



July 13, 2010

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: **California Independent System Operator Corporation
Filing of Rate Schedule No. 68
Docket No. ER10-_____ -000**

Dear Secretary Bose:

The California Independent System Operator Corporation submits for Commission filing and acceptance the Adjacent Balancing Authority Operating Agreement (“ABAOA”) between the ISO and the Imperial Irrigation District.¹ This agreement sets forth terms for coordination of operations by the ISO and IID as operators of adjacent balancing authority areas, including the terms under which each will provide emergency assistance to the other. The ISO requests a waiver of the 60-day prior notice requirement to allow the agreement to be made effective as of the date of its execution, July 8, 2010.

I. Purpose of the ABAOA

The ABAOA was executed by the ISO and IID to reach a formal agreement regarding the coordination of operations of their adjacent balancing authority areas. The ABAOA particularly sets forth each party’s responsibilities in the event of an emergency potentially affecting the reliable operation of each party’s transmission facilities pursuant to the mandatory reliability standards of the North American Electric Reliability Corporation.

The ABAOA contains provisions addressing the following substantive matters (in the sections of the ABAOA listed below):

- The responsibilities of the parties to cooperate to mitigate operating emergencies, including adhering to reliability criteria and standards, maintaining and sharing emergency plans, and providing emergency assistance (Section 3 and Exhibits B and C);

¹ This filing is submitted 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). The ISO is also sometimes referred to as the CAISO.

- Coordination of emergency action with the appropriate reliability coordinator of the Western Electricity Coordinating Council and the obligation to maintain a control center and to provide contacts for operational communications (Section 4);
- A description of the interconnection points between the ISO and IID balancing authority areas and provisions regarding revenue metering and telemetry (Section 5 and Exhibit A); and
- Provisions for the exchange of confidential information (Section 6.1).

The ABAOA also contains “boilerplate” provisions regarding definitions (Section 1), term and termination (Section 2), amendment of the agreement (Section 6.2), incorporation of attachment (Section 6.3), incorporation of exhibits (Section 6.4), assignment and successors (Section 6.5), notices (Section 6.6 and Attachment No. 1), governing law and forum (Section 6.7), warranties and disclaimers (Section 6.8), liability (Section 6.9), waivers (Section 6.10), and signature authority (Section 6.11).

The provisions of the ABAOA are of immediate significance only to the ISO and IID and are agreed to by the parties. The ISO requests that the Commission accept the ABAOA as filed as Original Rate Schedule FERC No. 68.

II. Effective Date and Request for Waiver of Notice Requirement

The ISO respectfully requests that the ABAOA be made effective as of July 8, 2010, the date of its execution.

The ISO is submitting this filing under Filing Type Code 390, thereby establishing a new “Tariff Identifier,” under which it will be making all its rate schedule filings. (The ISO has already made a baseline filing of its tariff under another Tariff Identifier, and plans to establish a third Tariff Identifier for all its non-conforming service agreement filings.) Thus, the metadata for this filing reflect a proposed effective date of July 13, 2010, the earliest proposed effective date that the eTariff system will accept given that the relevant Tariff Identifier is being established on July 13, 2010. However, the ISO wishes to make it clear that July 8, 2010, is the actual effective date it is requesting for the ABAOA.

To accommodate the foregoing requested effective date, the ISO respectfully requests waiver, pursuant to Section 35.11 of the Commission’s regulations (18 C.F.R. § 35.11), of the 60-day notice requirement contained in Section 35.3 of the Commission’s regulations (18 C.F.R. § 35.3), in order to permit the ABAOA to become effective as of July 8, 2010. Granting the waiver will meet the needs of IID and the ISO, as it is important to reliable operations of the interconnected transmission facilities and to the provisions of emergency

assistance by the parties to be able to rely on the terms of this formal agreement. No harm will result to any entity from the July 8, 2010 effective date for the ABAOA, and the agreement does not result in any increase in rates or charges. Granting the requested waiver, therefore, is appropriate.

III. Expenses

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

IV. Service

The ISO has served copies of this transmittal letter and all attachments on IID, the Public Utilities Commission of the State of California, and the California Energy Commission. In addition, the ISO is posting this transmittal letter and all attachments on the ISO's website.

V. Contents of Filing

Enclosed for filing are each of the following:

- (1) this transmittal letter; and
- (2) the executed ABAOA (Attachment A).

VI. Correspondence

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

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

VII. Conclusion

The ISO respectfully requests that the Commission accept this filing and grant the requested waiver to permit the ABAOA to be effective as of the date requested. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,

/s/ Michael D. Dozier

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**California Independent System Operator Corporation
Original Rate Schedule FERC No. 68**

**Adjacent Balancing Authority Operating Agreement
between
Imperial Irrigation District
and
California Independent System Operator Corporation**

ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT

ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT

Executed by

IMPERIAL IRRIGATION DISTRICT

and

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

This Adjacent Balancing Authority Operating Agreement, (“Agreement”) dated as of JULY 8TH, 2010, is between the IMPERIAL IRRIGATION DISTRICT (“IID”), an irrigation district established pursuant to the laws of the State of California having its registered and principal place of business located at 333 E. Barioni Boulevard, Imperial, California 92251, and the CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION (“CAISO”), a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the CAISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom California 95630. Each is referred to herein as a “Party” and collectively as the “Parties.”

