing Authority Area.

Western and CAISO are referred to herein individually as a “Party” and collectively as the “Parties”.

Recitals

- A) The Parties named above operate Balancing Authority Areas (“Balancing Authority Areas”).
- B) The CAISO has determined that the pilot Pseudo-Tie Program successfully demonstrated the dynamic transfer of generating resources between adjacent Balancing Authority Areas and that this Agreement, and the associated CAISO Tariff revisions and additions, implement the features of the pilot pseudo-tie program.
- C) The Parties wish to coordinate operation of dynamic transfers to satisfy North American Electric Reliability Corporation (“NERC”) and Western

- Electricity Coordinating Council (“WECC”) reliability standards and criteria and Good Utility Practice.
- D) The Parties desire to implement an agreement to facilitate dynamic transfers from resources in their respective Balancing Authority Area.
 - E) The Parties wish to enter into this Agreement to establish the terms and conditions for the operation of the dynamic transfer functionality to include dynamic schedules and Pseudo-Tie arrangements between the Parties’ Balancing Authority Areas.
 - F) This Agreement and the Adjacent Balancing Authority Operating Agreement (“ABAOA”), which is to be executed concurrently with this Agreement between Western and CAISO, shall replace the Interconnected Balancing Authority Area Operating Agreement (“IBAAOA”, Western’s Contract Number 99-DSR-11066). The IBAAOA contained other provisions that are now effectively addressed through the Reliability Standards. The IBAAOA shall be terminated upon the Effective Date of both this Agreement and the ABAOA.
 - G) The Parties have certain statutory obligations under NERC and WECC standards and criteria to maintain power system reliability.

The Parties mutually agree as follows:

1. Term and Termination

1.1 Effective Date

This Agreement shall be effective upon acceptance for filing by the Federal Energy Regulatory Commission (“FERC”) pursuant to a filing by the CAISO (the “Effective Date”), and shall continue in effect until terminated.

1.2 Termination

This Agreement may be terminated by either Party upon two (2) years written notice to the other Party or upon mutual consent of both Parties. For entities subject to FERC jurisdiction, termination will be effective upon acceptance by FERC of notice of termination, if this Agreement has been filed with FERC, or two (2) years after the date of the notice of termination by a Party, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders. The CAISO shall timely file any required notice of termination with FERC. The filing of the notice of

termination by the CAISO with FERC will be considered timely if: (1) the filing of the notice of termination is made after the preconditions for termination have been met, and the CAISO files the notice of termination with FERC within sixty (60) days after issuance of the notice of termination by a Party; or (2) the CAISO files the notice of termination with FERC in accordance with the requirements of FERC Order No. 2001.

2. Definitions

2.1 NERC Definitions

Except as defined below, terms and expressions used in this Agreement shall have the same meanings as those contained in the NERC Glossary of Terms Used in NERC Reliability Standards.

2.2 Specific Definitions

2.2.1 **Attaining Balancing Authority Area**: The Balancing Authority Area where the output of a Pseudo-Tie generating unit is fully included for purposes of calculation of Area Control Error and meeting Balancing Authority Area load responsibilities.

2.2.2 **CAISO Dynamic Transfer Protocols**: The CAISO's Dynamic Transfer Protocols, which are set forth in Appendix M (Dynamic Scheduling Protocol) and Appendix N (Pseudo-Tie Protocol) of the CAISO Tariff.

2.2.3 **CAISO Tariff**: CAISO Operating Agreement and Tariff, as amended.

2.2.4 **Good Utility Practice**: Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry in the WECC region during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

- 2.2.5 **Native Balancing Authority Area**: The Balancing Authority Area where a Pseudo-Tie generating unit is physically interconnected to the electric grid.
- 2.2.6 **Point of Contact**: A person or entity having the authority to receive and act upon scheduling or dispatch communications from the other Balancing Authority and available through a communications device mutually agreed upon on a 24-hour, 7-day basis.
- 2.2.7 **Pseudo-Tie**: A functionality by which the output and/or auxiliary load of a generating facility is telemetered into the Attaining Balancing Authority Area and the generating facility is under the Attaining Balancing Authority jurisdiction, but where the generating facility is electrically interconnected to transmission within the Native Balancing Authority Area in which it is physically located, as provided for under this Agreement.
- 2.2.8 **Scheduling Coordinator**: An entity certified by the CAISO for the purposes of undertaking the functions of: submitting bids or 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.
- 2.2.9 **System Resource**: "System Resource" is defined in the CAISO Tariff and, in the context of this Agreement, may include combinations of resources as described in the CAISO Dynamic Transfer Protocols.

3. **General**

3.1 **Purpose**

This Agreement sets forth the requirements that must be satisfied by the Parties to support Scheduling Coordinators' and generating unit owners' requests for implementation of dynamic transfer functionality and delivery of energy and energy associated with ancillary services to the respective Balancing Authority Area. The requirements encompass technical (energy management system ("EMS"), automatic generation control ("AGC"), and communications, interchange scheduling, telemetry, and aspects of Balancing Authority Area operations. Nothing in this Agreement is

intended to interfere with the rights of an affected transmission owner or transmission operator in the WALC Balancing Authority Area to determine its own terms of service associated with the facilitation of dynamic transfer by WALC.

3.2 NERC/WECC Operating Standards Observed

Nothing in this Agreement is intended to change, supersede, or alter either Party's obligations to abide by NERC and WECC reliability standards and policies and WECC criteria.

