

September 13, 2018

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

**Re: California Independent System Operator Corporation
Filing of Amendment to Adjacent Balancing Authority
Operating Agreement with Nevada Power Company**

Docket No. ER18-____-000

Dear Secretary Bose:

The California Independent System Operator Corporation (“CAISO”) submits for Commission filing and acceptance Amendment No. 4 (“Amendment”) to the Adjacent Balancing Authority Operating Agreement (“ABAOA”) between the CAISO and Nevada Power Company (“NEVP”), doing business as NV Energy.¹ This filing includes several incremental revisions to the ABAOA. The CAISO requests that the Commission accept the ABAOA, as revised by the Amendment, effective on November 13, 2018, *i.e.*, 61 days from the date of this filing.

I. Background

The ABAOA sets forth the rates, terms, and conditions on which the CAISO and NEVP, as balancing authorities registered with the North American Electric Reliability Corporation (“NERC”), operate the interconnection between their balancing authority areas. The Commission accepted the original version of the ABAOA between the CAISO and NEVP in 2012.² It has been amended three times since then to make incremental revisions.³

¹ The CAISO submits the Amendment pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d.

² *Cal. Indep. Sys. Operator Corp.*, 141 FERC ¶ 61,276 (2012). The ABAOA is designated as CAISO Rate Schedule No. 72

³ See *Cal. Indep. Sys. Operator Corp.*, Commission Letter Order, Docket No. ER14-1705-000 (May 22, 2014); *Cal. Indep. Sys. Operator Corp.*, Commission Letter Order, Docket No. ER15-620-000 (Jan. 15, 2015); *Cal. Indep. Sys. Operator Corp.*, Commission Letter Order, Docket No. ER16-545-000 (Feb. 2, 2016).

II. Purpose of this Amendment

The CAISO and NEVP propose to make further incremental revisions to the ABAOA pursuant to this Amendment. Specifically, the ABAOA has been amended to:

- (1) Incorporate the interconnection points previously associated with the Sierra Pacific Power Company (“SPPC”) Balancing Authority Area;⁴
- (2) Incorporate GridLiance West Transco LLC (“GridLiance West”) as a new participating transmission owner;⁵
- (3) Replace references to NERC Reliability Standard EOP-001 with references to EOP-011, which is the relevant NERC Reliability Standard currently in effect;
- (4) Remove sections and schedules addressing regulation energy and dynamic schedules, since these services are now covered under CAISO tariff provisions and separate agreements and thus it is no longer appropriate to include them under the ABAOA; and
- (5) Revise the termination provisions of the ABAOA to allow for a shorter termination period.⁶

⁴ SPPC and NEVP consolidated their Balancing Authorities and Balancing Authority Areas under NEVP. The CAISO and SPPC are signatories to an Interconnected Balancing Authority Area Operating Agreement (“ICAOA”) accepted by the Commission. *See Cal. Indep. Sys. Operator Corp.*, Commission Letter Order, Docket No. ER06-370-000 (Jan. 27, 2006) (accepting currently effective version of ICAOA). The ICAOA will terminate upon the effective date of this Amendment to the ABAOA.

⁵ In 2017, the Commission authorized the acquisition of certain transmission assets of Valley Electric Transmission Association by GridLiance West. *GridLiance West Transco LLC*, 160 FERC ¶ 61,002 (2017), *reh’g denied*, 162 FERC ¶ 61,034 (2018). As a result, GridLiance West will be the transmission owner for the Northwest – Desert View 230 kV transmission line.

⁶ This filing also includes a change made to the eTariff tariff records for the ABAOA, which is unrelated to the revisions to the text of the ABAOA. Due to an inadvertent administrative error made in the process of submitting the most recent incremental revisions to the ABAOA, the currently effective version of the ABAOA was submitted and approved in Docket No. ER16-545-000 as a revision to the tariff record previously used for the cover sheet of the agreement, while the tariff record containing the previous version of the body of the agreement remained on file as a subordinate (“child”) tariff record of the primary (“parent”) tariff record containing the currently effective version of the agreement. This filing replaces those tariff records with correctly updated tariff records for the cover sheet and body of the agreement, thus restoring the proper tariff record organizational scheme that was disrupted by administrative error.

III. Effective Date

The CAISO requests that the Commission accept the ABAOA, as revised by the Amendment, effective October 29, 2018.

IV. Service

The CAISO has served copies of this filing upon NVEP, the California Public Utilities Commission, the California Energy Commission, and all parties on the official service list for the most recent proceeding in which the ABOA was amended (Docket No. ER16-545-000). In addition, the CAISO has posted the filing on the CAISO website.

V. Attachments

In addition to this transmittal letter, this filing includes the following attachments:

- Attachment A: Amendment to the ABAOA;
- Attachment B: Clean version of the ABAOA as revised by the Amendment; and
- Attachment C: Red-lined version of the ABAOA as revised by the Amendment.

VI. Correspondence

In accordance with Rule 203(b)(3) of the Commission's Rules of Practice and Procedure,⁷ the CAISO requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

John C. Anders
Assistant General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 608-7278
Fax: (916) 608-7222
Email: janders@caiso.com

⁷ 18 C.F.R. § 385.203(b)(3).

VII. Conclusion

The CAISO requests that the Commission accept the ABAOA between the CAISO and NEVP, as revised by the Amendment, effective November 13, 2018.

Respectfully submitted,

By: /s/ John C. Anders

Roger E. Collanton
General Counsel
Burton A. Gross
Deputy General Counsel
John C. Anders
Assistant General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 608-7278
Fax: (916) 608-7222
Email: janders@caiso.com

Attorneys for the California Independent
System Operator Corporation

Attachment A – Executed Amendment
Adjacent Balancing Authority Operating Agreement between
Nevada Power Company and the
California Independent System Operator Corporation



**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
AND**

NEVADA POWER COMPANY

**AMENDMENT NO. 4
TO THE
ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT**

THIS AMENDMENT NO. 4 is to reflect the incorporation of Sierra Pacific Power Company Balancing Authority Area into the Nevada Power Company Balancing Authority Area:

- (1) **Nevada Power Company** ("NEVP"), doing business as NV Energy, having its registered and principal executive office at 6226 West Sahara Avenue, Las Vegas, Nevada 89146;
- (2) **California Independent System Operator Corporation** ("CAISO"), a California nonprofit public benefit corporation having a principal executive office located at 250 Outcropping Way, Folsom, California 95630.

NEVP and the CAISO are hereinafter referred to as the "Parties."

Whereas:

- A.** NV Energy is the parent company of Sierra Pacific Power Company ("SPPC") formerly the Balancing Authority for the SPPC Balancing Authority Area until December 31, 2013.
- B.** SPPC and NEVP consolidated their Balancing Authorities and Balancing Authority Areas under NEVP.
- C.** SPPC and CAISO are signatories to an Interconnected Control Area Operating Agreement dated November 26, 1997, as amended and restated by Amended and Restated Interconnected Control Area Operating Agreement effective February 1, 2006. This agreement will terminate upon the effective date of this Amendment No. 4.

The Parties are signatories to an Adjacent Balancing Authority Operating Agreement dated October 29, 2012 (the "Agreement"), as amended by Amendment No. 1 effective June 11, 2014, Amendment No. 2 effective February 25, 2015 and Amendment No. 3 effective December 18, 2015.

- D.** On December 16, 2016, pursuant to section 203(a)(1) of the Federal Power Act (FPA)¹ and Part 33 of the Commission's regulations, GridLiance West Transco

LLC (“GridLiance West”) filed an application under Docket No. EC17-49-000, seeking authorization to acquire from Valley Electric Transmission Association, LLC (“VEA”) certain existing transmission assets that comprise VEA’s high voltage transmission system, which is currently under functional control of CAISO (“Proposed Transaction”). On August 17, 2017, FERC issued an order authorizing the Proposed Transaction. As a result, GridLiance West will be the Transmission Owner for Northwest – Desert View 230kV transmission line.

- E. The Parties desire to amend the Agreement to update references to NERC Reliability Standard EOP-001 with EOP-011, which is the current NERC Reliability Standard in effect.
- F. The Parties desire to amend the Agreement to incorporate the interconnection points previously associated with the SPPC Balancing Authority Area and incorporate GridLiance West as a new participating transmission owner, into this Agreement
- G. The Parties desire to amend the Agreement to remove Sections and Schedules for regulation energy and Dynamic Schedules, since these services are now covered under dedicated CAISO Tariff provisions and agreements and are no longer appropriate to be covered under the Agreement.
- F. In all other respects, the Parties intend that the Agreement remain in full force and effect in accordance with its terms.

NOW THEREFORE, **THE PARTIES AGREE** as follows:

- 1. **Termination.** This Amendment No. 4 shall remain in full force and effect until the termination of the Agreement.
- 2. **Amendment to the Agreement.** The Agreement shall be amended as follows:
 - 2.1 “Recitals” of the Agreement is deleted in its entirety and the following is substituted in its place
 - “
 - A. Each Party is a member of the Western Electricity Coordinating Council (“WECC”), an organization whose members are located in the Western Interconnection as defined in the WECC Bylaws and is registered with WECC as a Balancing Authority pursuant to the North American Electric Reliability Corporation (“NERC”) Reliability Functional Model and Registry Criteria.
 - B. Federal Energy Regulatory Commission (“FERC”) approved mandatory NERC Reliability Standards for the Bulk-Power Systems of North America include Standard EOP-001, later amended and combined with other NERC Reliability Standards into EOP-011, which provides that each Balancing Authority is required to develop, maintain, and implement a set of plans to mitigate

operating emergencies, and to coordinate such plans with other Balancing Authorities. The execution of operating agreements between Adjacent Balancing Authorities that at a minimum contain provisions for emergency assistance, including provisions to obtain emergency assistance from remote Balancing Authorities, is a requirement of the restoration plans reviewed and approved by the Reliability Coordinator.

- C. The Parties are Adjacent Balancing Authorities by virtue of their transmission systems being interconnected at one or more points. The CAISO has responsibilities as a Balancing Authority and operates the CAISO Balancing Authority Area. NEVP has responsibilities as a Balancing Authority and operates the NEVP Balancing Authority Area.
- D. The Parties intend by this Agreement to identify each Party's responsibilities to the other under the requirements of Standard EOP-011 by recognizing the continuing commitment of each Party to the other to cooperate to mitigate operating emergencies. ”

2.2 Article 1.2 “Specific Definitions” of the Agreement is deleted in its entirety and Article 1.2 is substituted in its place as below

“1.2.1 CAISO Tariff: CAISO operating agreement and tariff as amended from time to time.

1.2.2 EOP-011: Emergency Operations Planning Standard EOP-011, as it may be modified from time to time.

1.2.3 Scheduling Coordinator: An entity certified by the CAISO for the purposes of undertaking the functions of: submitting bids and self-schedules for energy, generation, transmission losses, and ancillary services; coordinating generation; tracking, billing, and settling trades with other Scheduling Coordinators; submitting forecast information; paying the CAISO's charges; and ensuring compliance with CAISO protocols. “

2.3 Article 3.2 of the Agreement is deleted in its entirety and Article 3.2 is substituted in its place as below

“**3.2** Each Party further agrees that it shall develop, maintain, implement, and annually review and update its emergency plans to mitigate operating emergencies and shall share and coordinate such plans with the other Party as required by EOP-011. ”

2.4 Article 3.3 “Specific Definitions” of the Agreement is deleted in its entirety and Article 3.3 is substituted in its place as below

“**3.3** To the extent possible, and in accordance with NERC mandatory Reliability Standards, each Party (“Delivering Party”) shall assist the

other Party (“Receiving Party”) in an operating emergency by delivering emergency energy assistance to the requesting Receiving Party, from such Delivering Party’s Balancing Authority Area or from other remote Balancing Authorities over available transmission capacity, in accordance with Schedule B to this Agreement. Arrangements for deliveries of emergency energy transfers shall be through normal operating channels in accordance with EOP-001 CAISO operating procedures. Such emergency assistance shall be provided at the sole discretion of the entity supplying it and shall be recallable without advance notice as required to meet reliability requirements.”

- 2.5** Article 3.4 titled *“Import of Regulation Service by the CAISO”* of the Agreement is deleted and Article 3.4 is substituted in its place as below

“3.4 NOT USED”

- 2.6** Article 3.5 *“Import of Dynamically Scheduled Energy and Non-Regulation Ancillary Services by the CAISO”* of the Agreement is deleted and Article 3.5 is substituted in its place as below

“3.5 NOT USED”

- 2.7** Article 5.1 of the Agreement is deleted and Article 5.1 below is substituted in its place

“5.1 The Parties are adjacent Balancing Authorities and are interconnected at the points specified in Schedule A to this Agreement and subject to the conditions set forth therein. In the event that new interconnection points are added, or existing points are modified or eliminated, Schedule A will be amended as necessary to reflect any such changes that are mutually agreed upon by both Parties in a written agreement.“

- 2.8** Article 6.2 of the Agreement is deleted and Article 6.2 below is substituted in its place

“6.2 Amendments

With the exception of Schedule C, which does not require an amendment, the remainder of the Agreement may be modified from time to time by the mutual agreement of the Parties through an amendment. In the event the mandatory NERC Reliability Standards including EOP 011 are revised or replaced, the Parties shall meet within sixty (60) days of the implementation date of the revised standard to discuss and determine whether such change will affect the terms and conditions of this Agreement and whether a modification or replacement of the Agreement is needed. Amendments that are subject to FERC approval shall not take effect until FERC has accepted

such amendment for filing and has made it effective without any material modification or condition that is unacceptable to either Party in that Party's sole discretion. If any material modification or condition is ordered by FERC that is unacceptable to a Party, such Party shall communicate its lack of consent to such modification or condition to the other Party within ten (10) business days after the date on which FERC issues its order, and the Parties shall use best efforts to negotiate mutually acceptable revisions to this Agreement to address the modification or condition. Nothing contained herein shall be construed as affecting in any way the right of the Parties to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the Federal Power Act (FPA) and pursuant to FERC's rules and regulations promulgated thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 or 206 of the FPA and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein "

- 2.9** Schedule A to the Agreement is deleted in its entirety and Schedule A attached to this Amendment No. 4 is substituted in its place.
- 2.10** Schedule B to the Agreement is deleted in its entirety and Schedule B attached to this Amendment No. 4 is substituted in its place.
- 2.11** Schedule C to the Agreement is deleted in its entirety and Schedule C attached to this Amendment No. 4 is substituted in its place.
- 2.12** Schedule D to the Agreement is deleted in its entirety and not replaced
- 2.13** Schedule E to the Agreement is deleted in its entirety and not replaced
- 3.** This Amendment No. 4 constitutes the complete and final agreement of the Parties with respect to the purpose of this Amendment No. 4 as described in the Recitals hereto and supersedes all prior understandings, whether written or oral, with respect to such subject matter.
- 4.** Except as expressly modified in this Amendment No. 4, the Agreement shall remain in full force and effect in accordance with its terms, and the unmodified provisions of the Agreement shall apply to any new rights and/or obligations established by this Amendment No. 4.
- 5.** This Amendment No. 4 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 have caused this Amendment No. 4 to be duly executed by and through their respective authorized representatives.