1. **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-001-0 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. Requirement 1 of EOP-001-0, 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. IID has responsibilities as a Balancing Authority and operates the IID Balancing Authority Area.

D) The Parties intend by this Agreement to identify each Party’s responsibility to the other under the Requirements of EOP-001-0 by recognizing the continuing commitment of each Party to the other to cooperate to mitigate operating emergencies.

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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 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 as of the date of execution, provided that the provisions of Section 3.3 and Exhibit Nos. A and B shall not be effective until the later of: (1) the date of execution, or (2) 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; provided, however, IID will cease both to provide and to take any service under this Agreement as of: (i) thirty (30) days after issuance or receipt of an advance written notice of termination, or (ii) the date of the Parties' written consent, regardless of any action or inaction by FERC with respect to any application by the CAISO to terminate this Agreement.

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

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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-001-0 Requirements R2 through R7 and their sub-requirements, as they pertain to Balancing Authorities, which may be revised from time to time.

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 Exhibits B and C to this Agreement. Arrangements for deliveries of emergency capacity or energy transfers shall be through normal operating channels in accordance with Requirement 7.4 of EOP-001-0, as it may be revised from time to time. 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.

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 to each Party’s transmission system 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 insuring reliable communication in a format to be provided by the CAISO and completed as 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 Exhibit A to this Agreement. In the event that new interconnection points are added, or existing points are modified or eliminated, Exhibit 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 Exhibit 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

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as an interconnection agreement between the Parties. Should such an interconnection agreement be desirable, the Parties may negotiate a stand-alone interconnection agreement.

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-001-0, as it may be revised from time to time, are revised or replaced, the Parties shall meet within ninety (90) days of such change 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.

6.3 Attachment: The initial Attachment No. 1 is attached and is incorporated into this Agreement in accordance with its respective terms until superseded by a subsequent attachment by written notice in accordance with its terms. Changes, additions, or modifications to Attachment No. 1 shall be reflected in a new or revised attachment and will be distributed in accordance with its terms. Such changes, additions, or modifications shall not constitute an amendment to this Agreement.

6.4 Exhibits: The initial Exhibits A, B and C are attached and each is incorporated into this Agreement in accordance with its respective terms until superseded by a subsequent exhibit in accordance with Section 6.2 above. Changes, additions, or modifications shall be reflected in new or revised exhibits in accordance with Section 6.2 above.

6.5 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.

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6.6 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 Attachment No. 1 of this Agreement relating to its address as that information changes. Such updates to Attachment No. 1 shall not constitute an amendment to this Agreement.

6.7 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: a court of the State of California or any federal court of the United States of America located in the State of California or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission. 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 the Federal Energy Regulatory Commission.

6.8 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.

6.9 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.

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6.10 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.

6.11 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

Imperial Irrigation District

By

By

Name:

Jim Detmers
Vice President, Operations

Name:

Edward Aghjayan

Title:

Date:

Title:

Interim Assistant General Manager, Energy

Date:

7/8/10

Date:

6/30/2010



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Attachment No. 1

CONTACTS FOR NOTICES
[Sections 6.3 and 6.6]

CAISO:

Name of Primary Representative: Ms. Roni L. Reese
Title: Senior Contracts Analyst
Address: 151 Blue Ravine Road
City/State/Zip Code: Folsom, CA 95630
Email Address: rreese@caiso.com
Phone: (916) 608-7027
Fax No.: (916) 608-7292

Name of Alternate Representative: Christopher J. Sibley
Title: Sr. Contracts Negotiator
Address: 151 Blue Ravine Road
City/State/Zip Code: Folsom, CA 95630
Email Address: csibley@caiso.com
Phone: (916) 608-7030
Fax No.: (916) 608-7292

IID:

Name of Primary Representative: Daniel R. McCann
Title: Assistant Manager System & Trading Operations
Address: 333 E. Barioni Boulevard
City/State/Zip Code: Imperial, CA 92251
Email Address: dmccann@iidenergy.com
Phone: (760) 339-0577
Fax No.: (760) 339-0839

Name of Alternate Representative: Joel P. Fugett
Title: General Superintendent Transmission & Generation Dispatch
Address: 333 E. Barioni
City/State/Zip Code: Imperial CA, 92251
Email Address: jfugett@iidenergy.com
Phone: (760) 339-0566
Fax No.: (760) 339-0767

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

ADJACENT BALANCING AUTHORITY INTERCONNECTION POINTS
[Sections 5.1, 5.2 and 6.4]

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

CAISO and IID have four (4) interconnections comprised of the following:

- Two (2) interconnections with Southern California Edison: 230 kV interconnection at Mirage and the 230 kV interconnection at Devers, and;
- Two (2) interconnections with San Diego Gas & Electric: 230 kV interconnection at Imperial Valley and the 88 kV interconnection at Narrows.