3.3 Applicable Standards

This Agreement incorporates, by reference, the CAISO Dynamic Transfer Protocols and Standards for Imports of Regulation. Where there is an inconsistency between the CAISO's Dynamic Transfer Protocols and Standards for Imports of Regulation and this Agreement, this Agreement will prevail to the extent of the inconsistency.

3.4 Coordination and Communication

Each Party operates and maintains, or provides for operation and maintenance on 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 insuring reliable communication in a format to be agreed to by the Parties and completed as of the Effective Date of this Agreement. Each Party shall provide the other Party ten (10) calendar days advance notice of updates to its operational contact information for known changes, and as soon as practical, for unplanned changes.

4. **Dynamic Schedules of Imports and Exports**

Should the Parties elect to support a Scheduling Coordinators' request to implement dynamic scheduling functionality, all applicable operating, technical and business requirements set forth in Appendix M of the CAISO Tariff shall be satisfied, including, but not limited to, the following:

4.1 **Telecommunications Requirements**

The Parties shall establish and maintain real-time, redundant, diversely routed, communications links between the CAISO EMS and the WALC EMS, with the primary link utilizing the standard inter-control center communications protocol ("ICCP") in accordance with the Applicable Standards for the dynamically scheduled resources listed in Schedule 1.

4.2 **Telemetry**

For each operating hour for which a dynamically scheduled resource is delivering energy, and/or energy associated with ancillary services to the receiving Balancing Authority Area, the Host Balancing Authority shall provide, via the ICCP communication links to the receiving Balancing Authority EMS, the data for each dynamically scheduled resource, as set forth in the Applicable Standards.

4.3 **Interchange Scheduling Requirements**

4.3.1 **Dynamic Schedules**

The Parties shall coordinate the arrangements for dynamic interchange schedules for the delivery of energy to the respective Balancing Authority Area reflecting the dynamically scheduled resource's instantaneous energy production or allocation level and taking into account available transmission capacity and, in the case of WALC, the impact of dynamic interchange schedules on transmission owner(s) and transmission operator(s) within the WALC Balancing Authority Area.

4.3.2 **Treatment of Area Control Error ("ACE")**

For Dynamic Scheduling, the Host Balancing Authority shall instantaneously compensate its AGC for the dynamically scheduled resource's energy output that is generated or allocated for establishing the dynamic schedule to the receiving Balancing Authority such that the dynamically

scheduled resource energy production or allocation changes have an equal in magnitude and opposite in sign effect on the Host Balancing Authority's ACE.

4.3.3 Integration of Dynamic Schedules

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

4.3.4 Regulation Obligation

The Host Balancing Authority shall be responsible for regulation obligation for the portion of the dynamically scheduled resource's output not dynamically scheduled into the receiving Balancing Authority Area in accordance with WECC and NERC reliability standards. Dynamic energy deliveries to the receiving Balancing Authorities will be used to determine pro rata allocations of real time deviations applicable to each Balancing Authority that receives the dynamically scheduled generation.

4.3.5 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.

4.3.6 Other Balancing Authority Responsibilities

4.3.6.1 Operational Jurisdiction

The Host Balancing Authority will have, at a minimum, the level of operational jurisdiction over the dynamically scheduled resource and the associated dynamic schedule that NERC and WECC vest in Host Balancing Authorities. Such level of operational jurisdiction shall not exceed that necessary to meet applicable reliability standards.

4.3.6.2 **E-Tagging**

The Parties must support associated e-tagging as described in the CAISO Dynamic Transfer Protocols and deemed to be consistent with NERC and/or WECC requirements.

4.3.6.3 **Real-Time Adjustments**

The Host Balancing Authority Area for a dynamically transferred resource must have a means to manually override and/or otherwise adjust the dynamic signal for a dynamic schedule in real-time, if needed.

4.3.6.4 **Coordination with Other Balancing Authorities**

The Balancing Authority Area hosting a dynamic resource 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 receiving Balancing Authority.

4.4 **Other**

4.4.1 **Losses**

The Parties shall not be responsible for transmission losses caused by transmitting energy dynamically within or across the other Parties Balancing Authority Area.

4.4.2 **Certification**

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

4.4.3 **No Guarantee of Award**

Certification of a System Resource/Host Balancing Authority arrangement allows for bidding of energy and/or certain ancillary services into the CAISO market; it does not, however, guarantee selection of such bid.

4.4.4 Performance Assessment

The CAISO will monitor and measure dynamically imported ancillary services, whether bid or self-provided, against the performance benchmarks described in the CAISO Dynamic Scheduling Protocol.

4.4.5 Description of System Resources

Each dynamically scheduled System Resource permitted pursuant to this Agreement is described in Schedule 1.

4.4.6 Notifications

The Parties shall jointly develop methods for coordinating the notification of all affected scheduling entities within their respective Balancing Authority Areas regarding schedule changes in emergency or curtailment conditions.

5. Pseudo-Ties

Should the Parties elect to support a Pseudo-Tie generator's request to implement a Pseudo-Tie arrangement, the Parties shall comply with the applicable provisions of the Pseudo-Tie Protocol in Appendix N of the CAISO Tariff, including, but not limited, to the following:

- 5.1 Operation of Pseudo-Tie functionalities must comply with all applicable NERC and WECC reliability standards, policies, requirements, and guidelines regarding inter-Balancing Authority Area scheduling. A Pseudo-Tie must be registered as a Point Of Delivery ("POD") on North American Energy Standards Board's (NAESB's Electric Industry Registry ("EIR"). All (off-system) static scheduling associated with Pseudo-Tie functionality must be consistent with NERC Reliability Standards for interchange scheduling and coordination.
- 5.2 The Parties will establish the terms of any Pseudo-Tie between the two Balancing Authority Areas, will specify the location of that Pseudo-Tie point, and will register that location as a POD to the Attaining Balancing Authority Area.
- 5.3 All energy transfers associated with a Pseudo-Tie generating unit must be electronically tagged (E-tagged).
- 5.4 Unless a particular service is procured by the Pseudo-Tie generator from some other source, the Attaining Balancing Authority shall provide to a Pseudo-Tie generating unit all Balancing Authority

services available to other generating units in the Attaining Balancing Authority Area, which may include the auxiliary load equipment needs of the Pseudo-Tie generating unit, provided firm transmission service is reserved across the transmission path from the CAISO Intertie to the Pseudo-Tie generating unit.

- 5.5 The Parties, in conjunction with the affected Participating Transmission Owner, or, in the case of WALC, affected transmission owner(s) and transmission operator(s) within the WALC Balancing Authority Area and the owner of the Pseudo-Tie generating unit will develop a coordinated operating procedure outlining the agreed upon framework among all parties for the operation of a Pseudo-Tie of the generating unit out of the CAISO Balancing Authority Area, and to facilitate the continued delivery of Energy and Ancillary Services from a Pseudo-Tie generating unit into the CAISO Balancing Authority Area to the desired delivery points in the event the primary contract path is unavailable or curtailed.
- 5.6 All applicable communication and telemetry requirements of the WECC, the CAISO, and a Pseudo-Tie generating unit's Native Balancing Authority Area regarding generating units and inter-Balancing Authority Area Interties must be satisfied. These requirements include the requirements of Appendix M applicable to Dynamic Schedules of imports and the requirements of the CAISO Tariff applicable to generating units in the CAISO Balancing Authority Area.
- 5.7 Proper incorporation of the dynamic signal into all involved Balancing Authority Areas' ACE equations will be required.
- 5.8 Should there be any need or requirement, whether operational or procedural, for the CAISO or the Balancing Authority for the Attaining Balancing Authority Area to make real-time adjustments to the CAISO's inter-Balancing Authority Area schedules at the pre-existing CAISO Intertie associated with the Pseudo-Tie generating unit (including curtailments), the dynamic transfer from the Pseudo-Tie generating unit shall be treated in the same manner as any CAISO Interchange Schedule at that pre-existing CAISO Intertie, and in accordance with any applicable operating instructions from any affected Participating Transmission Owner.
- 5.9 Each Pseudo-Tie generating unit permitted pursuant to this Agreement is described in Schedule 2.

6. **Liability**

6.1 **Uncontrollable Forces**

An Uncontrollable Force means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of a Balancing Authority which could not be avoided through the exercise of Good Utility Practice.

Neither Party will be considered in default of any obligation under this Agreement or liable to the other for direct, indirect, and consequential damages if prevented from fulfilling that obligation due to the occurrence of an Uncontrollable Force. Neither Party will be considered in default of any obligation under this Agreement to the extent caused by any act, or failure to act, of any intermediary Balancing Authority. In the event of the occurrence of an Uncontrollable Force, which prevents either Party from performing any obligations under this Agreement, the affected entity shall not be entitled to suspend performance of its obligations in any greater scope or for any longer duration than is required by the Uncontrollable Force. The Parties shall each use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligations hereunder.

6.2 **Liability To Third Parties**

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.

6.3 **Liability Between the Parties**

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, or 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.

7. Miscellaneous

7.1 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 7.1 shall survive the termination of this Agreement.

7.2 Assignment and Successors

Either Party to this Agreement may assign its obligations under this Agreement, with the other Party’s prior written consent. Such consent shall not be unreasonably withheld.

Obligations and liabilities under this Agreement shall be binding on the successors and assigns of the Parties. No assignment of this Agreement shall relieve the assigning Party from any obligation or liability under this Agreement arising or accruing prior to the date of assignment.

7.3 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 3 relating to its address as that information changes. Such updates to Schedule 3 shall not constitute an amendment to this Agreement.

7.4 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.

7.5 Governing Law and Forum

Subject to Section 7.6, 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 or the laws of the United States, as applicable, 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 or the laws of the United States, as applicable, 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: any federal court of the United States of America located in the State of California or, 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.

7.6 Consistency with Federal Laws and Regulations

- (a) Nothing in this Agreement shall compel any person or federal entity to: (1) violate federal statutes or regulations; or (2) in the case of a federal agency, to exceed its statutory authority, as defined by any applicable federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or federal entity by federal law or regulation to that extent, it shall be inapplicable to that person or federal entity. No person or federal entity shall incur any liability by failing to comply with any provision of this Agreement that is inapplicable to it by reason of being inconsistent with any federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or federal entity shall use its best efforts to comply with the CAISO Tariff to the extent that applicable federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.
- (b) If any provision of this Agreement requiring any person or federal entity to give an indemnity or impose a sanction on any person is

unenforceable against a federal entity, the CAISO shall submit to the Secretary of Energy or other appropriate Departmental Secretary a report of any circumstances that would, but for this provision, have rendered a federal entity liable to indemnify any person or incur a sanction and may request the Secretary of Energy or other appropriate Departmental Secretary to take such steps as are necessary to give effect to any provisions of this Agreement that are not enforceable against the federal entity.

