

ISO-CAISO TARIFF APPENDIX B
Pro Forma Agreements

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CAISO TARIFF APPENDIX B.1
Scheduling Coordinator Agreement

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Appendix B.1

Scheduling Coordinator Agreement

THIS AGREEMENT is made this ____ day of _____, _____ and is entered into, by and between:

- (1) [Full legal name] having a registered or principal executive office at [address] (the “Scheduling Coordinator”)

and

- (2) **CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**, a California nonprofit public benefit Corporation having a principal executive office located at such place in the State of California as the ~~ISO~~ CAISO Governing Board may from time to time designate (the “CAISO”).

Whereas:

- A. The Scheduling Coordinator has applied for certification by the ~~ISO~~ CAISO under the certification procedure referred to in Section 4.5.1 of the ~~ISO~~ CAISO Tariff.
- B. The Scheduling Coordinator wishes to schedule Energy and Ancillary Services on the ~~ISO~~ CAISO Controlled Grid under the terms and conditions set forth in the ~~ISO~~ CAISO Tariff.

NOW IT IS HEREBY AGREED as follows:

CHAPTER 1 DEFINITIONS

Terms and expressions used in this Agreement shall have the same meanings as those contained in the Master Definitions Supplement to the ~~ISO~~ CAISO Tariff.

The “CAISO Tariff” shall mean the ~~ISO~~ CAISO Operating Agreement and Tariff as amended from time to time, together with any Appendices or attachments thereto.

CHAPTER 2 COVENANT OF THE SCHEDULING COORDINATOR

The Scheduling Coordinator agrees that:

the ~~ISO~~ CAISO Tariff governs all aspects of scheduling of Energy and Ancillary Services on the ~~ISO~~ CAISO Controlled Grid, including (without limitation), the financial and technical criteria for Scheduling Coordinators, bidding, settlement, information reporting requirements and confidentiality restrictions;

it will abide by, and will perform all of the obligations under the ~~ISO~~ CAISO Tariff placed on Scheduling Coordinators in respect of all matters set forth therein including, without limitation, all matters relating to the scheduling of Energy and Ancillary Services on the ~~ISO~~ CAISO Controlled Grid, ongoing obligations in respect of scheduling, Settlement, system security policy and

procedures to be developed by the ~~ISO~~ CAISO from time to time, billing and payments, confidentiality and dispute resolution;

it shall ensure that each UDC, over whose Distribution System Energy or Ancillary Services are to be transmitted in accordance with ~~Schedules, Adjustment Bids or bids for Ancillary Services~~ submitted to the ~~ISO~~ CAISO by the Scheduling Coordinator, enters into a UDC operating agreement in accordance with Section 4.4 of the ~~ISO~~ CAISO Tariff;

it shall ensure that each Generator for which it ~~schedules bids enter Energy or on whose behalf it submits to the ISO Adjustment Bids or bids for Ancillary Services enters~~ into a Generator agreement in accordance with Section 4.6 of the ~~ISO~~ CAISO Tariff;

it shall have the primary responsibility to the ~~ISO~~ CAISO, as principal, for all Scheduling Coordinator payment obligations under the ~~ISO~~ CAISO Tariff;

its status as a Scheduling Coordinator is at all times subject to the ~~ISO~~ CAISO Tariff.

CHAPTER 3 TERM AND TERMINATION

3.1 This Agreement shall commence on the later of (a) _____ or (b) the date the Scheduling Coordinator is certified by the ~~ISO~~ CAISO as a Scheduling Coordinator.

3.2 This Agreement shall terminate upon acceptance by FERC of a notice of termination. The ~~ISO~~ CAISO Shall timely file any notice of termination with FERC.

CHAPTER 4 ASSIGNMENT

Either party may assign its obligations under this Agreement with the other party's consent, such consent shall not to be unreasonably withheld.

PARTIAL INVALIDITY

If any provision of this Agreement, or the application of such provision to any persons, circumstance or transaction, shall be held invalid, the remainder of this Agreement, or the application of such provision to other persons or circumstances or transactions, shall not be affected thereby.

CHAPTER 5 SETTLEMENT ACCOUNT

The Scheduling Coordinator shall maintain at all times an account with a bank capable of Fed-Wire transfer to which credits or debits shall be made in accordance with the billing and Settlement provisions of Section 11 of the ~~ISO~~ CAISO Tariff. Such account shall be the account referred to in Clause 7 hereof or as notified by the Scheduling Coordinator to the ~~ISO~~ CAISO from time to time by giving at least 7 days written notice before the new account becomes operational.

CHAPTER 6 NOTICES

Any notice, demand or request made to or by either party regarding this Agreement shall be made in accordance with the ~~ISO~~ CAISO Tariff and unless otherwise stated or agreed shall be made to the representative of the other party indicated below.

[CAISO](#):

Name of Primary Representative: _____

Name of Alternative Representative: _____

Address: _____

State: _____ Zip Code: _____

E-Mail Address: _____

Phone No: _____

Fax No: _____

Scheduling Coordinator:

Name of Primary Representative: _____

Name of Alternative Representative: _____

Address: _____

State: _____ Zip Code: _____

E-Mail Address: _____

Phone No: _____

Fax No: _____

Settlement Account No: _____

Title: _____

Sort Code: _____

Bank: _____

8. **Agreement to be bound by ~~ISO~~ CAISO Tariff.**

The ~~ISO~~ CAISO Tariff is incorporated herein and made a part hereof. In the event of a conflict between the terms and conditions of this Agreement and any other terms and conditions set forth in the ~~ISO~~ CAISO Tariff, the terms and conditions of the ~~ISO~~ CAISO Tariff shall prevail.

9. **Electronic Contracting.**

All submitted applications, schedules, bids, confirmations, changes to information on file with the ~~ISO~~ CAISO and other communications conducted via electronic transfer (e.g. direct computer link, FTP file transfer, bulletin board, e-mail, facsimile or any other means established by the CAISO) shall have the same legal rights, responsibilities, obligations and other implications as set forth in the terms and conditions of the ~~ISO~~ CAISO Tariff as if executed in written format.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials.

CAISO:

By: _____
Name Title Date

Scheduling Coordinator:

By: _____
Name Title Date

CAISO TARIFF APPENDIX B.2
Participating Generator Agreement

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CALIFORNIA INDEPENDENT SYSTEM OPERATOR

AND

[PARTICIPATING GENERATOR]

PARTICIPATING GENERATOR AGREEMENT

PARTICIPATING GENERATOR AGREEMENT (PGA)

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

- (1) **[Full Legal Name]** having its registered and principal place of business located at **[Address]** (the "Participating Generator");

and

- (2) **California Independent System Operator Corporation**, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the ISO-CAISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (the "CAISO").

The Participating Generator and the ISO-CAISO are hereinafter referred to as the "Parties".

Whereas:

- A.** The ISO-CAISO Tariff provides that the ISO-CAISO shall not schedule Energy or Ancillary Services generated by any Generating Unit interconnected to the ISO-CAISO Controlled Grid, or to the Distribution System of a Participating TO or of a UDC otherwise than through a Scheduling Coordinator.
- B.** The ISO-CAISO Tariff further provides that the ISO-CAISO shall not be obliged to accept ~~Schedules or Adjustment Bids or bids for Ancillary Services~~Bids relating to Generation from any Generating Unit interconnected to the ISO-CAISO Controlled Grid unless the relevant Generator undertakes in writing to the ISO-CAISO to comply with all applicable provisions of the ISO-CAISO Tariff.
- C.** The Participating Generator wishes to be able to ~~Schedule Energy and to submit Adjustment Bids, Supplemental Energy bids and bids for Ancillary Services~~submit Bids to the ISO-CAISO through a Scheduling Coordinator and, therefore, wishes to undertake to the ISO-CAISO that it will comply with the applicable provisions of the ISO-CAISO Tariff.
- D.** The Parties are entering into this Agreement in order to establish the terms and conditions on which the ISO-CAISO and the Participating Generator will discharge their respective duties and responsibilities under the ISO-CAISO Tariff.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Master Definitions Supplement. All terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the ~~ISO~~ CAISO Tariff.

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

- (a) if there is any inconsistency between this Agreement and the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO Tariff will prevail to the extent of the inconsistency;
- (b) the singular shall include the plural and vice versa;
- (c) the masculine shall include the feminine and neutral and vice versa;
- (d) “includes” or “including” shall mean “including without limitation”;
- (e) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year; and
- (k) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

ARTICLE II

ACKNOWLEDGEMENTS OF PARTICIPATING GENERATOR AND CAISO

- 2.1 CAISO Responsibility.** The Parties acknowledge that the ~~ISO~~ CAISO is responsible for the efficient use and reliable operation of the ~~ISO~~ CAISO Controlled Grid consistent with achievement of planning and operating reserve criteria no less stringent than those established by the Western Systems Coordinating Council and the North American Electric Reliability Council and further acknowledges that the ~~ISO~~ CAISO may not be able to satisfy fully these responsibilities if the Participating Generator fails to fully comply with all of its obligations under this Agreement and the ~~ISO~~ CAISO Tariff.
- 2.2 Scope of Application to Parties.** The Participating Generator and ~~ISO~~ CAISO acknowledge that all Generators, except those specified in Section 2.2.1 of this Agreement, wishing to ~~schedule Energy and to submit Adjustment Bids, Supplemental Energy bids and bids for Ancillary Services~~ submit Bids to the ~~ISO~~ CAISO through a Scheduling Coordinator must sign this Agreement in accordance with Section ~~5.4.6~~ of the ~~ISO~~ CAISO Tariff.
- 2.2.1 Exemption for Certain Generators.** The Generator with an existing power purchase agreement with a UDC is not required to sign a Participating Generator Agreement if: (a) the Generator sells all of its Energy (excluding any Energy consumed by auxiliary load equipment electrically connected to that Generator at the same point) and Ancillary Services to the UDC; (b) the Generator sells any Energy through "over the fence" arrangements as authorized under Section 218(b) of the California Public Utilities Code; or (c) the Generator employs landfill gas technology for the generation of electricity as authorized under 218(c) of the California Public Utilities Code. With respect to subsections (a) and (b), an existing power purchase agreement shall mean an agreement which has been entered into and is effective as of December 20, 1995. With respect to subsection (c), an existing power purchase agreement shall mean an agreement which has been entered into and is effective as of December 31, 1996.

ARTICLE III

TERM AND TERMINATION

- 3.1 Effective Date.** This Agreement shall be effective as of the later of the date it is executed by the Parties or the date accepted for filing and made effective by FERC, and shall remain in full force and effect until terminated pursuant to Section 3.2 of this Agreement.
- 3.2 Termination**
- 3.2.1 Termination by CAISO.** Subject to Section 5.2, the ~~ISO~~ CAISO may terminate this Agreement by giving written notice of termination in the event that the Participating Generator commits any material default under this Agreement and/or the ~~ISO~~ CAISO Tariff which, if capable of being remedied, is not remedied within thirty (30) days after the ~~ISO~~ CAISO has given, to the Participating Generator, written notice of the default, unless excused by reason of Uncontrollable Forces in accordance with Article

X of this Agreement. With respect to any notice of termination given pursuant to this Section, the ~~ISO-CAISO~~ must file a timely notice of termination with FERC. The filing of the notice of termination by the ~~ISO-CAISO~~ will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO-CAISO~~ files the notice of termination within 30 days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such a notice of termination.

- 3.2.2 Termination by Participating Generator.** In the event that the Participating Generator no longer wishes to ~~schedule Energy or provide Ancillary Services through a Scheduling Coordinator over the submit Bids and transmit Energy over the~~ ~~ISO-CAISO~~ Controlled Grid, it may terminate this Agreement, on giving the ~~ISO-CAISO~~ ninety (90) days written notice, provided, however, that in accordance with Section 4.1.3, the Participating Generator may modify Schedule 1 to eliminate Generating Units which it no longer owns or no longer has contractual entitlement to and such modification shall be effective upon receipt by the ~~CAISO~~. With respect to any notice of termination given pursuant to this Section, the ~~ISO-CAISO~~ must file a timely notice of termination with FERC. The filing of the notice of termination by the ~~ISO-CAISO~~ will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO-CAISO~~ files the notice of termination within 30 days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such a notice of termination.

ARTICLE IV

GENERAL TERMS AND CONDITIONS

4.1 Generating Units

- 4.1.1 Identification of Generating Units.** The Participating Generator has identified the Generating Units that it owns, operates or has a contractual entitlement to in Schedule 1, as required by Section ~~4.6.45.3~~ of the ~~ISO-CAISO~~ Tariff.
- 4.1.2 Technical Characteristics.** The Participating Generator has provided to the ~~ISO-CAISO~~ in Schedule 1 the required information regarding the capacity and operating characteristics of each of the Generating Units listed in that schedule. Pursuant to Section 8.10.4 of the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ may verify, inspect and test the capacity and operating characteristics provided in Schedule 1.
- 4.1.3 Notification of Changes.** Sixty (60) days prior to changing any technical information in Schedule 1, the Participating Generator shall notify the ~~ISO-CAISO~~ of the proposed changes. Pursuant to Section 8.10.4 of the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ may verify, inspect and test the capacity and operating characteristics provided in the revised Schedule 1. The ~~ISO-CAISO~~ shall post on the ~~ISO-CAISO Home Page Website~~ a schedule showing, for at least one year in advance: (i) the proposed dates on which the ~~ISO-CAISO's~~ Master File will be updated, which dates shall occur at least every three months; (ii) the dates on which the information contained in the revised Master File will become effective; and (iii) the deadlines by which changed technical information must be submitted to the ~~ISO-CAISO~~ in order to be tested and included in the next scheduled update of the ~~ISO-CAISO's~~ Master File. Unless the Participating Generator fails to test at the values in the proposed change(s), the change will become effective upon the effective date for the next scheduled update of the Master File, provided the Participating

Generator submits the changed information by the applicable deadline and is tested by the deadline. Subject to such notification this Agreement shall not apply to any generating unit identified in Schedule 1 which the Participating Generator no longer owns or no longer has contractual entitlement to.

4.2 Agreement Subject to ~~ISO~~ CAISO Tariff. The Parties will comply with all applicable provisions of the ~~ISO~~ CAISO Tariff, ~~including Sections 7.4, 8.2.3.4 and 4.6.~~ This Agreement shall be subject to the ~~ISO~~ CAISO Tariff which shall be deemed to be incorporated herein.

4.3 Obligations Relating to Ancillary Services

4.3.1 Submission of Bids. When the Scheduling Coordinator on behalf of the Participating Generator submits a ~~bid for Ancillary Services~~ Bid, the Participating Generator will, by the operation of this Section 4.3.1, warrant to the ~~ISO~~ CAISO that it has the capability to provide that service in accordance with the ~~ISO~~ CAISO Tariff and that it will comply with ~~ISO~~ CAISO Dispatch instructions for the provision of the service in accordance with the ~~ISO~~ CAISO Tariff.

4.3.2 Certification. Except as provided in Section 4.3.3, the Participating Generator shall not use a Scheduling Coordinator to submit a bid for the provision of an Ancillary Service or submit a schedule for the self provision of an Ancillary Service unless the Scheduling Coordinator serving that Participating Generator is in possession of a current certificate pursuant to Sections 8.4 and ~~8.409~~ of the ~~ISO~~ CAISO Tariff.

4.3.3 Initial Exemption. Not later than November 1, 1998, the ~~ISO~~ CAISO shall fully implement its certification process in accordance with ~~Sections 8.4 and 8.10 of the ISO~~ this CAISO Tariff. Until full implementation of the certification process and notification of the Participating Generator and its Scheduling Coordinator of the completion of such process, the non-certified Scheduling Coordinator on behalf of a Participating Generator may submit a bid for the provision of an Ancillary Service or submit a schedule for the self provision of an Ancillary Service. Upon timely notification by the ~~ISO~~ CAISO, the Participating Generator must complete the certification process prior to November 1, 1998 to continue its participation in accordance with Section 4.6.7.3 of this Agreement.

4.4 Obligations relating to Major Incidents

4.4.1 Major Incident Reports. The Participating Generator shall promptly provide such information as the ~~ISO~~ CAISO may reasonably request in relation to major incidents, in accordance with Section ~~5.8.3 4.6.7.3~~ of the ~~ISO~~ CAISO Tariff.

ARTICLE V

PENALTIES AND SANCTIONS

5.1 Penalties. If the Participating Generator fails to comply with any provisions of this Agreement, the ~~ISO~~ CAISO shall be entitled to impose penalties and sanctions on the Participating Generator. No penalties or sanctions may be imposed under this Agreement unless a Schedule providing for such penalties or sanctions has first been filed with and made effective by FERC. Nothing in the Agreement, with the exception of the provisions relating to ADR, shall be construed as waiving the rights of the Participating Generator to oppose or protest any penalty proposed by the ~~ISO~~ CAISO to the

FERC or the specific imposition by the ~~ISO-CAISO~~ of any FERC-approved penalty on the Participating Generator.

- 5.2 Corrective Measures.** If the Participating Generator fails to meet or maintain the requirements set forth in this Agreement and/or the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ shall be permitted to take any of the measures, contained or referenced in the ~~ISO-CAISO~~ Tariff, which the ~~ISO-CAISO~~ deems to be necessary to correct the situation.

ARTICLE VI

COSTS

- 6.1 Operating and Maintenance Costs.** The Participating Generator shall be responsible for all its costs incurred in connection with operating and maintaining the Generating Units identified in Schedule 1 for the purpose of meeting its obligations under this Agreement.

ARTICLE VII

DISPUTE RESOLUTION

- 7.1 Dispute Resolution.** The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall adhere to the ~~ISO-CAISO~~ ADR Procedures set forth in Section 13 of the ~~ISO-CAISO~~ Tariff, which is incorporated by reference, except that any reference in Section 13 of the ~~ISO-CAISO~~ Tariff to Market Participants shall be read as a reference to the Participating Generator and references to the ~~ISO-CAISO~~ Tariff shall be read as references to this Agreement.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES

- 8.1 Representation and Warranties.** Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.
- 8.2 Necessary Approvals.** The Participating Generator represents that all necessary leases, approvals, permits, licenses, easements, rights of way or access to install, own and/or operate its Generating Units have been or will be obtained by the Participating Generator prior to the effective date of this Agreement.

ARTICLE IX

LIABILITY

- 9.1 Liability.** The provisions of Section 14 of the ~~ISO~~ CAISO Tariff will apply to liability arising under this Agreement, except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as references to the Participating Generator and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLE X

UNCONTROLLABLE FORCES

- 10.1 Uncontrollable Forces Tariff Provisions.** Section 14 of the ~~ISO~~ CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as a reference to the Participating Generator and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLE XI

MISCELLANEOUS

- 11.1 Assignments.** Either Party may assign or transfer any or all of its rights and/or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the ~~ISO~~ CAISO Tariff. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.
- 11.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the ~~ISO~~ CAISO Tariff. A Party must update the information in Schedule 3 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.
- 11.3 Waivers.** Any waivers 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 other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 11.4 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 its conflict of law provisions. The Parties irrevocably consents that any legal action or proceeding arising under or relating to this Agreement to which the ~~ISO~~ CAISO ADR Procedures

do not apply, shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.

- 11.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the ~~ISO~~ CAISO Tariff as if the references to the ~~ISO~~ CAISO Tariff were referring to this Agreement.
- 11.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 11.7 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.
- 11.8 Section Headings.** Section headings provided in this Agreement are for ease of reading and are not meant to interpret the text in each Section.
- 11.9 Amendments.** This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. If the amendment does not require FERC approval, the amendment will be filed with FERC for information.
- 11.10 Counterparts.** This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.

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

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

[NAME OF PARTICIPATING GENERATOR]

By: _____

Name: _____

Title: _____

Date: _____

[The following page is a placeholder for Schedule 1, Section 1.]

The following page is a placeholder for Schedule 1, Section 2.

