

# **BLACK START AGREEMENT**

**[XX]**

**(As the Black Start Generator)**

**AND**

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION**

**AND**

**SOUTHERN CALIFORNIA EDISON COMPANY**  
**(As the Participating Transmission Owner)**

**DATED: \_\_\_\_\_, \_\_\_\_\_**

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**BLACK START AGREEMENT**

THIS BLACK START AGREEMENT (“**Agreement**”) is dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and is entered into, by and among:

- 1) **[Full Legal Name]**, with its principal place of business located at **[Address]** (the “**Black Start Generator**”); and
- 2) **California Independent System Operator Corporation**, a California nonprofit public benefit Corporation with its principal place of business located at 250 Outcropping Way, Folsom, California 95630 (the “**CAISO**”).
- 3) **Southern California Edison Company**, a California **[XX]** (the “**PTO**”)

The Black Start Generator and the CAISO are hereinafter referred to as the “Parties”.

**Whereas:**

- A. The CAISO exercises Operational Control over the CAISO Controlled Grid;
- B. Southern California Edison Company, in its capacity as the participating transmission owner (in such capacity, the “**Participating Transmission Owner**” or “**PTO**”) owns, operates, and maintains the transmission facilities under CAISO Operational Control to which the Black Start Generating Units are connected;
- C. The Black Start Generator intends to provide Black Start Service;
- D. The CAISO and the PTO intend to include the Black Start Generating Units in their grid restoration plan following execution of this Agreement and obtain Black Start Service from the Black Start Generating Units for system restoration;
- E. The CAISO and Black Start Generator are Parties to that certain Participating Generator Agreement dated \_\_\_\_\_, \_\_\_\_\_ as amended;
- F. The Black Start Generator has proposed cost of service rates for the capability to provide Black Start Service, the CAISO and the PTO desire to procure Black Start Service at these rates, and the Parties believe that these terms and conditions are appropriate for the provision of Black Start Service.

- G. This Agreement sets out the obligations for Black Start Service which the Black Start Generator has agreed to provide to the CAISO and PTO.
- H. The CAISO will charge the PTO for the Black Start expenses it incurs under this Agreement as Reliability Services Costs, which the PTO may recover under the PTO's Southern California Edison Company FERC Electric Tariff Volume No. [XX] (the "**Reliability Services Tariff**").
- I. The Parties are entering into this Agreement in order to establish the terms and conditions on which the CAISO, the PTO, and the Black Start Generator will discharge their respective duties and responsibilities under the CAISO Tariff.

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

### ARTICLE 1: DEFINITIONS AND INTERPRETATION

- 1.1 **Master Definitions Supplement.** Except as set forth in Section 1.2, the terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement, Appendix A to the CAISO Tariff.
- 1.2 **Special Definitions for this Agreement.** In this Agreement, the following words and expressions shall have the meanings set forth below:

**"Black Start Equipment"** means any distinguishable equipment that was installed onto the Black Start Generating Unit whose capital costs have been recovered through Schedule 5 of the Agreement.

**"Black Start Event"** means an event requiring the provision of Black Start Operations from a Black Start Generating Unit.

**"Black Start Failure"** means Black Start Generator's failure, after the Commencement Date, to conduct Black Start Operations in response to a Black Start Instruction during a Black Start Event, provided that the failure of the Black Start Generator to conduct Black Start Operations does not arise (i) because the instruction would require the Black Start Generating Unit to operate at a level or in a manner inconsistent with any equipment or operating limitation specified in Schedule 2 of the Black Start Agreement or the resource characteristics registered in Master File for the Black Start Generating Unit; or (ii) during any period when the Black Start Generating Unit is not available due to a scheduled outage, forced outage or Uncontrollable Force.

**“Black Start Generating Unit”** means either of Generating Unit [XX] of the [XX] Generating Station under a system restoration plan for the PTO or CAISO and which are providing Black Start Service under this Agreement.

**“Black Start Instruction”** means an Exceptional Dispatch Instruction, a verbal or email instruction from the CAISO or the PTO, or any other instruction given by the CAISO or the PTO with respect to Black Start Service to be provided by Black Start Generator during a Black Start Event or Performance Test, or other action taken in accordance with Section 5.1.

**“Black Start Operations”** means FSNL Operation and/or Energy Delivery Operation, as applicable.

**“Black Start Service”** means the capability of the Black Start Generating Unit to meet the requirements set forth in Schedule 3 during a Black Start Event.

**“Capital Investment Costs”** shall mean capital investment costs that Black Start Generator has incurred to be able to provide Black Start Service and for which Black Start Generator is to be paid as provided for in this Agreement.