7.7 No Warranties or Representations; Disclaimer

All information, including confidential information, provided by a Party (“Providing Party”) to the other Party (“Receiving 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.

7.8 Severability

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

7.9 **Section Headings**

Section headings provided in this Agreement are for ease of reading and are not meant to interpret the text in each Section.

7.10 **Amendments**

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

7.11 **Counterparts**

This Agreement may be executed in one (1) 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.

7.12 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

Department of Energy,
Western Area Power Administration

By: 

By: _____

Name: _____

Name: _____

Title: KEITH E. CASEY, PH.D., VICE PRESIDENT
MARKET & INFRASTRUCTURE DEVELOPMENT

Title: _____

Date: 11/25/13

Date: _____

7.12 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:

Department of Energy,
Western Area Power Administration

By:



Name: Darren Buck

Title: Rocky Mountain Region
Operations Manager

Date: 11/22/2013

SCHEDULE 1**DESCRIPTION OF DYNAMIC SCHEDULING RESOURCES****[Section 4.4.5]****A. Dynamic Scheduling System Resources Into the CAISO Balancing Authority Area**

System Resource ID	SCEHOV_2_HOOVER
Description of System Resource(s), including Associated Power Plants	System Resource is associated with the 17 hydro generating units at Hoover Dam and other resources made available by Western Area Power Administration, Lower Colorado (WAPA Lower Colorado) for the integration of Hoover Dam generating units' electric power output.
PMax Values ¹ :	357 MW
CAISO Intertie:	WALC Mead 230 kV Substation
Host Balancing Authority Area:	WALC Balancing Authority Area
Intermediary Balancing Authority Areas:	N/A

B. Dynamic Scheduling System Resources Out of the CAISO Balancing Authority Area

There are no Dynamic Scheduling System Resources out of the CAISO Balancing Authority Area.

¹ This value represents the maximum amount of power that can be scheduled by the System Resource into the CAISO Balancing Authority Area, and is subject to limitation by Congestion on the scheduling path or System Emergencies that could reduce or eliminate the ability to schedule and transfer power from time-to-time.

SCHEDULE 2

PSEUDO-TIE GENERATING UNIT, PSEUDO TIE Technical Information NATIVE and ATTAINING BALANCING AUTHORITY AREA Information

[Section 5.9]

A. Pseudo-Tie Into the CAISO Balancing Authority Area

Pseudo Tie Location	<p>Location: Rice, CA. South of State Route 62 in unincorporated northeast Riverside County in the Sonora Desert</p> <p>Substation: 161-kV Rice Switching Station²</p> <p>Registered TNAME: To Be Determined</p>
Pseudo-Tie Generating Unit	<p>Generating Facility: Rice Solar Energy Project: Solar Thermal – Steam turbine</p> <p>Capacity: 172.50 MW</p> <p>Pmax³: 172.50 MW</p> <p>Resource ID: To Be Determined</p>
Attaining Balancing Authority Area	CAISO Balancing Authority Area
Native Balancing Authority Area	WALC Balancing Authority Area
Intertie Intertie ID	Eldorado – Mead 220 kV Mead_2_WALC

² The Rice Switching Station will initially be operated at 161-kV and will be operated at 230-kV in the future.

³ This value is the unity power factor and represents the maximum amount of power that can be scheduled by the Pseudo-Tie Generating Unit or into the CAISO Balancing Authority Area, and is subject to limitation pursuant to existing contracts regarding transmission service rights on the scheduling path due to System Emergencies, or to provide necessary voltage support, which could temporarily reduce the ability to generate and transfer power to amounts less than Pmax.

B. Pseudo-Tie Out of the CAISO Balancing Authority Area

There are no Pseudo-Ties out of the CAISO Balancing Authority Area.

SCHEDULE 3

NOTICES

[Section 7.3]

WALC:

Name of Primary Representative:	Mr. Darren Buck
Title:	Operations Manager
Company:	Western Area Power Administration
Address:	5555 East Crossroads Boulevard
City/State/Zip Code:	Loveland, CO 80538
Email Address:	DBuck@wapa.gov
Phone:	(970) 461-7693
Fax No:	(970) 461-7601

Name of Alternative Representative:	Mr. Steve Johnson
Title:	Supervisory Power System Dispatcher
Company:	Western Area Power Administration
Address:	5555 East Crossroads Boulevard
City/State/Zip Code:	Loveland, CO 80538
Email Address:	Johnsons@wapa.gov
Phone:	(970) 461-7451
Fax No:	(970) 461-7601

CAISO:

Name of Primary
Representative: Regulatory Contracts
Title: N/A
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email address: regulatorycontracts@caiso.com
Phone: (916) 608-7027
Fax: (916) 608-7292

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

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

FERC rendition of the electronically filed tariff records in Docket No. ER14-00569-000

Filing Data:

CID: C001183

Filing Title: 2013-12-06 Western-DSR DTA Rate Sched 75

Company Filing Identifier: 471

Type of Filing Code: 10

Associated Filing Identifier:

Tariff Title: CAISO Rate Schedules

Tariff ID: 12

Payment Confirmation:

Suspension Motion: N

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Rate Schedule No. 75, Dynamic Transfer Agreement Between CAISO and Western-DSR, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 9514

Tariff Record Collation Value: 6987264 Tariff Record Parent Identifier: 0

Proposed Date: 2014-02-05

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

AND

WESTERN AREA POWER ADMINISTRATION DESERT SOUTHWEST REGION

DYNAMIC TRANSFER BALANCING AUTHORITY OPERATING AGREEMENT

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

CAISO - Western DSR, Dynamic Transfer Agreement, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 9515