SCHEDULE 2

CAISO IMPOSED PENALTIES AND SANCTIONS

Section 4.6.1

TO BE INSERTED UPON FERC APPROVAL

SCHEDULE 3

NOTICES

Section 10.2

Participating Generator

Name of Primary

Representative: _____

Title: _____

Company: _____

Address: _____

City/State/Zip Code: _____

Email Address: _____

Phone: _____

Fax No: _____

Name of Alternative

Representative: _____

Title: _____

Company: _____

Address: _____

City/State/Zip Code: _____

Email Address: _____

Phone: _____

Fax No: _____

Name of Primary

Representative: _____

Title: _____

Address: _____

City/State/Zip Code: _____

Email Address: _____

Phone: _____

Fax No: _____

Name of Alternative

Representative: _____

Title: _____

Address: _____

City/State/Zip Code: _____

Email Address: _____

Phone: _____

Fax No: _____

CAISO TARIFF APPENDIX B.3

Qualifying Facility Participating Generator Agreement

CALIFORNIA INDEPENDENT SYSTEM OPERATOR

AND

[name of QF PARTICIPATING GENERATOR]

QUALIFYING FACILITY PARTICIPATING GENERATOR AGREEMENT

QUALIFYING FACILITY PARTICIPATING GENERATOR AGREEMENT (QF PGA)

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

- (3) **[Full Legal Name]**, having its registered and principal place of business located at **[Address]** (the "Participating Generator");

and

- (4) **California Independent System Operator Corporation**, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the ~~ISO~~ CAISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (the "CAISO").

The Participating Generator and the ~~ISO~~ CAISO are hereinafter referred to as the "Parties".

Whereas:

- A.** The ~~ISO~~ CAISO Tariff provides that the ~~ISO~~ CAISO shall not ~~schedule Energy or Ancillary Services generated by any Generating Unit interconnected~~ submit Bids to the ~~ISO~~ CAISO Controlled Grid, or to the Distribution System of a Participating TO or of a UDC or MSS Operator otherwise than through a Scheduling Coordinator.
- B.** The ~~ISO~~ CAISO Tariff further provides that the ~~ISO~~ CAISO shall not be obliged to accept ~~Schedules or Adjustment Bids or bids for Ancillary Services~~ Bids relating to Generation from any Generating Unit interconnected to the ~~ISO~~ CAISO Controlled Grid unless the relevant Generator undertakes in writing to the ~~ISO~~ CAISO to comply with all applicable provisions of the ~~ISO~~ CAISO Tariff.
- C.** The Participating Generator wishes to be able to ~~Schedule Energy and to~~ submit ~~Adjustment~~ Bids, ~~Supplemental Energy bids and bids for Ancillary Services~~ from a Qualifying Facility Net Scheduled QF to the ~~ISO~~ CAISO through a Scheduling Coordinator and, therefore, wishes to undertake to the ~~ISO~~ CAISO that it will comply with the applicable provisions of the ~~ISO~~ CAISO Tariff, except as otherwise specified in this Agreement.
- D.** It is the intent of the Parties that this Agreement will harmonize the special operational characteristics of the Participating Generator's Qualifying Facility with the ~~ISO~~ CAISO's Grid operation function. Nothing in this Agreement is intended to limit or restrict the rights of the Participating Generator under Section 4.6.3.2 of the ~~ISO~~ CAISO Tariff.
- E.** The Parties are entering into this Agreement in order to establish the terms and conditions on which the ~~ISO~~ CAISO and the Participating Generator will discharge their respective duties and responsibilities under the ~~ISO~~ CAISO Tariff.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Master Definitions Supplement. Unless defined in this Agreement, all capitalized terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the ~~ISO~~ CAISO Tariff.

Special Definitions for this Agreement. In this Agreement, the following words and expressions shall have the meanings set forth below:

"Existing QF Contract" means an agreement for the sale of capacity, Energy, and/or Ancillary Services by the Participating Generator to an electric utility from a Qualifying Facility that became effective on or prior to December 20, 1995 or, in the case of a Participating Generator employing landfill gas technology, on or prior to December 31, 1996.

"Net Scheduled QF" means the Qualifying Facility identified in Schedule 1 of this Agreement operated as a single unit such that the Energy scheduled with the ~~ISO~~ CAISO is the net value of the aggregate electrical net output of the Qualifying Facility and the Self-provided Load.

"Point of Demarcation" means the point: (1) where the Participating Generator's electrical conductors contact an electric utility system or the ~~ISO~~ CAISO Controlled Grid; or (2) if dedicated utility distribution facilities are employed, where the dedicated facilities contact the electric utility system or the ~~ISO~~ CAISO Controlled Grid.

"Qualifying Facility" (QF) means a qualifying cogeneration facility or qualifying small power production facility, as defined in the Code of Federal Regulations, Title 18, Part 292 (18 C.F.R. § 292).

"Self-provided Load" means the portion of Load that is served by the Net Scheduled QF listed in Schedule 1 consistent with Section 218(b) of the California Public Utilities Code.

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

- (a) if there is any inconsistency between this Agreement and the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO Tariff will prevail to the extent of the inconsistency, except as expressly provided otherwise in this Agreement;
- (b) the singular shall include the plural and vice versa;
- (c) the masculine shall include the feminine and neutral and vice versa;
- (d) “includes” or “including” shall mean “including without limitation”;
- (e) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year; and
- (l) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

ARTICLE II

ACKNOWLEDGEMENTS OF PARTICIPATING GENERATOR AND CAISO

- 2.1 CAISO Responsibility.** The Parties acknowledge that the ~~ISO~~ CAISO is responsible for the efficient use and reliable operation of the ~~ISO~~ CAISO Controlled Grid consistent with achievement of planning and operating reserve criteria no less stringent than those established by the Western Electricity Coordinating Council and the North American Electric Reliability Council and further acknowledges that the CAISO

may not be able to satisfy fully these responsibilities if the Participating Generator fails to fully comply with all of its obligations under this Agreement.

2.2 Scope of Application to Parties. The Participating Generator and ~~ISO~~ **CAISO** acknowledge that all Qualifying Facility Generators, except those specified in Section 2.2.1 of this Agreement, wishing to ~~schedule Energy and to submit Adjustment Bids, Supplemental Energy bids and bids for Ancillary Services~~ to the ~~ISO~~ **CAISO** through a Scheduling Coordinator shall first execute this Agreement or the standard Participating Generator Agreement applicable to non-QF Generators. The Parties acknowledge that execution of this Agreement by the Participating Generator satisfies the requirement of a written agreement as set forth in Section 4.6 of the ~~ISO~~ **CAISO** Tariff.

2.2.1 Exemption for Certain Generators. The Generator with a Net Scheduled QF with an existing power purchase agreement with a UDC is not required to sign a QF Participating Generator Agreement if: (a) the Generator sells all of its Energy (excluding any Energy consumed by auxiliary load equipment electrically connected to that Generator at the same point) and Ancillary Services to the UDC; (b) the Generator sells any Energy through "over the fence" arrangements as authorized under Section 218(b) of the California Public Utilities Code; or (c) the Generator employs landfill gas technology for the generation of electricity as authorized under 218(c) of the California Public Utilities Code. With respect to subsections (a) and (b), an existing power purchase agreement shall mean an agreement which has been entered into and is effective as of December 20, 1995. With respect to subsection (c), an existing power purchase agreement shall mean an agreement which has been entered into and is effective as of December 31, 1996.

ARTICLE III

TERM AND TERMINATION

3.1 Effective Date. This Agreement shall remain in full force and effect until terminated pursuant to Section 3.2 of this Agreement and shall be effective as of the later of: (1) the date the Agreement is executed by the Parties; or (2) where the Participating Generator is a party to an existing Participating Generator Agreement, the date upon which termination of the existing Participating Generator Agreement is accepted for filing and made effective by FERC; or (3) where the Participating Generator is a party to an existing Participating Generator Agreement and this Agreement is required to be filed with FERC for acceptance, the later of the date upon which termination of the existing Participating Generator Agreement is accepted for filing and made effective by FERC, or the date this Agreement is accepted for filing and made effective by FERC.

3.2 Termination

3.2.1 Termination by **CAISO.** Subject to Section 5.2, the ~~ISO~~ **CAISO** may terminate this Agreement by giving written notice of termination in the event that the Participating Generator commits any material default under this Agreement and/or the ~~ISO~~ **CAISO** Tariff which, if capable of being remedied, is not remedied within thirty (30) days after the ~~ISO~~ **CAISO** has given, to the Participating Generator, written notice of the default, unless excused by reason of Uncontrollable Forces in accordance with Article X of this Agreement. With respect to any notice of termination given pursuant to this Section, the ~~ISO~~ **CAISO** must file a timely notice of termination with FERC. The filing of the notice of termination by the

CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO~~ CAISO files the notice of termination within 30 days after receipt of such request. This Agreement shall terminate upon acceptance by FERC of such a notice of termination.

- 3.2.2 Termination by Participating Generator.** In the event that the Participating Generator no longer wishes to schedule Energy or provide Ancillary Services through a Scheduling Coordinator over the ~~ISO~~ CAISO Controlled Grid, it may terminate this Agreement, on giving the ~~ISO~~ CAISO ninety (90) days written notice, provided, however, that in accordance with Section 4.1.3, the Participating Generator may modify Schedule 1 to eliminate generating resources which it no longer owns or no longer has contractual entitlement to and such modification shall be effective upon receipt by the CAISO. With respect to any notice of termination given pursuant to this Section, the ~~ISO~~ CAISO must file a timely notice of termination with FERC. The filing of the notice of termination by the ~~ISO~~ CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO~~ CAISO files the notice of termination within 30 days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such a notice of termination.

ARTICLE IV

GENERAL TERMS AND CONDITIONS

4.1 Net Scheduled QFs

- 4.1.1 Identification of Net Scheduled QF.** The Participating Generator has identified the Net Scheduled QF that it owns, operates or has a contractual entitlement to, in Schedule 1, as required by Section 4.6.4 of the ~~ISO~~ CAISO Tariff.
- 4.1.2 Technical Characteristics.** The Participating Generator shall provide to the ~~ISO~~ CAISO the required information regarding operating contacts, rated capacity, and operating characteristics of the Net Scheduled QF. Pursuant to Section 8.10.4 of the ~~ISO~~ CAISO Tariff, and the Existing QF Contract, if any, associated with that Net Scheduled QF, the ~~ISO~~ CAISO may verify, inspect and test the capacity and operating characteristics of the Net Scheduled QF. The performance of such inspection or test shall be conducted at a time mutually agreed upon by the Parties, which agreement shall not unreasonably be withheld.
- 4.1.3 Notification of Changes.** Sixty (60) days prior to changing any technical information in Schedule 1, the Participating Generator shall notify the ~~ISO~~ CAISO of the proposed changes. Pursuant to Section 8.10.4 of the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO may verify, inspect and test the capacity and operating characteristics; provided that the performance of such inspection or test is conducted at a time mutually agreed upon by the Parties, which agreement shall not unreasonably be withheld. The ~~ISO~~ CAISO shall post on the ~~ISO~~ CAISO Home Page Website a schedule showing, for at least one year in advance: (i) the proposed dates on which the ~~ISO~~ CAISO's Master File will be updated, which dates shall occur at least every three months; (ii) the dates on which the information contained in the revised Master File will become effective; and (iii) the deadlines by which changed technical information must be submitted to the ~~ISO~~ CAISO in order to be tested and included in the next scheduled update of the ~~ISO~~ CAISO's Master File.

Unless the Participating Generator fails to test at the values in the proposed change(s), the change will become effective upon the effective date for the next scheduled update of the Master File, provided the Participating Generator submits the changed information by the applicable deadline. Subject to such notification this Agreement shall not apply to any Net Scheduled QF identified in Schedule 1 which the Participating Generator no longer owns nor has contractual entitlement.

4.2 Agreement Subject to ~~ISO~~ CAISO Tariff. The Parties will comply with all applicable provisions of the ~~ISO~~ CAISO Tariff, ~~including Sections 7.4, 8.2.3.4 and 4.6~~ except as expressly provided in Sections 4.2.1 through 4.2.5 of this Agreement.

4.2.1 Net Generation Metering. Notwithstanding Sections 10.1.3 of the ~~ISO~~ CAISO Tariff, the Participating Generator may net the value for the Generation produced by each Net Scheduled QF listed in Schedule 1 and the value for the Demand of the Self-provided Load that is (i) served by the Net Scheduled QF and (ii) electrically located on the same side of the Point of Demarcation.

4.2.2 Meter and Telemetry Location. The Participating Generator may satisfy the provisions of the ~~ISO~~ CAISO Tariff for the installation of meters and telemetry by installing at the Point of Demarcation meters and telemetry for the purpose of recording the net impact of the Net Scheduled QF upon the CAISO-Controlled Grid; provided that the installed meters and telemetry satisfy the technical functional and performance requirements for meters and telemetry set forth in the ~~ISO~~ CAISO Tariff.

4.2.3 Scheduling, Billing and Settlement. For scheduling, billing, and settlement purposes regarding Net Scheduled QF Self-provided Load, measurements shall be made at the Point of Demarcation.

4.2.4 Operating Limitations. Net Scheduled QF operating limitations shall be set forth in Schedule 1 of this Agreement, the resource data template used for transmittal of Participating Generator technical data to the ~~ISO~~ CAISO pursuant to the ~~ISO~~ CAISO Tariff, or as otherwise mutually agreed to by the Parties.

4.2.5 Limitations on ~~ISO~~ CAISO Operating Orders. The ~~ISO~~ CAISO will not knowingly issue an operating order that: (1) requires the Participating Generator to reduce its Generation below the delineated minimum operating limit, other than in a System Emergency; (2) conflicts with operating instructions provided by the Participating Generator; or (3) results in damage to the Participating Generator's equipment, provided that any such equipment limitation has been provided to the ~~ISO~~ CAISO and incorporated in the Participating Generator's operating instructions to the CAISO. If the Participating Generator: (1) receives a ~~Final~~ Schedule which requires operation below the minimum operating limit, and (2) deviates from that ~~Final~~ Schedule to continue to operate at the minimum operating limit, it will not be subject to any penalties or sanctions as a result of operating at the minimum operating limit. The Participating Generator's consequences for deviating from ~~Final~~ Schedules in ~~Real-Time~~ will be governed by the ~~ISO~~ CAISO Tariff.

4.3 Obligations Relating to Ancillary Services

4.3.1 Submission of Bids. When the Scheduling Coordinator on behalf of the Participating Generator submits a ~~bid-Bid~~ for Ancillary Services, the Participating Generator will, by the operation of this Section 4.3.1, warrant to the ~~ISO~~ CAISO that it has the capability to provide that service in accordance with the ~~ISO~~ CAISO Tariff and that it will comply with ~~ISO~~ CAISO Dispatch ~~I~~nstructions for the provision of the service in accordance with the ~~ISO~~ CAISO Tariff.

4.3.2 Certification. The Participating Generator shall not use a Scheduling Coordinator to submit a ~~bid~~Bid for the provision of an Ancillary Service or submit a schedule for the self provision of an Ancillary Service unless the Scheduling Coordinator serving that Participating Generator is in possession of a current certificate pursuant to Sections 8.4 and 8.409 of the ~~ISO~~ CAISO Tariff.

4.4 Obligations relating to Major Incidents

4.4.1 Major Incident Reports. The Participating Generator shall promptly provide such information as the ~~ISO~~ CAISO may reasonably request in relation to major incidents, in accordance with Section 4.6.7.3 of the ~~ISO~~ CAISO Tariff.

4.5 Dispatch and Curtailment. The ~~ISO~~ CAISO shall only dispatch or curtail a Net Scheduled QF of the Participating Generator: (a) to the extent the Participating Generator bids Energy or Ancillary Services from the Net Scheduled QF into the ~~ISO~~ CAISO's markets or the Energy is otherwise available to the ~~ISO~~ CAISO under Section 40.1.4 of the ~~ISO~~ CAISO Tariff; or (b) if the ~~ISO~~ CAISO must dispatch or curtail the Net Scheduled QF in order to respond to an existing or imminent System Emergency or condition that would compromise ~~ISO~~ CAISO Control Area integrity or reliability as provided in Sections 7 ~~and~~, 7.36.1, ~~and~~ 11.2.4.2.1 of the ~~ISO~~ CAISO Tariff.

4.6 Information to Be Provided by Participating Generator. The Participating Generator shall provide to the ~~ISO~~ CAISO (a) a copy of the FERC order providing Qualifying Facility status to the Net Scheduled QF listed in Schedule 1, (b) a copy of any existing power purchase agreement with a UDC for the Net Scheduled QF listed in Schedule 1, and (c) a copy or a summary of the primary terms of any agreement for standby service with a UDC or MSS Operator. The Participating Generator shall notify the ~~ISO~~ CAISO promptly of any change in the status of any of the foregoing.

ARTICLE V

PENALTIES AND SANCTIONS

5.1 Penalties. If the Participating Generator fails to comply with any provisions of this Agreement, the ~~ISO~~ CAISO shall be entitled to impose penalties and sanctions on the Participating Generator. No penalties or sanctions may be imposed under this Agreement unless a Schedule providing for such penalties or sanctions has first been filed with and made effective by FERC. Nothing in the Agreement, with the exception of the provisions relating to ADR, shall be construed as waiving the rights of the Participating Generator to oppose or protest any penalty proposed by the ~~ISO~~ CAISO to the FERC or the specific imposition by the ~~ISO~~ CAISO of any FERC-approved penalty on the Participating Generator.

5.2 Corrective Measures. If the Participating Generator fails to meet or maintain the requirements set forth in this Agreement and/or in the ~~ISO~~ CAISO Tariff as limited by the provisions of this Agreement, the ~~ISO~~ CAISO shall be permitted to take any of the measures, contained or referenced in the ~~ISO~~ CAISO Tariff, which the ~~ISO~~ CAISO deems to be necessary to correct the situation.

ARTICLE VI

COSTS

- 6.1 Operating and Maintenance Costs.** The Participating Generator shall be responsible for all its costs incurred in connection with operating and maintaining the Net Scheduled QF identified in Schedule 1 for the purpose of meeting its obligations under this Agreement.

ARTICLE VII

DISPUTE RESOLUTION

- 7.1 Dispute Resolution.** The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall adhere to the ~~ISO-CAISO~~ ADR Procedures set forth in Section 13 of the ~~ISO-CAISO~~ Tariff, which is incorporated by reference, except that any reference in Section 13 of the ~~ISO-CAISO~~ Tariff to Market Participants shall be read as a reference to the Participating Generator and references to the ~~ISO-CAISO~~ Tariff shall be read as references to this Agreement.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES

- 8.1 Representation and Warranties.** Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.
- 8.2 Necessary Approvals.** The Participating Generator represents that all necessary leases, approvals, permits, licenses, easements, rights of way or access to install, own and/or operate its Net Scheduled QF have been or will be obtained by the Participating Generator prior to the effective date of this Agreement.
- 8.3 Specific Warranty.** The Participating Generator represents and warrants that: (1) the Net Scheduled QF listed in Schedule 1 is a Qualifying Facility or is operated as an integral part of a Qualifying Facility and (2) the Self-provided Load of the Participating Generator that is served by the Net Scheduling QF either has contracted for and continues through the term of this Agreement to have secured standby service from a UDC or MSS Operator under terms approved by the local regulatory authority or the Federal Energy Regulatory Commission, as applicable, or that the Self-

provided Load shall be curtailed concurrently with any outage of the generation serving that Self-provided Load in an amount sufficient to cover that outage.

ARTICLE IX

LIABILITY

- 9.1 Liability.** The provisions of Section 14 of the ~~ISO~~ CAISO Tariff will apply to liability arising under this Agreement, except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as references to the Participating Generator and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLE X

UNCONTROLLABLE FORCES

- 10.1 Uncontrollable Forces Tariff Provisions.** Section 14 of the ~~ISO~~ CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as a reference to the Participating Generator and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLE XI

MISCELLANEOUS

- 11.1 Assignments.** Either Party may assign or transfer any or all of its rights and/or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the ~~ISO~~ CAISO Tariff. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.
- 11.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the ~~ISO~~ CAISO Tariff. A Party must update the information in Schedule 3 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.

- 11.3 Waivers.** Any waivers 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 other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 11.4 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 its conflict of law provisions. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement to which the ~~ISO~~ CAISO ADR Procedures do not apply, shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.
- 11.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the ~~ISO~~ CAISO Tariff as if the references to the ~~ISO~~ CAISO Tariff were referring to this Agreement.
- 11.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 11.7 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.
- 11.8 Section Headings.** Section headings provided in this Agreement are for ease of reading and are not meant to interpret the text in each Section.
- 11.9 Amendments.** This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. If the amendment does not require FERC approval, the amendment will be filed with FERC for information.
- 11.10 Counterparts.** This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.
- 11.11 Rights Reserved.** Execution of this Agreement does not deprive the Participating Generator of any unexpressed legal right, either under law or under an existing power purchase agreement.

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

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

[NAME OF PARTICIPATING GENERATOR]

By: _____

Name: _____

Title: _____

Date: _____

The following page is a placeholder for Schedule 1, Section 1.