With Southern California Edison (SCE)

Mirage 230 kV Interconnection

- This interconnection comprises the Mirage - Ramon 230 kV line, for which the point of interconnection is the line dead-end structure in position 4 at Mirage Substation.

Devers 230 kV Interconnection

- This interconnection comprises the Coachella Valley – Devers 230 kV line, for which the point of interconnection is Tower 19-1.

With San Diego Gas & Electric Company (SDG&E):

Imperial Valley 230 kV Interconnection

- This interconnection comprises the El Centro – Imperial Valley (IV) 230 kV line. Tie Line (TL) 230S between SDG&E & IID, for which the point of interconnection is the first structure in IV Substation.

Narrows 88 kV Interconnection

- This interconnection comprises the 88kV Tie Line (TL) 800, for which the point of interconnection is pole A-638.

NOTE: This interconnection is “Normally Open” and not operated in parallel. The Narrows 88 kV interconnection is used as an alternate source of power for emergency load transfer only to SDG&E's Borrego Substation or to IID's San Felipe Substation. This interconnection does not include revenue quality metering and telemetry.

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REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

IID has in service revenue quality metering at all interconnection points. The CAISO has in service remote terminal units (RTU) connected to revenue quality metering at all interconnection points which emanate from a common agreed upon source. IID and CAISO metering shall meet any metering standards mutually agreed upon by the Parties for the purpose of operating their adjacent Balancing Authority Areas. IID and the CAISO shall be entitled to witness testing of the involved interconnection metering. Any change or modification to such metering equipment by IID, the CAISO or any other entity shall be coordinated between the Parties. IID 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 Exhibit A. The CAISO shall allow daily, once a day, read-only access by the IID to direct poll revenue data from the interconnection revenue metering in five (5) minute intervals at the metering points identified in this Exhibit A.

IID and the CAISO shall maintain arrangements that ensure that both Parties shall have access to the same real-time data from the points identified in this Exhibit A between their Balancing Authority Area interconnections for the purpose of complying with NERC reliability standards. The Parties understand that each Party wants to obtain MW and MVAR data from interconnection metering, which may include RTUs, at the points identified in this Exhibit A between their Balancing Authority Area interconnections. The Parties agree to allow each other to directly poll real-time data from metering at the interconnection substations under the other Party's operational control as a Balancing Authority. In the event that a second communication port of the 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.

This Exhibit A 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.

EMERGENCY CAPACITY AND ENERGY
[Sections 3.3 and 6.4]

In accordance with EOP-001-0 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 will 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. Such price may be estimated prior to delivery and finalized in the settlement process. IID shall not be required to become a Scheduling Coordinator in the CAISO markets nor to execute the CAISO Scheduling Coordinator Agreement for the limited purpose of implementing this emergency assistance Agreement. The CAISO will establish a separate account for IID for the sole purpose of facilitating the settlement of such emergency assistance. Payment to the CAISO for such emergency assistance will be made in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

The price paid for IID emergency assistance will be at the IID market price for such energy and/or capacity, unless a negotiated price is agreed upon by the Parties, or a price established by the Parties in advance, plus all other charges specified in the IID Open Access Transmission Tariff, applicable to imports into the CAISO Balancing Authority Area. In the event no IID market price for energy or capacity can be identified at the time of the request for emergency assistance and no other settlement price is established prior to the delivery of the emergency energy, 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. Payment to IID for such emergency assistance will be made in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

Nothing in this Agreement shall authorize the CAISO to assess, nor constitute an agreement by IID to pay, CAISO charges when IID uses IID's own entitlements to transmission capacity in the Southwest Powerlink line to receive or provide emergency assistance, provided that in such circumstances IID shall pay the CAISO charges for energy and/or capacity as specified above, subject to the current settlement treatment for this facility in accordance with existing arrangements between IID and San Diego Gas & Electric Company ("SDG&E") as IID's Scheduling Coordinator for this facility, regarding which SDG&E is bound by the provisions of the CAISO Tariff regarding transmission ownership rights of a non-participating transmission

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owner within the CAISO Balancing Authority Area. Nothing in this Agreement shall obligate IID to be bound by CAISO Tariff provisions unless expressly provided for.

This Exhibit 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.

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Exhibit C

**ADJACENT BALANCING AUTHORITY SCHEDULING
Sections 3.3 and 6.4**

The scheduling points for the energy and/or capacity under the terms and conditions of this Agreement shall be as mutually agreed and will include each of the following:

At the Mirage 230 kV interconnection between the IID and CAISO Balancing Authority Areas, the scheduling point is Mirage (Scheduling I.D.: MIR2).

At the Devers 230 kV interconnection between the IID and CAISO Balancing Authority Areas, the scheduling point is Mirage (Scheduling I.D.: DEVERS230).

At the Imperial Valley 230 kV interconnection between the IID and CAISO Balancing Authority Areas, the scheduling point is Imperial Valley (Scheduling I.D.: IVLY2).

This Exhibit C 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.