**“Commencement Date”** means the date upon which the Black Start Generating Unit successfully completes a Performance Test, as deemed by the CAISO and PTO in accordance with existing CAISO Operating Procedures, Tariff provisions, and BPM requirements, to commence service under this Agreement.

**“Default”** shall mean the occurrence of any of the following:

- a) Black Start Generator’s failure to successfully complete a Performance Test by the Commencement Date Deadline, as such date may be extended pursuant to the terms of this Agreement, if such failure is not remedied within thirty (30) calendar days of the written notice of Default from CAISO or the PTO;
- b) Black Start Generator’s failure to maintain Black Start Service under the terms and conditions of this Agreement, if such failure is not remedied within thirty (30) calendar days of the written notice of Default from CAISO or the PTO, unless agreed to otherwise by all Parties;
- c) Black Start Generator’s failure to successfully complete any Performance Test the CAISO or the PTO may periodically undertake after the Commencement Date, for reasons other than Uncontrollable Force or safety,

if such failure is not remedied within ninety (90) calendar days from the written notice of Default from CAISO, unless agreed to otherwise by all Parties.

- d) The occurrence of a Black Start Failure, if such failure is not remedied by the provision of a root-cause analysis and remediation steps by the Black Start Generator within sixty (60) calendar days from the Black Start Event.
- e) Black Start Generator ceases to be a Market Participant.

**“Energy Delivery Operation”** means that the Black Start Generating Unit is operating pursuant to a Black Start Instruction and is delivering energy to the CAISO Controlled Grid.

**“Expiry Date”** shall be the date specified in Section 2.1, as extended from time to time

**“Fixed Black Start Service Costs”** shall mean the Capital Investment Costs and the Fixed O&M Costs, as set forth in Section 3.1.1.

**“Fixed O&M Costs”** shall mean fixed operation and maintenance costs that Black Start Generator incurs to be able to provide Black Start Service and for which Black Start Generator is paid as provided for in this Agreement.

**“Full Speed No Load (“FSNL”) Operation”** means Black Start Operations where a Black Start Generating Unit is producing Energy to serve only station load, and no Energy is delivered to the CAISO Controlled Grid.

**“Market Revenues”** shall have the meaning set forth in Section 3.3.

**“Market Revenue Shortfall”** shall have the meaning set forth in Section 3.3.

**“Party”** means a party to this Agreement.

**“Performance Test”** means any of the tests for demonstrating the capability to provide Black Start Service which the CAISO or the PTO may periodically undertake in accordance with the CAISO Tariff provisions, Business Practice Manuals, and Operating Procedures applicable to the conduct, review, and approval of such tests.

**“Power Plant”** shall mean the [XX] Generating Station, which consists of Generating Unit Nos. [XX]

**“Reasonable Efforts”** is as defined in the CAISO Tariff.



**“Recovery Period”** shall have the meaning defined in Section 3.1.1

**“Variable Black Start Payment”** shall mean the payment determined as set forth in Section 4 of Schedule 5.

**“Variable Black Start Service Costs”** shall include the costs identified in Section 3.1.2.

**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 CAISO Tariff, the CAISO Tariff will only prevail to the extent there is any inconsistency between this Agreement and the CAISO Tariff and the requirements Article 8 (Monitoring), or Article 9 (Dispute Resolution). This Agreement will prevail to the extent of any other inconsistencies with the CAISO Tariff;
- 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 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 2: TERM AND TERMINATION

**2.1 Term.** This Agreement shall be effective the date it is permitted to become effective (the “**Effective Date**”). Upon the occurrence of the Effective Date, this Agreement shall, subject to Section 2.2 and 2.3, remain in full force and effect through **[X]** (**[X]**) calendar years following the Commencement Date, or to the later date of extension as set forth in Section 2.2 (“**Expiry Date**”).

**2.2 Extension.** The CAISO may at its sole option and unilaterally, upon giving written notice at least one hundred eighty (180) calendar days prior to the Expiry Date, elect to extend the term of this Agreement for a period of time not to exceed **[X]** (**[X]**) years.

### 2.3 Termination

#### 2.3.1 Termination by CAISO and PTO due to Default under this Agreement.

The CAISO or the PTO may terminate this Agreement by giving written notice of termination to the Black Start Generator, if the Black Start Generator Defaults under this Agreement, which if capable of being remedied, is not remedied within the time provided under this Agreement after the CAISO or the PTO has given the Black Start Generator written notice of Default. With respect to any termination pursuant to this Section, the Black Start Generator will file and the CAISO or the PTO will support a timely notice of termination with the FERC. This Agreement shall terminate upon acceptance by the FERC of such a notice of termination. Termination of this Agreement pursuant to this Section 2.3.1 shall be without prejudice to the right of either Party to collect any amounts due to it prior to the time of termination. If the CAISO or the PTO terminate this Agreement as to any Black Start Unit(s) due to the Black Start Generator's Default, the Black Start Generator will not have the right to seek recovery of unamortized costs outlined in Section 3.1.1 for those Black Start Unit(s) due to termination under Section 2.3.1 of this Agreement.