SCHEDULE 2

CAISO IMPOSED PENALTIES AND SANCTIONS

[Section 4.6.1]

TO BE INSERTED UPON FERC APPROVAL

SCHEDULE 3

NOTICES (Section 11.2)

Participating Generator

Name of Primary

Representative:

Title:

Address:

City/State/Zip Code:

Email Address:

Phone:

Fax No:

Name of Alternative

Representative:

Title:

Address:

City/State/Zip Code:

Email Address:

Phone:

Fax No:



Name of Primary

Representative:

Title:

Address:

City/State/Zip Code:

Email Address:

Phone:

Fax No:

Name of Alternative

Representative:

Title:

Address:

City/State/Zip Code:

Email Address:

Phone:

Fax No:

CAISO TARIFF APPENDIX B.4
Participating Load Agreement

|

CALIFORNIA INDEPENDENT SYSTEM OPERATOR

AND

[PARTICIPATING LOAD]

PARTICIPATING LOAD AGREEMENT

PARTICIPATING LOAD AGREEMENT (PLA)

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

- (1) **[Full legal name]**, having its registered and principal place of business located at [legal address] (the "Participating Load");

and

- (2) **California Independent System Operator Corporation**, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the ~~ISO~~ CAISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (the "CAISO").

The Participating Load and the ~~ISO~~ CAISO are hereinafter referred to as the "Parties".

Whereas:

- A.** The ~~ISO~~ CAISO Tariff provides that the ~~ISO~~ CAISO shall not schedule Ancillary Services from a Load interconnected to the ~~ISO~~ CAISO Controlled Grid, or to the Distribution System of a Participating TO or of a UDC otherwise than through a Scheduling Coordinator.
- B.** The ~~ISO~~ CAISO Tariff further provides that Curtailable Demand ~~or Dispatchable Load~~ services shall be provided by Participating Loads.
- C.** The Participating Load desires to provide Curtailable Demand ~~or Dispatchable Load~~ services, intends to submit ~~Adjustment Bids, Supplemental Energy bids or Ancillary Services bids, or self-provided schedules~~ to the ~~ISO~~ CAISO through a Scheduling Coordinator and, therefore, represents to the ~~ISO~~ CAISO that it will comply with the applicable provisions of the ~~ISO~~ CAISO Tariff.
- D.** The Parties are entering into this Agreement in order to establish the terms and conditions on which the ~~ISO~~ CAISO and the Participating Load will discharge their respective duties and responsibilities under the ~~ISO~~ CAISO Tariff.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Master Definitions Supplement. All terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the ~~ISO~~ CAISO Tariff.

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

- (a) if there is any inconsistency between this Agreement and the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO Tariff will prevail to the extent of the inconsistency;
- (b) the singular shall include the plural and vice versa;
- (c) the masculine shall include the feminine and neutral and vice versa;
- (d) “includes” or “including” shall mean “including without limitation”;
- (e) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year; and
- (k) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

ARTICLE II

ACKNOWLEDGEMENTS OF PARTICIPATING LOAD AND CAISO

- 2.1 CAISO Responsibility.** The Parties acknowledge that the ~~ISO~~ CAISO is responsible for the efficient use and reliable operation of the ~~ISO~~ CAISO Controlled Grid consistent with achievement of planning and operating reserve criteria no less stringent than those established by the Western Systems Coordinating Council and the North American Electric Reliability Council and further acknowledge that the ~~ISO~~ CAISO may not be able to satisfy fully these responsibilities if the Participating Load fails to fully comply with all of its obligations under this Agreement and the ~~ISO~~ CAISO Tariff.
- 2.2 Scope of Application to Parties.** The Participating Load and ~~ISO~~ CAISO acknowledge that all Loads which desire to submit ~~Adjustment Bids, Supplemental Energy bids, or Ancillary Services bids or self-provided schedules~~ to the ~~ISO~~ CAISO through a Scheduling Coordinator must be included in Schedule 1 to this Agreement. The Participating Load warrants that it owns, operates, or has sufficient contractual entitlement to provide Curtailable Demand ~~and Dispatchable Load~~ services from such Loads in accordance with the ~~ISO~~ CAISO Tariff.

ARTICLE III

TERM AND TERMINATION

- 3.1 Effective Date.** This Agreement shall be effective as of the later of the date it is executed by the Parties or the date accepted for filing and made effective by FERC, and shall remain in full force and effect until terminated pursuant to Section 3.2 of this Agreement.
- 3.2 Termination**
- 3.2.1 Termination by CAISO.** Subject to Section 5.2, the ~~ISO~~ CAISO may terminate this Agreement by giving written notice of termination in the event that the Participating Load commits any material default under this Agreement and/or the ~~ISO~~ CAISO Tariff which, if capable of being remedied, is not remedied within thirty (30) days after the ~~ISO~~ CAISO has given, to the Participating Load, written notice of the default, unless excused by reason of Uncontrollable Forces in accordance with Article X of this Agreement. With respect to any notice of termination given pursuant to this Section, the ~~ISO~~ CAISO must file a timely notice of termination with FERC. The filing of the notice of termination by the ~~ISO~~ CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO~~ CAISO files the notice of termination within thirty (30) days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such a notice of termination.
- 3.2.2 Termination by Participating Load.** In the event that the Participating Load no longer wishes to submit ~~Adjustment Bids or transmit Energy, Supplemental Energy bids, or Ancillary Service bids or self-provided schedules~~ over the ~~ISO~~ CAISO Controlled Grid, it may terminate this Agreement, on giving the ~~ISO~~ CAISO ninety (90) days written notice, provided, however, that in accordance with Section 4.4, the Participating Load may modify Schedule 1 to eliminate Load which it no longer provides for and such

modification shall be effective upon receipt by the CAISO. With respect to any notice of termination given pursuant to this Section, the ~~ISO~~ CAISO must file a timely notice of termination with FERC. The filing of the notice of termination by the ~~ISO~~ CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO~~ CAISO files the notice of termination within thirty (30) days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such a notice of termination.

ARTICLE IV

GENERAL TERMS AND CONDITIONS

4.1 Technical Characteristics.

4.1.1 Curtailable Demand. As required by Section 8.4 of the ~~ISO~~ CAISO Tariff, the Participating Load shall provide the ~~ISO~~ CAISO with all technical and operational information requested in Schedule 1 for each Curtailable Demand that it owns, operates, or has a contractual entitlement to. For those Loads designated by the Participating Load as providing Curtailable Demand, Schedule 1 requires the Participating Load to indicate in Schedule 1 whether the Load can be scheduled or bid as Non-Spinning Reserve ~~or Replacement Reserve~~. Pursuant to Section 8.10.4 of the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO may verify, inspect and test the capacity and operating characteristics provided in Schedule 1 for Curtailable Demands.

4.1.2 Dispatchable Load. ~~The Participating Load shall provide the ISO that information required in Schedule 1 which is relevant to the Dispatchable Load that it owns, operates, or has a contractual entitlement to for the provision of Adjustment Bids.~~

4.2 Metering and Communication.

4.2.1 Curtailable Demand. Pursuant to Sections 8.4.4 and 8.4.6 of the ~~ISO~~ CAISO Tariff, Curtailable Demand that is scheduled or bid as Non-Spinning Reserve ~~or Replacement Reserve~~ is required to comply with the ~~ISO~~ CAISO's communication and metering requirements.

4.2.2 Dispatchable Load. ~~The Participating Load shall schedule Dispatchable Load pursuant to Section 2.2.11.1 of the ISO Tariff. Dispatchable Load shall comply with the ISO's communication and metering requirements.~~

4.3 UDC Interruptible Load Programs. Due to the ~~ISO~~ CAISO's reliance on interruptible Loads to relieve System Emergencies and its contractual relationship with each UDC, the ~~ISO~~ CAISO will not accept, and the Participating Load shall not submit ~~Adjustment Bids, Supplemental Energy bids, or Ancillary Services bids or self-provided Ancillary Service Schedules~~ from interruptible Loads which are subject to curtailment criteria established under existing retail tariffs, except under such conditions as may be specified in the ~~ISO~~ CAISO Tariff.

4.4 Notification of Changes. Sixty (60) days prior to changing any technical information in Schedule 1, the Participating Load shall notify the ~~ISO~~ CAISO of the proposed change(s). Pursuant to Section 8.10.4 of the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO may verify, inspect and test the capacity and operating characteristics provided in the revised Schedule 1. The ~~ISO~~ CAISO shall post on the ~~ISO~~ CAISO Home Page Website a schedule

showing, for at least one year in advance: (i) the proposed dates on which the ~~ISO~~ CAISO's Master File will be updated; (ii) the dates on which the information contained in the revised Master File will become effective; and (iii) the deadlines by which changed technical information must be submitted to the ~~ISO~~ CAISO in order to be tested and included in the next scheduled update of the ~~ISO~~ CAISO's Master File. Unless the Load fails to test at the values in the proposed change(s), the Participating Load's proposed change(s) will become effective upon the effective date for the next scheduled update of the Master File, provided that the Participating Load submits the changed information by the applicable deadline and is tested by the deadline. Subject to such notification this Agreement shall not apply to any Loads identified in Schedule 1 which the Participating Load no longer owns or no longer has a contractual entitlement to.

4.5 Agreement Subject to ~~ISO~~ CAISO Tariff. The Parties will comply with all applicable provisions of the ~~ISO~~ CAISO Tariff, ~~including Sections 7.4, 8 and 10~~. This Agreement shall be subject to the ~~ISO~~ CAISO Tariff, which shall be deemed to be incorporated herein.

4.6 Obligations Relating to Ancillary Services

4.6.1 Submission of Bids and Self-provided Schedules. When the Scheduling Coordinator on behalf of the Participating Load submits a ~~bid-Bid or self-provided schedule for Ancillary Services, the the~~ Participating Load will, by the operation of this Section 4.6.1, warrant to the ~~ISO~~ CAISO that it has the capability to provide that service in accordance with the ~~ISO~~ CAISO Tariff and that it will comply with ~~ISO~~ CAISO Dispatch ~~i~~nstructions for the provision of the service in accordance with the ~~ISO~~ CAISO Tariff.

4.6.2 Certification. The Participating Load shall not use a Scheduling Coordinator to submit a ~~bid-Bid~~ for the provision of an Ancillary Service or submit a schedule for the self provision of an Ancillary Service unless the Scheduling Coordinator serving that Participating Load is in possession of a current Ancillary Service certificate pursuant to Sections 8.4 and 8. ~~109~~ of the ~~ISO~~ CAISO Tariff.

4.7 Obligations relating to Major Incidents. The Participating Load shall promptly provide such information as the ~~ISO~~ CAISO may reasonably require in relation to the ~~ISO~~ CAISO's investigations of operating situations or events, or for the ~~ISO~~ CAISO's reporting to the authorities such as the FERC, California Public Utilities Commission, Western Systems Coordinating Council, or North American Electric Reliability Council.

ARTICLE V

PENALTIES AND SANCTIONS

5.1 Penalties. If the Participating Load fails to comply with any provisions of this Agreement, the ~~ISO~~ CAISO shall be entitled to impose penalties and sanctions on the Participating Load, including the penalties set forth in Section ~~8.10.28.10.7~~ of the ~~ISO~~ CAISO Tariff. No penalties or sanctions may be imposed under this Agreement unless a Schedule providing for such penalties or sanctions has first been filed with and made effective by FERC. Nothing in this Agreement, with the exception of the provisions relating to ADR, shall be construed as waiving the rights of the Participating Load to oppose or protest any penalty proposed by the ~~ISO~~ CAISO to the FERC or the specific imposition by the ~~ISO~~ CAISO of any FERC-approved penalty on the Participating Load.

- 5.2 Corrective Measures.** If the Participating Load fails to meet or maintain the requirements set forth in this Agreement and/or the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ shall be permitted to take any of the measures, contained or referenced in the ~~ISO-CAISO~~ Tariff, which the ~~ISO-CAISO~~ deems to be necessary to correct the situation.

ARTICLE VI

COSTS

- 6.1 Operating and Maintenance Costs.** The Participating Load shall be responsible for all its costs incurred in meeting its obligations under this Agreement for the Load identified in Schedule 1.

ARTICLE VII

DISPUTE RESOLUTION

- 7.1 Dispute Resolution.** The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall adhere to the ~~ISO-CAISO~~ ADR Procedures set forth in Section 13 of the ~~ISO-CAISO~~ Tariff, which is incorporated by reference, except that any reference in Section 13 of the ~~ISO-CAISO~~ Tariff to Market Participants shall be read as a reference to the Participating Load and references to the ~~ISO-CAISO~~ Tariff shall be read as references to this Agreement.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES

- 8.1 Representation and Warranties.** Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.
- 8.2 Necessary Approvals.** The Participating Load represents that all necessary leases, approvals, permits, licenses, easements, rights of way or access to install, own and/or operate its Load have been or will be obtained by the Participating Load prior to the effective date of this Agreement.

ARTICLE IX

LIABILITY

- 9.1 Liability.** The provisions of Section 14 of the ~~ISO~~ CAISO Tariff will apply to liability arising under this Agreement, except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as references to the Participating Load and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLE X

UNCONTROLLABLE FORCES

- 10.1 Uncontrollable Forces Tariff Provisions.** Section 14 of the ~~ISO~~ CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as a reference to the Participating Load and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLE XI

MISCELLANEOUS

- 11.1 Assignments.** Either Party may assign or transfer any or all of its rights and/or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the ~~ISO~~ CAISO Tariff. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.
- 11.2 Notices.** Any notice, demand, or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the ~~ISO~~ CAISO Tariff. A Party must update the information in Schedule 3 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.
- 11.3 Waivers.** Any waivers 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 other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 11.4 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 its conflict of law provisions. The Parties irrevocably consent that any legal action

or proceeding arising under or relating to this Agreement to which the ~~ISO~~ CAISO ADR Procedures do not apply, shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.

- 11.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the ~~ISO~~ CAISO Tariff as if the references to the ~~ISO~~ CAISO Tariff were referring to this Agreement.
- 11.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 11.7 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.
- 11.8 Section Headings:** Section headings provided in this Agreement are for ease of reading and are not meant to interpret the text in each Section.
- 11.9 Amendments.** This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. If the amendment does not require FERC approval, the amendment will be filed with FERC for information. Nothing contained herein shall be construed as affecting in any way the right of the ~~ISO~~ CAISO to unilaterally make application to the Federal Energy Regulatory Commission for a change in the rates, terms and conditions under section 205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder.
- 11.10 Counterparts.** This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.

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

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Participating Load

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 1

Technical Characteristics of Individual or Aggregated Loads Participating under Participating Load Agreement

Name of ALMDS Facility or Individual Load	CAISO Resource ID	Present Scheduling Point (i.e. Take Out Point, Load Group, or Demand Zone)	Capacity Available¹ (MW)	Minimum Operating Level¹ (MW)	Maximum Operating Level^{1,2} (MW)	Decremental Ramp Rate^{1,2} (MW/min)	Ancillary Service Provider (Yes or No)	Participant in UDC Interruptible Program (Yes or No)	Limitations³ (Yes or No)

¹ Current effective values for purposes of scheduling Energy and bidding to provide Energy and/or Ancillary Services in ~~ISO-CAISO~~ markets may differ from those set forth in this Schedule 1, depending on the results of ~~ISO-CAISO~~ performance testing pursuant to Sections 8.409 of the ~~ISO-CAISO~~ Tariff.

² These values are subject to certification by the ~~ISO-CAISO~~ in accordance with Section 4.4.6.2 of the Participating Load Agreement.

³ If “Yes,” limitations should be specified in the Participating Load’s implementation plan.

SCHEDULE 2

CAISO IMPOSED PENALTIES AND SANCTIONS

[Section 5.1]

TO BE INSERTED UPON FERC APPROVAL

SCHEDULE 3

NOTICES (Section 10.2)

Participating Load

Name of Primary

Representative:

Title:

Address:

City/State/Zip Code

Email Address:

Phone:

Fax No:

Name of Alternative

Representative:

Title:

Address:

City/State/Zip Code

Email Address:

Phone:

Fax No:



Name of Primary

Representative:

Title:

Address:

City/State/Zip Code

Email Address:

Phone:

Fax No:

Name of Alternative

Representative:

Title:

Address:

City/State/Zip Code

Email Address:

Phone:

Fax No:

CAISO TARIFF APPENDIX B.5

Dynamic Scheduling Agreement for Scheduling Coordinators

CALIFORNIA INDEPENDENT SYSTEM OPERATOR

AND

[SCHEDULING COORDINATOR]

DYNAMIC SCHEDULING AGREEMENT FOR SCHEDULING COORDINATORS

DYNAMIC SCHEDULING AGREEMENT FOR SCHEDULING COORDINATORS

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

(1) **[Full Legal Name]** having its registered and principal place of business located at **[Address]** (the "Scheduling Coordinator");

and

(2) **California Independent System Operator Corporation**, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the ~~ISO~~ CAISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (the "CAISO").

The Scheduling Coordinator and the ~~ISO~~ CAISO are hereinafter referred to as the "Parties".

Whereas:

- A.** The ~~ISO-CAISO~~ Tariff provides that a Scheduling Coordinator may submit ~~D~~ynamic ~~S~~schedules to the ~~ISO-CAISO~~ from System Resources.
- B.** The Scheduling Coordinator is currently Scheduling Coordinator for a System Resource associated with a power plant(s) interconnected in a Control Area other than the ~~ISO-CAISO~~ Control Area (the "Host Control Area").
- C.** The Scheduling Coordinator wishes to implement and operate a dynamic functionality that allows ~~scheduling of Energy, Supplemental Energy, and Energy associated with Spinning Reserve and Non-Spinning Reserve bidding~~ dynamically from a System Resource into the ~~ISO-CAISO~~ Control Area from the Host Control Area and, therefore, wishes to undertake to the ~~ISO-CAISO~~ that it will comply with the applicable provisions of the ~~ISO-CAISO~~ Tariff.
- D.** The Parties are entering into this Agreement in order to establish the terms and conditions on which the ~~ISO-CAISO~~ and the Scheduling Coordinator will discharge their respective duties and responsibilities under the ~~ISO-CAISO~~ Tariff.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Master Definitions Supplement. All terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the ~~ISO-CAISO~~ Tariff.

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

- (a) if there is any inconsistency between this Agreement and the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ Tariff will prevail to the extent of the inconsistency;
- (b) the singular shall include the plural and vice versa;

- (c) the masculine shall include the feminine and neutral and vice versa;
- (d) “includes” or “including” shall mean “including without limitation”;
- (e) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year; and the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

ARTICLE II

ACKNOWLEDGEMENTS OF SCHEDULING COORDINATOR AND CAISO

- 2.1 CAISO Responsibility.** The Parties acknowledge that the ~~ISO~~ CAISO is responsible for the efficient use and reliable operation of the ~~ISO~~ CAISO Controlled Grid consistent with achievement of planning and operating reserve criteria no less stringent than those established by the Western Electricity Coordinating Council and the North American Electric Reliability Council and further acknowledges that the ~~ISO~~ CAISO may not be able to satisfy fully these responsibilities if the Scheduling Coordinator fails to fully comply with all of its obligations under this Agreement and the ~~ISO~~ CAISO Tariff.

ARTICLE III

TERM AND TERMINATION

- 3.1 Effective Date.** This Agreement shall be effective as of the date set forth above, unless accepted for filing and made effective by FERC on some other date, if FERC filing is required, and shall remain in full force and effect until terminated pursuant to Section 3.2 of this Agreement.

3.2 Termination

3.2.1 Termination by CAISO. Subject to Section 3.2.2, the ISO-CAISO may terminate this Agreement by giving written notice of termination in the event that the ISO-CAISO's agreement with the Host Control Area has terminated or the Scheduling Coordinator commits any material default under this Agreement and/or the ISO-CAISO Tariff which, if capable of being remedied, is not remedied within thirty (30) days after the ISO-CAISO has given, to the Scheduling Coordinator, written notice of the default, unless excused by reason of Uncontrollable Forces in accordance with Article X of this Agreement. With respect to any notice of termination given pursuant to this Section, the ISO-CAISO must file a timely notice of termination with FERC, if this Agreement has been filed with FERC, or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. The filing of the notice of termination by the ISO-CAISO will be considered timely if: (1) the filing of the notice of termination is made after the preconditions for termination have been met, and (2) the ISO-CAISO files the notice of termination within sixty (60) days after issuance of the notice of default. This Agreement shall terminate upon acceptance by FERC of such a notice of termination, if filed with FERC, or thirty (30) days after the date of the ISO-CAISO's notice of default, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.