California Independent System Operator Corporation

By: DocuSigned by:
Eric Schmitt
Name: Eric Schmitt
Title: VP, Operations
Date: 8/8/2018

Nevada Power Company, d/b/a NV Energy

By: DocuSigned by:
Chris Hofmann
Name: Chris Hofmann
Title: Dir. Grid Reliability
Date: 8/9/2018

Schedule A

ADJACENT BALANCING AUTHORITY INTERCONNECTION POINTS

[Sections 5.1, 5.2 and 6.2]

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

The interconnections between the CAISO and NEVP are comprised of nine (9) interties described below:

- **Mohave – Laughlin 500 kV Intertie**

The Mohave – Laughlin 500 kV Intertie is used to supply the energy needs of NEVP's isolated load located in the general vicinity of Laughlin, Nevada. The Mohave – Laughlin 500 kV Intertie consists of the NEVP-owned Laughlin-Mohave No.1 and No.2 500 kV transmission lines (the "Laughlin - Mohave 500 kV transmission lines") between the jointly owned Mohave 500 kV Switchyard¹¹ and NEVP's Laughlin Substation, all located in Laughlin, Nevada.

CAISO Terminal:	Mohave 500 kV Switchyard
Participating Transmission Owner:	Southern California Edison Company ("SCE")
NEVP Terminal:	Laughlin Substation
Point of Interconnection:	The East and West bus sides of the disconnect switches for switchyard positions 5 and 6 in the Mohave 500 kV Switchyard.
Voltage:	500 kV

CAISO/SCE Switching Responsibility:

¹¹ The Mohave 500 kV Switchyard is a component of the Eldorado System which also consists of the Eldorado Substation, the Eldorado – Mohave 500 kV line and the Eldorado – Mead No. 1 and No. 2 220 kV lines. The Eldorado System is jointly owned by LADWP, NEVP, and SCE. SCE is the Operating Agent for the Eldorado System which is entirely within the metered boundary of the CAISO Balancing Authority Area.

SCE has sole operational and maintenance responsibility for all facilities inside the Mohave 500 kV Switchyard. SCE will coordinate with NEVP all operating and maintenance activity on the portions of NEVP's Laughlin-Mohave No.1 and No. 2 500 kV lines that are inside the Mohave 500 kV Switchyard. SCE's Eldorado Switching Center, as approved by the CAISO, will direct all switching at the Mohave 500 kV Switchyard for the Laughlin - Mohave 500 kV transmission lines in coordination with the NEVP Transmission Operator.

NEVP Switching Responsibility:

The NEVP Transmission Operator will direct all switching at the Laughlin 500/69 kV Substation for the Laughlin - Mohave 500 kV transmission lines, including the transformer 500 kV disconnects, in coordination with SCE's Eldorado Switching Center.

Operational and Maintenance Responsibility:

The NEVP Transmission Operator has operational and maintenance responsibility for the portions of the Laughlin - Mohave 500 kV transmission lines outside the Mohave 500 kV Switchyard fence to the Laughlin Substation. The NEVP Transmission Operator has operational and maintenance responsibility for the Laughlin 500/69 kV Substation, including the transformer 500 kV jack bus and disconnects.

- **Eldorado 220 kV Intertie**

The termination facilities for the NEVP-owned Eldorado - Magnolia and Eldorado - NSO 230 kV transmission lines are contained in a breaker-and-a-half configuration within the jointly-owned Eldorado Substation 220 kV Switchyard position 3.

CAISO Terminal:	Eldorado 220 kV North and South busses
Participating Transmission Owner:	SCE
NEVP Terminals:	NSO 230 kV switchyard and Magnolia 230 kV switchyard.
Points of Interconnection:	The North bus side of disconnect switch 4032 and the South bus side of disconnect switch 6032 in switchyard position 3 in the jointly-owned Eldorado 220 kV Switchyard.
Voltage:	220 kV

Eldorado - NSO 230 kV Line

The Eldorado - NSO 230 kV line connects NEVP's NSO switchyard with the jointly owned Eldorado 220 kV Switchyard.

Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - NSO 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-NSO 230 kV line outside of the Eldorado Substation fence ("Structure No. X25962").

NEVP will have operational and maintenance responsibility for the Eldorado - NSO 230 kV line from NSO Substation up to, and including Structure No. X25962.

Eldorado - Magnolia 230 kV Line

The Eldorado - Magnolia 230 kV line connects the jointly owned Eldorado 220 kV Switchyard with NEVP's Magnolia Substation.

Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - Magnolia 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-Magnolia 230 kV line outside of the Eldorado Substation fence ("Structure No. X25961").

NEVP will have operational and maintenance responsibility for the Eldorado - Magnolia 230 kV line from Magnolia Substation up to and including Structure No. X25961.

- **Amargosa – Sandy Valley 138 kV Intertie**

Valley Electric Association's ("VEA") Amargosa – Sandy Valley 138 kV transmission line connects Western Area Power Administration's ("Western") Amargosa Substation with VEA's Sandy Valley Substation.

The Amargosa Substation is owned by Western.

CAISO Terminal:	Sandy Valley Substation
Participating Transmission Owner:	VEA
NEVP Terminal:	Amargosa Substation
Point of Interconnection:	The first dead-end structure outside the Amargosa Substation fence.
Voltage:	138 kV

Switching Responsibility:

Western will coordinate with the VEA Transmission Operator and the CAISO Transmission Operator for all switching at the Amargosa Substation for the Amargosa – Sandy Valley 138 kV transmission line. Western will also coordinate with NEVP on such switching.

Operational and Maintenance Responsibility:

VEA has operational and maintenance responsibility for the Amargosa – Sandy Valley 138 kV transmission line from the connection to the respective A-frame structure in the applicable bay position in the Amargosa Substation to the Sandy Substation.

- **Northwest – Desert View 230 kV Intertie¹**

GridLiance West Transco LLC² (“GridLiance West”) Northwest – Desert View 230 kV transmission line connects NEVP’s Northwest Substation to GridLiance West’s Desert View Substation.

CAISO Terminal:	Desert View Switch Station
Participating Transmission Owner:	GridLiance West
NEVP Terminal:	Northwest Substation
Point of Interconnection:	The first dead-end structure outside the Northwest Substation fence.
Voltage:	230 kV

NEVP Switching Responsibility:

The NEVP Transmission Operator will direct all switching at the Northwest Substation for the Northwest – Desert View 230 kV transmission line.

¹ For the Northwest-Desert View 230kV intertie, GridLiance West is the Transmission Owner(TO), while VEA is the Transmission Operator(TOP) and Transmission Planner(TP). Co-ordination for emergency assistance at an intertie is with the TP

² On August 17, 2017, under Docket No. EC17-49-000, FERC issued an order authorizing the acquisition of certain transmission assets of VEA by GridLiance West. As a result, GridLiance West will be the Transmission Owner for Northwest – Desert View 230kV transmission line.

Operational and Maintenance Responsibility:

GridLiance West has operational and maintenance responsibility for the Northwest – Desert View 230 kV transmission line from the Point of Interconnection at the Northwest Substation to the Desert View Substation.

- **Jackass Flats 138 kV Intertie**

The Department of Energy (“DOE”) owns the Jackass Flats Substation and the Mercury Switching Center². NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access between its transmission system and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

CAISO Terminal:	Jackass Flats Substation
Participating Transmission Owner:	VEA
NEVP Terminal:	Jackass Flats Substation
Point of Interconnection:	The Jackass Flats 138 kV bus
Voltage:	138 kV
Metered Interchange Segment:	Jackass Flats – Mercury 138 kV line
Metered End:	Jackass Flats Substation

The diagram at the end of this Section 1 shows the point of interconnection of the Parties’ Balancing Authority Areas for the Jackass Flats 138 kV Intertie.

- **Mercury Switching Center 138 kV Intertie**

The DOE owns the Mercury Switching Center and the Jackass Flats Substation. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access over its Jackass Flats – Mercury Switching Center 138 kV transmission line to its transmission system through the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the

² The Jackass Flats Substation and the Mercury Switching Center also serve as end points of a 138 kV loop of transmission facilities owned by DOE.

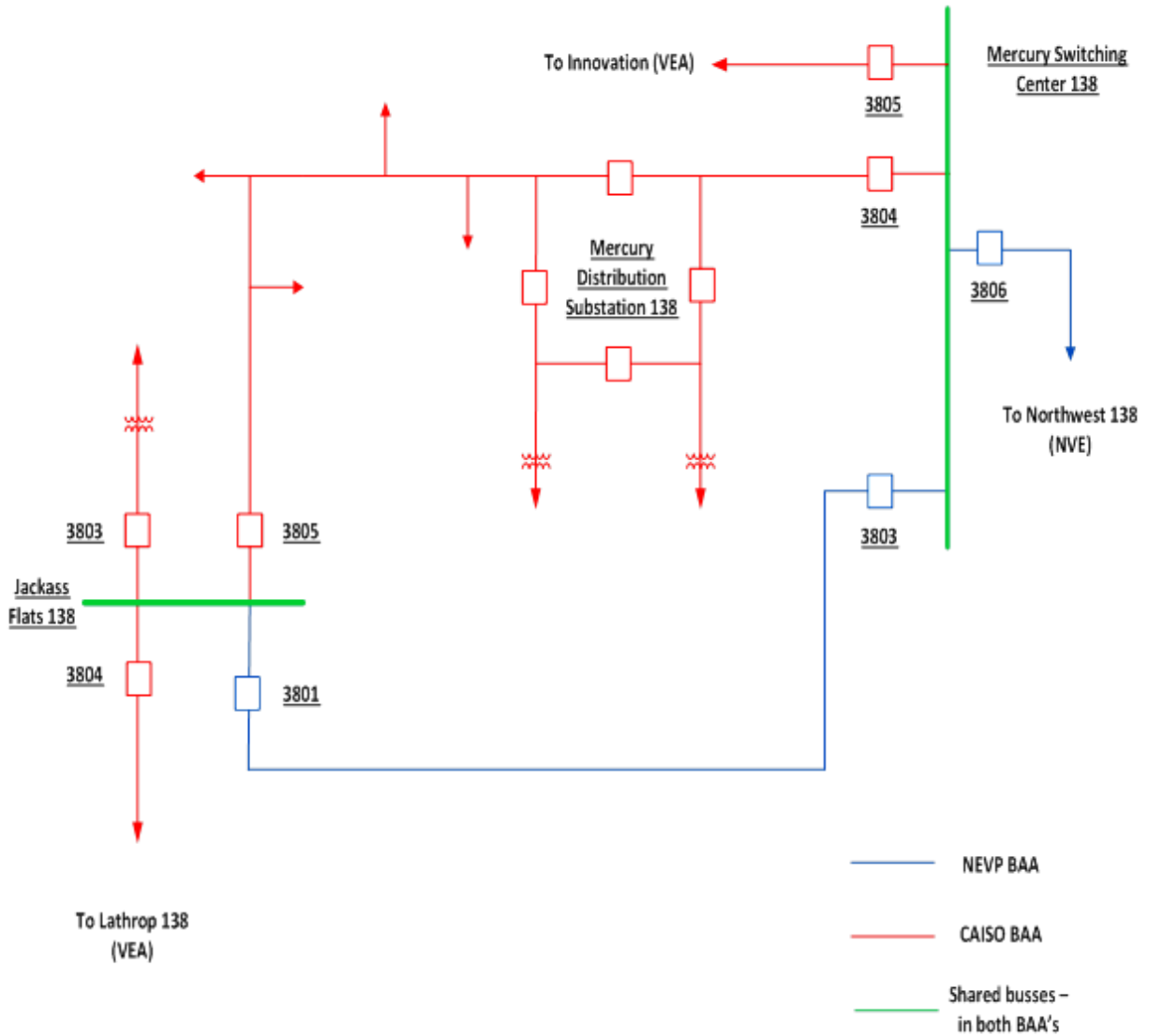
CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

CAISO Terminal:	Mercury Switching Center
Participating Transmission Owner:	VEA
NEVP Terminal:	Mercury Switching Center
Point of Interconnection:	The Mercury Switching Center 138 kV bus
Voltage:	138 kV
Metered Interchange Segments:	Mercury Switching Center – Mercury Distribution 138 kV line Mercury Switching Center – Innovation 138 kV line
Metered End:	Mercury Switching Center

The diagram at the end of this Section 1 shows the point of interconnection of the Parties' Balancing Authority Areas at the Mercury Switching Center.

[One line diagram on following page]

ONE LINE DIAGRAM OF FACILITIES AT THE NEVADA NATIONAL SECURITY SITE



PG&E Summit Intertie:

- **Drum / Summit / North Truckee #1 115kV Line**

This 115 kV Line connects Pacific Gas and Electric's ("PG&E") Drum Substation to NEVP's North Truckee Substation. Summit Meter Station is the interconnection metering point of the line located west of Truckee and is the interconnection point, since it also marks the change of jurisdiction.

CAISO Terminal:	Drum Flats Substation
Participating Transmission Owner:	PG&E
NEVP Terminal:	North Truckee Substation
Point of Interconnection:	Summit Meter Station
Voltage:	115 kV
Metered Interchange Segment:	Summit Meter Station
Metered End:	Summit Meter Station

- **Drum / Summit /California Sub #2 115kV Line**

This 115 kV Line connects PG&E's Drum Substation to NEVP's California Substation. Summit Meter Station is also the metering point for this line.

CAISO Terminal:	Drum Flats Substation
Participating Transmission Owner:	PG&E
NEVP Terminal:	California Substation
Point of Interconnection:	Summit Meter Station
Voltage:	115 kV
Metered Interchange Segment:	Summit Meter Station
Metered End:	Summit Meter Station

- **Spaulding / Summit / Truckee 60 kV line**

This 60 kV Line connects PG&E's Spaulding Substation to NEVP's Truckee Substation. Summit Meter Station is also the metering point for this line.

CAISO Terminal:	Spaulding
Participating Transmission Owner:	PG&E
NEVP Terminal:	Truckee Substation

Point of Interconnection:	Summit Meter Station
Voltage:	60 kV
Metered Interchange Segment:	Summit Meter Station
Metered End:	Summit Meter Station

SCE Control / Silver Peak Intertie:

The California-Nevada state border is considered the point of Interconnection between the CAISO and NEVP where SCE is the Participating Transmission Owner. Two (2) 55 kV lines make up this interconnection point. Responsibility for lines and equipment is defined in the following statements. Refer to the attached drawing (note that NEVP uses number system for line identification).