**2.3.2 Termination by CAISO or the PTO on Notice.** The CAISO or the PTO may terminate this Agreement by giving six (6) month written notice to the Parties. With respect to any notice of termination given pursuant to this section, the Black Start Generator will file and the CAISO or the PTO will support a timely notice of termination with the FERC. This Agreement shall terminate upon the effective date determined by FERC after acceptance of such a notice of termination. Termination of this Agreement pursuant to this Section 2.3.2 shall be without prejudice to the right of either Party to collect any amounts due to it prior to the time of termination.

**2.3.3 Petition to Terminate by Black Start Generator.** Without limiting the provisions of Section 2.3.6, the Black Start Generator may petition the CAISO and the PTO to terminate this Agreement by giving written notice to the CAISO and the PTO at least one (1) calendar year prior to the Expiry Date. Such termination shall take effect on the date accepted for filing and made effective by the FERC. With respect to any termination pursuant to this section, the Black Start Generator will file and the CAISO and the PTO will support a timely notice of termination with the FERC. Termination of this Agreement pursuant to this Section 2.3.3 shall be without prejudice to the right of any Party to collect any amounts due to it prior to the time of termination. The Black Start Generator will not have the right to seek recovery of unamortized costs outlined in Section 3.1.1 for those Black Start Unit(s) due to termination under Section 2.3.3 of this Agreement.

**2.3.4 Termination by Black Start Generator on Sale of Black Start Generating Unit.** The Black Start Generator may terminate this Agreement in relation to a Black Start Generating Unit if it sells the Black Start Generating Unit(s) to a purchaser who, if the CAISO and the PTO requires such unit(s) to continue to provide Black Start Service:

- a) executes a Black Start Agreement with the CAISO and the PTO, and files cost of service based rates accepted by the FERC, to provide the CAISO and the PTO with Black Start Service from the Black Start Generating Unit; and
- b) satisfies the CAISO's and the PTO's reasonable requirements as to the technical and financial ability of the purchaser to meet its obligations under the contract or rate schedule, as the case may be.

The Black Start Generator will provide one (1) calendar year written notice to the CAISO and the PTO prior to the sale of the Black Start Generating Unit. The Black Start Generator will file and the CAISO and the PTO will support a timely notice of termination with the FERC. This Agreement shall terminate

upon acceptance by the FERC of such a notice of termination. Termination of this Agreement pursuant to this Section 2.3.4 shall be without prejudice to the right of any Party to collect any amounts due to it prior to the time of termination. The Black Start Generator will not have the right to seek recovery of unamortized costs outlined in Section 3.1.1 for those Black Start Unit(s) due to termination under Section 2.3.4 of this Agreement.

**2.3.5 Termination by Black Start Generator on Modification to Authorization.**

The Black Start Generator may terminate this Agreement in relation to a Black Start Generating Unit by providing six (6) months written notice to the CAISO and the PTO, if the Black Start Generator's authorization from a governmental authority (including, where applicable, licenses under Part I of the Federal Power Act), that is necessary to site, operate or obtain access to that Black Start Generating Unit, is terminated or expires or is reissued or modified so that it becomes illegal, uneconomical or otherwise impractical for the Black Start Generator to continue operating the Black Start Generating Unit. Black Start Generator shall be obligated to use Reasonable Efforts to renew and keep effective its licenses and authorizations and to oppose conditions or modifications which would make continued operation illegal, uneconomical or otherwise impractical; and provided that Black Start Generator requests authorization from the CAISO and the PTO to retire the Power Plant. The Black Start Generator will file and the CAISO and the PTO will support a timely notice of termination with the FERC. This Agreement shall terminate upon acceptance by the FERC of such a notice of termination. Termination of this Agreement pursuant to this Section 2.3.5 shall be without prejudice to the right of any Party to collect any amounts due to it prior to the time of termination. The Black Start Generator will not have the right to seek recovery of unamortized costs outlined in Section 3.1.1 for those Black Start Unit(s) due to termination under Section 2.3.5 of this Agreement.