Tariff Record Collation Value: 8493632 Tariff Record Parent Identifier: 9514

Proposed Date: 2014-02-05

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

DYNAMIC TRANSFER BALANCING AUTHORITY OPERATING AGREEMENT

Executed by

WESTERN AREA POWER ADMINISTRATION

DESERT SOUTHWEST REGION

and

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

This Dynamic Transfer Balancing Authority Operating Agreement (“Agreement”), dated as of _____, 2013, is between the WESTERN AREA POWER ADMINISTRATION DESERT SOUTHWEST REGION (“Western”), having its registered and principal executive office at 615 South 43rd Avenue, Phoenix, Arizona 85009. Western has responsibilities as a Balancing Authority and operates the Western Area Power Administration, Lower Colorado (“WALC”) Balancing Authority area,

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. The CAISO has responsibilities as a Balancing Authority and operates the CAISO Balancing Authority Area.

Western and CAISO are referred to herein individually as a “Party” and collectively as the “Parties”.

Recitals

- A) The Parties named above operate Balancing Authority Areas (“Balancing Authority Areas”).
- B) The CAISO has determined that the pilot Pseudo-Tie Program successfully demonstrated the dynamic transfer of generating resources between adjacent Balancing Authority Areas and that this Agreement, and the associated CAISO Tariff revisions and additions, implement the features of the pilot pseudo-tie program.
- C) The Parties wish to coordinate operation of dynamic transfers to satisfy North American Electric Reliability Corporation (“NERC”) and Western Electricity Coordinating Council (“WECC”) reliability standards and criteria and Good Utility Practice.
- D) The Parties desire to implement an agreement to facilitate dynamic transfers from resources in their respective Balancing Authority Area.
- E) The Parties wish to enter into this Agreement to establish the terms and conditions for the operation of the dynamic transfer functionality to include dynamic schedules and Pseudo-Tie arrangements between the Parties’ Balancing Authority Areas.
- F) This Agreement and the Adjacent Balancing Authority Operating Agreement (“ABAOA”), which is to be executed concurrently with this Agreement between Western and CAISO, shall replace the Interconnected Balancing Authority Area Operating Agreement (“IBAAOA”, Western’s Contract Number 99-DSR-11066). The IBAAOA contained other provisions that are now effectively addressed through the Reliability Standards. The IBAAOA shall be terminated upon the Effective Date of both this Agreement and the ABAOA.
- G) The Parties have certain statutory obligations under NERC and WECC standards and criteria to maintain power system reliability.

The Parties mutually agree as follows:

1. Term and Termination

1.1 Effective Date

This Agreement shall be effective upon acceptance for filing by the Federal Energy Regulatory Commission (“FERC”) pursuant to a filing by the CAISO (the “Effective Date”), and shall continue in effect until terminated.

1.2 Termination

This Agreement may be terminated by either Party upon two (2) years written notice to the other Party or upon mutual consent of both Parties. For entities subject to FERC jurisdiction, termination will be effective upon acceptance by FERC of notice of termination, if this Agreement has been filed with FERC, or two (2) years after the date of the notice of termination by a Party, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders. The CAISO shall timely file any required notice of termination with FERC. The filing of the notice of termination by the CAISO with FERC will be considered timely if: (1) the filing of the notice of termination is made after the preconditions for termination have been met, and the CAISO files the notice of termination with FERC within sixty (60) days after issuance of the notice of termination by a Party; or (2) the CAISO files the notice of termination with FERC in accordance with the requirements of FERC Order No. 2001.

2. Definitions

2.1 NERC Definitions

Except as defined below, terms and expressions used in this Agreement shall have the same meanings as those contained in the NERC Glossary of Terms Used in NERC Reliability Standards.

2.2 Specific Definitions

2.2.1 **Attaining Balancing Authority Area**: The Balancing Authority Area where the output of a Pseudo-Tie generating unit is fully included for purposes of calculation of Area Control Error and meeting Balancing Authority Area load responsibilities.

2.2.2 **CAISO Dynamic Transfer Protocols**: The CAISO's Dynamic Transfer Protocols, which are set forth in Appendix M (Dynamic Scheduling Protocol) and Appendix N (Pseudo-Tie Protocol) of the CAISO Tariff.

2.2.3 **CAISO Tariff**: CAISO Operating Agreement and Tariff, as amended.

- 2.2.4 **Good Utility Practice**: Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry in the WECC region during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.
- 2.2.5 **Native Balancing Authority Area**: The Balancing Authority Area where a Pseudo-Tie generating unit is physically interconnected to the electric grid.
- 2.2.6 **Point of Contact**: A person or entity having the authority to receive and act upon scheduling or dispatch communications from the other Balancing Authority and available through a communications device mutually agreed upon on a 24-hour, 7-day basis.
- 2.2.7 **Pseudo-Tie**: A functionality by which the output and/or auxiliary load of a generating facility is telemetered into the Attaining Balancing Authority Area and the generating facility is under the Attaining Balancing Authority jurisdiction, but where the generating facility is electrically interconnected to transmission within the Native Balancing Authority Area in which it is physically located, as provided for under this Agreement.
- 2.2.8 **Scheduling Coordinator**: An entity certified by the CAISO for the purposes of undertaking the functions of: submitting bids or 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.
- 2.2.9 **System Resource**: "System Resource" is defined in the CAISO Tariff and, in the context of this Agreement, may include combinations of resources as described in the CAISO Dynamic Transfer Protocols.