- **Control / Silver Peak A 55 kV Line**

CAISO Terminal:	Control Substation
Participating Transmission Owner:	SCE
NEVP Terminal:	Silver Peak Substation
Point of Interconnection:	California – Nevada border
Voltage:	55 kV

- **Control / Silver Peak C 55 kV Line**

CAISO Terminal:	Control Substation
Participating Transmission Owner:	SCE
NEVP Terminal:	Silver Peak Substation
Point of Interconnection:	California – Nevada border
Voltage:	55 kV

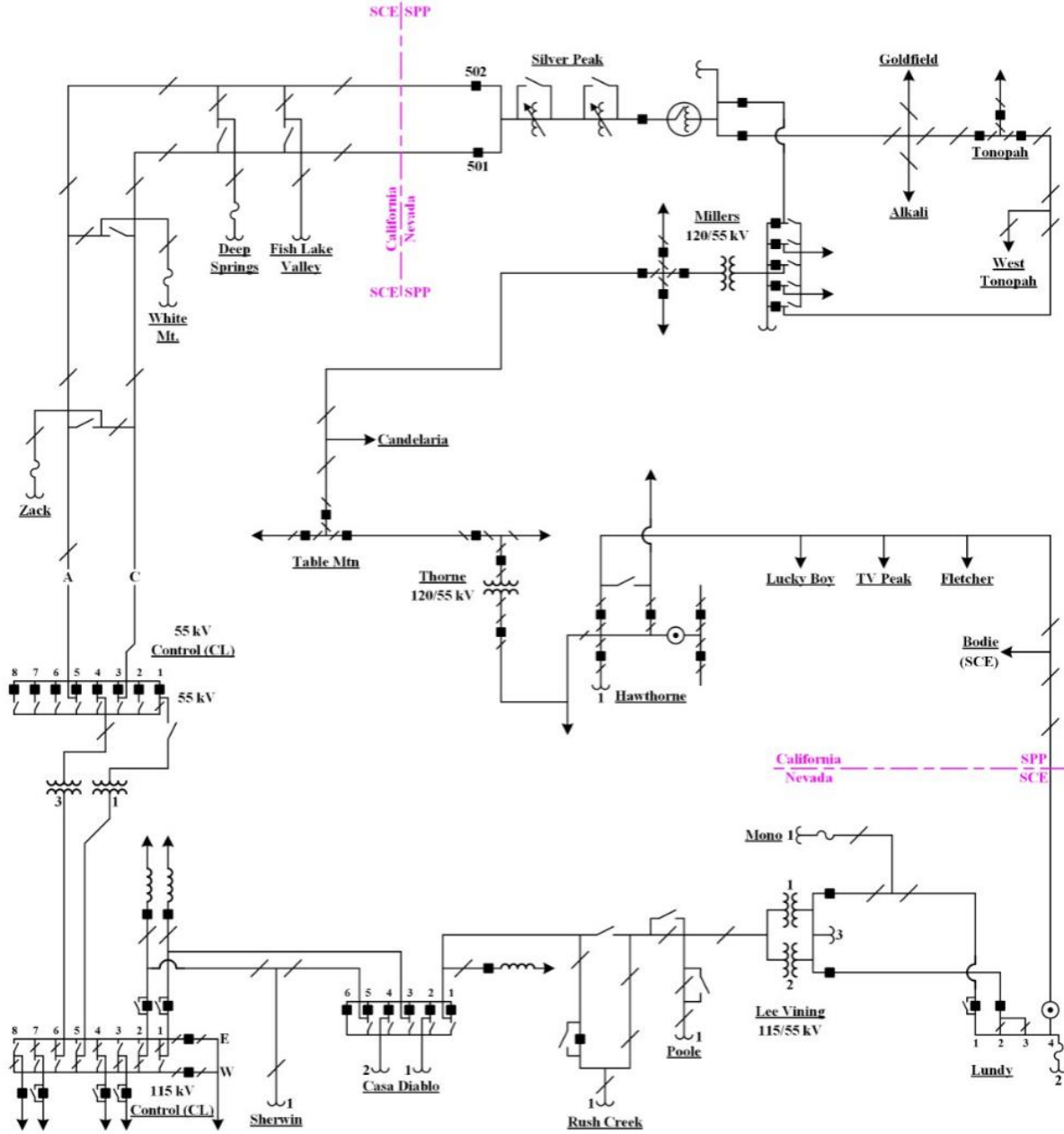
Plumas Sierra Marble Intertie

CAISO and NEVP intertie is where the Plumas Sierra 69 kV grid interconnects to the NEVP 60 kV grid at the Marble Substation through the Plumas Sierra Marble 69/60 kV transformer. The intertie is on the 60 kV side of the transformer and is the location of the metering between the CAISO and NEVP Balancing Authority Areas.

- **Marble Substation 69/60 kV transformer**

CAISO Terminal:	Marble Substation 69kV
CAISO Terminal Owner:	Plumas Sierra
NEVP Terminal:	Marble Substation 60kV
Point of Interconnection:	Marble Substation 60kV
Voltage:	60 kV
Metered End:	located at the NEVP side of the substation.

[Diagram on following page]



2. REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

NEVP and CAISO currently use the WECC Interchange Tool (WIT) to perform metering function at the identified interconnection points in Appendix A, for purposes of Settlement between the two Parties.

NEVP and the CAISO shall maintain arrangements that ensure that both Parties shall have access to the same real-time data from the interconnection points identified in this Schedule A between their Balancing Authority Areas for the purpose of complying with NERC reliability standards, specifically, Standards BAL-005 and BAL-006. The Parties understand that each Party wants to obtain MW and MVAR data from interconnection metering, which may include RTUs, at the interconnection points identified in this Schedule A between their Balancing Authority Areas. The Parties agree to allow each other to directly poll real-time data from metering at such interconnection points under the other Party's operational control as a Balancing Authority. In the event that a second communication port of a RTU is not available for direct polling by a Party, the Party shall have the option to provide a RTU to the substation owner for the purpose of establishing a communication port available for direct polling by such Party. The Parties may mutually agree to provide interconnection point data via Inter-Company Communications Protocol ("ICCP") or its successor protocol. In the event that a Party supplies ICCP data to the other Party, the supplying Party shall have no obligation to manipulate or perform conditioning of any such data for the convenience of the receiving Party.

This Schedule A shall remain in effect until it is superseded by mutual written agreement by the Parties or is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.

Schedule B

EMERGENCY CAPACITY AND ENERGY [Sections 3.3 and 6.2]

In accordance with EOP-011-1, the Parties will, to the extent possible, assist each other in an emergency by scheduling energy. Such emergency assistance will be available at the sole discretion of the Party supplying it and will be recallable without advance notice as required to meet reliability requirements. The Parties will agree upon and log MW values, start and end times, ramp rates and times, and integrated values for any emergency assistance provided.

The emergency assistance to be provided by a Party will be for system reliability. Such emergency assistance may be estimated prior to delivery and finalized in the settlement process.

The price paid for CAISO emergency assistance will be at the CAISO market price for the energy and/or capacity sold, plus all applicable charges, as specified in the CAISO Tariff for emergency assistance. Such price may be estimated prior to delivery and finalized in the settlement process. Payment to the CAISO for emergency assistance provided by the CAISO will be made by the Scheduling Coordinator representing NEVP, in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

The price paid for NEVP emergency assistance will be at the price specified by NEVP. In the event NEVP does not specify the price for energy or capacity at the time of the request for emergency assistance and no other settlement price is established prior to the delivery of the emergency assistance, the default settlement price shall be the CAISO market price, plus all other applicable charges, as specified or as otherwise established in the CAISO Tariff for emergency assistance. If the default settlement price does not compensate NEVP for the value of the emergency assistance delivered to the CAISO, NEVP shall have the opportunity to justify a higher settlement price in accordance with the CAISO Tariff for emergency assistance. Payment to NEVP for emergency assistance provided by NEVP will be made to the Scheduling Coordinator representing NEVP, in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

Nothing in this Agreement shall obligate NEVP to be bound by the CAISO Tariff unless expressly provided for herein.

This Schedule B shall remain in effect until it is superseded by mutual written agreement by the Parties or it is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.



Schedule C

CONTACTS FOR NOTICES [Sections 6.2 and 6.4]

CAISO:

Name of Primary

Representative: Regulatory Contracts
 Address: 250 Outcropping Way
 City/State/Zip Code: Folsom, CA 95630
 Email Address: RegulatoryContracts@caiso.com
 Phone: (916) 351-4400
 Fax No.: (916) 608-5063

Name of Alternate

Representative: Mr. Christopher J. Sibley
 Title: Manager
 Address: 250 Outcropping Way
 City/State/Zip Code: Folsom, CA 95630
 Email Address: csibley@caiso.com
 Phone: (916) 608-7030
 Fax No.: (916) 608-7292

NEVP:

Name of Primary

Representative: William Muir
 Title: Senior Contracts Specialist Transmission Project
 Delivery
 Street Address: 7155 Lindell Road - M/S B57SC
 City/State/Zip Code: Las Vegas, NV 89118
 Email Address: TransmissionPolicy@nvenergy.com
 Phone: (702) 402-6646

Name of Alternate

Representative: Kiley Moore
 Title: Manager, Transmission Business Services
 Street Address: 6100 Neil Road - M/S S3B40
 City/State/Zip Code: Reno, NV 89511
 Email Address: KLMoore@nvenergy.com
 Phone: (775) 834-4802

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

Attachment B – Clean Tariff
Adjacent Balancing Authority Operating Agreement between
Nevada Power Company and the
California Independent System Operator Corporation

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

AND

NEVADA POWER COMPANY

ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT

Proposed Effective Date: November 13, 2018
Version Number: 4.0.0

ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT

Executed by

NEVADA POWER COMPANY

and

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

This Adjacent Balancing Authority Operating Agreement, (“Agreement”) dated as of _____, 2012, is between NEVADA POWER COMPANY (“NEVP”), doing business as NV Energy, having its registered and principal executive office at 6226 West Sahara Avenue, Las Vegas, Nevada 89146, and the CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION (“CAISO”), a California nonprofit public benefit corporation having a principal executive office located at 250 Outcropping Way, Folsom, California 95630. Each is referred to herein as a “Party” and collectively as the “Parties.”

Recitals

- A. Each Party is a member of the Western Electricity Coordinating Council (“WECC”), an organization whose members are located in the Western Interconnection as defined in the WECC Bylaws and is registered with WECC as a Balancing Authority pursuant to the North American Electric Reliability Corporation (“NERC”) Reliability Functional Model and Registry Criteria.
- B. Federal Energy Regulatory Commission (“FERC”) approved mandatory NERC Reliability Standards for the Bulk-Power Systems of North America include Standard EOP-001, later amended and combined with other NERC Reliability Standards into EOP-011, which provides that each Balancing Authority is required to develop, maintain, and implement a set of plans to mitigate operating emergencies and to coordinate such plans with other Balancing Authorities. The execution of operating agreements between Adjacent Balancing Authorities that at a minimum contain provisions for emergency assistance, including provisions to obtain emergency assistance from remote Balancing Authorities, is a requirement of the restoration plans reviewed and approved by the Reliability Coordinator.
- C. The Parties are Adjacent Balancing Authorities by virtue of their transmission systems being interconnected at one or more points. The CAISO has responsibilities as a Balancing Authority and operates the CAISO Balancing Authority Area. NEVP has responsibilities as a Balancing Authority and operates the NEVP Balancing Authority Area.

- D. The Parties intend by this Agreement to identify each Party's responsibilities to the other under the requirements of Standard EOP-011 by recognizing the continuing commitment of each Party to the other to cooperate to mitigate operating emergencies.

Therefore, the Parties mutually agree as follows:

1. Definitions

1.1 NERC Definitions: Except as defined in Section 1.2 or as otherwise defined in this Agreement, terms and expressions used in this Agreement shall have the same meanings as those contained in the NERC Glossary of Terms Used in Reliability Standards.

1.2 Specific Definitions:

1.2.1 CAISO Tariff: CAISO operating agreement and tariff as amended from time to time.

1.2.2 EOP-011: Emergency Operations Planning Standard EOP-011, as it may be modified from time to time.

1.2.3 Scheduling Coordinator: An entity certified by the CAISO for the purposes of undertaking the functions of: submitting bids and self-schedules for energy, generation, transmission losses, and ancillary services; coordinating generation; tracking, billing, and settling trades with other Scheduling Coordinators; submitting forecast information; paying the CAISO's charges; and ensuring compliance with CAISO protocols.

2. Term and Termination

2.1 This Agreement shall be effective on the date this Agreement is accepted for filing and made effective by FERC pursuant to a filing with FERC by the CAISO (the "Effective Date") without any material modification or condition that is unacceptable to either Party in that Party's sole discretion. If any material modification or condition is ordered by FERC that is unacceptable to a Party, such Party shall communicate its lack of consent to such modification or condition to the other Party within ten (10) business days after the date on which FERC issues its order, and the Parties shall use best efforts to negotiate mutually acceptable revisions to this Agreement to address the modification or condition. Upon the occurrence of the Effective Date, this Agreement shall remain in effect until terminated by either Party upon thirty (30) days advance written notice to the other Party or upon written consent of both Parties. The CAISO shall file a notice of termination with FERC as soon as practicable but no later than thirty (30) days after its issuance or receipt of such advance written notice of termination or the date of the Parties' written consent. Termination will be

effective upon acceptance of the notice of termination by FERC.

3. Responsibilities of the Parties

- 3.1 The Parties agree to cooperate to mitigate any operating emergencies by adhering to: (1) the mandatory NERC Reliability Standards and WECC Regional Reliability Standards which relate to emergency operations, as may be amended from time to time, and (2) the directives of the applicable WECC Reliability Coordinator (“Reliability Coordinator”).
- 3.2 Each Party further agrees that it shall develop, maintain, implement, and annually review and update its emergency plans to mitigate operating emergencies and shall share and coordinate such plans with the other Party as required by EOP-011.
- 3.3 To the extent possible, and in accordance with NERC mandatory Reliability Standards, each Party (“Delivering Party”) shall assist the other Party (“Receiving Party”) in an operating emergency by delivering emergency assistance to the requesting Receiving Party, from such Delivering Party’s Balancing Authority Area or from other remote Balancing Authorities over available transmission capacity, in accordance with Schedule B to this Agreement. Arrangements for deliveries of emergency energy transfers shall be through normal operating channels in accordance with EOP-001 CAISO operating procedures. Such emergency assistance shall be provided at the sole discretion of the entity supplying it and shall be recallable without advance notice as required to meet reliability requirements.
- 3.4 NOT USED
- 3.5 NOT USED

4. Coordination and Communication

- 4.1 In the event of an operating emergency that affects or may affect the reliable operation of interconnected transmission facilities, each Party shall coordinate its actions with the other Party, as such Party deems necessary or as directed by the appropriate Reliability Coordinator(s), to preserve or restore the interconnected transmission system to stable operations and to preserve or restore reliable, safe, and efficient service as quickly as practicable. The Parties shall, without delay, individually notify the appropriate Reliability Coordinator(s) as to the nature and extent of the operating emergency.
- 4.2 Each Party operates and maintains a 24-hour, 7-day control center with real-time scheduling and control functions. The appropriate control center staff shall be responsible for operational communications and shall have sufficient authority to commit and bind that Party on decisions relating to emergency operations. The

Parties agree to exchange operational contact information for ensuring reliable communication in a format to be agreed to by the Parties and completed within thirty (30) days of the Effective Date of this Agreement.

