February 6 2014 Exceptional Dispatch CPM Designation Report

Designation Summary:

The ISO issued an Exceptional Dispatch CPM designation to HIGH DESERT POWER PROJECT AGGREGATE from February 6 to March 7, 2014. HIGH DESERT POWER PROJECT AGGREGATE unit was designated for 181 MW of capacity for the month of February with a 30-day term under the Exceptional Dispatch CPM provisions of the tariff to address a system reliability need.

Duration and cost:

The following table summarizes the costs of the February 6 – March 7, 2014 Exceptional Dispatch CPM designation:

<table>
<thead>
<tr>
<th>Resource ID</th>
<th>MW</th>
<th>CPM Type</th>
<th>Term (in days)</th>
<th>Estimated Capacity Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIDSRT_2_UNITS</td>
<td>181</td>
<td>Exceptional Disp.</td>
<td>30</td>
<td>$1,159,644</td>
</tr>
</tbody>
</table>

The estimated capacity cost is based on the applicable Monthly CPM Charge. This estimate is based on the price of $67.50/kW-year. The $67.50/kW-year price became effective on February 16, 2012 when FERC issued an order that approved the settlement in the ISO’s CPM proceeding.

TAC area and CPM code:

TAC area: TAC_NORTH+TAC_ECNTR+TAC_SOUTH+TAC_NCNTR
CPM code: SYSEMR

Circumstances of the Exceptional Dispatch CPM:

Due to low gas inventories in the Southern California area on the SoCal Gas and Southwest Gas system, the gas company forced multiple natural gas units in Southern California to reduce their power output and, for some, to be shut off line. This resulted in forced reduction of over 2000 MW of capacity. When we evaluated our system capacity and evening peak load it was determined we would not have enough capacity to meet our load and operating reserve obligations. We decided to issue the ED CPM to High Desert since it was not impacted by the SoCal Gas issues to help meet our operating reserve requirements and avoid going into a Stage 1 Emergency.

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1 The estimated capacity cost is subject to a change in RA status under Tariff section 43.2.5.2.4 and to the availability factor under Tariff section 43.7.1.1.
The engineering analysis considered the generation requirement to ensure acceptable and reliable transmission system condition.

The ISO determined the designation amount for each resource based on the selection criteria listed in ISO Tariff section 43.4. The designation for HIGH DESERT POWER PROJECT AGGREGATE is not expected to be extended beyond the initial 30-day term.

Prior CPM report information is available to download at: