

June 9, 2017

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 Non-Conforming First Amended and Restated
Participating Generator Agreement (Service Agreement No.
539)**

Docket No. ER17-_____-000

Dear Secretary Bose:

The California Independent System Operator Corporation (CAISO) submits for filing and acceptance the non-conforming First Amended and Restated Participating Generator Agreement (Amended Agreement) between the CAISO and Energia Azteca X, S.A de C.V. (Energia Azteca).¹ The CAISO respectfully requests that the Amended Agreement be made effective August 9, 2017.

I. Background

The CAISO filed the original version of the non-conforming Participating Generator Agreement (Agreement) on July 18, 2003 in Docket No. ER03-1090-000, to address participation in the CAISO markets by Energia Azteca's Circo Combinado Mexicali generating plant located near Mexicali, Mexico. By letter order issued September 16, 2003, the Commission accepted the Agreement. Subsequently, the CAISO filed two additional revisions to the Agreement. In 2003, the CAISO filed the first revision to the Agreement in Docket No. ER03-1245-000, which the Commission accepted by letter order issued October 23, 2003. In 2005, the CAISO filed the second revision to the Agreement in Docket No. ER05-1415-000, which the Commission accepted by letter order issued September 29, 2005.

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

In December 2011, the CAISO and Energia Azteca executed a third revision to the Agreement to incorporate the CAISO's recently implemented Market Redesign and Technology Upgrade (MRTU) tariff. However, due to an administrative oversight, the CAISO inadvertently did not file the third revision to the Agreement with the Commission. The third revision consisted solely of changes to incorporate the MRTU tariff and did not otherwise modify the rights and obligations of the parties under the Agreement. Further, the third revision did not include any specific rates or charges other than as provided in the CAISO tariff. Accordingly, no refunds are due as a result of not filing the third revision to the Agreement.

II. Purpose of the Revisions Contained in the Amended Agreement

The Amended Agreement supersedes the Agreement described above.² The purpose of the revisions contained in the Amended Agreement is to update references in the Agreement to the applicable balancing authority, a letter agreement, and CAISO operating procedures. First, the parties desire to update the reference to the applicable balancing authority to reflect the transfer of balancing authority responsibilities from Comisión Federal de Electricidad (CFE) to Centro Nacional de Control de Energía—Gerencia de Control Regional Baja California (CENACE-GCRBC). The revisions contained in the Amended Agreement also update the references to the Adjacent Balancing Authority Operating Agreement (ABAOA) between CENACE-GCRBC and the CAISO, which the Commission approved by letter order in 2016,³ and to an updated letter agreement between CFE and the CAISO, both of which agreements address coordination responsibilities.

The Circolo Combinado Mexicali generating plant is comprised of four generating units: three combustion turbines (CT) designated as A, B, and C, and a steam turbine generator. The generating units CT A and CT B and the steam turbine are permanently interconnected to the CENACE-GCRBC balancing authority. Generating unit CT C is connected to the CAISO controlled grid with the ability to be disconnected and reconnected according to procedures in the Amended Agreement that have previously been approved by the Commission. The Amended Agreement references updated CAISO operating procedure titles and reference numbers for system emergency and restricted maintenance operation notices.

² Because the Agreement has been amended and restated, the Amended Agreement is provided in clean copy only. Following Commission acceptance of the Amended Agreement, the CAISO will file a notice of cancellation of the superseded Agreement.

³ See Commission letter order, Docket No. ER16-633-000 (Feb. 11, 2016) (accepting the ABAOA).

III. Effective Date

The CAISO respectfully requests that the Commission accept the Amended Agreement effective August 9, 2017.

IV. Service

The CAISO has served copies of this filing upon Energia Azteca, CENACE-GCRBC, CFE, San Diego Gas & Electric Company (into whose service territory energy and ancillary services from the Circlo Combinado Mexicali generating plant are provided), the California Public Utilities Commission, and the California Energy Commission. The CAISO has also electronically served all parties on the official service lists for Docket Nos. ER03-1090-000, ER03-1245-000, and ER05-1415-000. In addition, the CAISO has posted the filing on the CAISO website.