3. **General**

3.1 **Purpose**

This Agreement sets forth the requirements that must be satisfied by the Parties to support Scheduling Coordinators' and generating unit owners' requests for implementation of dynamic transfer functionality and delivery of energy and energy associated with ancillary services to the respective Balancing Authority Area. The requirements encompass technical (energy management system ("EMS"), automatic generation control ("AGC"), and communications, interchange scheduling, telemetry, and aspects of Balancing Authority Area operations. Nothing in this Agreement is intended to interfere with the rights of an affected transmission owner or transmission operator in the WALC Balancing Authority Area to determine its own terms of service associated with the facilitation of dynamic transfer by WALC.

3.2 **NERC/WECC Operating Standards Observed**

Nothing in this Agreement is intended to change, supersede, or alter either Party's obligations to abide by NERC and WECC reliability standards and policies and WECC criteria.

3.3 **Applicable Standards**

This Agreement incorporates, by reference, the CAISO Dynamic Transfer Protocols and Standards for Imports of Regulation. Where there is an inconsistency between the CAISO's Dynamic Transfer Protocols and Standards for Imports of Regulation and this Agreement, this Agreement will prevail to the extent of the inconsistency.

3.4 **Coordination and Communication**

Each Party operates and maintains, or provides for operation and maintenance on 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 insuring reliable communication in a format to be agreed to by the Parties and completed as of the Effective Date of this Agreement. Each Party shall provide the other Party ten (10) calendar days advance notice of updates to its operational contact information for known changes, and as soon as practical, for unplanned changes.

4. **Dynamic Schedules of Imports and Exports**

Should the Parties elect to support a Scheduling Coordinators' request to implement dynamic scheduling functionality, all applicable operating, technical and business requirements set forth in Appendix M of the CAISO Tariff shall be satisfied, including, but not limited to, the following:

4.1 **Telecommunications Requirements**

The Parties shall establish and maintain real-time, redundant, diversely routed, communications links between the CAISO EMS and the WALC EMS, with the primary link utilizing the standard inter-control center communications protocol ("ICCP") in accordance with the Applicable Standards for the dynamically scheduled resources listed in Schedule 1.

4.2 **Telemetry**

For each operating hour for which a dynamically scheduled resource is delivering energy, and/or energy associated with ancillary services to the receiving Balancing Authority Area, the Host Balancing Authority shall provide, via the ICCP communication links to the receiving Balancing Authority EMS, the data for each dynamically scheduled resource, as set forth in the Applicable Standards.

4.3 **Interchange Scheduling Requirements**

4.3.1 **Dynamic Schedules**

The Parties shall coordinate the arrangements for dynamic interchange schedules for the delivery of energy to the respective Balancing Authority Area reflecting the dynamically scheduled resource's instantaneous energy production or allocation level and taking into account available transmission capacity and, in the case of WALC, the impact of dynamic interchange schedules on transmission owner(s) and transmission operator(s) within the WALC Balancing Authority Area.

4.3.2 **Treatment of Area Control Error ("ACE")**

For Dynamic Scheduling, the Host Balancing Authority shall instantaneously compensate its AGC for the dynamically scheduled resource's energy output that is generated or allocated for establishing the dynamic schedule to the receiving Balancing Authority such that the dynamically scheduled resource energy production or allocation changes

have an equal in magnitude and opposite in sign effect on the Host Balancing Authority's ACE.

4.3.3 Integration of Dynamic Schedules

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

4.3.4 Regulation Obligation

The Host Balancing Authority shall be responsible for regulation obligation for the portion of the dynamically scheduled resource's output not dynamically scheduled into the receiving Balancing Authority Area in accordance with WECC and NERC reliability standards. Dynamic energy deliveries to the receiving Balancing Authorities will be used to determine pro rata allocations of real time deviations applicable to each Balancing Authority that receives the dynamically scheduled generation.

4.3.5 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.

4.3.6 Other Balancing Authority Responsibilities

4.3.6.1 Operational Jurisdiction

The Host Balancing Authority will have, at a minimum, the level of operational jurisdiction over the dynamically scheduled resource and the associated dynamic schedule that NERC and WECC vest in Host Balancing Authorities. Such level of operational jurisdiction shall not exceed that necessary to meet applicable reliability standards.

4.3.6.2 E-Tagging

The Parties must support associated e-tagging as described in the CAISO Dynamic Transfer Protocols and deemed to be consistent with NERC and/or WECC requirements.

4.3.6.3 Real-Time Adjustments

The Host Balancing Authority Area for a dynamically transferred resource must have a means to manually override and/or otherwise adjust the dynamic signal for a dynamic schedule in real-time, if needed.

4.3.6.4 Coordination with Other Balancing Authorities

The Balancing Authority Area hosting a dynamic resource 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 receiving Balancing Authority.

4.4 Other

4.4.1 Losses

The Parties shall not be responsible for transmission losses caused by transmitting energy dynamically within or across the other Parties Balancing Authority Area.

4.4.2 Certification

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

4.4.3 No Guarantee of Award

Certification of a System Resource/Host Balancing Authority arrangement allows for bidding of energy and/or certain ancillary services into the CAISO market; it does not, however, guarantee selection of such bid.

4.4.4 Performance Assessment

The CAISO will monitor and measure dynamically imported ancillary services, whether bid or self-provided, against the performance benchmarks described in the CAISO Dynamic Scheduling Protocol.