3.2.2 Limitation on ISO-CAISO Termination. Notwithstanding the provisions of Section 3.2.1, in the event of noncompliance with the provisions of the ISO-CAISO's Standards, the ISO-CAISO shall have the right to terminate this Agreement after three (3) instances of noncompliance. In the event that the ISO-CAISO determines that the Scheduling Coordinator has failed to comply with the ISO-CAISO's Standards, the ISO-CAISO will provide written notice to that effect to the Scheduling Coordinator, and the Scheduling Coordinator shall have seven (7) days to correct the non-compliant condition(s). If the ISO-CAISO determines that Scheduling Coordinator has not corrected the non-compliant condition(s) within seven (7) days after the third notice of noncompliance, the ISO-CAISO may, by further written notice to the Scheduling Coordinator, terminate this Agreement and the existing functionality and arrangements described herein pursuant to Section 3.2.1, but without providing for the additional thirty (30)-day cure period otherwise provided in Section 3.2.1.

3.2.3 Termination by Scheduling Coordinator. In the event that the Scheduling Coordinator no longer wishes to submit dynamic schedules-Bids to the ISO-CAISO, it may terminate this Agreement, on giving the ISO-CAISO ninety (90) days written notice. With respect to any notice of termination given pursuant to this Section, the ISO-CAISO must file a timely notice of termination with FERC, if this Agreement has been filed with FERC, or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. The filing of the notice of termination by the ISO-CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ISO-CAISO files the notice of termination within thirty (30) days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such a notice of termination, if such notice is required to be filed with FERC, or upon ninety (90) days after the ISO-CAISO's receipt of the Scheduling Coordinator's notice of default, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.

ARTICLE IV

GENERAL TERMS AND CONDITIONS

4.1 Dynamic Scheduling Requirements and Obligations

- 4.1.1** The dynamic functionality established under this Agreement shall be implemented and operated in accordance with ~~ISO-CAISO~~ Tariff Section 4.5.4.3, other applicable provisions of the ~~ISO-CAISO~~ Tariff, all applicable NERC and WECC policies, requirements, and provisions, and the ~~ISO-CAISO's~~ "Standards for Dynamic Imports of Energy, ~~Supplemental~~ Energy, and Energy Associated with Non-Regulation Ancillary Services" ("Standards") posted on the ~~ISO-CAISO Home~~ [PageWebsite](http://www.caiso.com): "www.caiso.com".
- 4.1.2** The maximum allowable dynamic power transfer (in MW) from the Scheduling Coordinator's System Resource(s) shall be as set forth in Schedule 1 and will be referred to as "Pmax" in all ~~ISO-CAISO~~ scheduling and control systems.
- 4.1.3** The Scheduling Coordinator warrants that the power plant(s) listed in Schedule 1 is interconnected within the Host Control Area specified in Schedule 1, placing both the plant(s) as well as the associated System Resource under the operational jurisdiction of the Host Control Area.
- 4.1.4** The ~~ISO-CAISO~~ intertie associated with the System Resource(s) is set forth in Schedule 1. The Scheduling Coordinator may request, and the ~~ISO-CAISO~~ may agree, at its sole discretion, to change the foregoing ~~ISO-CAISO~~ intertie association, subject to any limitations set forth in the Standards.
- 4.1.5** Unless explicitly agreed otherwise, dynamic functionalities implemented between the ~~ISO-CAISO~~ and the Scheduling Coordinator may provide only for imports from the System Resource(s) listed in Schedule 1 to the ~~CAISO~~.
- 4.1.6 Identification of System Resources.** The Scheduling Coordinator has identified the System Resources that it represents in Schedule 1.
- 4.1.7 Notification of Changes.** Sixty (60) days prior to changing any technical information in Schedule 1, the Scheduling Coordinator shall notify the ~~ISO-CAISO~~ of the proposed changes. Pursuant to Section 8.10.4 of the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ may verify, inspect and test the capacity and operating characteristics provided in the revised Schedule 1. Unless the Scheduling Coordinator fails to test at the values in the proposed change(s), the change will become effective upon the effective date for the next scheduled update of the ~~ISO-CAISO's~~ Master File, provided the Scheduling Coordinator submits the changed information by the applicable deadline and is tested by the deadline.
- 4.2 Agreement Subject to ~~ISO-CAISO~~ Tariff.** The Parties will comply with all applicable provisions of the ~~ISO-CAISO~~ Tariff, including Sections 4.5.4.3 and 8.4.4. This Agreement shall be subject to the ~~ISO-CAISO~~ Tariff, which shall be deemed to be incorporated herein.
- 4.3 Obligations Relating to Ancillary Services**
- 4.3.1 Submission of Bids.** When the Scheduling Coordinator submits a bid for Ancillary Services, the Scheduling Coordinator will, by the operation of this Section 4.3.1, warrant to the ~~ISO-CAISO~~ that it has the capability to provide that service in accordance with the ~~ISO-CAISO~~ Tariff and that it will comply with ~~ISO-CAISO~~ Dispatch Instructions for the provision of the service in accordance with the ~~ISO-CAISO~~ Tariff.

ARTICLE V

PENALTIES AND SANCTIONS

- 5.1 Uninstructed Deviations.** Except for operating emergency situations, ~~R~~real-~~T~~ime Energy transfers may not vary from the ~~Final Hour~~Day-Ahead Schedule as adjusted by any Dispatch Instructions by more than the greater of five (5) MW or three percent (3%) of the net dependable capacity (Pmax) of the System Resource, integrated across a ten-minute interval. If such defined performance band is exceeded by any amount in more than five percent (5%) of the ten-minute intervals on three successive days, then such deviations shall constitute one event of non-compliance with the ~~ISO~~ CAISO's Standards pursuant to Section 3.2.2. Deviations from dynamic Energy schedules will also be subject to Uninstructed Deviation Penalties pursuant to Section ~~11.2.4.1.2~~11.23 and related provisions of the ~~ISO~~ CAISO Tariff.
- 5.2 General.** The Scheduling Coordinator shall be subject to all penalties made applicable to dynamic imports from System Resources set forth in the ~~ISO~~ CAISO Tariff.

ARTICLE VI

COSTS

- 6.1 Operating and Maintenance Costs.** The Scheduling Coordinator shall be responsible for all its costs incurred in connection with dynamic scheduling and compliance by the System Resources identified in Schedule 1 for the purpose of meeting its obligations under this Agreement.

ARTICLE VII

DISPUTE RESOLUTION

- 7.1 Dispute Resolution.** The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall adhere to the ~~ISO~~ CAISO ADR Procedures set forth in Section 13 of the ~~ISO~~ CAISO Tariff, which is incorporated by reference, except that any reference in Section 13 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as a reference to the Scheduling Coordinator and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES

- 8.1 Representation and Warranties.** Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.

ARTICLE IX

LIABILITY

- 9.1 Liability.** The provisions of Section 14 of the ~~ISO~~ CAISO Tariff will apply to liability arising under this Agreement, except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as references to the Scheduling Coordinator and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLE X

UNCONTROLLABLE FORCES

- 10.1 Uncontrollable Forces Tariff Provisions.** Section 14 of the ~~ISO~~ CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as a reference to the Scheduling Coordinator and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLE XI

MISCELLANEOUS

- 11.1 Assignments.** Either Party may assign or transfer any or all of its rights and/or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the ~~ISO~~ CAISO Tariff. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.
- 11.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the ~~ISO~~ CAISO Tariff. A Party must update the information in Schedule 2 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.
- 11.3 Waivers.** Any waivers 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 other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting

or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.

- 11.4 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 its conflict of law provisions. The Parties irrevocably consents that any legal action or proceeding arising under or relating to this Agreement to which the ~~ISO~~ CAISO ADR Procedures do not apply, shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.
- 11.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the ~~ISO~~ CAISO Tariff as if the references to the ~~ISO~~ CAISO Tariff were referring to this Agreement.
- 11.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 11.7 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.
- 11.8 Section Headings.** Section headings provided in this Agreement are for ease of reading and are not meant to interpret the text in each Section.
- 11.9 Amendments.** This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. If the amendment does not require FERC approval, the amendment will be filed with FERC for information. Nothing contained herein shall be construed as affecting in any way the right of the ~~ISO~~ CAISO to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the FPA and pursuant to FERC's rules and regulations promulgated thereunder.
- 11.10 Counterparts.** This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.

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

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

NAME OF SCHEDULING COORDINATOR

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 1

SYSTEM RESOURCES AND CONTROL AREA INFORMATION

[Sections 4.1.2, 4.1.3, 4.1.5]

Description of System Resource(s), including Associated Power Plants and Pmax Values:

CAISO Intertie:

Host Control Area:

Intermediate Control Areas:

SCHEDULE 2

NOTICES

[Section 11.2]

Scheduling Coordinator

Name of Primary

Representative:

Title:

Company:

Address:

City/State/Zip Code

Email Address:

Phone:

Fax No:

Name of Alternative

Representative:

Title:

Company:

Address:

City/State/Zip Code

Email Address:

Phone:

Fax No:

Name of Primary

Representative:

Title:

Address:

City/State/Zip Code

Email Address:

Phone:

Fax No:

Name of Alternative

Representative:

Title:

Address:

City/State/Zip Code

Email Address:

Phone:

Fax No:

CAISO TARIFF APPENDIX B.6
Meter Service Agreement for ~~ISO~~ CAISO Metered Entities

CALIFORNIA INDEPENDENT SYSTEM OPERATOR

AND

[CAISO METERED ENTITY]

**METER SERVICE AGREEMENT
FOR ~~ISO~~ CAISO METERED ENTITIES**

**METER SERVICE AGREEMENT
FOR ~~ISO~~ CAISO METERED ENTITIES**

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

- (1) **[Full legal name]** having its registered and principal place of business located at **[Address]**
(the "CAISO Metered Entity");

and

- (2) **California Independent System Operator Corporation**, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the ~~ISO~~ CAISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (the "CAISO").

The ~~ISO~~ CAISO Metered Entity and the ~~ISO~~ CAISO are hereinafter referred to as the "Parties".

Whereas:

- A.** Section 10 of the ~~ISO~~ CAISO Tariff requires the ~~ISO~~ CAISO to establish meter service agreements with ~~ISO~~ CAISO Metered Entities for the collection and transfer of Meter Data.
- B.** Section 10 of the ~~ISO~~ CAISO Tariff further provides that an ~~ISO~~ CAISO Metered Entity shall certify its revenue quality meters and Section 10 provides that ~~ISO~~ CAISO Metered Entities shall make Meter Data available to MDAS.
- C.** The Parties are entering into this Agreement in order to establish the terms and conditions upon which the ~~ISO~~ CAISO and the ~~ISO~~ CAISO Metered Entity shall discharge their respective duties and responsibilities pursuant to this Agreement, and the ~~ISO~~ CAISO Tariff.
- D.** All obligations and responsibilities included in this Agreement may be set forth in further detail in the ~~ISO~~ CAISO Tariff.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

ARTICLE I

1.1 Master Definitions Supplement. Unless defined in Section 1.2 of this Agreement, all terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the ~~ISO~~ CAISO Tariff.

1.2 Special Definitions for this Agreement. In this Agreement, the following words and expressions shall have the meanings set forth below:

“Authorized Users” means users authorized by the ~~ISO~~ CAISO Metered Entity to access the Meter Data of that ~~ISO~~ CAISO Metered Entity held by the CAISO.

“CAISO Authorized Inspector” has the meaning as defined in Appendix A of the ~~ISO~~ CAISO Tariff.

“CAISO Metered Entity” means:

- (a) any one of the following entities that is directly connected to the ~~ISO~~ CAISO Controlled Grid:
 - i. a Generator other than a Generator that sells all of its Energy (excluding any Energy consumed by auxiliary load equipment electrically connected to that Generator at the same point) and Ancillary Services to the UDC in whose Service Area it is located;

- ii. an Eligible Customer; or
 - iii. an End-User other than an End-User that purchases all of its Energy from the UDC in whose Service Area it is located; and
- (b) any one of the following entities:
 - i. a Participating Generator;
 - ii. a Participating TO in relation to its Tie Point Meters with other TOs or Control Areas; or
 - iii. a Participating Load.

“MDAS” means the ~~ISO~~ CAISO revenue metering data acquisition and processing system.

“Metering Facilities” means revenue quality meters, instrument transformers, secondary circuitry, secondary devices, meter data servers, related communication facilities and other related local equipment.

“SC” means Scheduling Coordinator.

1.3 Rules of Interpretation. The following rules of interpretation and conventions shall apply to this Agreement:

- (a) if there is any inconsistency between this Agreement and the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO Tariff will prevail to the extent of the inconsistency;
- (b) the singular shall include the plural and vice versa;
- (c) the masculine shall include the feminine and neutral and vice versa;
- (d) “includes” or “including” shall mean “including without limitation”;
- (e) references to a section, article or schedule shall mean a section, article or a schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;

- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year;
- (m) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement; and
- (n) references to the ~~ISO~~ CAISO Tariff and other ~~ISO~~ CAISO Documents shall be interpreted in accordance with any exceptions or exemptions to such as may have been granted by the CAISO.

ARTICLE II

TERM AND TERMINATION

2.1 Effective Date. This Agreement shall be effective as of the later of the date of execution of this Agreement, or the date it is accepted and made effective by FERC and shall remain in full force and effect until terminated by operation of law or pursuant to Section 2.2 of this Agreement.

2.2 Termination

2.2.1 Termination by CAISO. Subject to Section 4.2, the ~~ISO~~ CAISO may terminate this Agreement by giving written notice of termination in the event that the ~~ISO~~ CAISO Metered Entity commits any default under this Agreement and/or the ~~ISO~~ CAISO Tariff which, if capable of being remedied, is not remedied within thirty (30) days after the ~~ISO~~ CAISO has given it written notice of the default, unless excused by reason of Uncontrollable Force in accordance with Section 14 of the ~~ISO~~ CAISO Tariff. With respect to any notice of termination given pursuant to this Section, the ~~ISO~~ CAISO must file a timely notice of termination with FERC. The filing of the notice of termination by the ~~ISO~~ CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO~~ CAISO files the notice of termination within 30 days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such notice of termination.

2.2.2 Termination by ISO CAISO Metered Entity. In the event that the ~~ISO~~ CAISO Metered Entity wishes to terminate this Agreement, the ~~ISO~~ CAISO Metered Entity shall give the ~~ISO~~ CAISO ninety (90) days written notice. With respect to any notice of termination given pursuant to this Section, the ~~ISO~~ CAISO must file a timely notice of termination with FERC. The filing of the notice of termination by the ~~ISO~~ CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO~~ CAISO files the notice of termination within 30 days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such notice of termination.

ARTICLE III

GENERAL TERMS AND CONDITIONS

- 3.1 Agreement Subject to ~~ISO~~ CAISO Tariff.** This Agreement shall be subject to the provisions of the ~~ISO~~ CAISO Tariff which shall be deemed to be incorporated herein, as the same may be changed or superseded from time to time. The Parties agree that they will comply with the provisions of Section 10 and Appendix O of the ~~ISO~~ CAISO Tariff.
- 3.2 Obligations and Rights of the ~~ISO~~ CAISO Metered Entity.**
- 3.2.1 Submission of Meter Data through MDAS.** The ~~ISO~~ CAISO Metered Entity agrees to make available to the ~~ISO~~ CAISO through MDAS its Meter Data in accordance with the ~~ISO~~ CAISO Tariff. The ~~ISO~~ CAISO's requirements regarding the frequency with which it requires Meter Data to be made available to it through MDAS by the ~~ISO~~ CAISO Metered Entity are referred to in the ~~ISO~~ CAISO Tariff.
- 3.2.2 Meter Information.** The ~~ISO~~ CAISO Metered Entity shall provide in the format prescribed by Schedule 1 to this Agreement the required information with respect to all of its meters used to provide Meter Data to the CAISO. The ~~ISO~~ CAISO Metered Entity must immediately notify the ~~ISO~~ CAISO of any changes to the information provided to the ~~ISO~~ CAISO in accordance with this Section 3.2.2 and provide the ~~ISO~~ CAISO with any information in relation to such change as reasonably requested by the CAISO. The ~~ISO~~ CAISO Metered Entity shall have the right to modify Schedule 1, which modification shall not constitute an amendment to this Agreement. Such modification shall be effective upon receipt of notice by the CAISO.
- 3.2.3 Transformer and/or Line Loss Correction Factors.** If the ~~ISO~~ CAISO Metered Entity uses low voltage side metering, it shall use the ~~ISO~~ CAISO approved transformer and/or line loss correction factor referred to in the ~~ISO~~ CAISO Tariff.
- 3.2.4 Rights to Access Metering Facilities.** The ~~ISO~~ CAISO Metered Entity shall use its best efforts to procure any rights necessary for the ~~ISO~~ CAISO to access all Metering Facilities of the ~~ISO~~ CAISO Metered Entity to fulfill its obligations under the ~~ISO~~ CAISO Tariff and its obligations under this Agreement. If, after using its best efforts, the ~~ISO~~ CAISO Metered Entity is unable to provide the ~~ISO~~ CAISO with such access rights, the ~~ISO~~ CAISO Metered Entity shall ensure that one of its employees is an ~~ISO~~ CAISO Authorized Inspector and such employee undertakes, at the ~~ISO~~ CAISO's request, the certification, testing, inspection and/or auditing of those Metering Facilities in accordance with the procedures established pursuant to the ~~ISO~~ CAISO Tariff, including the requirement to complete and provide to the ~~ISO~~ CAISO all necessary documentation. The ~~ISO~~ CAISO acknowledges that it will not be prevented from fulfilling its obligations under the ~~ISO~~ CAISO Tariff or this Agreement by reason of the fact that it is provided with escorted access to the Metering Facilities of the ~~ISO~~ CAISO Metered Entity.
- 3.2.5 Security and Validation Procedures.** The security measures and the validation, editing and estimation procedures that the ~~ISO~~ CAISO will apply to Meter Data made available to the ~~ISO~~ CAISO by the ~~ISO~~ CAISO Metered Entity shall be as referred to in the ~~ISO~~ CAISO Tariff.

3.3 Obligations and Rights of the CAISO.

- 3.3.1 Direct Polling of MDAS.** The ~~ISO~~ CAISO shall allow the Scheduling Coordinator representing the ~~ISO~~ CAISO Metered Entity and all Authorized Users to directly poll MDAS for the Meter Data relating to the ~~ISO~~ CAISO Metered Entity in accordance with the procedures referred to in the ~~ISO~~ CAISO Tariff.
- 3.3.2 CAISO as Third-Party Beneficiary.** The ~~ISO~~ CAISO shall be a third-party beneficiary to any future agreement between the ~~ISO~~ CAISO Metered Entity and any other party relating to the Metering Facilities of the ~~ISO~~ CAISO Metered Entity for the purpose of granting the ~~ISO~~ CAISO access to any relevant information, records and facilities as needed by the ~~ISO~~ CAISO to fulfill its obligations under the ~~ISO~~ CAISO Tariff and its obligations under this Agreement.
- 3.3.3 Remote and Local Access to Metering Data.** The ~~ISO~~ CAISO shall provide the ~~ISO~~ CAISO Metered Entity any password or other requirements necessary for the ~~ISO~~ CAISO Metered Entity to access its Metered Data remotely or locally at the Meter.
- 3.4 Exemptions Granted by the CAISO.** Any exemptions provided for under the ~~ISO~~ CAISO Tariff that are granted by the ~~ISO~~ CAISO shall be set forth in Schedule 2 of this Agreement. Any amendment or addition to Schedule 2 shall not constitute an amendment to this Agreement.