V. Contents of Filing

In addition to this transmittal letter, enclosed for filing is the Amended Agreement including the executed signature pages (Attachment A).

VI. Correspondence

Pursuant to Rule 203(b)(3) of the Commission's Rules of Practice and Procedure,⁴ 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) 608-7287
Fax: (916) 608-7222
E-mail: janders@caiso.com

⁴ 18 C.F.R. § 385.203(b)(3)

VII. Conclusion

The CAISO respectfully requests that the Commission accept the Amended Agreement as filed. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,

By: /s/ John C. Anders

Roger E. Collanton

General Counsel

John C. Anders

Assistant General Counsel

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Attorneys for the California Independent
System Operator Corporation

Attachment A – First Amended and Restated Participating Generator Agreement
Between the California Independent System Operator Corporation
And ENERGIA AZTECA X, S.A de C.V.

First Amended and Restated

**CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION**

AND

ENERGIA AZTECA X, S.A de C.V.

**PARTICIPATING GENERATOR
AGREEMENT**



FIRST AMENDED AND RESTATED PARTICIPATING GENERATOR AGREEMENT (PGA)

THIS AGREEMENT is dated this 17th day of April, 2017, and is entered into, by and between:

(1) **Energia Azteca X, S.A de C.V.** having its principal place of business located at Av. Miguel de Cervantes Saavedra No. 301-Piso 11. Edificio Terret. Col. Granada, Delegación Miguel Hidalgo. Mexico, Distrito Federal C.P. 11520 (the "Participating Generator");

and

(2) **California Independent System Operator Corporation**, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the CAISO Governing Board may from time to time designate, currently 250 Outcropping Way, Folsom, California 95630 (the "CAISO").

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

Whereas:

- A.** The CAISO Tariff provides that the CAISO shall not accept Bids for Energy or Ancillary Services generated by any Generating Unit interconnected to the CAISO Controlled Grid, or to the Distribution System of a Participating TO or of a UDC otherwise than through a Scheduling Coordinator.
- B.** The CAISO Tariff further provides that the CAISO shall not be obliged to accept Bids relating to Generation from any Generating Unit interconnected to the CAISO Controlled Grid unless the relevant Generator undertakes in writing to the CAISO to comply with all applicable provisions of the CAISO Tariff.
- C.** The Participating Generator wishes to be able to submit Bids to the CAISO through a Scheduling Coordinator from the Participating Generator's generating facility located near Mexicali, Mexico ("Ciclo Combinado Mexicali") and, therefore, wishes to undertake to the CAISO that it will comply with the applicable provisions of the CAISO Tariff.
- D.** The Parties are entering into this Agreement in order to establish the terms and conditions on which the CAISO and the Participating Generator will discharge their respective duties and responsibilities under the CAISO Tariff with regard to Ciclo Combinado Mexicali.



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

ARTICLE I

DEFINITIONS AND INTERPRETATION

- 1.1 Master Definitions Supplement.** All terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the CAISO Tariff.
- 1.2 Rules of Interpretation.** The following rules of interpretation and conventions shall apply to this Agreement:
- (a) if there is any inconsistency between this Agreement and the CAISO Tariff, the CAISO Tariff will prevail to the extent of the inconsistency;
 - (b) the singular shall include the plural and vice versa;
 - (c) the masculine shall include the feminine and neutral and vice versa;
 - (d) “includes” or “including” shall mean “including without limitation”;
 - (e) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
 - (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
 - (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
 - (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
 - (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
 - (j) any reference to a day, week, month or year is to a calendar day, week, month or year; and