**2.3.6 Termination by Black Start Generator on Retirement of Black Start Generating Unit.**

If the Black Start Generator requests from the CAISO and the PTO, and the CAISO and the PTO concur on the retirement of the Black Start Generating Unit under the current rules and procedures of the CAISO and the PTO, such that the Black Start Generator can no longer provide Black Start Service under this Agreement, the Black Start Generator may terminate this Agreement in relation to the Black Start Generating Unit by giving six (6) months written notice to the CAISO and the PTO. With respect to any termination pursuant to this section, the Black Start Generator will file and the CAISO and the PTO will support a timely notice of termination with the FERC. This Agreement shall terminate upon the later of the end of the termination notice period or acceptance by the FERC of such a notice of termination. Termination of this Agreement pursuant to this Section 2.3.6(a) shall be without prejudice to the right of Black Start

Generator or CAISO and the PTO to collect any amounts due to it prior to the time of termination. The Black Start Generator will not have the right to seek recovery of unamortized costs outlined in Section 3.1.1 for those Black Start Unit(s) due to termination under Section 2.3.6 of this Agreement.

### **2.3.7 Termination for Uncontrollable Forces.**

- a) In the event an Uncontrollable Force, as defined in Section 14 of the CAISO Tariff, prevents a Party from performing its obligations under this Agreement and such inability is estimated to last for a continuous period of six (6) months, upon notice of such Uncontrollable Force, the Parties shall meet and confer within sixty (60) days using good faith Reasonable Efforts to mutually agree on a remediation plan. If the Parties are unable to agree on such remediation plan within such sixty (60) day period, then either Party may terminate this Agreement. The Black Start Generator shall not be entitled to recovery of any unamortized costs in Section 3.1.1 due to termination under Section 2.3.7(i) of this Agreement.
- b) If the Parties agree on a remediation plan, but the Black Start Generator fails to use Reasonable Efforts to implement such a remediation plan and fails to cure such failure after thirty (30) calendar days written notice from the CAISO and the PTO, then the CAISO and the PTO may terminate this Agreement, and the Black Start Generator shall not be entitled to recovery of any unamortized costs in Section 3.1.1 due to termination under Section 2.3.7(ii) of this Agreement.
- c) With respect to any notice of termination given pursuant to this section, the Black Start Generator will file and the CAISO will support a timely notice of termination with the FERC. This Agreement shall terminate upon acceptance by the FERC of such a notice of termination. Termination of this Agreement pursuant to this Section 2.3.7 shall be without prejudice to the right of Black Start Generator or CAISO and the PTO to collect any amounts due to it prior to the time of termination. In such event, this Agreement shall terminate upon the effective date determined by FERC after acceptance of such a notice of termination.

**2.3.8 Termination by Black Start Generator due to Default by CAISO or the PTO under this Agreement.** In the event that (i) the CAISO or the PTO default in its payment obligations under Section 3.1 of this Agreement, and if such default is not cured within sixty (60) calendar days, after Black Start Generator has given the CAISO and the PTO written notice of such default, unless excused or extended by reason of Uncontrollable Force in accordance with Section 14 of the CAISO Tariff, Black Start Generator may terminate this Agreement. Termination of this Agreement pursuant to this

Section 2.3.8 shall be without prejudice to the right of Black Start Generator or CAISO or the PTO to collect any amounts due to it prior to the time of termination.

### ARTICLE 3: COMPENSATION

- 3.1 Compensation to Black Start Generator.** The Black Start Generator will file with the FERC in rates the following categories of incremental costs expected to be incurred for the provision of Black Start Service to the CAISO and the PTO. The filed rates will be reflected in Schedule 5 of this Agreement. The Black Start Generator will be compensated as per Article 3, Article 6, and Schedule 5 of this Agreement, Section 11 of the CAISO Tariff, and applicable CAISO Business Practice Manuals. For avoidance of doubt, the CAISO's liability is limited to amounts it receives from the PTO pursuant to the CAISO's Tariff. The CAISO agrees to use all Reasonable Efforts to recover all amounts payable under the CAISO's Tariff from the PTO with respect to Black Start Service provided by Black Start Generator under this Agreement.
- 3.2 Fixed Black Start Service Costs:** This shall include the monthly amortized Capital Investment Costs and Fixed O&M costs (together, the "Fixed Black Start Service Costs") that the Black Start Generator incurs to be able to provide Black Start Service. Amortization shall occur over a X-year period from the Commencement Date ("Recovery Period").
- 3.3 Variable Black Start Service Costs:** This shall include the reasonable incremental operating costs, testing costs, and maintenance costs that can be attributed to supporting Black Start Service for a Black Start Generating Unit when Energy is not delivered to the CAISO Controlled Grid (FSNL Operation), under a Black Start Instruction, which shall be recovered in the Variable Black Start Payment calculated as set forth in Schedule 5.
- 3.4 Market Revenues During Black Start Operation.** Following the occurrence of a Black Start Event, once the Black Start Generating Unit is in Energy Delivery Operation, Black Start Generator shall be paid, and shall be entitled to receive, all market revenues and other compensation payable under the CAISO Tariff, including without limitation all payments of Locational Marginal Price, all payments of Administrative Prices for energy established by the CAISO, and all Bid Cost Recovery payments for such period ("**Market Revenues**"); provided, however, if the Market Revenues received by Black Start Generator for any period of Energy Delivery Operation are less than the payment that Black Start Generator would have received pursuant to Schedule 5 for the same period when operating pursuant to a Black Start Instruction (such shortfall being the "**Market Revenue Shortfall**"), Black Start Generator shall be paid the Market Revenue Shortfall amount for such period and shall calculate (based on then available information)