5. Interconnection Points

- 5.1 The Parties are adjacent Balancing Authorities and are interconnected at the points specified in Schedule A to this Agreement and subject to the conditions set forth therein. In the event that new interconnection points are added, or existing points are modified or eliminated, Schedule A will be amended as necessary to reflect any such changes that are mutually agreed upon by both Parties in a written agreement.
- 5.2 Schedule A is included for the sole purpose of identifying those interconnection points that result in the Parties being adjacent Balancing Authorities. This Agreement is not intended to act as an interconnection agreement between the Parties.

6. Miscellaneous Provisions

- 6.1 Exchange of Information and Confidentiality: When a Party (“Providing Party”) provides information to the other Party (“Receiving Party”) under this Agreement and marks such information as privileged or confidential commercial or financial information, critical energy infrastructure information, or trade secret information, the Receiving Party shall treat such information as confidential and protected from disclosure to the extent permitted by law. The Receiving Party shall promptly notify the Providing Party in writing of any request to release such information. The Parties agree to use such information only for purposes of performing each Party’s obligations under this Agreement. The provisions of this Section 6.1 shall survive the termination of this Agreement.
- 6.2 Amendments: With the exception of Schedule C, which does not require an amendment, the remainder of the Agreement may be modified from time to time by the mutual agreement of the Parties through an amendment. In the event the mandatory NERC Reliability Standards including EOP 011 are revised or replaced, the Parties shall meet within sixty (60) days of the implementation date of the revised standard to discuss and determine whether such change will affect the terms and conditions of this Agreement and whether a modification or replacement of the Agreement is needed. Amendments that are subject to FERC approval shall not take effect until FERC has accepted such amendment for filing and has made it effective without any material modification or condition that is unacceptable to either Party in that Party’s sole discretion. If any material modification or condition is ordered by FERC that is unacceptable to a Party, such Party shall communicate its lack of consent to such modification or condition to the other Party within ten (10) business days after the date on which FERC issues its order, and the Parties shall use best efforts to negotiate mutually

acceptable revisions to this Agreement to address the modification or condition. Nothing contained herein shall be construed as affecting in any way the right of the Parties to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the Federal Power Act (FPA) and pursuant to FERC's rules and regulations promulgated thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 and 206 of the FPA and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

- 6.3 Assignment and Successors: Neither this Agreement nor any rights or responsibilities under this Agreement may be assigned by either Party to a third party without the written consent of the other Party, and such consent will not be unreasonably delayed, conditioned, or withheld. Subject to the preceding sentence, this Agreement is binding upon and will inure to the benefit of the Parties and their successors in interest.
- 6.4 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 C of this Agreement relating to its address as that information changes. Such updates to Schedule C shall not constitute an amendment to this Agreement.
- 6.5 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 that if a dispute concerns the operation of transmission lines or facilities, the law of the state where the transmission lines or facilities are located will control. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement shall be brought in any of the following forums, as appropriate: (i) a court of the State of California or any federal court of the United States of America located in the State of California for all disputes under this Agreement except any disputes concerning transmission lines or facilities located in the State of Nevada or disputes determined to be FERC jurisdictional; (ii) a court of the State of Nevada or any federal court of the United States of America located in the State of Nevada if the dispute concerns transmission lines or facilities located in the State of Nevada; or (iii) where subject to its jurisdiction, before FERC. No provision of this Agreement shall be deemed to waive the right of any Party to protest, or challenge in any manner, whether this Agreement, or any action or proceeding arising under or relating to this Agreement, is subject to the

jurisdiction of FERC.

- 6.6 No Warranties or Representations; Disclaimer: All information, including confidential information, provided by the Providing Party under this Agreement carries no warranty or representation of any kind, either express or implied. The Receiving Party receives the information “as is” and with all faults, errors, defects, inaccuracies, and omissions. The Providing Party makes no representations or warranties whatsoever with respect to the availability, timeliness, accuracy, reliability, or suitability of any information. The Receiving Party disclaims and waives all rights and remedies that it may otherwise have with respect to all warranties and liabilities of the Providing Party, expressed or implied, arising by law or otherwise, with respect to any faults, errors, defects, inaccuracies or omissions in, or availability, timeliness, reliability, or suitability of the information. Each Party assumes any and all risk and responsibility for selection and use of, and reliance on, any information provided under this Agreement.
- 6.7 Liability: The Parties’ duties and standard of care with respect to each other, and the benefits and rights conferred on each other, shall be no greater than as explicitly stated herein. Neither Party, its directors, officers, employees, nor agents, shall be liable to the other Party for any loss, damage, claim, cost, charge, or expense, whether direct, indirect, or consequential, arising from the Party’s performance or nonperformance under this Agreement, except for a Party’s gross negligence or willful misconduct subject to applicable law. Except as otherwise expressly provided herein, nothing in this Agreement shall be construed or deemed to confer any right or benefit on, or to create any duty to, or standard of care with reference to any third party, or any liability or obligation, contractual or otherwise, on the part of either Party.
- 6.8 Waivers: Any waiver at any time by either Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or matter arising in connection with this Agreement. Any delay short of the statutory period of limitations, in asserting or enforcing any right under this Agreement, shall not constitute or be deemed a waiver of such right.
- 6.9 Authority: Each individual signing this Agreement certifies that the Party represented has duly authorized such individual to sign, bind, and obligate such Party.

Accepted and agreed to by:

California Independent System Operator Corporation

By: _____

Name: Eric Schmitt

Title: VP, Operations

Date: _____

Nevada Power Company, d/b/a NV Energy

By: _____

Name: Chris Hofmann

Title: Dir. Grid Reliability

Date: _____

Schedule A

ADJACENT BALANCING AUTHORITY INTERCONNECTION POINTS [Sections 5.1, 5.2 and 6.2]

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

The interconnections between the CAISO and NEVP are comprised of nine (9) interties described below:

- **Mohave - Laughlin 500 kV Intertie**

The Mohave - Laughlin 500 kV Intertie is used to supply the energy needs of NEVP's isolated load located in the general vicinity of Laughlin, Nevada. The Mohave - Laughlin 500 kV Intertie consists of the NEVP-owned Laughlin-Mohave No.1 and No.2 500 kV transmission lines (the "Laughlin - Mohave 500 kV transmission lines") between the jointly owned Mohave 500 kV Switchyard¹¹ and NEVP's Laughlin Substation, all located in Laughlin, Nevada.

CAISO Terminal:	Mohave 500 kV Switchyard
Participating Transmission Owner:	Southern California Edison Company ("SCE")
NEVP Terminal:	Laughlin Substation
Point of Interconnection:	The East and West bus sides of the disconnect switches for switchyard positions 5 and 6 in the Mohave 500 kV Switchyard.
Voltage:	500 kV

CAISO/SCE Switching Responsibility:

SCE has sole operational and maintenance responsibility for all facilities inside the Mohave 500 kV Switchyard. SCE will coordinate with NEVP all operating and maintenance activity on the portions of NEVP's Laughlin-Mohave No.1 and No. 2 500 kV lines that are inside the Mohave 500 kV Switchyard. SCE's Eldorado Switching Center, as approved by the CAISO, will direct all switching at the Mohave 500 kV Switchyard for the Laughlin - Mohave 500 kV transmission lines in coordination with the NEVP Transmission Operator.

1 The Mohave 500 kV Switchyard is a component of the Eldorado System which also consists of the Eldorado Substation, the Eldorado - Mohave 500 kV line and the Eldorado - Mead No. 1 and No. 2 220 kV lines. The Eldorado System is jointly owned by LADWP, NEVP, and SCE. SCE is the Operating Agent for the Eldorado System which is entirely within the metered boundary of the CAISO Balancing Authority Area

NEVP Switching Responsibility:

The NEVP Transmission Operator will direct all switching at the Laughlin 500/69 kV Substation for the Laughlin - Mohave 500 kV transmission lines, including the transformer 500 kV disconnects, in coordination with SCE's Eldorado Switching Center.

Operational and Maintenance Responsibility:

The NEVP Transmission Operator has operational and maintenance responsibility for the portions of the Laughlin - Mohave 500 kV transmission lines outside the Mohave 500 kV Switchyard fence to the Laughlin Substation. The NEVP Transmission Operator has operational and maintenance responsibility for the Laughlin 500/69 kV Substation, including the transformer 500 kV jack bus and disconnects.

- **Eldorado 220 kV Intertie**

The termination facilities for the NEVP-owned Eldorado - Magnolia and Eldorado - NSO 230 kV transmission lines are contained in a breaker-and-a-half configuration within the jointly-owned Eldorado Substation 220 kV Switchyard position 3.

CAISO Terminal:	Eldorado 220 kV North and South busses
Participating Transmission Owner:	SCE
NEVP Terminals:	NSO 230 kV switchyard and Magnolia 230 kV switchyard.
Points of Interconnection:	The North bus side of disconnect switch 4032 and the South bus side of disconnect switch 6032 in switchyard position 3 in the jointly-owned Eldorado 220 kV Switchyard.
Voltage:	220 kV

Eldorado - NSO 230 kV Line

The Eldorado - NSO 230 kV line connects NEVP's NSO switchyard with the jointly owned Eldorado 220 kV Switchyard.

Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - NSO 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-NSO 230 kV line outside of the Eldorado Substation fence ("Structure No. X25962").

NEVP will have operational and maintenance responsibility for the Eldorado - NSO 230 kV line from NSO Substation up to, and including Structure No. X25962.

Eldorado - Magnolia 230 kV Line

The Eldorado - Magnolia 230 kV line connects the jointly owned Eldorado 220 kV Switchyard with NEVP's Magnolia Substation.

Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - Magnolia 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-Magnolia 230 kV line outside of the Eldorado Substation fence ("Structure No. X25961").

NEVP will have operational and maintenance responsibility for the Eldorado - Magnolia 230 kV line from Magnolia Substation up to and including Structure No. X25961.

- **Amargosa - Sandy Valley 138 kV Intertie**

Valley Electric Association's ("VEA") Amargosa - Sandy Valley 138 kV transmission line connects Western Area Power Administration's ("Western") Amargosa Substation with VEA's Sandy Valley Substation.

The Amargosa Substation is owned by Western.

CAISO Terminal:	Sandy Valley Substation
Participating Transmission Owner:	VEA
NEVP Terminal:	Amargosa Substation
Point of Interconnection:	The first dead-end structure outside the Amargosa Substation fence.
Voltage:	138 kV

Switching Responsibility:

Western will coordinate with the VEA Transmission Operator and the CAISO Transmission Operator for all switching at the Amargosa Substation for the Amargosa - Sandy Valley 138 kV transmission line. Western will also coordinate with NEVP on such switching.

Operational and Maintenance Responsibility:

VEA has operational and maintenance responsibility for the Amargosa - Sandy Valley 138 kV transmission line from the connection to the respective A-frame structure in the applicable bay position in the Amargosa Substation to the Sandy Substation.

- **Northwest - Desert View 230 kV Intertie¹**

GridLiance West Transco LLC² (“GridLiance West”) Northwest - Desert View 230 kV transmission line connects NEVP’s Northwest Substation to GridLiance West’s Desert View Substation.

¹ For the Northwest-Desert View 230kV intertie, GridLiance West is the Transmission Owner(TO), while VEA is the Transmission Operator(TOP) and Transmission Planner(TP). Co-ordination for emergency assistance at an intertie is with the TP

² On August 17, 2017, under Docket No. EC17-49-000, FERC issued an order authorizing the acquisition of certain transmission assets of VEA by GridLiance West. As a result, GridLiance West will be the Transmission Owner for Northwest – Desert View 230kV transmission line.

CAISO Terminal:	Desert View Switch Station
Participating Transmission Owner:	GridLiance West
NEVP Terminal:	Northwest Substation
Point of Interconnection:	The first dead-end structure outside the Northwest Substation fence.
Voltage:	230 kV

NEVP Switching Responsibility:

The NEVP Transmission Operator will direct all switching at the Northwest Substation for the Northwest - Desert View 230 kV transmission line.

Operational and Maintenance Responsibility:

GridLiance West has operational and maintenance responsibility for the Northwest - Desert View 230 kV transmission line from the Point of Interconnection at the Northwest Substation to the Desert View Substation.

- **Jackass Flats 138 kV Intertie**

The Department of Energy (“DOE”) owns the Jackass Flats Substation and the Mercury Switching Center.² NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access between its transmission system and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

² The Jackass Flats Substation and the Mercury Switching Center also serve as end points of a 138 kV loop of transmission facilities owned by DOE.

CAISO Terminal:	Jackass Flats Substation
Participating Transmission Owner:	VEA
NEVP Terminal:	Jackass Flats Substation
Point of Interconnection:	The Jackass Flats 138 kV bus
Voltage:	138 kV
Metered Interchange Segment:	Jackass Flats - Mercury 138 kV line
Metered End:	Jackass Flats Substation

The diagram at the end of this Section 1 shows the point of interconnection of the Parties' Balancing Authority Areas for the Jackass Flats 138 kV Intertie.

