

Bradley R. Miliauskas
Phone 202.295.8431
Fax 202.424.7643
brmiliauskas@swidlaw.com

The Washington Harbour
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116
Phone 202.424.7500
Fax 202.424.7647

www.swidlaw.com

May 9, 2005

The Honorable Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

BY HAND DELIVERY

**Re: *California Independent System Operator Corp.*,
Docket No. ER05-224-____
Compliance Filing**

Dear Secretary Salas:

The California Independent System Operator Corporation ("ISO")¹ respectfully submits six copies of this filing in compliance with the Commission's April 8, 2005 order in the captioned docket concerning the Dynamic Scheduling Agreement for Scheduling Coordinators between the ISO and Mirant Americas Energy Marketing, LP ("Mirant"), 111 FERC ¶ 61,015 ("Mirant Order"). This filing also contains "clean-up" changes to ISO Tariff sheets as described below. Two additional copies of the filing are enclosed to be date-stamped and returned to our messenger.

The Dynamic Scheduling Protocol

In the Mirant Order, the Commission directed the ISO to file ISO Tariff sheets containing revisions to the ISO's Dynamic Scheduling Protocol ("DSP") to delete the reference to the intra-hour e-tagging requirement from Section DSP 6.2. Mirant Order at P 11. To comply with the Commission's directive, the ISO submits, in Attachment A to the present filing, a clean ISO Tariff sheet that

¹ Capitalized terms not otherwise defined herein are defined in the Master Definitions Supplement, ISO Tariff Appendix A, as filed August 15, 1997, and subsequently revised.

deletes that reference from Section DSP 6.2.² Attachment B to the present filing contains the change to the DSP in black-line format.

The *Pro Forma* Dynamic Scheduling Agreement for Scheduling Coordinators

In the Mirant Order, the Commission directed the ISO to file ISO Tariff sheets containing revisions to the ISO's *pro forma* Dynamic Scheduling Agreement for Scheduling Coordinators ("DSA") to require that all parties comply with the DSP instead of the *Standards for Dynamic Imports of Energy, Supplemental Energy, and Energy Associated with Non-Regulation Ancillary Services* ("Standards") that were previously ordered by the Commission to be incorporated into the DSP. See Mirant Order at P 11.³ To comply with this directive, the ISO submits, in Attachment C to the present filing, clean ISO Tariff sheets for the *pro forma* DSA that incorporate changes to require compliance with the DSP rather than the Standards. Attachment D to the present filing contains these changes to the *pro forma* DSA in black-line format.

The *Pro Forma* Dynamic Scheduling Host Control Area Operating Agreement

The Mirant Order did not address the ISO's *pro forma* Dynamic Scheduling Host Control Area Operating Agreement ("DSHCAOA"). However, that agreement, like the *pro forma* DSA, currently requires all parties to comply with the Standards rather than the DSP. Although the Mirant Order did not address the *pro forma* DSHCAOA, the ISO believes that correcting the *pro forma* DSHCAOA to require all parties to comply with the DSP is consistent with the intent of the Mirant Order concerning compliance with the DSP.⁴ Therefore, the

² In addition, in the Mirant Order, the Commission directed the ISO to "waive prospectively its section DSP 6.2 requirement that intra-hourly changes of a certain magnitude to dynamic schedules must be e-tagged." Mirant Order at P 11. The ISO has waived that Section DSP 6.2 requirement, in compliance with the Commission's directive, in the ISO's agreements with Reliant Energy Services, Inc., British Columbia Transmission Corporation, Bonneville Power Administration, and Powerex Corp. filed in Commission Docket Nos. ER05-749-000, ER05-784, ER05-785, and ER05-786, respectively.

³ The Commission also directed the ISO to amend the *pro forma* DSA to eliminate any references to the intra-hour e-tagging requirement. Mirant Order at P 11. The *pro forma* DSA does not contain any such references, and therefore it does not need to be amended in that regard.

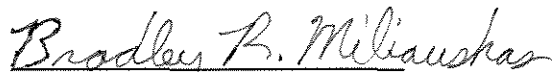
⁴ As the Commission noted in the Mirant Order, amending the *pro forma* DSA to state that all parties must comply with the DSP, rather than the Standards, is consistent with the directives in the order issued on June 29, 2004 in the proceeding concerning Amendment No. 59 to the ISO Tariff. Mirant Order at P 11 & n.7 (citing California Independent System Operator Corporation, 107 FERC ¶ 61,329, at P 21 and Ordering Paragraph (B) (2004) ("Amendment No. 59 Order")). In the Amendment No. 59 Order, the Commission rejected the ISO's proposal to post the Standards on the ISO Home Page, and instead required the ISO to incorporate the Standards

ISO has included, in Attachment E to the present filing, clean ISO Tariff sheets for the *pro forma* DSHCAOA that incorporate changes to require compliance with the DSP rather than the Standards. Attachment F to the present filing contains these "clean-up" changes to the *pro forma* DSHCAOA in black-line format.