and include the Market Revenue Shortfall amounts in its invoice for the applicable billing period under Section 6. If any of the amounts used to compute either Market Revenues or the Market Revenue Shortfall are subsequently revised or resettled by the CAISO, the amounts paid or payable to Black Start Generator will be adjusted as provided in Section 6.6.

#### **ARTICLE 4: BLACK START SERVICE**

- 4.1 Obligation to Complete Black Start Performance Test.** Black Start Generator shall complete Performance Test for the Black Start Generating Units listed in Schedule 2 of this Agreement. The Performance Test will not be deemed complete or successful, unless approved as such by the CAISO and PTO. Any such approval by the CAISO and the PTO shall be in accordance with existing and effective CAISO Tariff provisions, Business Practice Manuals, and Operating Procedures, applicable to the conduct, review, and approval of Performance Tests.
- 4.2 Obligation to Maintain Black Start Service.** From the Commencement Date and until the Expiry Date, the Black Start Generator shall maintain Black Start Service at each of its Black Start Generating Units in an amount no less than that stated for such Black Start Generating Units in Schedule 2. Black Start Service shall be provided only from the designated Black Start Generating Units listed in Schedule 2 of the Agreement.
- 4.3 Specific Obligations.** The Black Start Generator shall from the Commencement Date and thereafter until the Expiry Date, consistent with the requirements of this Agreement, provide and maintain at each Black Start Generating Unit all necessary supplies, water, consumables, and equipment, and shall maintain all necessary communication systems, have in place all necessary valid permits, licenses, procedures and provide all necessary staff training and shall maintain the Black Start Equipment in a state of readiness. From the Commencement Date until the Expiry Date, the Black Start Generating Unit shall comply with Applicable Reliability Criteria.
- 4.4 CAISO Tariff.** The Black Start Generator shall comply with the obligations and requirements set out in the CAISO Tariff, CAISO Operating Procedures, Business Practice Manuals, and Applicable Reliability Criteria. In the event that either the CAISO or the Black Start Generator identifies any areas in which the Black Start Generator may be deficient in meeting such obligations or requirements under Appendix D, before the CAISO pursues remedies or makes a determination of non-compliance, the Parties shall work together to develop a reasonable and mutually-agreeable schedule by which the Black Start Generator will correct such deficiencies, prior to the CAISO pursuing remedies under the CAISO Tariff.

## ARTICLE 5: UTILIZATION OF BLACK START

- 5.1 Black Start Instructions.** All Black Start Instructions given by the CAISO or the PTO with respect to Black Start Operations, including those related to Performance Tests, shall, if reasonably possible, be given to the Scheduling Coordinator for the Black Start Generating Unit, as well as to Black Start Generator; provided that, after the occurrence and during the continuation of a Black Start Event, Black Start Generator may act, and shall be justified in acting, on a Black Start Instruction from either the CAISO or the PTO. The Black Start Generator shall, when it or its Scheduling Coordinator receives a Black Start Instruction from the CAISO, or from the PTO when designated by the CAISO, provide Black Start Service in accordance with the requirements of Schedule 3 and, to the extent not inconsistent with this Agreement, the CAISO Operating Procedures and the Black Start Instruction.
- 5.2 Performance Tests.** The CAISO may carry out a Performance Test on a Black Start Generating Unit as outlined in the CAISO Tariff and CAISO's Operating Procedures for Black Start testing.
- 5.3 Black Start Operation or Performance Test.** The Black Start Generator acknowledges that during a Black Start Event its Black Start Generating Units may be asked to operate outside of their normal operational capability, but within emergency operating limits, described in Schedule 2. The CAISO or PTO will not knowingly issue an instruction that requires the Black Start Generating Units to operate at a level in conflict with any equipment limitation that has been provided to the CAISO or PTO and incorporated in the Schedule 2 of the Black Start Agreement. Black Start Generator shall comply with such an instruction unless the Black Start Generator believes it is necessary for safety reasons or to maintain compliance with law (whether relating to personnel or plant and/or equipment)), or to avoid operation of equipment outside of Schedule 2 parameters. If the CAISO, or PTO when designated by the CAISO, provides a Black Start Instruction or calls for a Performance Test that would require operation of equipment outside the Schedule 2 parameters or risk damage to the Black Start Generator's facilities, the Black Start Generator shall, if time permits, inform the CAISO, or if applicable the PTO, of any such risk and seek confirmation of the relevant instruction. Under no circumstance will the Black Start Generator be subject to penalty pursuant to Section 7.1 due to a Black Start Failure, if a CAISO or PTO instruction requires operation outside of the Schedule 2 parameters.
- 5.4 Black Start Outage Reporting.** The Black Start Generator shall notify the CAISO via Outage Management System in accordance with Section 9 of the CAISO Tariff and applicable CAISO Operating Procedures when Black Start Service is not available. In the event that a Forced Outage or an Uncontrollable Force creates a