- **Mercury Switching Center 138 kV Intertie**

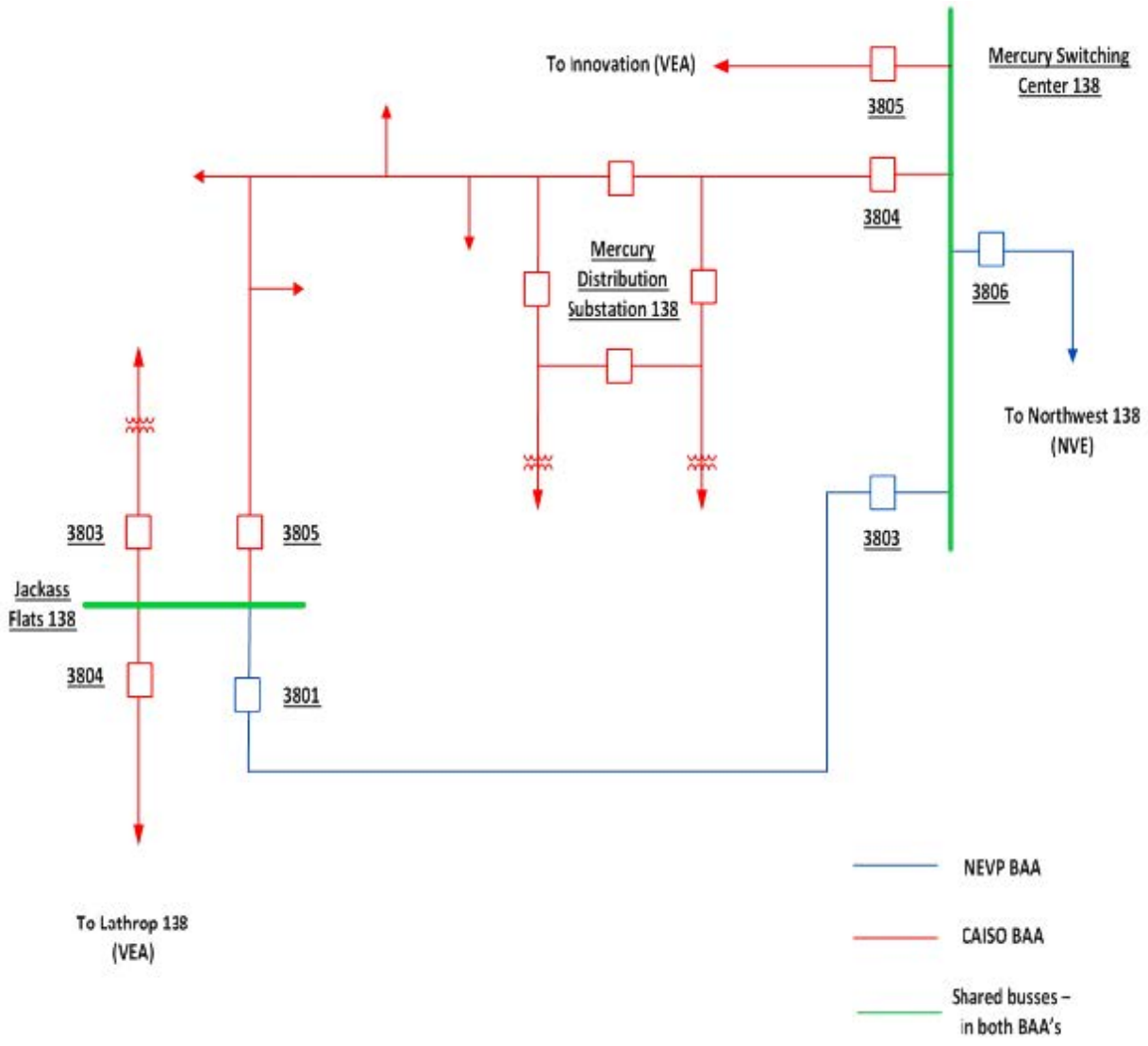
The DOE owns the Mercury Switching Center and the Jackass Flats Substation. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access over its Jackass Flats - Mercury Switching Center 138 kV transmission line to its transmission system through the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

CAISO Terminal:	Mercury Switching Center
Participating Transmission Owner:	VEA
NEVP Terminal:	Mercury Switching Center
Point of Interconnection:	The Mercury Switching Center 138 kV bus
Voltage:	138 kV
Metered Interchange Segments:	Mercury Switching Center - Mercury Distribution 138 kV line Mercury Switching Center - Innovation 138 kV line
Metered End:	Mercury Switching Center

The diagram at the end of this Section 1 shows the point of interconnection of the Parties' Balancing Authority Areas at the Mercury Switching Center.

[One line diagram on following page]

ONE LINE DIAGRAM OF FACILITIES AT THE NEVADA NATIONAL SECURITY SITE



PG&E Summit Intertie:

- **Drum / Summit / North Truckee #1 115kV Line**

This 115 kV Line connects Pacific Gas and Electric’s (“PG&E”) Drum Substation to NEVP’s North Truckee Substation. Summit Meter Station is the interconnection metering point of the line located west of Truckee and is the interconnection point, since it also marks the change of jurisdiction.

CAISO Terminal:	Drum Flats Substation
Participating Transmission Owner:	PG&E
NEVP Terminal:	North Truckee Substation
Point of Interconnection:	Summit Meter Station
Voltage:	115 kV
Metered Interchange Segments:	Summit Meter Station
Metered End:	Summit Meter Station

- **Drum / Summit / California Sub #2 115kV Line**

This 115 kV Line connects PG&E’s Drum Substation to NEVP’s California Substation. Summit Meter Station is also the metering point for this line.

CAISO Terminal:	Drum Flats Substation
Participating Transmission Owner:	PG&E
NEVP Terminal:	California Substation
Point of Interconnection:	Summit Meter Station
Voltage:	115 kV
Metered Interchange Segments:	Summit Meter Station
Metered End:	Summit Meter Station

- **Spaulding / Summit / Truckee 60 kV line**

This 60 kV Line connects PG&E’s Spaulding Substation to NEVP’s Truckee Substation. Summit Meter Station is also the metering point for this line.

CAISO Terminal:	Spaulding
Participating Transmission Owner:	PG&E
NEVP Terminal:	Truckee Substation
Point of Interconnection:	Summit Meter Station
Voltage:	60 kV
Metered Interchange Segments:	Summit Meter Station
Metered End:	Summit Meter Station

SCE Control / Silver Peak Intertie:

The California-Nevada state border is considered the point of Interconnection between the CAISO and NEVP where SCE is the Participating Transmission Owner. Two (2) 55 kV lines make up this interconnection point. Responsibility for lines and equipment is defined in the following statements. Refer to the attached drawing (note that NEVP uses number system for line identification).

- **Control / Silver Peak A 55 kV Line**

CAISO Terminal:	Control Substation
Participating Transmission Owner:	SCE
NEVP Terminal:	Silver Peak Substation
Point of Interconnection:	California - Nevada border
Voltage:	55 kV

- **Control / Silver Peak C 55 kV Line**

CAISO Terminal:	Control Substation
Participating Transmission Owner:	SCE
NEVP Terminal:	Silver Peak Substation
Point of Interconnection:	California - Nevada border
Voltage:	55 kV

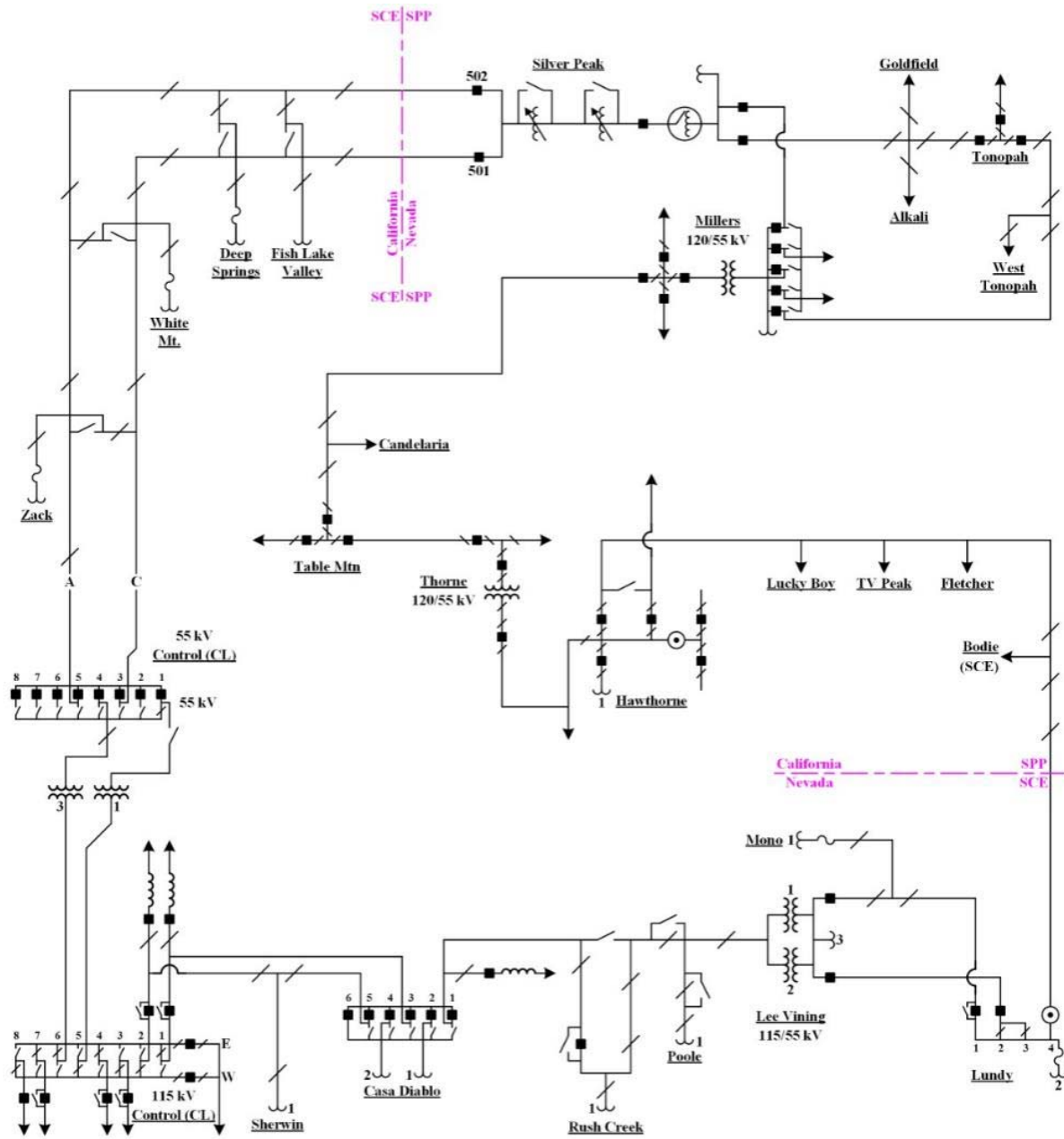
Plumas Sierra Marble Intertie

CAISO and NEVP intertie is where the Plumas Sierra 69 kV grid interconnects to the NEVP 60 kV grid at the Marble Substation through the Plumas Sierra Marble 69/60 kV transformer. The intertie is on the 60 kV side of the transformer and is the location of the metering between the CAISO and NEVP Balancing Authority Areas.

- **Marble Substation 69/60 kV transformer**

CAISO Terminal:	Marble Substation 69kV
CAISO Terminal Owner:	Plumas Sierra
NEVP Terminal:	Marble Substation 60kV
Point of Interconnection:	Marble Substation 60kV
Voltage:	60 kV
Metered End:	located at the NEVP side of the substation.

[Diagram on following page]



2. REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

NEVP and CAISO currently use the WECC Interchange Tool (WIT) to perform metering function at the identified interconnection points in Appendix A, for purposes of Settlement between two Parties.

NEVP and the CAISO shall maintain arrangements that ensure that both Parties shall have access to the same real-time data from the interconnection points identified in this Schedule A between their Balancing Authority Areas for the purpose of complying with NERC reliability standards, specifically, Standards BAL-005 and BAL-006. The Parties understand that each Party wants to obtain MW and MVAR data from interconnection metering, which may include RTUs, at the interconnection points identified in this Schedule A between their Balancing Authority Areas. The Parties agree to allow each other to directly poll real-time data from metering at such interconnection points under the other Party's operational control as a Balancing Authority. In the event that a second communication port of a RTU is not available for direct polling by a Party, the Party shall have the option to provide a RTU to the substation owner for the purpose of establishing a communication port available for direct polling by such Party. The Parties may mutually agree to provide interconnection point data via Inter-Company Communications Protocol ("ICCP") or its successor protocol. In the event that a Party supplies ICCP data to the other Party, the supplying Party shall have no obligation to manipulate or perform conditioning of any such data for the convenience of the receiving Party.

This Schedule A shall remain in effect until it is superseded by mutual written agreement by the Parties or is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.

Schedule B

EMERGENCY CAPACITY AND ENERGY [Sections 3.3 and 6.2]

In accordance with EOP-011-1, the Parties will, to the extent possible, assist each other in an emergency by scheduling energy. Such emergency assistance will be available at the sole discretion of the Party supplying it and will be recallable without advance notice as required to meet reliability requirements. The Parties will agree upon and log MW values, start and end times, ramp rates and times, and integrated values for any emergency assistance provided.

The emergency assistance to be provided by a Party will be for system reliability. Such emergency assistance may be estimated prior to delivery and finalized in the settlement process.

The price paid for CAISO emergency assistance will be at the CAISO market price for the energy and/or capacity sold, plus all applicable charges, as specified in the CAISO Tariff for emergency assistance. Such price may be estimated prior to delivery and finalized in the settlement process. Payment to the CAISO for emergency assistance provided by the CAISO will be made by the Scheduling Coordinator representing NEVP, in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

The price paid for NEVP emergency assistance will be at the price specified by NEVP. In the event NEVP does not specify the price for energy or capacity at the time of the request for emergency assistance and no other settlement price is established prior to the delivery of the emergency assistance, the default settlement price shall be the CAISO market price, plus all other applicable charges, as specified or as otherwise established in the CAISO Tariff for emergency assistance. If the default settlement price does not compensate NEVP for the value of the emergency assistance delivered to the CAISO, NEVP shall have the opportunity to justify a higher settlement price in accordance with the CAISO Tariff for emergency assistance. Payment to NEVP for emergency assistance provided by NEVP will be made to the Scheduling Coordinator representing NEVP, in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

Nothing in this Agreement shall obligate NEVP to be bound by the CAISO Tariff unless expressly provided for herein.

This Schedule B shall remain in effect until it is superseded by mutual written agreement by the Parties or it is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.

Schedule C

CONTACTS FOR NOTICES [Sections 6.2 and 6.4]

CAISO:

Name of Primary

Representative: Regulatory Contracts
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email Address: RegulatoryContracts@caiso.com
Phone: (916) 351-4400
Fax No.: (916) 608-5063

Name of Alternate

Representative: Mr. Christopher J. Sibley
Title: Manager
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email Address: csibley@caiso.com
Phone: (916) 608-7030
Fax No.: (916) 608-7292

NEVP:

Name of Primary

Representative: William Muir
Title: Senior Contracts Specialist Transmission Project
Delivery
Street Address: 7155 Lindell Road – M/S B57SC
City/State/Zip Code: Las Vegas, NV 89118
Email Address: TransmissionPolicy@nvenergy.com
Phone: (702) 402-6646

Name of Alternate

Representative: Kiley Moore
Title: Manager, Transmission Business Services
Street Address: 6100 Neil Road - M/S S3B40
City/State/Zip Code: Reno, NV 89511
Email Address: KLMoore@nvenergy.com
Phone: (775) 834-4802

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

Attachment C – Marked Tariff
Adjacent Balancing Authority Operating Agreement between
Nevada Power Company and the
California Independent System Operator Corporation

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

AND

NEVADA POWER COMPANY

ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT

Proposed Effective Date: ~~February~~ November 25 13, 20185
Version Number: ~~2~~4.0.0

ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT

Executed by

NEVADA POWER COMPANY

and

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

This Adjacent Balancing Authority Operating Agreement, (“Agreement”) dated as of _____, 2012, is between NEVADA POWER COMPANY (“NEVP”), doing business as NV Energy, having its registered and principal executive office at 6226 West Sahara Avenue, Las Vegas, Nevada 89146, and the CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION (“CAISO”), a California nonprofit public benefit corporation having a principal executive office located at 250 Outcropping Way, Folsom, California 95630. Each is referred to herein as a “Party” and collectively as the “Parties.”

Recitals

- A.) Each Party is a member of the Western Electricity Coordinating Council (“WECC”), an organization whose members are located in the Western Interconnection as defined in the WECC Bylaws and is registered with WECC as a Balancing Authority pursuant to the North American Electric Reliability Corporation (“NERC”) Reliability Functional Model and Registry Criteria.
- B.) Federal Energy Regulatory Commission (“FERC”) approved mandatory NERC Reliability Standards for the Bulk-Power Systems of North America include Standard EOP-001, later amended and combined with other NERC Reliability Standards into EOP-011, which provides that each Balancing Authority is required to develop, maintain, and implement a set of plans to mitigate operating emergencies and to coordinate such plans with other Balancing Authorities. The execution of operating agreements between Standard EOP-001, which may be revised from time to time, directs Balancing Authorities to have operating agreements in place with a Adjacent Balancing Authorities that, at a minimum, contain provisions for emergency assistance, including provisions to obtain emergency assistance from remote Balancing Authorities, is a requirement of the restoration plans reviewed and approved by the Reliability Coordinator.
- C.) The Parties are ~~a~~ Adjacent Balancing Authorities by virtue of their transmission systems being interconnected at one or more points. The CAISO has responsibilities as a Balancing Authority and operates the CAISO Balancing Authority Area. NEVP has responsibilities as a Balancing Authority and operates the NEVP Balancing Authority Area.

D.) The Parties intend by this Agreement to identify each Party's responsibilities to the other under the ~~R~~requirements of Standard EOP-0011 by recognizing the continuing commitment of each Party to the other to cooperate to mitigate operating emergencies.

Therefore, the Parties mutually agree as follows:

1. Definitions

1.1 NERC Definitions: Except as defined in Section 1.2 or as otherwise defined in this Agreement, terms and expressions used in this Agreement shall have the same meanings as those contained in the NERC Glossary of Terms Used in Reliability Standards.

1.2 Specific Definitions:

1.2.1 CAISO Tariff: CAISO operating agreement and tariff as amended from time to time.

1.2.2 EOP-0011: Emergency Operations Planning Standard EOP-0011, as it may be modified from time to time.

1.2.3 Scheduling Coordinator: An entity certified by the CAISO for the purposes of undertaking the functions of: submitting bids and self-schedules for energy, generation, transmission losses, and ancillary services; coordinating generation; tracking, billing, and settling trades with other Scheduling Coordinators; submitting forecast information; paying the CAISO's charges; and ensuring compliance with CAISO protocols.

2. Term and Termination

2.1 This Agreement shall be effective on the date this Agreement is accepted for filing and made effective by FERC pursuant to a filing with FERC by the CAISO (the "Effective Date") without any material modification or condition that is unacceptable to either Party in that Party's sole discretion. If any material modification or condition is ordered by FERC that is unacceptable to a Party, such Party shall communicate its lack of consent to such modification or condition to the other Party within ten (10) business days after the date on which FERC issues its order, and the Parties shall use best efforts to negotiate mutually acceptable revisions to this Agreement to address the modification or condition. Upon the occurrence of the Effective Date, this Agreement shall remain in effect until terminated by either Party upon thirty (30) days advance written notice to the other Party or upon written consent of both Parties. The CAISO shall file a notice of termination with FERC as soon as practicable but no later than thirty (30) days after its issuance or receipt of such advance written notice of

termination or the date of the Parties' written consent. Termination will be effective upon acceptance of the notice of termination by FERC.

3. Responsibilities of the Parties

- 3.1 The Parties agree to cooperate to mitigate any operating emergencies by adhering to: (1) the mandatory NERC Reliability Standards and WECC Regional Reliability Standards which relate to emergency operations, as may be amended from time to time, and (2) the directives of the applicable WECC Reliability Coordinator ("Reliability Coordinator").
- 3.2 Each Party further agrees that it shall develop, maintain, implement, and annually review and update its emergency plans to mitigate operating emergencies and shall share and coordinate such plans with the other Party as required by EOP-001~~1~~.
- 3.3 To the extent possible, and in accordance with NERC mandatory Reliability Standards, each Party ("Delivering Party") shall assist the other Party ("Receiving Party") in an operating emergency by delivering emergency assistance to the requesting Receiving Party, ~~including emergency capacity or energy transfers~~ from such Delivering Party's Balancing Authority Area or from other remote Balancing Authorities over available transmission capacity, in accordance with Schedule B to this Agreement. Arrangements for deliveries of emergency ~~capacity or~~ energy transfers shall be through normal operating channels in accordance with EOP-001 CAISO operating procedures. Such emergency assistance shall be provided at the sole discretion of the entity supplying it and shall be recallable without advance notice as required to meet reliability requirements.
- 3.4 ~~NOT USED Import of Regulation Service by the CAISO. The CAISO and NEVP shall allow for the import of regulation service from the NEVP Balancing Authority Area to the CAISO Balancing Authority Area in accordance with the provisions of Schedule D. NEVP shall be under no obligation to supplement the import of regulation service contracted by third parties to be delivered to the CAISO Balancing Authority Area from resources in the NEVP Balancing Authority Area and shall have the right to terminate Schedule D without prior approval of the CAISO, subject to NEVP providing the CAISO a copy of the termination letter(s) pursuant to the agreement(s) NEVP has entered into with third parties to facilitate the import of regulation service into the CAISO Balancing Authority Area. NEVP shall notify the CAISO and provide to the CAISO a copy of such termination letter a minimum of thirty (30) days prior to such termination.~~
- 3.5 ~~NOT USED Import of Dynamically Scheduled Energy and Non-Regulation Ancillary Services by the CAISO. The CAISO and NEVP shall allow for the import of dynamically scheduled energy and non-regulation ancillary services from the NEVP Balancing Authority Area to the CAISO Balancing Authority Area~~

~~in accordance with the provisions of Schedule E. NEVP shall be under no obligation to supplement the import of dynamically scheduled energy and non-regulation ancillary services contracted by third parties to be delivered to the CAISO Balancing Authority Area from resources in the NEVP Balancing Authority area and shall have the right to terminate Schedule E without prior approval of the CAISO, subject to NEVP providing the CAISO a copy of the termination letter(s) pursuant to the agreement(s) NEVP has entered into with third parties to facilitate the import of dynamically scheduled energy and non-regulation ancillary services into the CAISO Balancing Authority Area. NEVP shall notify the CAISO and provide to the CAISO a copy of such termination letter a minimum of thirty (30) days prior to such termination.~~

4. Coordination and Communication

- 4.1 In the event of an operating emergency that affects or may affect the reliable operation of interconnected transmission facilities, each Party shall coordinate its actions with the other Party, as such Party deems necessary or as directed by the appropriate Reliability Coordinator(s), to preserve or restore the interconnected transmission system to stable operations and to preserve or restore reliable, safe, and efficient service as quickly as practicable. The Parties shall, without delay, individually notify the appropriate Reliability Coordinator(s) as to the nature and extent of the operating emergency.
- 4.2 Each Party operates and maintains a 24-hour, 7-day control center with real-time scheduling and control functions. The appropriate control center staff shall be responsible for operational communications and shall have sufficient authority to commit and bind that Party on decisions relating to emergency operations. The Parties agree to exchange operational contact information for ensuring reliable communication in a format to be agreed to by the Parties and completed within thirty (30) days of the Effective Date of this Agreement.

5. Interconnection Points

- 5.1 The Parties are adjacent Balancing Authorities and are interconnected at the points specified in Schedule A to this Agreement and subject to the conditions set forth therein. In the event that new interconnection points are added, or existing points are modified or eliminated, Schedule A will be amended as necessary to reflect any such changes that are mutually agreed upon by both Parties in a written agreement.
- 5.2 Schedule A is included for the sole purpose of identifying those interconnection points that result in the Parties being adjacent Balancing Authorities. This Agreement is not intended to act as an interconnection agreement between the Parties.

6. Miscellaneous Provisions

- 6.1 Exchange of Information and Confidentiality: When a Party (“Providing Party”) provides information to the other Party (“Receiving Party”) under this Agreement and marks such information as privileged or confidential commercial or financial information, critical energy infrastructure information, or trade secret information, the Receiving Party shall treat such information as confidential and protected from disclosure to the extent permitted by law. The Receiving Party shall promptly notify the Providing Party in writing of any request to release such information. The Parties agree to use such information only for purposes of performing each Party’s obligations under this Agreement. The provisions of this Section 6.1 shall survive the termination of this Agreement.
- 6.2 Amendments: With the exception of Schedule C, which does not require an amendment, the remainder of the Agreement may be modified from time to time by the mutual agreement of the Parties through an amendment~~may amend or modify this Agreement only by written agreement.~~ In the event the mandatory NERC Reliability Standards including EOP-0101 are revised or replaced, the Parties shall meet within sixty (60) days of the implementation date of the revised standard to discuss and determine whether such change will affect the terms and conditions of this Agreement and whether a modification or replacement of the Agreement is needed. ~~An a~~Amendments that ~~are~~is subject to FERC approval shall not take effect until FERC has accepted such amendment for filing and has made it effective without any material modification or condition that is unacceptable to either Party in that Party’s sole discretion. If any material modification or condition is ordered by FERC that is unacceptable to a Party, such Party shall communicate its lack of consent to such modification or condition to the other Party within ten (10) business days after the date on which FERC issues its order, and the Parties shall use best efforts to negotiate mutually acceptable revisions to this Agreement to address the modification or condition. Nothing contained herein shall be construed as affecting in any way the right of the Parties to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the Federal Power Act (FPA) and pursuant to FERC’s rules and regulations promulgated thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under Sections 205 and 206 of the FPA and FERC’s rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein. Revisions to Schedules other than with regard to the contact information in Schedule C shall be processed as an amendment to this Agreement.
- 6.3 Assignment and Successors: Neither this Agreement nor any rights or responsibilities under this Agreement may be assigned by either Party to a third party without the written consent of the other Party, and such consent will not be

unreasonably delayed, conditioned, or withheld. Subject to the preceding sentence, this Agreement is binding upon and will inure to the benefit of the Parties and their successors in interest.

- 6.4 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 C of this Agreement relating to its address as that information changes. Such updates to Schedule C shall not constitute an amendment to this Agreement.
- 6.5 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 that if a dispute concerns the operation of transmission lines or facilities, the law of the state where the transmission lines or facilities are located will control. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement shall be brought in any of the following forums, as appropriate: (i) a court of the State of California or any federal court of the United States of America located in the State of California for all disputes under this Agreement except any disputes concerning transmission lines or facilities located in the State of Nevada or disputes determined to be FERC jurisdictional; (ii) a court of the State of Nevada or any federal court of the United States of America located in the State of Nevada if the dispute concerns transmission lines or facilities located in the State of Nevada; or (iii) where subject to its jurisdiction, before FERC. No provision of this Agreement shall be deemed to waive the right of any Party to protest, or challenge in any manner, whether this Agreement, or any action or proceeding arising under or relating to this Agreement, is subject to the jurisdiction of FERC.
- 6.6 No Warranties or Representations; Disclaimer: All information, including confidential information, provided by the Providing Party under this Agreement carries no warranty or representation of any kind, either express or implied. The Receiving Party receives the information "as is" and with all faults, errors, defects, inaccuracies, and omissions. The Providing Party makes no representations or warranties whatsoever with respect to the availability, timeliness, accuracy, reliability, or suitability of any information. The Receiving Party disclaims and waives all rights and remedies that it may otherwise have with respect to all warranties and liabilities of the Providing Party, expressed or implied, arising by law or otherwise, with respect to any faults, errors, defects, inaccuracies or omissions in, or availability, timeliness, reliability, or suitability of the information. Each Party assumes any and all risk and responsibility for selection and use of, and reliance on, any information provided under this

Agreement.

- 6.7 **Liability:** The Parties' duties and standard of care with respect to each other, and the benefits and rights conferred on each other, shall be no greater than as explicitly stated herein. Neither Party, its directors, officers, employees, nor agents, shall be liable to the other Party for any loss, damage, claim, cost, charge, or expense, whether direct, indirect, or consequential, arising from the Party's performance or nonperformance under this Agreement, except for a Party's gross negligence or willful misconduct subject to applicable law. Except as otherwise expressly provided herein, nothing in this Agreement shall be construed or deemed to confer any right or benefit on, or to create any duty to, or standard of care with reference to any third party, or any liability or obligation, contractual or otherwise, on the part of either Party.
- 6.8 **Waivers:** Any waiver at any time by either Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or matter arising in connection with this Agreement. Any delay short of the statutory period of limitations, in asserting or enforcing any right under this Agreement, shall not constitute or be deemed a waiver of such right.
- 6.9 **Authority:** Each individual signing this Agreement certifies that the Party represented has duly authorized such individual to sign, bind, and obligate such Party.

Accepted and agreed to by:

California Independent System Operator Corporation

By: _____

Name: Eric Schmitt

Title: VP, Operations

Date: _____

Nevada Power Company, d/b/a NV Energy

By: _____

Name: ~~Richard Salge~~ Chris Hofmann

Title: ~~Executive Dir., Grid Operations and Reliability~~

Date: _____

Schedule A

ADJACENT BALANCING AUTHORITY INTERCONNECTION POINTS [Sections 5.1, 5.2 and 6.2]

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

The interconnections between the CAISO and NEVP are comprised of ~~six~~ nine (9) interties described below:

- **Mohave - Laughlin 500 kV Intertie**

The Mohave - Laughlin 500 kV Intertie is used to supply the energy needs of NEVP's isolated load located in the general vicinity of Laughlin, Nevada. The Mohave - Laughlin 500 kV Intertie consists of the NEVP-owned Laughlin-Mohave No.1 and No.2 500 kV transmission lines (the "Laughlin - Mohave 500 kV transmission lines") between the jointly owned Mohave 500 kV Switchyard¹¹ and NEVP's Laughlin Substation, all located in Laughlin, Nevada.

CAISO Terminal:	Mohave 500 kV Switchyard
Participating Transmission Owner:	Southern California Edison Company ("SCE")
NEVP Terminal:	Laughlin Substation
Point of Interconnection:	The East and West bus sides of the disconnect switches for switchyard positions 5 and 6 in the Mohave 500 kV Switchyard.
Voltage:	500 kV

CAISO/SCE Switching Responsibility:

SCE has sole operational and maintenance responsibility for all facilities inside the Mohave 500 kV Switchyard. SCE will coordinate with NEVP all operating and maintenance activity on the portions of NEVP's Laughlin-Mohave No.1 and No. 2 500 kV lines that are inside the Mohave 500 kV Switchyard. SCE's Eldorado Switching Center, as approved by the CAISO, will direct all switching at the Mohave 500 kV Switchyard for the Laughlin - Mohave 500 kV transmission lines in coordination with the NEVP Transmission Operator.

1 The Mohave 500 kV Switchyard is a component of the Eldorado System which also consists of the Eldorado Substation, the Eldorado - Mohave 500 kV line and the Eldorado - Mead No. 1 and No. 2 220 kV lines. The Eldorado System is jointly owned by LADWP, NEVP, and SCE. SCE is the Operating Agent for the Eldorado System which is entirely within the metered boundary of the CAISO Balancing Authority Area

NEVP Switching Responsibility:

The NEVP Transmission Operator will direct all switching at the Laughlin 500/69 kV Substation for the Laughlin - Mohave 500 kV transmission lines, including the transformer 500 kV disconnects, in coordination with SCE's Eldorado Switching Center.

Operational and Maintenance Responsibility:

The NEVP Transmission Operator has operational and maintenance responsibility for the portions of the Laughlin - Mohave 500 kV transmission lines outside the Mohave 500 kV Switchyard fence to the Laughlin Substation. The NEVP Transmission Operator has operational and maintenance responsibility for the Laughlin 500/69 kV Substation, including the transformer 500 kV jack bus and disconnects.

- **Eldorado 220 kV Intertie**

The termination facilities for the NEVP-owned Eldorado - Magnolia and Eldorado - NSO 230 kV transmission lines are contained in a breaker-and-a-half configuration within the jointly-owned Eldorado Substation 220 kV Switchyard position 3.

CAISO Terminal:	Eldorado 220 kV North and South busses
Participating Transmission Owner:	SCE
NEVP Terminals:	NSO 230 kV switchyard and Magnolia 230 kV switchyard.
Points of Interconnection:	The North bus side of disconnect switch 4032 and the South bus side of disconnect switch 6032 in switchyard position 3 in the jointly-owned Eldorado 220 kV Switchyard.
Voltage:	220 kV

Eldorado - NSO 230 kV Line

The Eldorado - NSO 230 kV line connects NEVP's NSO switchyard with the jointly owned Eldorado 220 kV Switchyard.

Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - NSO 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-NSO 230 kV line outside of the Eldorado Substation fence ("Structure No. X25962").

NEVP will have operational and maintenance responsibility for the Eldorado - NSO 230 kV line from NSO Substation up to, and including Structure No. X25962.

Eldorado - Magnolia 230 kV Line

The Eldorado - Magnolia 230 kV line connects the jointly owned Eldorado 220 kV Switchyard with NEVP's Magnolia Substation.

Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operation and maintenance activity on the Eldorado - Magnolia 230 kV line from position 3 in the Eldorado 220 kV Switchyard up to the connection to the first transmission structure for the Eldorado-Magnolia 230 kV line outside of the Eldorado Substation fence ("Structure No. X25961").

NEVP will have operational and maintenance responsibility for the Eldorado - Magnolia 230 kV line from Magnolia Substation up to and including Structure No. X25961.

- **Amargosa - Sandy Valley 138 kV Intertie**

Valley Electric Association's ("VEA") Amargosa - Sandy Valley 138 kV transmission line connects Western Area Power Administration's ("Western") Amargosa Substation with VEA's Sandy Valley Substation.

The Amargosa Substation is owned by Western.

CAISO Terminal:	Sandy Valley Substation
Participating Transmission Owner:	VEA
NEVP Terminal:	Amargosa Substation
Point of Interconnection:	The first dead-end structure outside the Amargosa Substation fence.
Voltage:	138 kV

Switching Responsibility:

Western will coordinate with the VEA Transmission Operator and the CAISO Transmission Operator for all switching at the Amargosa Substation for the Amargosa - Sandy Valley 138 kV transmission line. Western will also coordinate with NEVP on such switching.

Operational and Maintenance Responsibility:

VEA has operational and maintenance responsibility for the Amargosa - Sandy Valley 138 kV transmission line from the connection to the respective A-frame structure in the applicable bay position in the Amargosa Substation to the Sandy Substation.

- **Northwest - Desert View 230 kV Intertie¹**

GridLiance West Transco LLC² (“GridLiance West”) ~~VEA’s~~ Northwest - Desert View 230 kV transmission line connects NEVP’s Northwest Substation to ~~VEA’s~~ GridLiance West’s Desert View Substation.

¹ For the Northwest-Desert View 230kV intertie, GridLiance West is the Transmission Owner(TO), while VEA is the Transmission Operator(TOP) and Transmission Planner(TP). Co-ordination for emergency assistance at an intertie is with the TP

² On August 17, 2017, under Docket No. EC17-49-000, FERC issued an order authorizing the acquisition of certain transmission assets of VEA by GridLiance West. As a result, GridLiance West will be the Transmission Owner for Northwest – Desert View 230kV transmission line.

CAISO Terminal:	Desert View Switch Station
Participating Transmission Owner:	VEA <u>GridLiance West</u>
NEVP Terminal:	Northwest Substation
Point of Interconnection:	The first dead-end structure outside the Northwest Substation fence.
Voltage:	230 kV

NEVP Switching Responsibility:

The NEVP Transmission Operator will direct all switching at the Northwest Substation for the Northwest - Desert View 230 kV transmission line.

Operational and Maintenance Responsibility:

~~VEA~~GridLiance West has operational and maintenance responsibility for the Northwest - Desert View 230 kV transmission line from the Point of Interconnection at the Northwest Substation to the Desert View Substation.

- **Jackass Flats 138 kV Intertie**

The Department of Energy (“DOE”) owns the Jackass Flats Substation and the Mercury Switching Center.² NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access between its transmission system and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

² The Jackass Flats Substation and the Mercury Switching Center also serve as end points of a 138 kV loop of transmission facilities owned by DOE.

CAISO Terminal:	Jackass Flats Substation
Participating Transmission Owner:	VEA
NEVP Terminal:	Jackass Flats Substation
Point of Interconnection:	The Jackass Flats 138 kV bus
Voltage:	138 kV
Metered Interchange Segment:	Jackass Flats - Mercury 138 kV line
Metered End:	Jackass Flats Substation

The diagram at the end of this Section 1 shows the point of interconnection of the Parties' Balancing Authority Areas for the Jackass Flats 138 kV Intertie.

- **Mercury Switching Center 138 kV Intertie**

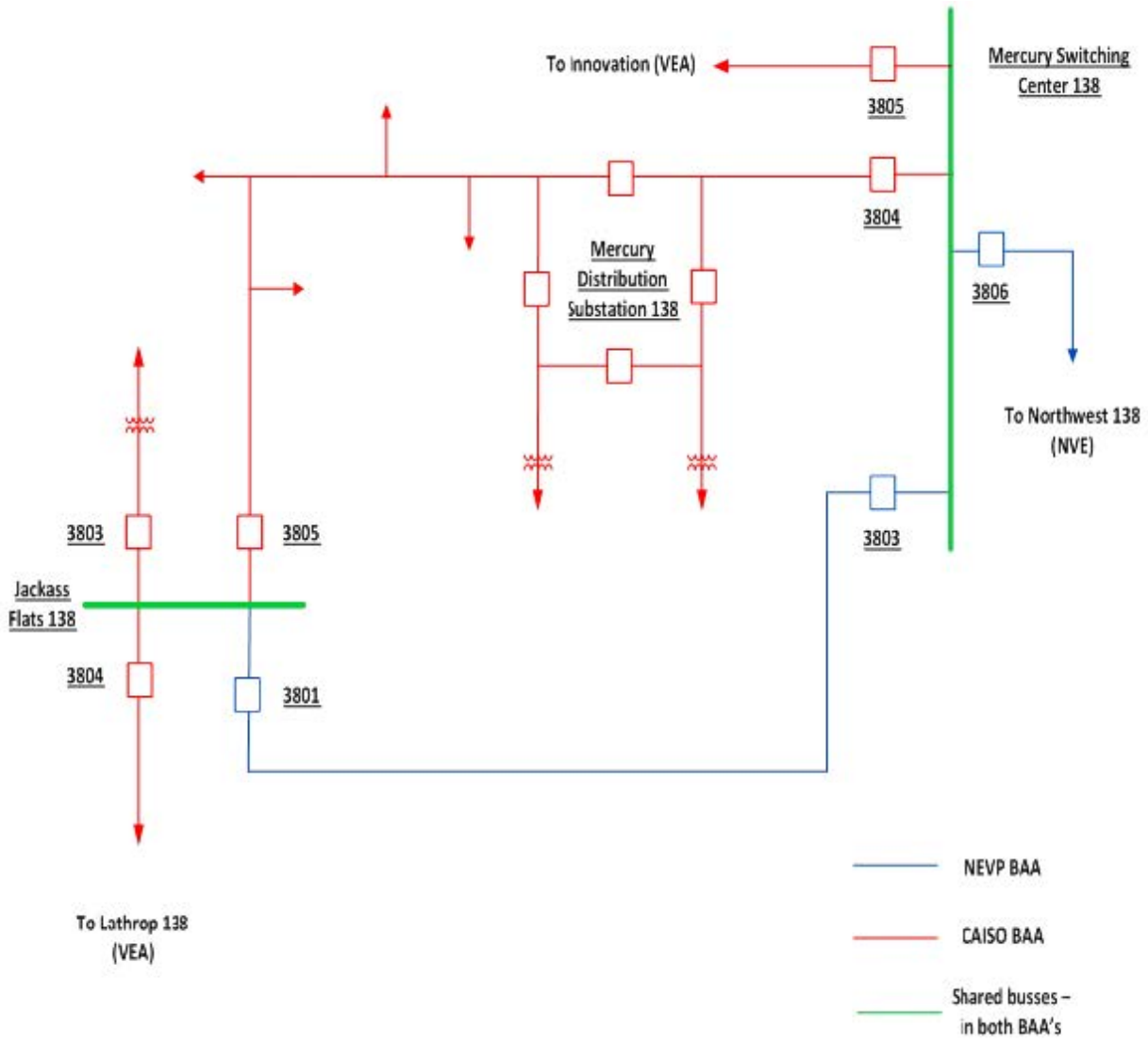
The DOE owns the Mercury Switching Center and the Jackass Flats Substation. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access over its Jackass Flats - Mercury Switching Center 138 kV transmission line to its transmission system through the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Mercury Switching Center 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

CAISO Terminal:	Mercury Switching Center
Participating Transmission Owner:	VEA
NEVP Terminal:	Mercury Switching Center
Point of Interconnection:	The Mercury Switching Center 138 kV bus
Voltage:	138 kV
Metered Interchange Segments:	Mercury Switching Center - Mercury Distribution 138 kV line Mercury Switching Center - Innovation 138 kV line
Metered End:	Mercury Switching Center

The diagram at the end of this Section 1 shows the point of interconnection of the Parties' Balancing Authority Areas at the Mercury Switching Center.

[\[One line diagram on following page\]](#)

ONE LINE DIAGRAM OF FACILITIES AT THE NEVADA NATIONAL SECURITY SITE



PG&E Summit Intertie:

- **Drum / Summit / North Truckee #1 115kV Line**

This 115 kV Line connects Pacific Gas and Electric’s (“PG&E”) Drum Substation to NEVP’s North Truckee Substation. Summit Meter Station is the interconnection metering point of the line located west of Truckee and is the interconnection point, since it also marks the change of jurisdiction.

<u>CAISO Terminal:</u>	<u>Drum Flats Substation</u>
<u>Participating Transmission Owner:</u>	<u>PG&E</u>
<u>NEVP Terminal:</u>	<u>North Truckee Substation</u>
<u>Point of Interconnection:</u>	<u>Summit Meter Station</u>
<u>Voltage:</u>	<u>115 kV</u>
<u>Metered Interchange Segments:</u>	<u>Summit Meter Station</u>
<u>Metered End:</u>	<u>Summit Meter Station</u>

- **Drum / Summit / California Sub #2 115kV Line**

This 115 kV Line connects PG&E’s Drum Substation to NEVP’s California Substation. Summit Meter Station is also the metering point for this line.

<u>CAISO Terminal:</u>	<u>Drum Flats Substation</u>
<u>Participating Transmission Owner:</u>	<u>PG&E</u>
<u>NEVP Terminal:</u>	<u>California Substation</u>
<u>Point of Interconnection:</u>	<u>Summit Meter Station</u>
<u>Voltage:</u>	<u>115 kV</u>
<u>Metered Interchange Segments:</u>	<u>Summit Meter Station</u>
<u>Metered End:</u>	<u>Summit Meter Station</u>

- **Spaulding / Summit / Truckee 60 kV line**

This 60 kV Line connects PG&E’s Spaulding Substation to NEVP’s Truckee Substation. Summit Meter Station is also the metering point for this line.

<u>CAISO Terminal:</u>	<u>Spaulding</u>
<u>Participating Transmission Owner:</u>	<u>PG&E</u>
<u>NEVP Terminal:</u>	<u>Truckee Substation</u>
<u>Point of Interconnection:</u>	<u>Summit Meter Station</u>
<u>Voltage:</u>	<u>60 kV</u>
<u>Metered Interchange Segments:</u>	<u>Summit Meter Station</u>
<u>Metered End:</u>	<u>Summit Meter Station</u>

SCE Control / Silver Peak Intertie:

The California-Nevada state border is considered the point of Interconnection between the CAISO and NEVP where SCE is the Participating Transmission Owner. Two (2) 55 kV lines make up this interconnection point. Responsibility for lines and equipment is defined in the following statements. Refer to the attached drawing (note that NEVP uses number system for line identification).

- **Control / Silver Peak A 55 kV Line**

<u>CAISO Terminal:</u>	<u>Control Substation</u>
<u>Participating Transmission Owner:</u>	<u>SCE</u>
<u>NEVP Terminal:</u>	<u>Silver Peak Substation</u>
<u>Point of Interconnection:</u>	<u>California - Nevada border</u>
<u>Voltage:</u>	<u>55 kV</u>

- **Control / Silver Peak C 55 kV Line**

<u>CAISO Terminal:</u>	<u>Control Substation</u>
<u>Participating Transmission Owner:</u>	<u>SCE</u>
<u>NEVP Terminal:</u>	<u>Silver Peak Substation</u>
<u>Point of Interconnection:</u>	<u>California - Nevada border</u>
<u>Voltage:</u>	<u>55 kV</u>

Plumas Sierra Marble Intertie

CAISO and NEVP intertie is where the Plumas Sierra 69 kV grid interconnects to the NEVP 60 kV grid at the Marble Substation through the Plumas Sierra Marble 69/60 kV transformer. The intertie is on the 60 kV side of the transformer and is the location of the metering between the CAISO and NEVP Balancing Authority Areas.