ARTICLE IV

PENALTIES AND SANCTIONS

- 4.1 Penalties.** If an ~~ISO~~ CAISO Metered Entity provides inaccurate or incorrect Meter Data or fraudulent Meter Data to the ~~ISO~~ CAISO, the ~~ISO~~ CAISO shall be entitled to impose penalties and sanctions, including but not limited to suspension of trading rights following 14 days written notice to the ~~ISO~~ CAISO Metered Entity. Fraudulent Meter Data means any Meter Data provided to the ~~ISO~~ CAISO by the ~~ISO~~ CAISO Metered Entity that it knows to be false, incorrect or incomplete at the time it provided that Meter Data to the CAISO. All penalties and sanctions shall be set forth in Schedule 4 Part A to this Agreement. No penalties or sanctions, including suspension of trading rights, may be imposed under this Agreement unless a Schedule providing for such penalties or sanctions has first been filed with and made effective by FERC. Nothing in the Agreement, with the exception of the provisions relating to ADR, shall be construed as waiving the rights of the ~~ISO~~ CAISO Metered Entity to oppose or protest any penalty proposed by the ~~ISO~~ CAISO to the FERC or the specific imposition by the ~~ISO~~ CAISO of any FERC-approved penalty on the ~~ISO~~ CAISO Metered Entity.
- 4.2 Corrective Measures.** If the ~~ISO~~ CAISO Metered Entity fails to meet or maintain the standards for Metering Facilities or comply with the audit or test procedures as referred to in the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO shall be permitted to take corrective measures. The corrective measures and rights the ~~ISO~~ CAISO may exercise upon any failure by any entity to meet those standards for Metering Facilities or to comply with the audit or test procedures shall be set forth in Schedule 4 Part B.

ARTICLE V

ACCESS TO METERING DATA

- 5.1 Authorized Users.** In addition to the persons referred to in the ~~ISO-CAISO~~ Tariff, including the ~~ISO-CAISO~~ Metered Entity and the relevant Scheduling Coordinator, as being entitled to access Meter Data on MDAS, the ~~ISO-CAISO~~ Metered Entity may set forth in Schedule 3 of this Agreement any additional authorized users that shall be entitled to access the ~~ISO-CAISO~~ Metered Entity's Settlement Quality Meter Data held by the ~~CAISO~~. The ~~ISO-CAISO~~ Metered Entity shall include in Schedule 3 as authorized users the relevant UDCs and TOs. The ~~ISO-CAISO~~ shall provide the authorized users with any password or other information necessary to access the ~~ISO-CAISO~~ Metered Entity's Settlement Quality Metered Data held by the ~~ISO-CAISO~~ on MDAS. Any amendment or addition to Schedule 3 shall not constitute an amendment to this Agreement.

ARTICLE VI

COSTS

- 6.1 Certification, Inspection and Auditing of Meters.** The ~~ISO-CAISO~~ Metered Entity shall be responsible for all reasonable costs incurred by the ~~ISO-CAISO~~ or an ~~ISO-CAISO~~ Authorized Inspector in connection with them carrying out the certification, inspection, testing or auditing of the meters identified in Schedule 1 from which the ~~ISO-CAISO~~ Metered Entity provides Meter Data to the ~~ISO-CAISO~~. The ~~ISO-CAISO~~ or ~~ISO-CAISO~~ Authorized Inspector will furnish the ~~ISO-CAISO~~ Metered Entity, upon request, an itemized bill for such costs.

ARTICLE VII

DISPUTE RESOLUTION

- 7.1 Dispute Resolution.** The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall adhere to the ~~ISO-CAISO~~ ADR Procedures set forth in Section 13 of the ~~ISO-CAISO~~ Tariff, which is incorporated by reference, except that all reference in Section 13 of the ~~ISO-CAISO~~ Tariff to Market Participants shall be read as a reference to the ~~ISO-CAISO~~ Metered Entities and references to the ~~ISO-CAISO~~ Tariff shall be read as references to this Agreement.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES

- 8.1 Representations and Warranties.** Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.

- 8.2 Necessary Approvals.** The ~~ISO~~ CAISO Metered Entity represents that all necessary approvals, permits, licenses, easements, right of way or access to install, own and operate its meters have been or will be obtained by the ~~ISO~~ CAISO Metered Entity prior to the effective date of this Agreement.

ARTICLE IX

LIABILITY AND INDEMNIFICATION

- 9.1 Liability and Indemnification.** The provisions of Section 14 of the ~~ISO~~ CAISO Tariff will apply to liability arising under this Agreement, except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as references to the ~~ISO~~ CAISO Metered Entity and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLES X

UNCONTROLLABLE FORCES

- 10.1 Uncontrollable Forces Tariff Provisions.** Section 14 of the ~~ISO~~ CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as references to the ~~ISO~~ CAISO Metered Entity and all references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLE XI

MISCELLANEOUS

- 11.1 Assignments.** Either Party may assign or transfer any or all of its rights and/or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the ~~ISO~~ CAISO Tariff. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.
- 11.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the ~~ISO~~ CAISO Tariff. A Party must update the information in Schedule 5 as information changes. Such changes shall not constitute an amendment to this Agreement.
- 11.3 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 be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.

- 11.4 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 its conflict of law provisions. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement to which the ~~ISO~~ CAISO ADR Procedures do not apply shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.
- 11.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the ~~ISO~~ CAISO Tariff as if the references to the ~~ISO~~ CAISO Tariff were referring to this Agreement.
- 11.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 11.7 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.
- 11.8 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. If the amendment does not require FERC approval, the amendment will be filed with FERC for information.
- 11.9 Counterparts.** This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.

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

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Full legal name of ~~ISO~~ CAISO Metered Entity

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 1
METER INFORMATION
[Section 3.3.2]

Resource ID/Meter Number _____
Name of the Facility _____
Location (address if applicable) _____

SCHEDULE 2

EXEMPTIONS FROM METERING STANDARDS AND OTHER REQUIREMENTS

[Section 3.4]

SCHEDULE 3

ACCESS TO METER DATA AND AUTHORIZED USERS [Section 5.1]

List authorized users and any restrictions or limitations placed on them.

SCHEDULE 4

PART A

ISOCAISO IMPOSED PENALTIES AND SANCTIONS

[Section 4.1]

TO BE INSERTED UPON FERC APPROVAL

PART B

CORRECTIVE MEASURES

[SECTION 4.2]

TO BE DEVELOPED

SCHEDULE 5

NOTICE

[Section 11.2]

Name of Primary

Representative:

Title:

Company:

Address:

City/State/Zip Code:

Email address:

Phone:

Fax:

Name of Alternative

Representative:

Title:

Company:

Address:

City/State/Zip Code:

Email address:

Phone:

Fax:

ISOCAISO:

Name of Primary

Representative:

Title:

Address:

City/State/Zip Code:

Email address:

Phone:

Fax:

Name of Alternative

Representative:

Title:

Address:

City/State/Zip Code:

Email address:

Phone:

Fax:

ISOCAISO TARIFF APPENDIX B.7

Meter Service Agreement for Scheduling Coordinators

CALIFORNIA INDEPENDENT SYSTEM OPERATOR

AND

[SC]

**METER SERVICE AGREEMENT
FOR SCHEDULING COORDINATORS**

**METER SERVICE AGREEMENT
FOR SCHEDULING COORDINATORS**

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

(1) **[Full legal name]** having its registered and principal place of business located at **[Address]**
(the "SC");

and

(2) **California Independent System Operator Corporation**, a California non-profit public benefit corporation having a principal executive office located at such place in the State of California as the ~~ISO~~ CAISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (the "~~ISO~~ CAISO").

The Scheduling Coordinator and the ~~ISO~~ CAISO are hereinafter referred to as the "Parties".

Whereas:

- A.** Section 10 of the ~~ISO~~ CAISO Tariff requires the ~~ISO~~ CAISO to enter into a meter service agreement with each Scheduling Coordinator responsible for providing Settlement Quality Meter Data for Scheduling Coordinator Metered Entities that it represents.
- B.** Section 10 of the ~~ISO~~ CAISO Tariff requires Scheduling Coordinators to ensure that the Scheduling Coordinator Metered Entities that they represent adhere to the requirements and standards for Metering Facilities set forth in Section ~~10.6~~ 10.3.
- C.** The Parties are entering into this Agreement in order to establish the terms and conditions upon which the ~~ISO~~ CAISO and the Scheduling Coordinator shall discharge their respective duties and responsibilities pursuant to this Agreement and the ~~ISO~~ CAISO Tariff.
- D.** All obligations and responsibilities included in this Agreement may be set forth in further detail in the ~~ISO~~ CAISO Tariff.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Master Definitions Supplement. Unless defined in Section 1.2 of this Agreement, all terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the ~~ISO~~ CAISO Tariff.

1.2 Special Definitions for this Agreement. In this Agreement, the following words and expressions shall have the meanings set forth below:

~~ISO~~CAISO Authorized Inspector has the meaning as defined in the ~~ISO~~ CAISO Tariff.

~~ISO~~CAISO Metered Entity means:

- (a) any one of the following entities that is directly connected to the ~~ISO~~ CAISO Controlled Grid:
 - i. a Generator other than a Generator that sells all of its Energy (excluding any Energy consumed by auxiliary load equipment electrically connected to that Generator at the same point) and Ancillary Services to the UDC in whose Service Area it is located;
 - ii. an Eligible Customer; or
 - iii. an End-User other than an End-User that purchases all of its Energy from the UDC in whose Service Area it is located; and
- (b) any one of the following entities:
 - i. a Participating Generator;
 - ii. a Participating TO in relation to its Tie Point Meters with other TOs or Control Areas; or
 - iii. a Participating Load.

~~MDAS~~ means the ~~ISO~~ CAISO's revenue metering data acquisition and processing system.

~~Metering Facilities~~ means revenue quality meters, instrument transformers, secondary circuitry, secondary devices, meter data servers, related communication facilities and other related local equipment.

~~SC~~ means Scheduling Coordinator.

~~Scheduling Coordinator Metered Entity~~ or **~~SC Metered Entity~~** means a Generator, Eligible Customer or End-User that is not an ~~ISO~~ CAISO Metered Entity.

1.3 Rules of Interpretation. The following rules of interpretation and conventions shall apply to this Agreement:

- (a) if there is any inconsistency between this Agreement and the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO Tariff will prevail to the extent of the inconsistency;
- (b) the singular shall include the plural and vice versa;
- (c) the masculine shall include the feminine and neutral and vice versa;
- (d) “includes” or “including” shall mean “including without limitation”;
- (e) references to a section, article or schedule shall mean a section, article or a schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year;
- (k) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement; and
- (l) references to the ~~ISO~~ CAISO Tariff and other ~~ISO~~ CAISO Documents shall be interpreted in accordance with any exceptions or exemptions to such as may have been granted by the ~~ISO~~ CAISO.

ARTICLE II

TERM AND TERMINATION

2.1 Effective Date. This Agreement shall be effective as of the later of the date of execution of this Agreement, or the date it is accepted and made effective by FERC, and shall remain in full force and effect until terminated by operation of law or pursuant to Section 2.2 of this Agreement.

2.2 Termination

2.2.1 Termination by ~~ISO~~CAISO. Subject to Section 14 the ~~ISO~~CAISO may terminate this Agreement by giving written notice of termination in the event that the Scheduling Coordinator commits any default under this Agreement and/or the ~~ISO~~CAISO Tariff which, if capable of being remedied, is not remedied within thirty (30) days after the ~~ISO~~CAISO has given it written notice of the default, unless excused by reason of Uncontrollable Force in accordance with Section 15 of the ~~ISO~~CAISO Tariff. With respect to any notice of termination given pursuant to this Section, the ~~ISO~~CAISO must file a timely notice of termination with FERC. The filing of the notice of termination by the ~~ISO~~CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO~~CAISO files the notice of termination within 30 days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such notice of termination.

2.2.2 Termination by SC. In the event that the Scheduling Coordinator wishes to terminate this Agreement, the Scheduling Coordinator shall give the ~~ISO~~CAISO ninety (90) days written notice. With respect to any notice of termination given pursuant to this Section, the ~~ISO~~CAISO must file a timely notice of termination with FERC. The filing of the notice of termination by the ~~ISO~~CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO~~CAISO files the notice of termination within 30 days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such a notice of termination.

ARTICLE III

GENERAL TERMS AND CONDITIONS

3.1 Agreement Subject to ~~ISO~~CAISO Tariff . This Agreement shall be subject to the provisions of the ~~ISO~~CAISO Tariff which shall be deemed to be incorporated herein, as the same may be changed or superseded from time to time. The Parties agree that they will comply with the provisions of Section 10 of the ~~ISO~~CAISO Tariff.

3.2 Requirements and Standards for Metering Facilities. The Scheduling Coordinator shall ensure that the Scheduling Coordinator Metered Entities it represents shall adhere to the requirements and standards for Metering Facilities of its Local Regulatory Authority. If that Scheduling Coordinator Metered Entity's Local Regulatory Authority has not set any requirements or standards in relation to any of its Metering Facilities, the Scheduling Coordinator representing that Scheduling Coordinator Metered Entity must comply with the requirements and standards for those Metering Facilities as set forth in this Agreement and the ~~ISO~~CAISO Tariff.

3.3 Obligations and Rights of the Scheduling Coordinator.

3.3.1 Meter Information. If the ~~ISO~~CAISO so requests, the Scheduling Coordinator shall provide in the format prescribed by Schedule 1 to this Agreement the required information with respect to the meters for all Scheduling Coordinator Metered Entities it represents including the reference to specific distribution loss factors or methodology it proposes to use as determined by the relevant UDC and approved by the relevant Local Regulatory Authority. The Scheduling Coordinator must

immediately notify the ~~ISO~~ CAISO of any changes to the information provided to the ~~ISO~~ CAISO in accordance with this Section 3.3.1 and provide the ~~ISO~~ CAISO with any information in relation to such change as reasonably requested by the CAISO. Any amendments or additions to Schedule 1 shall not constitute an amendment to this Agreement.

3.3.2 Assistance and Cooperation of Scheduling Coordinator. The Scheduling Coordinator shall ensure that the ~~ISO~~ CAISO shall, upon reasonable notice, have access to the entire Metering Facilities of the Scheduling Coordinator Metered Entities that it represents from the meter data server to the Metering Facilities in order to inspect, test or otherwise audit those Metering Facilities.

3.3.3 Profiled and Cumulative Meter Data. The Scheduling Coordinator shall provide the ~~ISO~~ CAISO with any applicable load profile for each Scheduling Coordinator Metered Entity that it represents that is load profiled in accordance with the ~~ISO~~ CAISO Tariff. The Scheduling Coordinator shall provide a copy of the load profile applicable to each Scheduling Coordinator Metered Entity (if any) that it represents which shall be set forth in Schedule 2 to this Agreement. The Scheduling Coordinator must immediately notify the ~~ISO~~ CAISO of any changes to the load profiles referred to in Schedule 2 to this Agreement and provide the ~~ISO~~ CAISO with a copy of the new or amended load profile. Such change to Schedule 2 shall not constitute an amendment to this Agreement.

3.3.4 Security and Validation Procedures. The Scheduling Coordinator shall apply to the Meter Data of the Scheduling Coordinator Metered Entities that it represents, the security and validation procedures prescribed by the relevant Local Regulatory Authority. If the relevant Local Regulatory Authority has not prescribed any such procedures, the Scheduling Coordinator shall apply the procedures set forth in the ~~ISO~~ CAISO Tariff. Meter Data submitted by an Scheduling Coordinator for Scheduling Coordinator Metered Entities shall conform to these standards unless the ~~ISO~~ CAISO has, at its discretion, exempted the Scheduling Coordinator from these standards.

3.4 Obligations and Rights of the ISOCASO.

3.4.1 Exemptions Granted by ISOCASO. Any exemptions provided for under the ~~ISO~~ CAISO Tariff that are granted by the ~~ISO~~ CAISO shall be set forth in Schedule 3 to this Agreement. Any amendment or addition to Schedule 3 shall not constitute an amendment to this Agreement.

3.4.2 ISOCASO as Third-Party Beneficiary. The ~~ISO~~ CAISO shall be a third-party beneficiary to the agreements between the Scheduling Coordinator and Scheduling Coordinator Metered Entities that the Scheduling Coordinator represents. Such agreements shall grant the ~~ISO~~ CAISO access to any relevant information, records and facilities of the Scheduling Coordinator Metered Entity as needed for the ~~ISO~~ CAISO to fulfill its obligations under this Agreement and the ~~ISO~~ CAISO Tariff.

ARTICLE IV

PENALTIES & SANCTIONS

4.1 Penalties. If the Scheduling Coordinator provides inaccurate or incorrect Settlement Quality Meter Data or fraudulent Meter Data to the ~~ISO~~ CAISO, the ~~ISO~~ CAISO shall be entitled to impose penalties and sanctions, including but not limited to suspension of trading rights following 14 days written notice to the Scheduling Coordinator. Fraudulent Meter Data means any data provided to the ~~ISO~~ CAISO by the Scheduling Coordinator that the Scheduling Coordinator knows to be false, incorrect or incomplete at the time it provided it to the ISOCASO. All penalties and sanctions shall be set forth in Schedule 4 Part

A. No penalties or sanctions, including the suspension of trading rights, may be imposed under this Agreement unless a Schedule providing for such penalties or sanctions has first been filed with and made effective by FERC. Nothing in the Agreement, with the exception of the provisions relating to ADR, shall be construed as waiving the rights of the Scheduling Coordinator to oppose or protest any penalty proposed by the ~~ISO~~ CAISO to the FERC or the specific imposition by the ~~ISO~~ CAISO of any FERC-approved penalty on the Scheduling Coordinator. The ~~ISO~~ CAISO will provide notice to all Scheduling Coordinators of any filing of proposed penalties or sanctions with the FERC. The ~~ISO~~ CAISO shall notify the Scheduling Coordinator of those approved penalties within 14 days of their approval by the FERC.

- 4.2 Corrective Measures.** If the Scheduling Coordinator or any Scheduling Coordinator Metered Entity that it represents fails to meet or maintain the standards for Metering Facilities or comply with the audit or test procedures as set forth in the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO shall be permitted to take corrective measures. Details of the corrective measures and rights the ~~ISO~~ CAISO may exercise upon any failure by any entity to meet those standards for Metering Facilities or to comply with the audit or test procedures shall be set forth in Schedule 4 Part B.

ARTICLE V

ACCESS TO METER DATA

- 5.1 Third Parties.** Third parties that are authorized by the Scheduling Coordinator to access the Meter Data of a Scheduling Coordinator Metered Entity held by the ~~ISO~~ CAISO and that are entitled to such Meter Data shall be identified in Schedule 5 to this Agreement. The Scheduling Coordinator shall not provide a third party access to Meter Data of a Scheduling Coordinator Metered Entity unless the Scheduling Coordinator has permission from that Scheduling Coordinator Metered Entity to provide that access. The relevant UDCs and TOs shall be included in Schedule 5 provided that the Scheduling Coordinator Metered Entity has granted those UDCs and TOs access to its Meter Data. Any amendment or addition to Schedule 5 shall not constitute an amendment to this Agreement. The Scheduling Coordinator shall, on request by the Scheduling Coordinator Metered Entity, access the Meter Data held by the ~~ISO~~ CAISO relating to that Scheduling Coordinator Metered Entity and provide that Meter Data to the Scheduling Coordinator Metered Entity in a timely manner.

ARTICLE VI

COSTS

- 6.1 Certification, Inspection and Auditing of Meters.** The Scheduling Coordinator shall be responsible for all reasonable costs incurred by the ~~ISO~~ CAISO or an ~~ISO~~ CAISO Authorized Inspector in connection with them carrying out the certification, inspection, testing or auditing of the meters identified in Schedule 1 from which the Scheduling Coordinator provides Meter Data to the ~~ISO~~ CAISO. The ~~ISO~~ CAISO or ~~ISO~~ CAISO Authorized Inspector will furnish the Scheduling Coordinator, upon request, an itemized bill for such costs.

ARTICLE VII

DISPUTE RESOLUTION

- 7.1 Dispute Resolution.** The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall adhere to the ~~ISO-CAISO~~ ADR Procedures set forth in Section 13 of the ~~ISO-CAISO~~ Tariff, which is incorporated by reference, except that all reference in Section 13 of the ~~ISO-CAISO~~ Tariff to Market Participants shall be read as a reference to the Scheduling Coordinator Metered Entity and references to the ~~ISO-CAISO~~ Tariff shall be read as references to this Agreement.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES

- 8.1 Representations and Warranties.** Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.
- 8.2 Necessary Authority.** The Scheduling Coordinator represents and warrants that all of the entities which it identifies on Schedule 1 as Scheduling Coordinator Metered Entities that it represents have granted it all necessary authority to enable it to carry out its obligations under this Agreement and the ~~ISO-CAISO~~ Tariff, and, subject to the execution and delivery by the ~~ISO-CAISO~~, this Agreement will be enforceable against the Scheduling Coordinator in accordance with its terms.
- 8.3 Meter Data Access.** The Scheduling Coordinator represents and warrants that all third parties referred to in Schedule 5 to this Agreement have been authorized by the relevant Scheduling Coordinator Metered Entity as having access to its Settlement Quality Meter Data.