known change to the capabilities of that Black Start Generator to provide Black Start Service, the Black Start Generator shall notify the CAISO and PTO immediately of this change, but in all cases within 24 hours following such change.

- 5.5 Communication.** The Parties shall each operate and maintain a 24-hour, 7-day control center with 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 Parties shall jointly develop communication procedures necessary to support scheduling and dispatch functions relative to Black Start Service. The Parties agree to exchange operational contact information in a format to be provided by the CAISO and completed as of the effective date of this Agreement. Each Party shall provide the other Party ten (10) days advance notice of updates to its operational contact information for known changes, and as soon as practical, for unplanned changes.

## ARTICLE 6: INVOICING AND PAYMENT

- 6.1 Invoicing and Payment for Black Start Service:** Invoicing and payment for Black Start Service will be made pursuant to the procedures described in this Article 6. Invoices for Black Start Operations and for Performance Tests pursuant to Sections 6.3 and 6.4 shall be paid as set forth in those sections; provided, however, that, notwithstanding anything in the CAISO Payment Calendar or the CAISO Tariff to the contrary, except with respect to adjustment of Market Revenues as provided in Section 6.4, such invoices shall only be subject to subsequent adjustment as provided in this Article 6. Except as otherwise provided herein, disputes regarding payments shall be resolved in accordance with Section 13 of the CAISO Tariff.
- 6.2 Monthly Payment for Black Start Service.** The CAISO shall pay the Black Start Generator for Black Start Service costs described in Schedule 5 on a monthly basis in accordance with Section 11 of the CAISO Tariff. The CAISO will pay the full monthly amount on the Initial Settlement Statement as per the CAISO Payments Calendar posted on the CAISO website and in effect at the time of payment. Payment will be made on the Initial Settlement Statement each month. Payments shall commence in the month following the Commencement Date and all monthly payments under Section 6.2 shall cover the Black Start Service for the preceding month. Any dispute shall be handled as per Section 11 of the CAISO Tariff.
- 6.3 Payment for Black Start Performance Testing.** In the event of a Black Start Instruction for a Performance Test by the CAISO, the Energy provided during a Performance Test from a Black Start Instruction will be settled as provided in

Section 11.4 of the CAISO Tariff. The Black Start Generator shall retain any and all payments for the delivery of Energy under this provision.

- 6.4 Payment for Black Start Event:** The Energy provided during a Black Start Event from a Black Start Instruction will be settled as provided in Section 11.4 of the CAISO Tariff.
- 6.5 Adjustment of Market Revenues.** Payments of Market Revenues with respect to a Black Start Event or Performance Test will be settled in accordance with Section 11 of the CAISO Tariff, the applicable CAISO BPM and the CAISO Payments Calendar.

## ARTICLE 7: RELIABILITY-RELATED VIOLATIONS

- 7.1 Black Start Failure and Penalties.** If a Black Start Failure occurs in response to a Black Start Instruction during a Black Start Event and such a Black Start Failure contributes in whole or in part to a reliability-related standard violation for which FERC, the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or any other regulatory body imposes a penalty for reliability-related violations, then the CAISO may, consistent with applicable provisions of the CAISO Tariff and this Agreement, and subject to FERC approval, seek to directly allocate, in whole or in part, the cost of any such penalties assessed upon the CAISO to the Black Start Generator whose conduct or omission FERC determines contributed, in whole or in part, to the violation that gave rise to the penalty.

## ARTICLE 8: MONITORING

- 8.1 Access to Records and the Facilities.** Subject to Section 8.2, the Black Start Generator shall provide, arrange and make available to the CAISO and the PTO such of the following as the CAISO or the PTO may reasonably require, and as is strictly necessary to enable the CAISO to monitor and predict Black Start Service and performance of a Black Start Generating Unit:
- a) the Black Start Generator's relevant records and relevant data relating to all the Black Start Generating Units within the Black Start Generator's Black Start facilities including any relevant air quality/emission reports, environmental certifications, operational limits for emissions and related State or local permits;
  - b) the Black Start Generator's relevant records and relevant data relating to auxiliary and Generating Units, gas turbine and startup equipment at the Black Start Generator's Black Start facilities;

- c) the Black Start Generator's relevant records and relevant data relating to the Black Start Generator's plant, apparatus, equipment and stocks of all relevant fuels and consumables at the Black Start Generator's Black Start facilities; and
- d) the Black Start Generator's documentation relating to the procedures used at the Black Start Generator's Black Start facilities for the provision of Black Start Service.