Attachment G to this filing contains a form notice of this filing, suitable for publication in the Federal Register. The ISO is also providing a computer diskette containing the form notice of this filing.

The ISO is serving copies of this compliance filing on the California Public Utilities Commission, the California Energy Commission, the California Electricity Oversight Board, all parties with effective Scheduling Coordinator Service Agreements under the ISO Tariff, and all parties on the official service list for the captioned docket. In addition, the ISO is posting this filing on the ISO Home Page. If there are questions concerning the filing, please contact the undersigned.

Respectfully submitted,



J. Phillip Jordan
Bradley R. Miliauskas
Swidler Berlin, LLP
3000 K Street, NW
Suite 300
Washington, DC 20007

Charles F. Robinson
General Counsel
John Anders
Corporate Counsel
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630

Attorneys for the California Independent
System Operator Corporation

into the ISO Tariff. Amendment No. 59 Order at PP 20-21. The Standards were incorporated into the ISO Tariff through the DSP. Therefore, the references to the Standards in the *pro forma* DSHCAOA, like the references to the Standards in the *pro forma* DSA, should instead be references to the DSP.

ATTACHMENT A

DSP 6 OPERATING AND SCHEDULING REQUIREMENTS

- DSP 6.1** For any operating hour for which Energy, Supplemental Energy, and/or Ancillary Services (and associated Energy) is scheduled dynamically to the ISO from the System Resource, a firm (or non-interruptible for that hour) matching transmission service must be reserved across the entire dynamic schedule transmission path external to the ISO Control Area.
- DSP 6.2** All dynamic schedules associated with newly implemented dynamically scheduled System Resources must be electronically tagged (e-tagged).
- DSP 6.3** Formal inter-Control Area dynamic schedules may be issued only by the dynamically scheduled System Resource's Host Control Area and must be routed through the EMSs of all Intermediary Control Areas (such schedules would be considered "wheel-through" schedules by Intermediary Control Areas).
- DSP 6.4** The ISO will treat dynamically scheduled Energy as a resource contingent firm import. The ISO will procure (or allow for self-provision of) WECC MORC-required Operating Reserves for loads served by dynamically scheduled System Resources.
- DSP 6.5** All Energy schedules associated with dynamically scheduled imports of Spinning Reserve and Non-Spinning Reserve will be afforded similar treatment (i.e., resource contingent firm).
- DSP 6.6** The dynamic signal must be integrated over time by the Host Control Area for every operating hour.
- DSP 6.7** Notwithstanding any dispatches of the System Resource in accordance with the ISO Tariff, the ISO shall have the right to issue operating orders to the System Resource either directly or through the Host Control Area for emergency or contingency reasons, or to ensure the ISO's compliance with operating requirements based on WECC or NERC requirements and policies (e.g., WECC's Unscheduled Flow Reduction Procedure). However, such operating orders may be issued only within the range of the ISO-accepted Energy, Ancillary Services, and/or Supplemental Energy Schedules and bids for a given operating hour (or the applicable "sub-hour" interval).
- DSP 6.8** If there is no dynamic schedule in the ISO's Day-Ahead, Hour-Ahead, or Supplemental Energy markets, the dynamic signal must be at "zero" ("0") except when in response to ISO's Dispatch Instructions associated with accepted Ancillary Services and/or Supplemental Energy bids.
- DSP 6.9** The SC of the dynamically scheduled System Resource must have the ability to override the associated dynamic schedule in order to respond to the operating orders of the ISO or the Host Control Area.
- DSP 6.10** Unless the dynamically scheduled System Resource (1) is implemented as a directly-telemetered load-following functionality, (2) is base-loaded Regulatory Must Take Generation, or (3) responds to an ISO intra-hour Dispatch Instruction, the dynamic schedule representing such resource must follow WECC-approved practice of 20-minute ramps centered at the top of the hour. The ISO does not provide any special settlements treatment nor offer any ISO Tariff exemptions for dynamic load following functionalities.