ARTICLE IX

LIABILITY AND INDEMNIFICATION

- 9.1 Liability and Indemnification.** The provisions of Section 14 of the ~~ISO-CAISO~~ Tariff will apply to liability arising under this Agreement except that all references in Section 14 of the ~~ISO-CAISO~~ Tariff to Market Participants shall be read as references to the Scheduling Coordinator and references in the ~~ISO-CAISO~~ Tariff shall be read as references to this Agreement.

ARTICLE X

UNCONTROLLABLE FORCES

- 10.1 Uncontrollable Forces.** Section 14 of the ~~ISO~~ CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as references to the Scheduling Coordinator and all references to the ~~ISO~~ CAISO Tariff shall be read as references to this Agreement.

ARTICLE XI

MISCELLANEOUS

- 11.1 Assignments.** Either Party may assign or transfer any or all of its rights and/or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the ~~ISO~~ CAISO Tariff. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.
- 11.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with the Scheduling Coordinator's Scheduling Coordinator Agreement and in accordance with Section 22.4 of the ~~ISO~~ CAISO Tariff. A Party must update the information in Schedule 6 as information changes. Such changes shall not constitute an amendment to this Agreement.
- 11.3 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 be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay short of the statutory period of limitations in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 11.4 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 its conflict of law provisions. The Scheduling Coordinator irrevocably consents that any legal action or proceeding arising under or relating to this Agreement to which the ~~ISO~~ CAISO ADR Procedures do not apply shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.
- 11.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the ~~ISO~~ CAISO Tariff as if the references to the ~~ISO~~ CAISO Tariff were referring to this Agreement.
- 11.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements, whether written or oral, with respect to such subject matter.

- 11.7 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.
- 11.8 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. If the amendment does not require FERC approval, the amendment will be filed with FERC for information.
- 11.9 Counterparts.** This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.

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

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Full legal name of SC

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 1

METER INFORMATION

[Section 3.3.1]

Meter Number

Name of the Facility

Contact details for Scheduling Coordinator Metered Entity Representative

SCHEDULE 2

APPROVED LOAD PROFILE

[Section 3.3.3]

Attach details of each load profile used by the Scheduling Coordinator Metered Entities represented by the Scheduling Coordinator, the names of the Scheduling Coordinator Metered Entities that use each of those load profiles and the name of the Local Regulatory Authority that approved each of those load profiles.

SCHEDULE 3

EXEMPTIONS FROM METERING STANDARDS AND OTHER REQUIREMENTS

[Section 3.4.1]

Exemption

Attach variation with an explanation.

Name of the relevant Local Regulatory Authority which sets security and validation standards for the Scheduling Coordinator Metered Entity.

Other Exemptions

SCHEDULE 4

PART A

ISOCAISO IMPOSED PENALTIES AND SANCTIONS

[Section 4.1]

TO BE INSERTED UPON FERC APPROVAL

PART B

CORRECTIVE MEASURES

[Section 4.2]

TO BE DEVELOPED

SCHEDULE 5

ACCESS TO METER DATA

[Section 5.1]

List the third parties authorized by each Scheduling Coordinator Metered Entity represented by the Scheduling Coordinator to access that Scheduling Coordinator Metered Entities' Settlement Quality Meter Data.

SCHEDULE 6

NOTICE

[Section 11.2]

Name of Primary

Representative:

Title:

Address:

City/State/Zip Code:

Email address:

Phone:

Fax:

Name of Alternative

Representative:

Title:

Address:

City/State/Zip Code:

Email address:

Phone:

Fax:

ISOCAISO:

Name of Primary

Representative:

Title:

Address:

City/State/Zip Code:

Email address:

Phone:

Fax:

Name of Alternative

Representative:

Title:

Address:

City/State/Zip Code:

Email address:

Phone:

Fax:

ISOCALSO TARIFF APPENDIX B.8
Utility Distribution Company Operating Agreement

CALIFORNIA INDEPENDENT SYSTEM OPERATOR

AND

[UTILITY DISTRIBUTION COMPANY]

UTILITY DISTRIBUTION COMPANY OPERATING AGREEMENT

UTILITY DISTRIBUTION COMPANY
OPERATING AGREEMENT

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

- (1) **[Full legal name of UDC]** having its registered and principal place of business located at **[Address]** (the "UDC");
- and
- (2) **California Independent System Operator Corporation**, a California non-profit public benefit corporation having its principal place of business located in such place in the State of California as the ~~ISO~~ CAISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (the "~~ISO~~ CAISO").

The UDC and the ~~ISO~~ CAISO are hereinafter referred to as the "Parties".

Whereas:

- A. The purpose of this Operating Agreement is to establish the rights and obligations of the UDC and the ~~ISO~~ CAISO with respect to the UDC's Interconnection with the ~~ISO~~ CAISO Controlled Grid and the UDC's cooperation and coordination with the ~~ISO~~ CAISO to aid the reliability and the operational control of the ~~ISO~~ CAISO Controlled Grid and the UDC's Distribution System.
- B. The UDC owns and operates a Distribution System within the ~~ISO~~ CAISO Control Area subject to the authority of a Local Regulatory Authority.
- C. The UDC wishes to transmit Energy and/or supply Ancillary Services to or from the ~~ISO~~ CAISO Controlled Grid under the terms and conditions set forth in the ~~ISO~~ CAISO Tariff. The UDC also wishes to support and be part of the coordinated response to System Emergencies and to System Reliability concerns relating to the ~~ISO~~ CAISO Controlled Grid.
- D. The ~~ISO~~ CAISO has certain statutory obligations under California law to maintain the reliability of the ~~ISO~~ CAISO Controlled Grid.
- E. This Operating Agreement obligates the UDC and the ~~ISO~~ CAISO to comply with the relevant sections of the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO Operating Procedures and the ~~ISO~~ CAISO Specifications.
- F. The UDC and the Participating TO with which it is interconnected intend to coordinate the planning and implementation of any expansions or modifications of the UDC's or Participating TO's systems that will affect their transmission interconnection, the ~~ISO~~ CAISO Controlled Grid or the transmission services to be required by the UDC.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Master Definitions Supplement. Unless defined in Section 1.2 of this Operating Agreement, all terms and expressions used in this Operating Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the ~~ISO~~ CAISO Tariff.

1.2 Special Definitions for this Operating Agreement. In this Operating Agreement, the following words and expressions shall have the meanings set opposite them:

“~~ISO~~CAISO Specifications” means those standards pertaining to the areas of operation listed in Article IV of this Operating Agreement, approved by the ~~ISO~~ CAISO to establish detailed technical performance and reliability parameters at the ~~ISO~~ CAISO Controlled Grid and UDC Interconnection, associated with the ~~ISO~~ CAISO Tariff, as those standards may be amended from time to time.

“~~ISO~~CAISO Operating Procedure” means those procedures pertaining to the areas of operation listed in Article IV of this Operating Agreement, created by the ~~ISO~~ CAISO to establish detailed operating practices at the ~~ISO~~ CAISO Controlled Grid and UDC Interconnection, associated with general provisions required in the ~~ISO~~ CAISO Tariff, as those standards may be amended from time to time.

“Underfrequency Load Shedding (UFLS)” means automatic Load Shedding, accomplished by the use of such devices as underfrequency relays, intended to arrest frequency decline and assure continued operation within anticipated islands.

1.3 Rules of Interpretation. The following rules of interpretation and conventions shall apply to this Operating Agreement:

- (a) if there is any inconsistency between this Operating Agreement and the ~~ISO~~ CAISO Tariff, the ~~ISO~~ CAISO Tariff will prevail to the extent of the inconsistency;
- (b) the singular shall include the plural and vice versa;
- (c) the masculine shall include the feminine and neutral and vice versa;
- (d) “includes” or “including” shall mean “including without limitation”;
- (e) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Operating Agreement, as the case may be, unless the context otherwise requires;
- (f) a reference in this Operating Agreement to a given agreement, instrument or the ~~ISO~~ CAISO Tariff shall be a reference to that agreement, instrument or the ~~ISO~~ CAISO Tariff as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;

- (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year; and the captions and headings in this Operating Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Operating Agreement.

ARTICLE II

TERM AND TERMINATION

- 2.1 Effective Date.** This Operating Agreement shall be effective as of the later of the date it is executed by the Parties or the date accepted for filing and made effective by the FERC and shall remain in full force and effect until the earlier of the termination date, the termination of the TCA or such other date as the Parties shall mutually agree. With respect to any such termination, the ~~ISO~~ CAISO must file a timely notice of termination with FERC, and this Operating Agreement shall terminate upon acceptance by FERC of such a notice of termination.
- 2.2 Termination Date.** Either Party (the terminating Party) may terminate this Operating Agreement by giving written notice in the event that the other Party (the defaulting Party) commits any default under this Operating Agreement and/or the ~~ISO~~ CAISO Tariff which, if capable of being remedied, is not remedied within 30 days after the terminating Party has given the defaulting Party written notice of the default, unless excused by reason of Uncontrollable Forces under Article X of this Operating Agreement. With respect to any notice of termination given pursuant to this Section, the ~~ISO~~ CAISO must file a timely notice of termination with FERC. The filing of the notice of termination by the ~~ISO~~ CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO~~ CAISO files the notice of termination within 30 days of receipt of such request. This Operating Agreement shall terminate upon acceptance by FERC of such a notice of termination.
- 2.3 Termination Pursuant to the TCA.** If the UDC is a party to the Transmission Control Agreement (“TCA”), this Operating Agreement shall terminate upon the effective date of the UDC’s withdrawal from the TCA in accordance with Section 3.3 of the TCA, provided, however, that first the ~~ISO~~ CAISO shall have filed a timely notice of termination with FERC and FERC shall have accepted such notice of termination. The filing of the notice of termination by the ~~ISO~~ CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO~~ CAISO files the notice of termination within 30 days of receipt of such request.

ARTICLE III

GENERAL TERMS AND CONDITIONS

- 3.1.1 Facilities Under ~~ISO~~ CAISO Operational Control.** Parties shall identify on Schedule 1 those facilities of the UDC that the Parties mutually agree will be placed under the ~~ISO~~ CAISO's operational control pursuant to the ~~ISO~~ CAISO Tariff. In the event that a Party invokes the dispute resolution provision identified in Section 7.1 of this Operating Agreement, such dispute shall be resolved based upon whether the ~~ISO~~ CAISO's control over such disputed facilities is essential to meeting the Applicable Reliability Criteria, as defined in the ~~ISO~~ CAISO Tariff. With respect to each facility identified in Schedule 1, the Parties shall negotiate the extent of the ~~ISO~~ CAISO's operational control in order to meet said standard.
- 3.1.2 Facilities Financed by Local Furnishing Bonds or Other Tax-Exempt Bonds.** This Section 3.1.2 applies only to facilities which are under the operational control of the ~~ISO~~ CAISO and are owned by a UDC with Local Furnishing Bonds or other tax-exempt bonds. Nothing in this Operating Agreement shall compel (and the ~~ISO~~ CAISO is not authorized to request) any UDC with Local Furnishing Bonds, or other tax-exempt bonds, to violate restrictions applicable to facilities which are part of a system that was financed in whole or part with Local Furnishing Bonds or other tax-exempt bonds. The UDC shall cooperate with and provide all necessary assistance to the ~~ISO~~ CAISO in developing specific schedules to be included in executed Operating Agreements with such UDC to meet the intent of Section 3.1.1 of this Operating Agreement.
- 3.2 Agreement Subject to ~~ISO~~ CAISO Tariff.** This Operating Agreement shall be subject to the provisions of the ~~ISO~~ CAISO Tariff which shall be deemed to be incorporated by reference herein, as the same may be changed or superseded from time to time pursuant to Sections 22.10 and 22.4.3 of the ~~ISO~~ CAISO Tariff. The Parties agree that they will comply with Section 4.4, and any other applicable provisions, of the ~~ISO~~ CAISO Tariff.
- 3.3 Operation of ~~ISO~~ CAISO Controlled Grid.** The ~~ISO~~ CAISO shall operate the ~~ISO~~ CAISO Controlled Grid in accordance with the ~~ISO~~ CAISO Tariff and the Transmission Control Agreement to which it is a party.
- 3.4.1 Compliance with ~~ISO~~ CAISO Specifications and ~~ISO~~ CAISO Operating Procedure.** The UDC will abide by and will perform all of the obligations under the ~~ISO~~ CAISO Specifications and the ~~ISO~~ CAISO Operating Procedure placed on UDCs in respect of all matters set forth therein as the same may be changed or superseded from time to time pursuant to the procedures set forth in Sections 22.10 and 22.4.3 of the ~~ISO~~ CAISO Tariff. In the event of any conflict or dispute over interpretation, the ~~ISO~~ CAISO Tariff shall, at all times, take precedence over the ~~ISO~~ CAISO Specifications and ~~ISO~~ CAISO Operating Procedure. The ~~ISO~~ CAISO shall not implement any reliability requirements, operating requirements or performance standards that would impose increased costs on the UDC without giving due consideration to whether the benefits of such requirements or standards are sufficient to justify such increased costs. In any proceeding concerning the cost recovery by the UDC of capital and operation and maintenance costs incurred to comply with ~~ISO~~ CAISO Specifications and Operating Procedure, the ~~ISO~~ CAISO shall, at the request of the UDC, provide specific information regarding the nature of, and need for, the ~~ISO~~ CAISO-imposed requirements or standards to enable the UDC to use this information in support of cost recovery through rates and tariffs.
- 3.4.2 Review of Specifications and Operating Procedure.** The ~~ISO~~ CAISO shall periodically review with the UDC the ~~ISO~~ CAISO Specifications and Operating Procedure and, through the Grid Reliability and

Operations Committee process, shall modify the specifications and/or Operating Procedure as necessary.

- 3.4.3 Periods When Compliance is Required.** While awaiting dispute resolution or regulatory review, the UDC shall not be required to comply with changes to the ~~ISO-CAISO~~ Specifications and/or Operating Procedure, except where compliance is necessary in order to prevent or remedy an imminent System Emergency.
- 3.5 Scheduling Coordinator Certification.** The UDC shall ensure that any Scheduling Coordinator through which it schedules Energy and Ancillary Services to or from the ~~ISO-CAISO~~ Controlled Grid is appropriately certified in accordance with Section 4.5.1 of the ~~ISO-CAISO~~ Tariff in accordance with the list of Scheduling Coordinators established by the ~~ISO-CAISO~~ on ~~WEnet~~the ~~CAISO's~~ Web-Based Communication System.
- 3.6 Single Point of Contact.** The ~~ISO-CAISO~~ and the UDC shall each provide a single point of contact on a 24-hour, 7-day basis for the exchange of operational procedures and information. In the case of a UDC that is also a Participating TO, there may be only one single point of contact required and, in the reasonable discretion of the ~~ISO-CAISO~~, duplicative reporting requirements and functions may be waived. Details of requirements relating to and the identity of the initial points of contact are set forth in Schedule 2.
- 3.7 Delegated Operational Responsibilities.** The UDC undertakes to perform all operational responsibilities delegated to the UDC by the ~~ISO-CAISO~~ in accordance with Section 4.4.1.2 of the ~~ISO-CAISO~~ Tariff and described in Schedule 3.

ARTICLE IV

OPERATIONAL COORDINATION

The Parties will perform the operational coordination obligations and responsibilities assigned to them under the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ Operating Procedures, and the ~~ISO-CAISO~~ Specifications. The obligations and responsibilities include:

4.1 Maintenance Coordination

- 4.1.1 Maintenance Coordination for Facilities under ~~ISO-CAISO~~ Control.** The UDC shall schedule with the ~~ISO-CAISO~~ on an annual basis any maintenance Outages of the equipment included in Schedule 1 pursuant to Schedule 4 in compliance with the ~~ISO-CAISO~~ Tariff and shall coordinate its Outage requirements with the Participating TO with which it is interconnected.
- 4.1.2 Maintenance Coordination for Other Facilities.** With respect to other facilities which may affect the reliability of the UDC Interconnection, the UDC shall coordinate its Outage requirements with the Participating TO with which it is interconnected.
- 4.2 System Emergencies.** The responsibilities of the Parties in relation to System Emergencies are stated in the ~~ISO-CAISO~~ Tariff and in Schedule 5. The ~~ISO-CAISO~~ shall adopt fair and non-discriminatory procedures among the UDCs to ensure that no UDC bears a disproportionate share of the ~~ISO-CAISO's~~ Load Shedding program.

- 4.2.1 Underfrequency Load Shedding (UFLS).** The responsibilities of the Parties in relation to UFLS are stated in Sections ~~7.47.7~~ and ~~7.4.97.7.9~~ of the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ Operating Procedure, the ~~ISO-CAISO~~ Specifications and in Schedule 6.
- 4.2.2 Other Automatic Load Shedding.** The responsibilities of the Parties in relation to automatic Load Shedding as a function of voltage and other parameters are stated in the ~~ISO-CAISO~~ Operating Procedure, the ~~ISO-CAISO~~ Specifications and in Schedule 7.
- 4.2.3 Manual Load Shedding.** The responsibilities of the Parties to direct and to accept direction for manual disconnection of Load, under EEP, Load curtailment programs or other emergency plans, are stated in Section 7 and Section ~~7.47.11.3~~ of the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ Operating Procedure, the ~~ISO-CAISO~~ Specifications and in Schedule 8.
- 4.3 Electrical Emergency Plan (EEP).** The responsibilities of the Parties in relation to the EEP are stated in Section ~~7.4.67.7.5.1~~ of the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ Operating Procedure, the ~~ISO-CAISO~~ Specifications and in Schedule 9.
- 4.4 Load Restoration.** The responsibilities of the Parties for restoring Load following a system disturbance are stated in Section ~~7.47.11.3~~ of the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ Operating Procedure, the ~~ISO-CAISO~~ Specifications and in Schedule 10.
- 4.5 Records, Information and Reports.** The Parties are required to maintain such records, to share information, and to make such reports as are stated in Section 4.4.12, 4.4.63, and 4.4.85 of the ~~ISO-CAISO~~ Tariff, the ~~ISO-CAISO~~ Operating Procedure, the ~~ISO-CAISO~~ Specifications, and in Schedule 11. Additionally, the Parties shall jointly perform a review following a major Outage as provided in Section ~~7.47.13.1~~ of the ~~ISO-CAISO~~ Tariff.
- 4.6 Interconnection Operation Standards.** The ~~ISO-CAISO~~ and UDC shall maintain stable established operating parameters and control power and reactive flow within standards stated in the ~~ISO-CAISO~~ Specifications and in Schedule 12.
- 4.7 Critical Protective Systems.** The UDC shall (in accordance with Section 11.2 of this Operating Agreement) notify the ~~ISO-CAISO~~ as soon as is reasonably practicable of any condition that it becomes aware of that may compromise the ~~ISO-CAISO~~ Controlled Grid Critical Protective Systems in accordance with Section 4.4.32 of the ~~ISO-CAISO~~ Tariff and Schedule 13.
- 4.8 UDC Distribution Systems.** The ~~ISO-CAISO~~ shall (in accordance with Section 11.2 of this Operating Agreement) notify the UDC as soon as is reasonably practicable of any condition which the ~~ISO-CAISO~~ becomes aware that may compromise the operation and reliability of the UDC Distribution System.

ARTICLE V

ACCESS TO FACILITIES

- 5.1 Access Rights.** Pursuant to Section ~~4.4.8.44.4.6~~ of the ~~ISO-CAISO~~ Tariff and Schedule 14 of this Operating Agreement, the ~~ISO-CAISO~~ and the UDC shall each have the right to install or to have installed equipment or other facilities, including metering equipment, on the electric utility property of the other necessary for the implementation of this Operating Agreement. The ~~ISO-CAISO's~~ installation of equipment on the property of the UDC shall comply with Local Regulatory Authority regulations, except where

compliance with Local Regulatory Authority regulations would cause the ~~ISO-CAISO~~ to violate the ~~ISO-CAISO~~ Tariff, and with all relevant safety standards. In such case, the UDC and ~~ISO-CAISO~~ will work together to resolve the conflict between the Local Regulatory Authority regulations and the ~~ISO-CAISO~~ Tariff.

5.2 Meter Testing. The UDC shall, at the request of the ~~ISO-CAISO~~ and upon reasonable notice, provide access to its facilities necessary to permit the ~~ISO-CAISO~~ or ~~an~~ ~~ISO-CAISO~~-approved meter inspector to perform such testing as necessary in accordance with Section 4.4.8.46 of the ~~ISO-CAISO~~ Tariff and the procedures set forth in Schedule 14.