**8.2 Inspection.** The CAISO or the PTO shall give the Black Start Generator not less than five (5) business days written notice of the CAISO's intent to inspect Black Start facilities and not less than ten (10) business days written notice of the CAISO's or the PTO's request for information in order for the Black Start Generator to provide access to records and data.

**8.3 Reports.** The Black Start Generator will provide monthly progress reports following the Effective Date. The format and information required in the monthly report shall be agreed upon by all Parties. In addition to the above, annually after the Effective Date, within sixty (60) days after each anniversary of the Effective Date, Black Start Generator shall provide: (i) prior to the Commencement Date, a written report to the CAISO and the PTO accounting for the Capital Investment Costs incurred through such anniversary, with the final such report to be provided to the CAISO and the PTO within sixty (60) days following the Commencement Date, and (ii) subsequent to the Commencement Date, a written report to the CAISO and the PTO of all payments received by Black Start Generator under this Agreement and all third-party Fixed O&M Costs incurred by Black Start Generator through such anniversary date. The CAISO and the PTO acknowledge that such reporting will be used solely for informational, situational awareness, and internal tracking purposes. The CAISO and the PTO affirm that all reports shall be treated as Confidential Information in accordance with Section 14.1.

## ARTICLE 9: DISPUTE RESOLUTION

**9.1 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 CAISO ADR Procedures in accordance with Section 13 of the CAISO Tariff, which is incorporated by reference except that all references in Section 13 of the CAISO Tariff to Market Participants shall be read as references to the Black Start Generator and references to the CAISO Tariff shall be read as references to this Agreement.

## ARTICLE 10: REPRESENTATIONS AND WARRANTIES

- 10.1 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.

## ARTICLE 11: LIABILITY AND INDEMNIFICATION

- 11.1 Extent of Liability.** The provisions of Section 14 of the CAISO Tariff will apply to liability arising under this Agreement except that all references in Section 14 of the CAISO Tariff to Market Participants shall be read as references to the Black Start Generator or the PTO, and references to the CAISO Tariff shall be read as references to this Agreement.

## ARTICLE 12: UNCONTROLLABLE FORCES

- 12.1 Uncontrollable Forces Tariff Provisions.** Section 14 of the CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14 of the CAISO Tariff to Market Participants shall be read as references to the Black Start Generator or the PTO, and references to the CAISO Tariff shall be read as references to this Agreement.

## ARTICLE 13: PENALTIES AND SANCTIONS

- 13.1 Penalties.** Any penalties to be levied under this Agreement shall be established in accordance with the CAISO Tariff and acceptance by the FERC, and shall be set out in Schedule 4. 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 the FERC. Nothing in this Agreement, with the exception of the provisions relating to ADR, shall be construed as waiving the rights of the Black Start Generator to oppose or protest any penalty proposed by the CAISO to the FERC or the specific imposition by the CAISO of any FERC-approved penalty on the Black Start Generator.

## ARTICLE 14: MISCELLANEOUS

- 14.1 Confidentiality and Data Sharing.** The Parties acknowledge they may be exposed to, or acquire, information that is proprietary to or confidential to the other Party due to their relationship. "Confidential Information" means all confidential or proprietary information and shall include, but not be limited to materials marked confidential, restricted or not publicly available or the like. Each Party agrees to hold Confidential Information of the other in confidence and not to copy, reproduce, sell, assign or otherwise disclose or make such information available to third parties (other than such Party's employees, agents and representatives) or to use

such information for any purpose other than as required to satisfy the terms of this Agreement. The Parties will cause each of its employees, agents and representatives who will have access to the Confidential Information to agree to abide by these terms. In the event that Confidential Information of the Parties is requested by any agency with proper regulatory authority, the Parties agree that no further written consent other than this Agreement is required prior to sharing the information with the appropriate agency. However, the Parties agree to provide notice to the affected Party that its data is being shared with a particular regulatory agency, if permitted.