- **Marble Substation 69/60 kV transformer**

<u>CAISO Terminal:</u>	<u>Marble Substation 69kV</u>
<u>CAISO Terminal Owner:</u>	<u>Plumas Sierra</u>
<u>NEVP Terminal:</u>	<u>Marble Substation 60kV</u>
<u>Point of Interconnection:</u>	<u>Marble Substation 60kV</u>
<u>Voltage:</u>	<u>60 kV</u>
<u>Metered End:</u>	<u>located at the NEVP side of the substation.</u>

[Diagram on following page]

2. REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

~~NEVP and CAISO currently use the WECC Interchange Tool (WIT) to perform metering function at the identified interconnection points in Appendix A, for purposes of Settlement between two Parties. metering shall meet any metering standards mutually agreed upon by the Parties for the purpose of operating their adjacent Balancing Authority Areas. NEVP and the CAISO shall be entitled to witness testing of the involved interconnection metering. Any change or modification to such metering equipment by NEVP or the CAISO shall be coordinated between the Parties. NEVP shall allow daily, once a day, read-only access by the CAISO to direct poll revenue data from the interconnection revenue metering in five (5) minute intervals at the metering points identified in this Schedule A. The CAISO shall allow daily, once a day, read-only access by NEVP to direct poll revenue data from the interconnection revenue metering in five (5) minute intervals at the interconnection points identified in this Schedule A.~~

NEVP and the CAISO shall maintain arrangements that ensure that both Parties shall have access to the same real-time data from the interconnection points identified in this Schedule A between their Balancing Authority Areas for the purpose of complying with NERC reliability standards, specifically, Standards BAL-005 and BAL-006. The Parties understand that each Party wants to obtain MW and MVAR data from interconnection metering, which may include RTUs, at the interconnection points identified in this Schedule A between their Balancing Authority Areas. The Parties agree to allow each other to directly poll real-time data from metering at such interconnection points under the other Party's operational control as a Balancing Authority. In the event that a second communication port of a RTU is not available for direct polling by a Party, the Party shall have the option to provide a RTU to the substation owner for the purpose of establishing a communication port available for direct polling by such Party. The Parties may mutually agree to provide interconnection point data via Inter-Company Communications Protocol ("ICCP") or its successor protocol. In the event that a Party supplies ICCP data to the other Party, the supplying Party shall have no obligation to manipulate or perform conditioning of any such data for the convenience of the receiving Party.

This Schedule A shall remain in effect until it is superseded by mutual written agreement by the Parties or is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.

Schedule B

EMERGENCY CAPACITY AND ENERGY [Sections 3.3 and 6.2]

In accordance with EOP-0011-1, the Parties will, to the extent possible, assist each other in an emergency by scheduling energy ~~and/or capacity~~. Such emergency assistance will be available at the sole discretion of the Party supplying it and will be recallable without advance notice as required to meet reliability requirements. The Parties will agree upon and log MW values, start and end times, ramp rates and times, and integrated values for any emergency assistance provided.

The emergency assistance to be provided by a Party will be for system reliability. Such emergency assistance may be estimated prior to delivery and finalized in the settlement process.

The price paid for CAISO emergency assistance will be at the CAISO market price for the energy and/or capacity sold, plus all applicable charges, as specified in the CAISO Tariff for emergency assistance. Such price may be estimated prior to delivery and finalized in the settlement process. Payment to the CAISO for emergency assistance provided by the CAISO will be made by the Scheduling Coordinator representing NEVP, in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

The price paid for NEVP emergency assistance will be at the price specified by NEVP. In the event NEVP does not specify the price for energy or capacity at the time of the request for emergency assistance and no other settlement price is established prior to the delivery of the emergency assistance, the default settlement price shall be the CAISO market price, plus all other applicable charges, as specified or as otherwise established in the CAISO Tariff for emergency assistance. If the default settlement price does not compensate NEVP for the value of the emergency assistance delivered to the CAISO, NEVP shall have the opportunity to justify a higher settlement price in accordance with the CAISO Tariff for emergency assistance. Payment to NEVP for emergency assistance provided by NEVP will be made to the Scheduling Coordinator representing NEVP, in accordance with the settlement process, billing cycle, and payment timeline set forth in the CAISO Tariff.

Nothing in this Agreement shall obligate NEVP to be bound by the CAISO Tariff unless expressly provided for herein.

This Schedule B shall remain in effect until it is superseded by mutual written agreement by the Parties or it is terminated, either by written notice from an individual Party or by written consent by both Parties, in accordance with Section 2.1 of the Agreement.

Schedule C

CONTACTS FOR NOTICES
[Sections 6.2 and 6.4]

CAISO:

Name of Primary

Representative: Regulatory Contracts
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email Address: RegulatoryContracts@caiso.com
Phone: (916) 351-4400
Fax No.: (916) 608-5063

Name of Alternate

Representative: ~~Daune Kirrene~~ Mr. Christopher J. Sibley
Title: ~~Senior Contracts Negotiator~~ Manager
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email Address: ~~dkirrene~~ csibley@caiso.com
Phone: (916) 608-~~7058~~ 7030
Fax No.: (916) 608-~~5063~~ 7292

NEVP:

Name of Primary

Representative: ~~Jeri Fisher~~ William Muir
Title: ~~Project Manager,~~
~~Transmission Project Delivery~~ Senior Contracts
~~Specialist Transmission Project Delivery~~
Street Address: ~~6100 Neil Road – M/S S3B40~~ 7155 Lindell Road – M/S
B57SC
City/State/Zip Code: ~~Reno~~ Las Vegas, NV 895118
~~Mailing Address: P.O. Box 10100 – M/S S3B40~~
~~City/State/Zip Code: Reno, NV 89520-0024~~
Email Address: ~~JFisher~~ TransmissionPolicy@nvenergy.com
Phone: ~~(775702) 834-3915~~ 402-6646
~~Fax No.: (775) 834-3047~~

Name of Alternate

Representative: ~~John Wickersham, III~~ Kiley Moore
Title: Manager, Transmission ~~Project~~ Business Services
Street Address: 6100 Neil Road - M/S S3B40
City/State/Zip Code: Reno, NV 89511
~~Mailing Address: P.O. Box 10100 – M/S S3B40~~
~~City/State/Zip Code: Reno, NV 89520-0024~~
Email Address: ~~JWickersham3~~ KL ~~Moore~~ @nvenergy.com
Phone: (775) 834-~~3893~~ 4802

Fax No.: ~~_____ (775) 834-3047~~

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

~~Schedule D~~

~~INTER-BALANCING AUTHORITY AREA REQUIREMENTS FOR SCHEDULING AND DELIVERING REGULATION SERVICE TO THE CAISO [Section 3.4]~~

~~1.~~ General

~~1.1. Purpose. This Schedule D sets forth the requirements that must be satisfied by the NEVP Balancing Authority Area (referred to herein as the "Host Balancing Authority Area") should it elect to support Scheduling Coordinators' requests for certification, scheduling and delivery of regulation service into the CAISO Balancing Authority Area. The requirements encompass technical (energy management system ("EMS")/automatic generation control ("AGC") and communications), interchange scheduling, telemetry and control aspects of interconnected Balancing Authority Area operations.~~

~~1.2. NERC/WECC Operating Standards Observed. Nothing in this Schedule D is intended to change, supersede, or alter either Party's obligations to abide by NERC standards and WECC criteria.~~

~~1.3. Applicable Standards. This Schedule D incorporates, by reference, the CAISO's "Standards for Imports of Regulation" ("Standards") document. The Standards document is available for viewing and can be downloaded from the CAISO internet home page: www.aiso.com <<http://www.aiso.com>>.~~

~~1.4. Meaning of "System Resource." "System Resource" is defined in the CAISO Tariff and, in the context of this Schedule D, may include combinations of resources as described in the Standards.~~

~~2.~~ Telecommunications Requirements

~~The CAISO and Host Balancing Authority Area shall establish and maintain real time, redundant, diversely routed, bi-directional, communications links between the CAISO EMS and the Host Balancing Authority Area EMS, utilizing the standard inter-control-center communications protocol ("ICCP"). Further details regarding telecommunications requirements may be found in the Standards document.~~

~~3.~~ Telemetry and Control

~~3.1. Telemetry. For each operating hour for which a System Resource is scheduled to deliver regulation service to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall provide, via the ICCP communications links to the CAISO EMS, the data for each System Resource as set forth in the Standards document.~~

~~3.2. Control. The Host Balancing Authority Area EMS shall be able to receive control signals, in real time, from the CAISO EMS, via the ICGP communications links, causing the System Resource to vary its energy production or allocation level from the prescheduled preferred operating point by the specified amount. Further detailed information regarding control requirements may be found in the Standards document.~~

~~3.3. Delivery of Megawatts (“MW”). The Host Balancing Authority Area shall only deliver to the CAISO the amount of MW being generated by the System Resource. The Host Balancing Authority Area shall not be obligated to make up any difference between the CAISO’s set point and the MW being generated by the System Resource.~~

~~4. Interchange Scheduling Requirements~~

~~4.1. Dynamic Scheduling. The Host Balancing Authority Area shall support Scheduling Coordinators’ requests to arrange dynamic interchange schedules for the delivery of regulation service to the CAISO Balancing Authority Area, reflecting the System Resource’s instantaneous energy production or allocation level as caused by real time control signals issued by the CAISO EMS/AGC and taking into account available transmission capacity.~~

~~4.2. Treatment of Area Control Error (“ACE”). The Host Balancing Authority Area shall instantaneously compensate its AGC for the System Resource’s variable energy output level such that the System Resource energy production or allocation changes, caused by the CAISO EMS/AGC control signals, have an equal in magnitude and opposite in sign effect on the Host Balancing Authority Area’s ACE.~~

~~4.3. Integration of Dynamic Scheduling. For each operating hour during which regulation service was dynamically scheduled for delivery to the CAISO Balancing Authority Area, the Host Balancing Authority 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 schedulers.~~

~~4.4. Access to Information. The Parties agree to exchange information related to control signals issued and telemetry received with respect to the delivery of regulation service (i) at the request of the other Party for purposes of after the fact interchange accounting or (ii) on demand for any other purpose.~~

~~5. Other~~

~~5.1. Losses. The CAISO shall not be responsible for transmission losses caused by transmitting regulation service within or across the Host Balancing Authority Area for deliver to the CAISO.~~

~~5.2. Certification. Only CAISO certified System Resource/Host Balancing Authority Area arrangements will be allowed to bid or self provide regulation service in the~~

~~CAISO's ancillary services market through a CAISO-certified Scheduling Coordinator.~~

~~5.3. No Guarantee of Award. Certification of a System Resource/Host Balancing Authority Area arrangement allows for bidding of regulation service into the CAISO market; it does not, however, guarantee selection of such bid.~~

~~5.4. Performance Assessment. The CAISO will monitor and measure imported regulation service, whether bid or self-provided, against the performance benchmarks described in the Standards document.~~

Schedule E
INTER-BALANCING AUTHORITY AREA REQUIREMENTS
FOR SCHEDULING AND DYNAMIC DELIVERY OF ENERGY, SUPPLEMENTAL
ENERGY, AND ENERGY ASSOCIATED WITH NON-REGULATION ANCILLARY
SERVICES TO THE CAISO
[Section 3.5]

1. _____ General

1.1 ~~_____ Purpose. This Schedule E sets forth the requirements that must be satisfied by Nevada Power Company (referred to herein as the "Host Balancing Authority Area") should it elect to support Scheduling Coordinators' requests for implementation of a dynamic scheduling functionality and delivery of energy, supplemental energy, and energy associated with ancillary services (except regulation service) into the CAISO Balancing Authority Area. The requirements encompass technical (energy management system ("EMS")/automatic generation control ("AGC") and communications), interchange scheduling, telemetry, and aspects of interconnected Balancing Authority Area operations.~~

1.2 ~~_____ NERC/WECC Operating Standards Observed. Nothing in this Schedule E is intended to change, supersede, or alter either Party's obligations to abide by NERC standards and policies and WECC criteria.~~

1.3 ~~_____ Applicable Standards. This Schedule E incorporates, by reference, the CAISO's *Dynamic Scheduling Protocol* ("DSP") posted on the CAISO internet home page: "www.caiso.com".~~

1.4 ~~_____ Meaning of "System Resource". "System Resource" is defined in the CAISO Tariff and, in the context of this Schedule E, may include combinations of resources as described in the DSP.~~

2. _____ Telecommunications Requirements

~~The CAISO and Host Balancing Authority Area shall establish and maintain real time, redundant, diversely routed, communications links between the CAISO EMS and the Host Balancing Authority Area EMS, with the primary link utilizing the standard inter-Balancing Authority center communications protocol ("ICCP") in accordance with the DSP.~~

3. _____ 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 CAISO Balancing Authority Area, the Host Balancing Authority Area shall provide, via the ICCP communication links to the CAISO EMS, the data for each System Resource as set forth in the DSP.~~

~~4. Interchange Scheduling Requirements~~

~~4.1 Dynamic Scheduling. The Host Balancing Authority Area shall support Scheduling Coordinators' requests to arrange dynamic interchange schedules for the delivery of energy to the CAISO Balancing Authority Area, reflecting the System Resource's instantaneous energy production or allocation level and taking into account available transmission capacity.~~

~~4.2 Treatment of Area Control Error ("ACE"). The Host Balancing Authority Area shall instantaneously compensate its AGC for the System Resource's energy output that is generated or allocated for establishing the dynamic schedule to the CAISO such that the System Resource energy production or allocation changes have an equal in-magnitude and opposite in sign effect on the Host Balancing Authority Area's ACE.~~

~~4.3 Integration of Dynamic Scheduling. For each operating hour during which energy was dynamically scheduled for delivery to the CAISO Balancing Authority Area, the Host Balancing Authority 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 schedulers.~~

~~4.4 Delivery of Megawatts ("MW"). The Host Balancing Authority 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.~~

~~4.5 Access to Information. The Parties agree to exchange information related to telemetry sent and received with respect to the delivery of energy (i) at the request of the other Party for purposes of after-the-fact interchange accounting or (ii) on demand for any other purpose.~~

~~5. Other Host Balancing Authority Area Responsibilities~~

~~5.1 Operational Jurisdiction. The Host Balancing Authority Area will have, at a minimum, the level of operational jurisdiction over the System Resource and the associated dynamic schedule that NERC and WECC vest in Host Balancing Authority Areas.~~

~~5.2 E-Tagging. The Host Balancing Authority Area must support associated e-tagging as described in the DSP to the extent such e-tagging is deemed not to be inconsistent with NERC and/or WECC requirements.~~

~~5.3 Real-Time Adjustments. The Host Balancing Authority Area must have a means to manually override and/or otherwise adjust the dynamic signal in real time, if needed.~~

~~5.4 Coordination with Other Balancing Authority Areas. The Host Balancing Authority~~

~~Area must provide in real time the instantaneous value of each dynamic schedule to every intermediary Balancing Authority Area through whose systems such dynamic schedule may be implemented to the CAISO.~~

~~6. Other~~

~~6.1 Losses. The CAISO shall not be responsible for transmission losses caused by transmitting energy dynamically within or across the Host Balancing Authority Area for delivery to the CAISO.~~

~~6.2 Certification. Only CAISO-certified System Resource/Host Balancing Authority Area arrangements will be allowed to bid or self provide ancillary services in the CAISO's ancillary services market through an CAISO-certified Scheduling Coordinator.~~

~~6.3 No Guarantee of Award. Certification of a System Resource/Host Balancing Authority Area arrangement allows for bidding of supplemental energy and/or certain ancillary services into the CAISO market; it does not, however, guarantee selection of such bid.~~

~~6.4 Performance Assessment. The CAISO will monitor and measure dynamically imported ancillary services, whether bid or self provided, against the performance benchmarks described in the DSP.~~

~~7. Consent to Implementation of Dynamic System Resources~~

~~Each dynamically scheduled System Resource shall be permitted pursuant to this Schedule E only upon the written consent of both the Host Balancing Authority Area and the CAISO, which written consent may be communicated by e-mail, and only if the System Resource is subject to a Dynamic Scheduling Agreement for Scheduling Coordinators with the CAISO.~~