5.3 Emergency Access Rights. Section 4.4.8.4.3 4.4.6.3 of the ~~ISO-CAISO~~ Tariff shall govern the ~~ISO-CAISO~~'s right to access the UDC's equipment or other facilities during a System Emergency or where access is needed in connection with an audit function. In a System Emergency, the UDC shall have a right of access to ~~ISO-CAISO~~ equipment on UDC property and UDC equipment on ~~ISO-CAISO~~ property without notice.

ARTICLE VI

COSTS

6.1 UDC Operating and Maintenance Costs. The UDC shall be responsible for all costs incurred in connection with procuring, installing, operating and maintaining its facilities identified in Schedule 1 for the purpose of meeting its obligations under this Operating Agreement.

6.2 ISOCAISO Operating and Maintenance Costs. The ~~ISO-CAISO~~ shall be responsible for the procurement, installation, operation and maintenance costs of ~~ISO-CAISO~~ equipment set out in Article V of this Operating Agreement installed on UDC property.

ARTICLE VII

DISPUTE RESOLUTION

7.1 Alternative Dispute Resolution. The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Operating Agreement. In the event any dispute is not settled, the Parties shall adhere to the ~~ISO-CAISO~~ ADR Procedures set forth in Section 13 of the ~~ISO-CAISO~~ Tariff, which is incorporated by reference, except that all reference in Section 13 of the ~~ISO-CAISO~~ Tariff to Market Participants shall be read as a reference to the UDC and references to the ~~ISO-CAISO~~ Tariff shall be read as references to this Operating Agreement.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties. Each Party represents and warrants that its execution, delivery and performance of this Operating Agreement has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.

- 8.2 Necessary Approvals.** Each Party represents that all necessary approvals, permits, licenses, easements, right of way or access to install, own and operate its facilities subject to this Operating Agreement have been obtained prior to the effective date of this Operating Agreement.

ARTICLE IX

LIABILITY

- 9.1 Extent of Liability.** The provisions of Section 14 of the ~~ISO~~ CAISO Tariff will apply to liability arising under this Operating Agreement, except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as references to the UDC and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Operating Agreement.

ARTICLE X

UNCONTROLLABLE FORCES

- 10.1 Uncontrollable Forces Tariff Provisions.** Section 14 of the ~~ISO~~ CAISO Tariff shall be incorporated by reference into this Operating Agreement, except that all references in Section 14 of the ~~ISO~~ CAISO Tariff to Market Participants shall be read as a reference to the UDC and references to the ~~ISO~~ CAISO Tariff shall be read as references to this Operating Agreement.

ARTICLE XI

MISCELLANEOUS

- 11.1 Assignments.** Either Party may assign its obligations under this Operating Agreement, with the other Party's prior written consent, in accordance with Section 22.2 of the ~~ISO~~ CAISO Tariff, which is incorporated by reference into this Operating Agreement. Such consent shall not be unreasonably withheld.
- 11.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Operating Agreement shall be made in accordance with Section 22.4 of the ~~ISO~~ CAISO Tariff, which is incorporated by reference, except that all reference in Section 22.4 to Market Participants shall be read as a reference to the UDC. A Party must update the information relating to its address as that information changes in accordance with Section 22.4 of the ~~ISO~~ CAISO Tariff. Such changes will not constitute an amendment to this Operating Agreement.
- 11.3 Waivers.** Any waiver at any time by either Party of its rights with respect to any default under this Operating Agreement, or with respect to any other matter arising in connection with this Operating Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or matter arising in connection with this Operating Agreement. Any delay short of the statutory period of limitations, in asserting or enforcing any right under this Operating Agreement, shall not constitute or be deemed a waiver of such right.

11.4 Governing Law and Forum. This Operating 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 in its conflict of laws provisions. The Parties irrevocably consent that any legal action or proceeding arising under or in relation to this Operating Agreement to which the ~~ISO~~ CAISO ADR Procedures do not apply, shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.

11.5 Consistency with Federal Laws and Regulations.

- (a) Nothing in this Operating 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 Operating 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 this Operating 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 ~~ISO~~ 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 Operating 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 ~~ISO~~ 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 Operating Agreement that are not enforceable against the federal entity.

11.6 Integration. This Operating Agreement constitutes the full agreement of the Parties with respect to the subject matter hereto and ~~supercedes~~ supersedes all prior agreements, whether written or oral, with respect to such subject matter.

11.7 Severability. If any term, covenant, or condition of this Operating 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 Operating 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 Operating Agreement.

11.8 Penalties. Any penalties to be levied under this Operating Agreement shall be established in accordance with the ~~ISO~~ CAISO Tariff after consultation between the UDC and the ~~ISO~~ CAISO, and approval by

the FERC, and shall be set out in Schedule 15. No penalties or sanctions may be imposed under this Operating Agreement unless a Schedule providing for such penalties or sanctions has first been filed with and made effective by FERC. Nothing in this Operating Agreement, with the exception of the provisions relating to ADR, shall be construed as waiving the rights of the UDC to oppose or protest any penalty proposed by the ~~ISO~~ CAISO to the FERC or the specific imposition by the ~~ISO~~ CAISO of any FERC-approved penalty on the UDC.

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

11.10 Amendments. This Operating Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. If the amendment does not require FERC approval, the amendment will be filed with FERC for information.

11.11 Counterparts. This Operating Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Operating Agreement.

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

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Full Name of UDC

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 1

FACILITIES UNDER ~~ISO~~ CAISO CONTROL

The UDC will supply a list of UDC facilities that are placed under the operational control of the ~~ISO~~ CAISO in Schedule 1.

There are no UDC facilities to be listed here at present.

SCHEDULE 2

OPERATIONAL CONTACT

ISOCAISO:

Transmission Dispatcher

(Folsom):

Transmission Dispatcher

(Alhambra):

Shift Supervisor:

Manager of Dispatch and

Security Coordination:

City/State/Zip Code

Other ~~ISO~~ CAISO Dispatch Operations Phones:

Generation Dispatcher

(Folsom)

Generation Dispatcher

(Alhambra)

Security Coordinator

UDC:

Name of Primary

Representative:

Name of Alternative

Representative:

Title:

Operations Shift Supervisor

Address:

City/State/Zip Code

Email address:

Phone:

Fax:

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 3

DELEGATED OPERATIONAL RESPONSIBILITIES

Currently the ~~ISO~~ CAISO has not delegated any operational responsibilities to the UDC in accordance with Section ~~4.1.24.4.1~~ of the ~~ISO~~ CAISO Tariff. If such a delegation occurs, they will be identified in this Schedule 3.

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 4

MAINTENANCE COORDINATION

By October 1st of each year, the UDC will exchange with the ~~ISO~~ CAISO a provisional planned outage program for all lines and equipment in Schedule 1. That document will be updated quarterly or as changes occur to the proposed schedule. |

The ~~ISO~~ CAISO will approve all outages on equipment and lines transferred to ~~ISO~~ CAISO operational control. |

Applications for scheduled work will be submitted to the ~~ISO~~ CAISO by _____'s Grid Operations group via means to be agreed to by both Parties. The UDC documents will record the details for all work and become the data base for reporting and recording outage information. |

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 5

SYSTEM EMERGENCIES

The ~~ISO~~ CAISO will notify the UDC's operational contact (Operations Shift Supervisor - Grid Control), as identified in Schedule 2, of the emergency, including information regarding the cause, nature, extent, and potential duration of the emergency. The Operations Shift Supervisor will add any relevant data and will notify Distribution Operations. Distribution Operations will make the appropriate notifications within the UDC organization. The Operations Shift Supervisor and Distribution Control Shift Supervisor will then take such actions as are appropriate for the emergency.

The UDC will make requests for information from the ~~ISO~~ CAISO regarding emergencies through the Operations Shift Supervisor, or the UDC Communication Coordinator may coordinate public information with the ~~ISO~~ CAISO Communication Coordinator.

The UDC is required to estimate service restoration by geographic areas, and will use its call center and the media to communicate with customers during service interruptions. The UDC is also required to communicate the same information to appropriate state and local governmental entities. For transmission system caused outages the Operations Shift Supervisor will notify Distribution Operations Control Center of any information related to the outage such as cause, nature, extent, potential duration and customers affected.

Distribution Control and Grid Control Center logs, Electric Switching Orders and Energy Management System temporal data base will be used in preparation of outage reviews. These documents are defined as the chronological record of the operation of the activities which occur with the portion of the electrical system assigned to that control center. The log shall contain all pertinent information, including orders received and transmitted, relay operations, messages, clearances, accidents, trouble reports, daily switching program, etc.

The UDC will retain records in accordance with its Corporate Standard Practice for six years.

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 6

UNDERFREQUENCY LOAD SHEDDING

The objective of the Underfrequency Load Shedding (UFLS) program is to provide security and protection to the interconnected bulk power network by arresting frequency decay during periods of insufficient resources

This plan establishes Underfrequency Load Shedding objectives consistent with the load shedding policies of the Western Systems Coordinating Council, the North American Electric Reliability Council and the UDC. The UDC's load shedding program will be in accordance with the WSCC Off-nominal Frequency Report requirements.

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 7

OTHER AUTOMATIC LOAD SHEDDING

In addition to underfrequency relay load reduction, any undervoltage relay protection that is utilized in the UDC will be identified in the Attachment to this Schedule 7.

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 8

MANUAL LOAD SHEDDING

[Note: Schedule 8 will detail the criteria governing the implementation of manual Load Shedding and/or interruptible Loads, and will describe the UDC's means of effecting Load Shedding and the estimated associated MW values of various UDC Loads to be shed. For Load curtailment programs Schedule 8 will also contain the UDC's capabilities until October 1 and thereafter annually.]

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 8A

ROTATING LOAD CURTAILMENT PROCEDURES

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 8B

INTERRUPTIBLE LOAD

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 9

ELECTRICAL EMERGENCY PLAN

The ~~ISO~~ CAISO Specifications will outline the basic criteria for the development, coordination, and implementation of the UDC EEP and the requirements for coordination with the ~~ISO~~ CAISO EEP. Schedule 9 will include the UDC EEP as coordinated with the ~~ISO~~ CAISO EEP.

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 10

LOAD RESTORATION

The UDC will follow the procedures set forth below in this Schedule 10 in promoting orderly, coordinated restoration of electric systems after a major system disturbance has occurred which resulted in load shedding by frequency relays in California.

1. Immediately after load shedding by frequency relay has occurred in the UDC, the UDC will remain in contact with their respective Participating Transmission Owner (PTO) Area Control Center (ACC) until normal frequency has been restored throughout the ~~ISO-CAISO~~ Control Area or the ~~ISO-CAISO~~ Shift Supervisor has concluded that such full-time communications can be terminated. Emergency communications over the California ACC Hot-line will be under the direction of the ~~ISO-CAISO~~ Shift Supervisor and the senior dispatcher present at the affected PTO ACC(s).
2. Manual load restoration will not normally be initiated until the California ACC Hot Line is attended. No load is to be manually restored unless directed by the ~~ISO-CAISO~~ after the frequency has recovered and there is indication that the frequency can be maintained. The UDC will await direction from their respective PTO ACC who will be in contact with the ~~ISO-CAISO~~ Shift Supervisor. The ~~ISO-CAISO~~ Shift Supervisor will determine whether adequate generation resources are available on line to support the load to be restored.
3. Any UDC automatic load restoration will be consistent with the WSCC Coordinated Off-Nominal Frequency Load Shedding and Restoration Plan.
4. If the ~~ISO-CAISO~~ cannot meet the WSCC and NERC Control Area Disturbance Control Standard or the Control Performance Standard post disturbance, no manual load restoration will be permitted. If the frequency is such that automatic load restoration occurs under these conditions, the UDC(s) which has restored load automatically will manually shed an equivalent amount of load to offset the load which was automatically restored.
5. Restoration of ties and off-site power supply to nuclear generating facilities should be given top priority. Manual load restoration will be deferred during periods of tie restoration. The UDC should be equipped and prepared to drop load manually when necessary to allow frequency recovery sufficient to re-establish ~~ISO-CAISO~~ intra-area ties and ties between the ~~ISO-CAISO~~ Control Area and outside systems. Where manual load shedding is required, the ~~ISO-CAISO~~ shall make reasonable efforts to allocate the load shedding requirement equitably among the UDCs where load shedding will be beneficial.
6. The UDC will use its existing plans and priorities to restore load within the parameters given by the ~~ISO-CAISO~~, giving the appropriate priority to essential services such as military, public safety agencies, water treatment plants, sewage treatment plants, etc.

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 11

RECORDS, INFORMATION, REPORTS

The ~~ISO~~ [CAISO](#) and UDC will jointly develop any necessary forms and procedures for collection, study and |
transmittal of system data, information, reports, and forecasts.

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 12

INTERCONNECTION OPERATION STANDARDS

The ~~ISO~~ CAISO and UDC shall jointly maintain stable operating parameters and control power and reactive flow in accordance with the ~~ISO~~ CAISO Tariff and the following Interconnection Operation Standards.

UDC Responsibilities

1.0 The UDC shall operate its facilities at each point of interconnection with the ~~ISO~~ CAISO Controlled Grid in such manner as to avoid any material or adverse impact on the ~~ISO~~ CAISO Controlled Grid. In accordance with this performance goal, the UDC shall:

1.1 Operate its facilities at each point of interconnection with the ~~ISO~~ CAISO Controlled Grid within established operating parameters including normal ratings, emergency ratings, voltage limits, and balance of load between electrical phases.

1.2 Maintain primary and backup protective systems such that faults on UDC facilities will be cleared with minimal impact on the ~~ISO~~ CAISO Controlled Grid.

1.3 Maintain load power factor at each point of interconnection with the ~~ISO~~ CAISO Controlled Grid as close as possible to unity power factor and pursuant to Section ~~8.2.3.48.2.3.3~~ of the ~~ISO~~ CAISO Tariff.

ISOCAISO Responsibilities

2.0 The ~~ISO~~ CAISO shall operate the ~~ISO~~ CAISO Controlled Grid at each point of interconnection with the UDC in such manner as to avoid any material or adverse impact on the UDC facilities. In accordance with this performance goal, the ~~ISO~~ CAISO shall:

2.1 Participate with the UDC and TO in the development of joint power quality performance standards and jointly maintain compliance with such standards.

2.2 Observe UDC grid voltage limits specified in Attachment 7 including requirements for reduced voltage on ~~ISO~~ CAISO Controlled Grid facilities which apply during heavy fog (or other unusual operating conditions) as needed to minimize the risk of insulator flashover.

2.3 Approve transmission owner maintenance requests in a timely manner, and shall not unreasonably withhold approval of TO requests for authorization to perform energized insulator washing work or to take planned Outages needed to replace or insul-grease insulators.

2.4 Support UDC investigation of power quality incidents, and provide related data to the UDC in a timely manner.

2.5 Support installation of apparatus on the ~~ISO~~ CAISO Controlled Grid to improve power quality, and take all reasonable measures to investigate and mitigate power quality concerns caused by actions or events in neighboring systems or control areas.

2.6 Maintain load power factor at each UDC Interconnection as close as possible to unity power factor and pursuant to Section ~~8.2.3.48.2.3.3~~ of the ~~ISO~~ CAISO Tariff.

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 13

CRITICAL PROTECTION SYSTEMS

Distribution protective relay schemes affecting the ~~ISO~~ CAISO Controlled Grid are those associated with transformers that would trip transmission breakers and/or busses at UDC Interconnection point when activated. These would include any of the following:

1. High Side Overcurrent Relays
2. Differential Overcurrent Relays
3. Sudden Pressure Relays
4. Low Oil Relays
5. Neutral Ground Overcurrent Relays
6. On fuse protected transformers, it would be the high-side fuses.

The information to be contained in this Schedule may be subject to additional filing due to subsequent revisions as these may be required from time to time.

SCHEDULE 14

RIGHTS OF ACCESS TO FACILITIES

14.1 Equipment Installation. In order to give effect to this Operating Agreement, a Party that requires to use particular equipment (the equipment owner) may require installation of such equipment on property owned by the other Party (the property owner), provided that the equipment is necessary to meet the equipment owner's service obligations and that the equipment shall not have a negative impact on the reliability of the service provided, nor prevent the property owner from performing its own obligations or exercising its rights under this Operating Agreement.

14.1.1 Free Access. The property owner shall grant to the equipment owner free of charge reasonable installation rights and rights of access to accommodate equipment inspection, maintenance, repair, upgrading, or removal for the purposes of this Operating Agreement, subject to the property owner's reasonable safety, operational, and future expansion needs.

14.1.2 Notice. The equipment owner shall provide reasonable notice to the property owner when requesting access for site assessment, equipment installation, or other relevant purposes. Such access shall not be provided unless the parties mutually agree to the date, time, and purpose of each access. Agreement on the terms of the access shall not be unreasonably withheld or delayed.

14.1.3 Removal of Installed Equipment. Following reasonable notice, the equipment owner shall be required, at its own expense, to remove or relocate equipment, at the request of the property owner, provided that the equipment owner shall not be required to do so if it would have a negative impact on the reliability of the service provided, or be prevented from performing its own obligations or exercising its rights under this Operating Agreement.

14.1.4 Costs. The equipment owner shall repair at its own expense any property damage it causes in exercising its rights and shall reimburse the property owner for any other reasonable costs that it may be required to incur to accommodate the equipment owner's exercise of its rights under this Section 14.1.

14.2 Rights to Assets. The Parties shall not interfere with each other's assets, without prior written agreement.

14.3 Inspection of Facilities. In order to meet their respective obligations under this Operating Agreement, each Party may view or inspect facilities owned by the other Party. Provided that reasonable notice is given, a Party shall not unreasonably deny access to relevant facilities for viewing or inspection by the requesting Party.

14.4 Access During Emergencies. Either Party shall have rights of access, without prior notice, to the other Party's equipment as necessary during times of a System Emergency.

SCHEDULE 15

PENALTIES AND SANCTIONS

Intentionally left blank, initially, in accordance with Section 11.7

The information to be contained in this Schedule will be filed when complete following current revisions and development and may thereafter be subject to additional filing due to subsequent revisions as these may be required from time to time.

ISOCAISO TARIFF APPENDIX B.9

Dynamic Scheduling Host Control Area Operating Agreement

CALIFORNIA INDEPENDENT SYSTEM OPERATOR

AND

[CONTROL AREA]

DYNAMIC SCHEDULING HOST CONTROL AREA OPERATING AGREEMENT

**DYNAMIC SCHEDULING HOST CONTROL AREA
OPERATING AGREEMENT**

THIS DYNAMIC SCHEDULING HOST CONTROL AREA OPERATING AGREEMENT (“AGREEMENT”) is established this ____ day of _____, ____ and is accepted by and between:

[Full legal name] (“Host Control Area”), having its registered and principal executive office at [address],
and

California Independent System Operator Corporation (“~~ISO~~CAISO”), a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the ~~ISO~~CAISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630.

The Host Control Area and the ~~ISO~~CAISO are hereinafter referred to as the “Parties”.

Whereas:

- A.** The Parties named above operate Control Areas.
- B.** The Parties wish to coordinate operation of dynamic scheduling functionality to satisfy North American Electric Reliability Council (“NERC”) policies, Western Electricity Coordinating Council (“WECC”) Minimum Operating Reliability Criteria (“MORC”), and Good Utility Practice.
- C.** The Host Control Area does not have an Interconnected Control Area Operating Agreement (“ICAOA”) with the ~~ISO~~CAISO and desires to implement an agreement to facilitate dynamic scheduling from System Resources in its Control Area to the ~~ISO~~CAISO Control Area without an ICAOA.
- D.** The Parties wish to enter into this Agreement to establish the terms and conditions for the operation of the dynamic scheduling functionality from Host Control Area’s Control Area to the ~~ISO~~CAISO Control Area.
- E.** The ~~ISO~~CAISO has certain statutory obligations under California law to maintain power system reliability.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

1. Term and Termination

1.1 Effective Date

This Agreement shall be effective as of the date set forth above, unless this Agreement is accepted for filing and made effective by the Federal Energy Regulatory Commission (“FERC”) on some other date, if FERC filing is required, and shall continue in effect until terminated.

1.2 Termination

This Agreement may be terminated by either Party upon thirty (30) days 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 thirty (30) days after the date of the notice of default, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders. The ~~ISO~~ CAISO shall timely file any required notice of termination with FERC. The filing of the notice of termination by the ~~ISO~~ CAISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ~~ISO~~ CAISO files the notice of termination within sixty (60) days after issuance of the notice of default.