- 14.2 Assignments.** A Party to this Agreement may assign any or all of its obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the CAISO Tariff. Such consent shall not be unreasonably withheld, conditioned or delayed.
- 14.3 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 CAISO Tariff. A Party must update the information in Schedule 1 as information changes. Such changes shall not constitute an amendment to this Agreement.
- 14.4 Waivers.** Any waivers at any time by a Party to this Agreement 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.
- 14.5 Governing Law and Forum.** This Agreement shall be deemed to be a contract made under and for all purposes shall be governed by and construed in accordance with the laws of the State of California except in its conflict of laws provisions. The Parties irrevocably consent that any legal action or proceeding arising under or in relation to this Agreement to which the CAISO ADR Procedures do not apply, shall be brought in any of the following forums: 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 primary or exclusive jurisdiction, before the FERC.
- 14.6 Consistency with State & Federal Laws and Regulations.** Nothing in this Agreement shall compel any person to violate state or federal statutes or regulations. If any provision of this Agreement is inconsistent with any obligation imposed on any person by state or federal law or regulation, to that extent it shall be inapplicable to that person. No person 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 state or federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person shall use its Reasonable Efforts to comply with the CAISO Tariff to the extent that applicable state or federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

- 14.7 Agreement Subject to CAISO Tariff.** Subject to the limitations set forth in Section 1.3(a), this Agreement shall be subject to the provisions of the CAISO Tariff, which shall be deemed to be incorporated by reference herein.
- 14.8 Severability.** If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or governmental 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.
- 14.9 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 are subject to FERC approval and shall not take effect until the FERC has accepted such amendments for filing and has made them effective.
- 14.10 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.
- 14.11 Section 205 and 206 Filings.** Nothing contained in this Agreement shall be construed as affecting in any way the right of either of the Parties furnishing or receiving service under this rate schedule to unilaterally make application to the FERC for a change in rates, terms and conditions under Sections 205 or 206 of the Federal Power Act (FPA) and pursuant to FERC rules and regulations promulgated thereunder.
- 14.12 Final and Entire Agreement.** This Agreement constitutes the final and entire agreement between and among the Parties concerning the provision of and payment for Black Start Service.

**[Remainder of this page intentionally left blank].**

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

**California Independent System Operator Corporation**

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

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

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

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

**Black Start Generator**

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

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

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

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

**Southern California Edison**

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

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

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

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



**SCHEDULE 1**  
**CONTACTS FOR NOTICES**  
**[Section 14.3]**

For Black Start Generator:

Primary Representative

Alternative Representative

For Southern California Edison:

Primary Representative

Alternative Representative

For CAISO:

Primary Representative

Regulatory Contracts Group

250 Outcropping Way

Folsom, CA 95630

Email: [RegulatoryContracts@caiso.com](mailto:RegulatoryContracts@caiso.com)

Phone: (916) 608-7027

Fax: (916) 608-7292

Alternative Representative

Christopher J. Sibley  
Manager, Regulatory Contracts  
250 Outcropping Way  
Folsom, CA 95630  
Email: [csibley@caiso.com](mailto:csibley@caiso.com)  
Phone: (916) 608-7030  
Fax: (916) 608-7292

**SCHEDULE 2  
BLACK START GENERATING UNIT DESCRIPTION  
NORMAL OPERATING CAPABILITY**

**[Sections 4.1, 4.1.1, 5.1, 5.3, and 12.1]**

1	Resource IDs:	
2	Resource Name:	
3	Transmission Operator Name:	
4	Transformer	
5	Transmission Line Voltage, kV	
6	Transmission Line Name	
7	Generator Operator Name:	
8	Power Plant Name:	
9	Power Plant Address:	
10	Power Plant Control Room Phone Number:	
11	Generator Net Capacity at full rated output, MW: /1	
12	Generator Leading MVAR Capacity at full rated output: /2	
13	Generator Lagging MVAR Capacity at full rated output: /2	
14	System Emergency: Minimum sustainable output, MW: /3	
15	System Emergency: Minimum time the unit can operate at this minimum load, Min: /3	
16	Type of Generator :	
17	Time to energize the bus: /4	
18	Transmission Operator's Name if the Black Start resource is located in another Transmission Operator's System:	
19	Starting Method: (Diesel, air, battery etc.)	

20	Black Start Gen Environmental Permit Limits: /5	
21	Over/Under Frequency Operation <sup>1</sup>	
22	Over/Under Voltage Operation <sup>1</sup>	
23	Generator Volts/Hz <sup>2</sup>	
24	MVAR Production/Absorption <sup>3</sup>	
25	Block Load Application	

**Schedule 2 Notes:**
**Additional Characteristics and Limitations on Black Start Generating Units:**

Unless otherwise stated, all operational parameters of the Black Start Generating Units will be identical to the values contained in the CAISO Masterfile for each Resource ID.

**SCHEDULE 3**  
**BLACK START PERFORMANCE REQUIREMENTS**  
**[Sections 5.1, 5.3, and 12.1]**

**SCHEDULE 4  
PENALTIES  
[Section 13.1]**

**SCHEDULE 5**  
**BLACK START GENERATING UNIT ANNUAL REVENUE REQUIREMENT FOR**  
**PROVISION OF BLACK START SERVICE**