4.4.5 Description of System Resources

Each dynamically scheduled System Resource permitted pursuant to this Agreement is described in Schedule 1.

4.4.6 Notifications

The Parties shall jointly develop methods for coordinating the notification of all affected scheduling entities within their respective Balancing Authority Areas regarding schedule changes in emergency or curtailment conditions.

5. Pseudo-Ties

Should the Parties elect to support a Pseudo-Tie generator's request to implement a Pseudo-Tie arrangement, the Parties shall comply with the applicable provisions of the Pseudo-Tie Protocol in Appendix N of the CAISO Tariff, including, but not limited, to the following:

- 5.1 Operation of Pseudo-Tie functionalities must comply with all applicable NERC and WECC reliability standards, policies, requirements, and guidelines regarding inter-Balancing Authority Area scheduling. A Pseudo-Tie must be registered as a Point Of Delivery ("POD") on North American Energy Standards Board's (NAESB's Electric Industry Registry ("EIR"). All (off-system) static scheduling associated with Pseudo-Tie functionality must be consistent with NERC Reliability Standards for interchange scheduling and coordination.
- 5.2 The Parties will establish the terms of any Pseudo-Tie between the two Balancing Authority Areas, will specify the location of that Pseudo-Tie point, and will register that location as a POD to the Attaining Balancing Authority Area.
- 5.3 All energy transfers associated with a Pseudo-Tie generating unit must be electronically tagged (E-tagged).
- 5.4 Unless a particular service is procured by the Pseudo-Tie generator from some other source, the Attaining Balancing Authority shall provide to a Pseudo-Tie generating unit all Balancing Authority services available to other generating units in the Attaining Balancing Authority Area, which may include the auxiliary load equipment needs of the Pseudo-Tie generating unit, provided firm transmission service is reserved across the transmission path from the CAISO Intertie to the Pseudo-Tie generating unit.
- 5.5 The Parties, in conjunction with the affected Participating Transmission Owner, or, in the case of WALC, affected

transmission owner(s) and transmission operator(s) within the WALC Balancing Authority Area and the owner of the Pseudo-Tie generating unit will develop a coordinated operating procedure outlining the agreed upon framework among all parties for the operation of a Pseudo-Tie of the generating unit out of the CAISO Balancing Authority Area, and to facilitate the continued delivery of Energy and Ancillary Services from a Pseudo-Tie generating unit into the CAISO Balancing Authority Area to the desired delivery points in the event the primary contract path is unavailable or curtailed.

- 5.6 All applicable communication and telemetry requirements of the WECC, the CAISO, and a Pseudo-Tie generating unit's Native Balancing Authority Area regarding generating units and inter-Balancing Authority Area Interties must be satisfied. These requirements include the requirements of Appendix M applicable to Dynamic Schedules of imports and the requirements of the CAISO Tariff applicable to generating units in the CAISO Balancing Authority Area.
- 5.7 Proper incorporation of the dynamic signal into all involved Balancing Authority Areas' ACE equations will be required.
- 5.8 Should there be any need or requirement, whether operational or procedural, for the CAISO or the Balancing Authority for the Attaining Balancing Authority Area to make real-time adjustments to the CAISO's inter-Balancing Authority Area schedules at the pre-existing CAISO Intertie associated with the Pseudo-Tie generating unit (including curtailments), the dynamic transfer from the Pseudo-Tie generating unit shall be treated in the same manner as any CAISO Interchange Schedule at that pre-existing CAISO Intertie, and in accordance with any applicable operating instructions from any affected Participating Transmission Owner.
- 5.9 Each Pseudo-Tie generating unit permitted pursuant to this Agreement is described in Schedule 2.

6. **Liability**

6.1 **Uncontrollable Forces**

An Uncontrollable Force means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of a Balancing Authority which could not be avoided through

the exercise of Good Utility Practice.

Neither Party will be considered in default of any obligation under this Agreement or liable to the other for direct, indirect, and consequential damages if prevented from fulfilling that obligation due to the occurrence of an Uncontrollable Force. Neither Party will be considered in default of any obligation under this Agreement to the extent caused by any act, or failure to act, of any intermediary Balancing Authority. In the event of the occurrence of an Uncontrollable Force, which prevents either Party from performing any obligations under this Agreement, the affected entity shall not be entitled to suspend performance of its obligations in any greater scope or for any longer duration than is required by the Uncontrollable Force. The Parties shall each use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligations hereunder.

6.2 Liability To Third Parties

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.

6.3 Liability Between the Parties

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, or 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.

7. Miscellaneous

7.1 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 7.1 shall survive the termination of this Agreement.

7.2 Assignment and Successors

Either Party to this Agreement may assign its obligations under this Agreement, with the other Party's prior written consent. Such consent shall not be unreasonably withheld.

Obligations and liabilities under this Agreement shall be binding on the successors and assigns of the Parties. No assignment of this Agreement shall relieve the assigning Party from any obligation or liability under this Agreement arising or accruing prior to the date of assignment.

7.3 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 3 relating to its address as that information changes. Such updates to Schedule 3 shall not constitute an amendment to this Agreement.

7.4 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.

7.5 Governing Law and Forum

Subject to Section 7.6, 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 or

the laws of the United States, as applicable, 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 or the laws of the United States, as applicable, 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: any federal court of the United States of America located in the State of California or, 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.