2. Definitions

2.1 WECC Definitions

Except as defined below, terms and expressions used in this Agreement shall have the same meanings as those contained in the WECC MORC Definitions.

2.2 Specific Definitions

2.2.1 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.

2.2.2 ISOCAISO Tariff: ~~ISO~~ CAISO Operating Agreement, Protocols, and Tariff as amended from time to time, together with any appendices or attachments thereto.

2.2.3 Point of Contact: A person or entity having the authority to receive and act upon scheduling or dispatch communications from the other Control Area operator and available through a communications device mutually agreed upon on a 24-hour, 7-day basis.

2.2.4 Scheduling Coordinator: An entity certified by the ~~ISO~~ CAISO for the purposes of undertaking the functions of: submitting ~~schedules~~ 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 ~~ISO~~ CAISO's charges; and ensuring compliance with ~~ISO~~ CAISO protocols.

2.2.5 Standards: The ~~ISO~~ CAISO's "Standards for Dynamic Imports of Energy, Supplemental Energy, and Energy Associated with Non-Regulation Ancillary Services," which document is posted on the ~~ISO~~ CAISO internet home page Website (www.caiso.com).

2.2.6 System Resource: "System Resource" is defined in the ~~ISO~~ CAISO Tariff and, in the context of this Agreement, may include combinations of resources as described in the Standards.

3. General

3.1 Purpose

This Agreement sets forth the requirements that must be satisfied by the Host Control Area should it elect to support Scheduling Coordinators' requests for implementation of a ~~D~~ynamic ~~S~~scheduling functionality and delivery of energy, ~~supplemental E~~energy, and ~~E~~energy associated with ~~A~~ancillary ~~S~~services (except regulation service) into the ~~ISO-CAISO~~ Control Area. The requirements encompass technical (energy management system ("EMS")/ automatic generation control ("AGC") and communications), interchange scheduling, telemetry, and aspects of Control Area operations.

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 standards and policies and WECC criteria.

3.3 Applicable Standards

This Agreement incorporates, by reference, the ~~ISO-CAISO~~'s Standards.

3.4 Communication

The ~~ISO-CAISO~~ and the Host Control Area shall each operate and maintain a 24-hour, 7-day control center with ~~real-time~~Real-Time scheduling and control functions. Appropriate control center staff will be provided by each Party who shall be responsible for operational communications and who shall have sufficient authority to commit and bind that Party. The ~~ISO-CAISO~~ and the Host Control Area shall jointly develop communication procedures necessary to support scheduling and dispatch functions. The Points of Contact and the procedures for insuring reliable communication are identified in Schedule 1.

4. Telecommunications Requirements

The ~~ISO-CAISO~~ and Host Control Area shall establish and maintain ~~real-time~~Real-Time, redundant, diversely routed, communications links between the ~~ISO-CAISO~~ EMS and the Host Control Area EMS, with the primary link utilizing the standard inter-control center communications protocol ("ICCP") in accordance with the Standards for the dynamically scheduled System Resources listed in Schedule 2.

5. Telemetry

For each operating hour for which a System Resource is scheduled to deliver energy, ~~supplemental energy,~~ and/or energy associated with any of the non-regulating ancillary services to the ~~ISO-CAISO~~ Control Area, the Host Control Area shall provide, via the ICCP communication links to the ~~ISO-CAISO~~ EMS, the data for each System Resource, as set forth in the Standards.

6. Interchange Scheduling Requirements

6.1 Dynamic Scheduling

The Host Control Area shall support Scheduling Coordinators' requests to arrange dynamic interchange schedules for the delivery of energy to the ~~ISO-CAISO~~ Control Area, reflecting the System

Resource's instantaneous energy production or allocation level and taking into account available transmission capacity.

6.2 Treatment of Area Control Error ("ACE")

The Host Control Area shall instantaneously compensate its AGC for the System Resource's energy output that is generated or allocated for establishing the ~~D~~ynamic ~~S~~chedule to the ~~ISO~~ CAISO such that the System Resource energy production or allocation changes have an equal in magnitude and opposite in sign effect on the Host Control Area's ACE.

6.2 Integration of Dynamic Scheduling

For each operating hour during which energy was dynamically scheduled for delivery to the ~~ISO~~ CAISO Control Area, the Host Control Area shall compute an integrated amount of interchange based on the System Resource's integrated energy production, by integrating the instantaneous System Resource production levels. Such integrated MWH value shall be agreed to hourly by the ~~real time~~ Real-Time schedulers.

6.3 Delivery of Megawatts ("MW")

The Host Control Area shall not be obligated to make up any difference between the dynamic energy schedule and the MW being generated or allocated by the System Resource.

6.4 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.

7. Other Host Control Area Responsibilities

7.1 Operational Jurisdiction

The Host Control Area will have, at a minimum, the level of operational jurisdiction over the System Resource and the associated ~~D~~ynamic ~~S~~chedule that NERC and WECC vest in Host Control Areas.

7.2 E-Tagging

The Host Control Area must support associated e-tagging as described in the Standards and deemed to be consistent with NERC and/or WECC requirements.

7.3 Real-Time Adjustments

The Host Control Area must have a means to manually override and/or otherwise adjust the dynamic signal in ~~real time~~ Real-Time, if needed.

7.4 Coordination with Other Control Areas

The Host Control Area must provide in ~~real time~~-Real-Time the instantaneous value of each ~~D~~ynamic ~~S~~chedule to every intermediary Control Area through whose systems such ~~D~~ynamic ~~S~~chedule may be implemented to the ~~ISO~~CAISO.

8. Other

8.1 Losses

The ~~ISO~~-CAISO shall not be responsible for transmission losses caused by transmitting energy dynamically within or across the Host Control Area for delivery to the ~~ISO~~CAISO.

8.2 Certification

Only ~~ISO~~CAISO-certified System Resource/Host Control Area arrangements will be allowed to ~~B~~id or self provide ancillary services in the ~~ISO~~-CAISO's ~~A~~ncillary ~~S~~ervices market through an ~~ISO~~CAISO-certified Scheduling Coordinator.

8.3 No Guarantee of Award

Certification of a System Resource/Host Control Area arrangement allows for bidding of ~~supplemental~~-energy and/or certain ~~A~~ncillary ~~S~~ervices into the ~~ISO~~-CAISO market; it does not, however, guarantee selection of such ~~b~~Bid.

8.4 Performance Assessment

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

8.5 Description of System Resources

Each dynamically scheduled System Resource permitted pursuant to this Agreement is described in Schedule 2.

9. Notifications

The ~~ISO~~-CAISO and the Host Control Area shall jointly develop methods for coordinating the notification of all affected scheduling entities within their respective Control Areas regarding schedule changes in emergency or curtailment conditions.

10 Liability

10.1 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 control area operator which could not be avoided through the exercise of Good Utility Practice.

Neither the ~~ISO~~ CAISO nor the Host Control Area 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.

In the event of the occurrence of an Uncontrollable Force, which prevents either the ~~ISO~~ CAISO or the Host Control Area 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 ~~ISO~~ CAISO and the Host Control Area 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.

10.2 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 ~~ISO~~ CAISO or the Host Control Area.

10.3 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.

11 Miscellaneous

11.1 Assignments

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.

11.2 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 changes shall not constitute an amendment to this Agreement.

11.3 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.

11.4 Governing Law and Forum

Subject to ICAA 11.5, 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. 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.

11.5 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 ~~ISO~~ 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 ~~ISO~~ 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.

11.6 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.

11.7 Section Headings

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

11.8 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. If the amendment does not require FERC approval, the amendment will be filed with FERC for information. Nothing contained herein shall be construed as affecting in any way the right of the ~~ISO~~ CAISO or the Host Control Area to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the FPA and pursuant to FERC's rules and regulations promulgated thereunder.

11.9 Counterparts

This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.

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

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

[Full legal name of Host Control Area]

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 1

POINTS OF CONTACT
[Section 3.4]

OPERATIONAL CONTACT

ISOCALISO:

Transmission Dispatcher
(Folsom-Primary):

Transmission Dispatcher
(Alhambra-Backup):

Generation Dispatcher
(Folsom-Primary):

Generation Dispatcher
(Alhambra-Backup):

Real-Time Scheduler
(Folsom):

Real-Time Scheduler
(Alhambra):

Pre Scheduler:

Shift Manager:

Control Room Fax:

Outage Coordination:
Fax:

Director of Grid Operations:

WECC Reliability Coordinator:

Address:

California ISO

151 Blue Ravine Road

P.O. Box 639014

Folsom, CA 95763-9014

OPERATIONAL CONTACT

Host Control Area:

Transmission Dispatcher
(Primary):

Transmission Dispatcher
(Backup):

Generation Dispatcher
(Primary):

Generation Dispatcher
(Backup):

Real-Time Scheduler:

Dispatch Supervisor:

Outage Coordination:

Fax:

Chief Dispatcher:

Address:

|

SCHEDULE 2

DESCRIPTION OF DYNAMICALLY SCHEDULED SYSTEM RESOURCES **[Section 4]**

SCHEDULE 3

NOTICES **[Section 11.2]**

Host Control Area

Name of Primary

Representative: _____

Title: _____

Company: _____

Address: _____

City/State/Zip Code _____

Email Address: _____

Phone: _____

Fax No: _____

Name of Alternative

Representative: _____

Title: _____

Company: _____

Address: _____

City/State/Zip Code _____

Email Address: _____

Phone: _____

Fax No: _____

Name of Primary
Representative:

Title:

Address:

City/State/Zip Code

Email Address:

Phone:

Fax No:

Name of Alternative
Representative:

Title:

Address:

City/State/Zip Code

Email Address:

Phone:

Fax No:

ISOCAISO TARIFF APPENDIX C
ISO Scheduling Process
[NOT USED]

Day-Ahead Schedule Timeline

Day-Ahead Schedule Timeline						
Line	Responsible Parties			Must-Take and Reliability generation	UDC	Actions
	Time (Before or on)	ISO	SCs			
	Two days ahead					
0	6:00 PM	*				Publish forecasted transmission conditions (Generator Meter Multipliers, system load forecast (by Zones), estimated Ancillary Service requirements, scheduled transmission Outages, Loop Flows, congestion, ATC, etc.)
	One day ahead					
1	5:00 AM	X				Notify Scheduling Coordinators of unit-specific Reliability Must Run requirements
2	6:00 AM	*				Update system load forecast and Ancillary Service requirements.
3			X			Notify ISO <u>CAISO</u> of price option for Reliability Must Run Units for which notification was provided at 5:00 a.m.
4			*			Provide direct access load forecasts to the ISO <u>CAISO</u>.
5	6:30 AM	*				Provide net direct access load forecasts to UDCs.
6 [not used]						
7 [not used]						
8 [not used]						
9 [not used]						
10			*			Submit initial preferred energy schedules to the ISO <u>CAISO</u>.
11			*			Submit Ancillary Service bids and/or self-provided Ancillary Service schedules to the ISO <u>CAISO</u>.
12	10:00 AM	*				Validate all Scheduling Coordinator energy schedules, including RMR requirements, and bids; notify and resolve incorrect schedules and bids, if any.

13		x			Validate all Scheduling Coordinator Ancillary Service schedules and bids; notify and resolve incorrect Ancillary Service schedules and bids, if any.
14		x			Start the Inter-Zonal Congestion Management evaluation process and Ancillary Services bid evaluation.
15	11:00 AM	x			If no Inter-Zonal Congestion exists, go to line 27.
16		x			Complete advisory dispatch schedules and transmission prices if Inter-Zonal Congestion exists.
17		x			Complete the advisory schedules and prices of each Ancillary Service.
18		x			Notify all Scheduling Coordinator if Inter-Zonal Congestion exists. Publish advisory transmission prices.
19		x			Inform all Scheduling Coordinators their advisory dispatch schedules if Inter-Zonal Congestion exists.
20		x			Inform all Scheduling Coordinators advisory AS schedules and prices if Inter-Zonal Congestion exists.
21	11:05 PM		x		Start the process of developing revised schedules and price bids.
22			x		Start the process of developing revised AS schedules and price bids.
23	12:00 PM		x		Submit revised Preferred Schedules and price bids to the ISOCAISO.
24			x		Submit revised preferred AS schedules and price bids to the ISOCAISO.
25	12:00 PM	x			Validate all Scheduling Coordinator schedules and bids; notify and resolve incorrect schedules and bids, if any.
26		x			Validate all Scheduling Coordinator AS schedules and bids; notify and resolve incorrect schedules and bids, if any.
27		x			Start the Inter-Zonal Congestion Management evaluation process and Ancillary Services bid evaluation.

28	1:00 PM	*				Complete final dispatch schedules and transmission prices.	
29		*				Complete Final Schedules and prices of each Ancillary Service.	
30	1:00 PM	*				Complete Final Schedules.	
31	1:00 PM	*				Inform all Scheduling Coordinators their final dispatch schedules.	
32		*				Inform all Scheduling Coordinators their final AS schedules and prices.	
33		*				Publish transmission prices if Inter Zonal Congestion exists.	
34		*				Calculate and communicate with Scheduling Coordinator the specific Scheduling Coordinators' Zonal prices if asked.	
35 [not used]							
36 [not used]							
37 [not used]							
38		*				Develop net schedules for each of the Control Area interfaces. These interfaces include Scheduling Coordinator net schedules, Control Area net schedules and/or individual transactions.	
39		*				Call each adjacent Control Area and check that net schedules at each interface point match. Search for discrepancies and identify transactions that do not match. Resolve discrepancies with the involved Scheduling Coordinators or eliminate the transactions with discrepancies.	

ISOCAISO TARIFF APPENDIX D
Black Start Units

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Appendix D - Black Start Units

The following requirements must be met by Generating Units providing Black Start ("Black Start Units"):

- (a) Black Start Units must be capable of starting and paralleling with the ~~ISO~~ CAISO Controlled Grid without aid from the ~~ISO~~ CAISO Controlled Grid;
- (b) Black Start Units must be capable of making a minimum number of starts per event (to be without aid from the ~~ISO~~ CAISO Controlled Grid as determined by the ~~ISO~~ CAISO);
- (c) Black Start Units must be equipped with governors capable of operating in the stand alone (asynchronous) and parallel (synchronous) modes.
- (d) Black Start Units must have startup load pickup capabilities at a level to be determined by the ~~ISO~~ CAISO, including total startup load (MW) and largest startup load (MW) for such power output levels as the ~~ISO~~ CAISO may specify.
- (e) All Black Start Units must be capable of producing Reactive Power (boost) and absorbing Reactive Power (buck) as required by the ~~ISO~~ CAISO to control system voltages. This requirement may be met by the operation of more than one Black Start Unit in parallel providing that:
 - (i) the Black Start generation supplier demonstrates that the proposed Generation resource shares reactive burden equitably;
 - (ii) all Participating Generators associated with the proposed Black Start source are located in the same general area.

Buck/boost capability requirement shall be dependent on the location of the proposed resource in relation to Black Start load.

- (f) All Black Start Units must have the following communication/control requirements:
 - (i) dial-up telephone;
 - (ii) backup radio;
 - (iii) manning levels which accord with Good Utility Practice.

ISOCAISO TARIFF APPENDIX E

Verification of Submitted Data for Ancillary Services

Appendix E

Verification of Submitted Data for Ancillary Services

The ~~ISO-CAISO~~ shall use the following procedures for verifying the ~~scheduling and b~~Bid information submitted by Scheduling Coordinators for Ancillary Services. ~~In this Appendix, a “bid” is a bid submitted by a Scheduling Coordinator in the ISO’s competitive Ancillary Services market. A “schedule” is a Schedule including Ancillary Services which the Scheduling Coordinator wishes to self provide.~~

1. Bid File and Schedule Format. The ~~ISO-CAISO~~ shall verify that the ~~bid files and schedules~~Bids conform to the format specified for the type of Ancillary Service ~~bid or schedule~~Bid submitted. If the ~~bid-Bid~~ file ~~or schedule~~ does not conform to specifications, it shall be annotated by the ~~ISO-CAISO~~ to indicate the location of the errors, and returned to the Scheduling Coordinator for corrections. Any changes made by a Scheduling Coordinator shall require a new submittal of bid ~~or schedule~~ information, and all validity checks shall be performed on the re-submitted ~~b~~Bid ~~or schedule~~.

2. Generation ~~Schedules and~~ Bids.

2.1. Quantity Data. The ~~ISO-CAISO~~ shall verify that no Scheduling Coordinator is submitting a ~~scheduled or b~~Bid quantity for Regulation, Spinning Reserve, ~~or~~ Non-Spinning ~~or Replacement~~ Reserve which exceeds available capacity for Regulation and Reserves on the Generating Units, Loads and resources scheduled for that Settlement Period.

2.2 Location Data. The ~~ISO-CAISO~~ shall verify that the location data corresponds to the ~~ISO-CAISO~~ Controlled Grid interconnection data.

2.3. Operating Capability. The ~~ISO-CAISO~~ shall verify that the operating capability data corresponds to the ~~ISO-CAISO~~ Controlled Grid interconnection data for each Generating Unit, Load or other resource for which a Scheduling Coordinator is submitting an Ancillary Service ~~b~~Bid ~~or schedule~~.

3. ~~Load Schedules and Bids.~~ **[Not Used]**

~~3.1. Quantity data. The ISO-CAISO shall verify that the quantity of Non-Spinning and Replacement Reserve scheduled or bid from Dispatchable Load does not exceed scheduled consumption quantities for that Settlement Period.~~

~~3.2. Location data. The ISO-CAISO shall verify that the location of the Dispatchable Load corresponds to the ISO-CAISO Controlled Grid interconnection data for each supplier of Dispatchable Load.~~

4. Notification of Validity or Invalidity of Ancillary Services ~~Schedules and Competitive~~Bids. The ~~ISO-CAISO~~ shall, as soon as reasonably practical following the receipt of competitive ~~B~~Bids or self-provided Ancillary Service schedules, send to the Scheduling Coordinator who submitted the ~~schedule or b~~Bid the following information:

(a) acknowledgment of receipt of the competitive ~~B~~Bid or self-provided Ancillary Service schedule;

(b) notification that the ~~b~~Bid ~~or schedule~~ has been accepted or reject for non-compliance with the rules specified in this Appendix. If a ~~bid-Bid or schedule~~ is rejected, such notification shall contain an explanation of why the ~~B~~Bid ~~or schedule~~ was not accepted;

(c) a copy of the ~~b~~Bid or schedule as processed by the ~~ISO~~CAISO.

In response to an invalid ~~schedule or B~~bid, the Scheduling Coordinator shall be given a period of time to respond to the notification. The Scheduling Coordinator shall respond by resubmitting a corrected ~~schedule or bid~~Bid. If the Scheduling Coordinator does not respond to the notification within the required time frame, the ~~ISO~~ CAISO shall proceed without that Scheduling Coordinator's ~~b~~Bid or schedule.

5. Treatment of Missing Values.

5.1 Missing Location Values. Any ~~B~~bid submitted without a Location Code shall be deemed to have a zero bid quantity for that Settlement Period.

5.2 Missing Quantity Values. Any ~~B~~bid submitted without a quantity value shall be deemed to have a zero bid quantity for Ancillary Service capacity for that Settlement Period.

5.3 Missing Price Values. Any ~~bid~~Bid submitted with non-zero quantity value, but with a missing price value, shall be rejected.

6. Treatment of Equal Price Bids. The ~~ISO~~ CAISO shall allow these Scheduling Coordinators to resubmit, at their own discretion, their ~~B~~bid no later than 2 hours the same day the original ~~bid~~Bid was submitted. In the event identical prices still exist following resubmission of ~~bids~~Bids, the ~~ISO~~ CAISO shall determine the merit order for each Ancillary Service by considering applicable constraint information for each Generating Unit, Load or other resource, and optimize overall costs for the Trading Day. If equal ~~b~~Bids still remain, the ~~ISO~~ CAISO shall proportion participation in the ~~Final~~ Day-Ahead ~~Schedule~~ or ~~HASP Hour-Ahead~~ Schedule (as the case may be) amongst the bidding Generating Units, Loads and resources with identical bids to the extent permitted by operating constraints and in a manner deemed appropriate by the ~~CAISO~~.

7. Receipt of Bids ~~and Schedules~~. The ~~ISO~~ CAISO shall maintain an audit trail relating to the receipt of ~~B~~bids ~~and schedules~~ and the processing of those ~~B~~bids ~~and schedules~~.