ATTACHMENT B

* * *

DSP 6.2

All dynamic schedules associated with newly implemented dynamically scheduled System Resources must be electronically tagged (e-tagged). ~~Every change in the magnitude of the dynamic schedule by 25% or more, or 25 MW, whichever is less, shall require a conforming change in the associated e-tag.~~

* * *

ATTACHMENT C

3.2 Termination

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

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

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

ARTICLE IV GENERAL TERMS AND CONDITIONS

4.1 Dynamic Scheduling Requirements and Obligations

4.1.1 The dynamic functionality established under this Agreement shall be implemented and operated in accordance with ISO Tariff Section 2.2.7.6, other applicable provisions of the ISO Tariff, all applicable NERC and WECC policies, requirements, and provisions, and the ISO Dynamic Scheduling Protocol.

- 4.1.2** *The maximum allowable dynamic power transfer (in MW) from the Scheduling Coordinator's System Resource(s) shall be as set forth in Schedule 1 and will be referred to as "Pmax" in all ISO scheduling and control systems.*
- 4.1.3** The Scheduling Coordinator warrants that the power plant(s) listed in Schedule 1 is interconnected within the Host Control Area specified in Schedule 1, placing both the plant(s) as well as the associated System Resource under the operational jurisdiction of the Host Control Area.
- 4.1.4** The ISO intertie associated with the System Resource(s) is set forth in Schedule 1. The Scheduling Coordinator may request, and the ISO may agree, at its sole discretion, to change the foregoing ISO intertie association, subject to any limitations set forth in the ISO Dynamic Scheduling Protocol.
- 4.1.5** Unless explicitly agreed otherwise, dynamic functionalities implemented between the ISO and the Scheduling Coordinator may provide only for imports from the System Resource(s) listed in Schedule 1 to the ISO.
- 4.1.6 Identification of System Resources.** The Scheduling Coordinator has identified the System Resources that it represents in Schedule 1.
- 4.1.7 Notification of Changes.** Sixty (60) days prior to changing any technical information in Schedule 1, the Scheduling Coordinator shall notify the ISO of the proposed changes. Pursuant to Section 2.5.25 of the ISO Tariff, the ISO may verify, inspect and test the capacity and operating characteristics provided in the revised Schedule 1. Unless the Scheduling Coordinator fails to test at the values in the proposed change(s), the change will become effective upon the effective date for the next scheduled update of the ISO's Master File, provided the Scheduling Coordinator submits the changed information by the applicable deadline and is tested by the deadline.
- 4.2 Agreement Subject to ISO Tariff.** The Parties will comply with all applicable provisions of the ISO Tariff, including Sections 2.2.7.6 and 2.5.6.2. This Agreement shall be subject to the ISO Tariff, which shall be deemed to be incorporated herein.
- 4.3 Obligations Relating to Ancillary Services**
- 4.3.1 Submission of Bids.** When the Scheduling Coordinator submits a bid for Ancillary Services, the Scheduling Coordinator will, by the operation of this Section 4.3.1, warrant to the ISO that it has the capability to provide that service in accordance with the ISO Tariff and that it will comply with ISO Dispatch Instructions for the provision of the service in accordance with the ISO Tariff.

ARTICLE V PENALTIES AND SANCTIONS

- 5.1 Uninstructed Deviations.** Except for operating emergency situations, real time Energy transfers may not vary from the Final Hour Ahead Schedule as adjusted by any Dispatch Instructions by more than the greater of five (5) MW or three percent (3%) of the net dependable capacity (Pmax) of the System Resource, integrated across a ten-minute interval. If such defined performance band is exceeded by any amount in more than five percent (5%) of the ten-minute intervals on three successive days, then such deviations shall constitute one event of non-compliance with the ISO Dynamic Scheduling Protocol pursuant to Section 3.2.2. Deviations from dynamic Energy schedules will also be subject to Uninstructed Deviation Penalties pursuant to Section 11.2.4.1.2 and related provisions of the ISO Tariff.

- 5.2 General.** The Scheduling Coordinator shall be subject to all penalties made applicable to dynamic imports from System Resources set forth in the ISO Tariff.

ATTACHMENT D

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

* * *

4.1 Dynamic Scheduling Requirements and Obligations

4.1.1 The dynamic functionality established under this Agreement shall be implemented and operated in accordance with ISO Tariff Section 2.2.7.6, other applicable provisions of the ISO Tariff, all applicable NERC and WECC policies, requirements, and provisions, and the ISO's *"Standards for Dynamic Imports of Energy, Supplemental Energy, and Energy Associated with Non-Regulation Ancillary Services"* ("Standards") posted on the ISO Home Page: "www.caiso.com" Dynamic Scheduling Protocol.

* * *

4.1.4 The ISO inertia associated with the System Resource(s) is set forth in Schedule 1. The Scheduling Coordinator may request, and the ISO may agree, at its sole discretion, to change the foregoing ISO inertia association, subject to any limitations set forth in the Standards ISO Dynamic Scheduling Protocol.