7.6 Consistency with Federal Laws and Regulations

- (a) Nothing in this Agreement shall compel any person or federal entity to: (1) violate federal statutes or regulations; or (2) in the case of a federal agency, to exceed its statutory authority, as defined by any applicable federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or federal entity by federal law or regulation to that extent, it shall be inapplicable to that person or federal entity. No person or federal entity shall incur any liability by failing to comply with any provision of this Agreement that is inapplicable to it by reason of being inconsistent with any federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or federal entity shall use its best efforts to comply with the CAISO Tariff to the extent that applicable federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.
- (b) If any provision of this Agreement requiring any person or federal entity to give an indemnity or impose a sanction on any person is unenforceable against a federal entity, the CAISO shall submit to the Secretary of Energy or other appropriate Departmental Secretary a report of any circumstances that would, but for this provision, have rendered a federal entity liable to indemnify any person or incur a sanction and may request the Secretary of Energy or other appropriate Departmental Secretary to take such steps as are necessary to give effect to any provisions of this Agreement that are not enforceable against the federal entity.

7.7 No Warranties or Representations; Disclaimer

All information, including confidential information, provided by a Party ("Providing Party") to the other Party ("Receiving 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.

7.8 Severability

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

7.9 Section Headings

Section headings provided in this Agreement are for ease of reading and are not meant to interpret the text in each Section.

7.10 Amendments

This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that are subject to FERC approval shall not take effect until FERC has accepted such amendments for filing and has made them effective. Nothing contained herein shall be construed as affecting in any way the right of the Parties to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the

Federal Power Act (FPA) and pursuant to FERC's rules and regulations promulgated thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the FPA and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

7.11 Counterparts

This Agreement may be executed in one (1) 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.

7.12 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: _____

Department of Energy,

Western Area Power Administration

By:

Name: _____

Title: _____

Date: _____

SCHEDULE 1
DESCRIPTION OF DYNAMIC SCHEDULING RESOURCES
[Section 4.4.5]

A. Dynamic Scheduling System Resources Into the CAISO Balancing Authority Area

System Resource ID

Description of System Resource(s), including Associated Power Plants

PMax Values This value represents the maximum amount of power that can be scheduled by the System Resource into the CAISO Balancing Authority Area, and is subject to limitation by Congestion on the scheduling path or System Emergencies that could reduce or eliminate the ability to schedule and transfer power from time-to-time.:**SCEHOV_2_HOOVER**

System Resource is associated with the 17 hydro generating units at Hoover Dam and other resources made available by Western Area Power Administration, Lower Colorado (WAPA Lower Colorado) for the integration of Hoover Dam generating units' electric power output.

357 MWCAISO Intertie:WALC Mead 230 kV SubstationHost Balancing Authority Area:WALC Balancing Authority AreaIntermediary Balancing Authority Areas:N/A

B. Dynamic Scheduling System Resources Out of the CAISO Balancing Authority Area

There are no Dynamic Scheduling System Resources out of the CAISO Balancing Authority Area.

SCHEDULE 2
PSEUDO-TIE GENERATING UNIT, PSEUDO TIE Technical Information
NATIVE and ATTAINING BALANCING AUTHORITY AREA Information
[Section 5.9]

A. Pseudo-Tie Into the CAISO Balancing Authority Area

Pseudo Tie Location

Location: Rice, CA. South of State Route 62 in unincorporated northeast Riverside County in the Sonora Desert

Substation: 161-kV Rice Switching Station The Rice Switching Station will initially be operated at 161-kV and will be operated at 230-kV in the future.

Registered TNAME: To Be Determined

Pseudo-Tie Generating Unit**Generating Facility:** Rice Solar Energy Project: Solar Thermal – Steam turbine

Capacity: 172.50 MW

Pmax This value is the unity power factor and represents the maximum amount of power that can be scheduled by the Pseudo-Tie Generating Unit or into the CAISO Balancing Authority Area, and is subject to limitation pursuant to existing contracts regarding transmission service rights on the scheduling path due to System Emergencies, or to provide necessary voltage support, which could temporarily reduce the ability to generate and transfer power to amounts less than Pmax.: 172.50 MW

Resource ID: To Be Determined**Attaining Balancing Authority Area****CAISO Balancing Authority Area****Native Balancing Authority Area****WALC Balancing Authority Area****Intertie**

Intertie IDEldorado – Mead 220 kV
Mead_2_WALC

B. Pseudo-Tie Out of the CAISO Balancing Authority Area

There are no Pseudo-Ties out of the CAISO Balancing Authority Area.

SCHEDULE 3

NOTICES
[Section 7.3]

WALC:

Name of Primary
Representative:
Title:
Company:

Mr. Darren Buck
Operations Manager
Western Area Power Administration

Address: 5555 East Crossroads Boulevard
City/State/Zip Code Loveland, CO 80538
Email Address: DBuck@wapa.gov
Phone: (970) 461-7693
Fax No: (970) 461-7601

Name of Alternative Representative: Mr. Steve Johnson
Title: Supervisory Power System Dispatcher
Company: Western Area Power Administration
Address: 5555 East Crossroads Boulevard
City/State/Zip Code: Loveland, CO 80538
Email Address: Johnsons@wapa.gov
Phone: (970) 461-7451
Fax No: (970) 461-7601

CAISO:

Name of Primary Representative: Regulatory Contracts
Title: N/A
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email address: regulatorycontracts@caiso.com
Phone: (916) 608-7027
Fax: (916) 608-7292

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

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

Document Content(s)

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