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ARTICLE V PENALTIES AND SANCTIONS

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

ATTACHMENT E

1.2 Termination

This Agreement may be terminated by either Party upon thirty (30) days written notice to the other Party or upon mutual consent of both Parties. For entities subject to FERC jurisdiction, termination will be effective upon acceptance by FERC of notice of termination, if this Agreement has been filed with FERC, or thirty (30) days after the date of the notice of default, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders. The ISO shall timely file any required notice of termination with FERC. The filing of the notice of termination by the ISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ISO files the notice of termination within sixty (60) days after issuance of the notice of default.

2. Definitions

2.1 WECC Definitions

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

2.2 Specific Definitions

- 2.2.1 Good Utility Practice:** Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry in the WECC region during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.
- 2.2.2 ISO Dynamic Scheduling Protocol:** The ISO's Dynamic Scheduling Protocol, which is part of the ISO Tariff.
- 2.2.3 ISO Tariff:** ISO Operating Agreement, Protocols, and Tariff as amended from time to time, together with any appendices or attachments thereto.
- 2.2.4 Point of Contact:** A person or entity having the authority to receive and act upon scheduling or dispatch communications from the other Control Area operator and available through a communications device mutually agreed upon on a 24-hour, 7-day basis.
- 2.2.5 Scheduling Coordinator:** An entity certified by the ISO for the purposes of undertaking the functions of: submitting schedules for energy, generation, transmission losses, and ancillary services; coordinating generation; tracking, billing, and settling trades with other Scheduling Coordinators; submitting forecast information; paying the ISO's charges; and ensuring compliance with ISO protocols.
- 2.2.6 System Resource:** "System Resource" is defined in the ISO Tariff and, in the context of this Agreement, may include combinations of resources as described in the ISO Dynamic Scheduling Protocol.

3. General

3.1 Purpose

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

3.2 NERC/WECC Operating Standards Observed

Nothing in this Agreement is intended to change, supercede, or alter either Party's obligations to abide by NERC standards and policies and WECC criteria.

3.3 Applicable Standards

This Agreement incorporates, by reference, the ISO Dynamic Scheduling Protocol.

3.4 Communication

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

4. Telecommunications Requirements

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

5. Telemetry

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

6. Interchange Scheduling Requirements

6.1 Dynamic Scheduling

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

6.2 Treatment of Area Control Error ("ACE")

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

6.3 Integration of Dynamic Scheduling

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

6.4 Delivery of Megawatts ("MW")

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

6.5 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.

7. Other Host Control Area Responsibilities

7.1 Operational Jurisdiction

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

7.2 E-Tagging

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

7.3 Real-Time Adjustments

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

7.4 Coordination with Other Control Areas

The Host Control Area must provide in real time the instantaneous value of each dynamic schedule to every intermediary Control Area through whose systems such dynamic schedule may be implemented to the ISO.

8. Other

8.1 Losses

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

8.2 Certification

Only ISO-certified System Resource/Host Control Area arrangements will be allowed to bid or self provide ancillary services in the ISO's ancillary services market through an ISO-certified Scheduling Coordinator.

8.3 No Guarantee of Award

Certification of a System Resource/Host Control Area arrangement allows for bidding of supplemental energy and/or certain ancillary services into the ISO market; it does not, however, guarantee selection of such bid.

8.4 Performance Assessment

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

8.5 Description of System Resources

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

9. Notifications

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

10 Liability

10.1 Uncontrollable Forces

An Uncontrollable Force means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of a control area operator which could not be avoided through the exercise of Good Utility Practice.

Neither the ISO nor the Host Control Area will be considered in default of any obligation under this Agreement or liable to the other for direct, indirect, and consequential damages if prevented from fulfilling that obligation due to the occurrence of an Uncontrollable Force.

In the event of the occurrence of an Uncontrollable Force, which prevents either the ISO or the Host Control Area from performing any obligations under this Agreement, the affected entity shall not be entitled to suspend performance of its obligations in any greater scope or for any longer duration than is required by the Uncontrollable Force. The ISO and the Host Control Area shall each use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligations hereunder.

ATTACHMENT F

2.2.2 ISO Dynamic Scheduling Protocol: The ISO's Dynamic Scheduling Protocol, which is part of the ISO Tariff.

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

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

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

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

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

* * *

3.3 Applicable Standards

This Agreement incorporates, by reference, the ISO's ~~Standards~~ Dynamic Scheduling Protocol.

* * *

4. Telecommunications Requirements

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

5. Telemetry

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

* * *

7.2 E-Tagging

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

* * *

8.4 Performance Assessment

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

ATTACHMENT G