- (k) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

ARTICLE II

ACKNOWLEDGEMENTS OF PARTICIPATING GENERATOR AND CAISO

- 2.1 CAISO Responsibility.** The Parties acknowledge that the CAISO is responsible for the efficient use and reliable operation of the CAISO Controlled Grid consistent with achievement of planning and Operating Reserve criteria no less stringent than those established by the Western Electricity Coordinating Council and the North American Electric Reliability Corporation and further acknowledges that the CAISO may not be able to satisfy fully these responsibilities if the Participating Generator fails to fully comply with all of its obligations under this Agreement and the CAISO Tariff.
- 2.2 Scope of Application to Parties.** The Participating Generator and CAISO acknowledge that all Generators, except those specified in Section 2.2.1 of this Agreement, wishing to submit Bids to the CAISO through a Scheduling Coordinator must sign this Agreement in accordance with Section 4.6 of the CAISO Tariff.
- 2.2.1 Exemption for Certain Generators.** The Generator with an existing power purchase agreement with a UDC is not required to sign a Participating Generator Agreement if: (a) the Generator sells all of its Energy (excluding any Energy consumed by auxiliary Load equipment electrically connected to that Generator's Generating Unit at the same point) and Ancillary Services to the UDC; (b) the Generator sells any Energy through "over the fence" arrangements as authorized under Section 218(b) of the California Public Utilities Code; or (c) the Generator employs landfill gas technology for the generation of electricity as authorized under 218(c) of the California Public Utilities Code. With respect to subsections (a) and (b), an existing power purchase agreement shall mean an agreement which has been entered into and is effective as of December 20, 1995. With respect to subsection (c), an existing power purchase agreement shall mean an agreement which has been entered into and is effective as of December 31, 1996.

ARTICLE III

TERM AND TERMINATION

- 3.1 Effective Date.** This Agreement shall be effective as of the later of the date it is executed by the Parties or the date accepted for filing and made effective by FERC, if such FERC filing is required, and shall remain in full force and effect until terminated pursuant to Section 3.2 of this Agreement.



3.2 Termination

3.2.1 Termination by CAISO.

3.2.1.1 Subject to Section 5.2, the CAISO may terminate this Agreement by giving written notice of termination in the event that the Participating Generator commits any material default under this Agreement and/or the CAISO Tariff which, if capable of being remedied, is not remedied within thirty (30) days after the CAISO has given, to the Participating Generator, written notice of the default, unless excused by reason of Uncontrollable Forces in accordance with Article X of this Agreement. With respect to any notice of termination given pursuant to this Section, the CAISO must file a timely notice of termination with FERC, if this Agreement was 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 CAISO with FERC will be considered timely if: (1) the filing of the notice of termination is made after the preconditions for termination have been met, and the CAISO files the notice of termination within sixty (60) days after issuance of the notice of default; or (2) the CAISO files the notice of termination in accordance with the requirements of FERC Order No. 2001. 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 CAISO's notice of default, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.

3.2.1.2 The Participating Generator shall provide thirty (30) days prior written notice to the CAISO of any change in the configuration of a Generating Unit or Generating Unit Interconnection facilities located outside of the territory of the United States to deliver power from such Generating Unit or through Generating Unit Interconnection facilities to or from a transmission system other than the CAISO Controlled Grid (and hence to the CAISO Balancing Authority Area); provided, however, that disconnections and connections of the Ciclo Combinado Mexicali Generating Units as contemplated in Sections 4.1.1, 4.6, 4.7, and 4.8 of this Agreement shall not be such a change in configuration of a Generating Unit or the Generating Unit Interconnection facilities under this Section 3.2.1.2. Upon receipt of such notice, the CAISO may terminate this Agreement as to such Generating Unit by providing written notice thereof to the Participating Generator.

3.2.2 Termination by Participating Generator. In the event that the Participating Generator no longer wishes to submit Bids and transmit Energy over the CAISO Controlled Grid, it may terminate this Agreement, on giving the CAISO not less than ninety (90) days written notice, provided, however, that in accordance with Section 4.1.3, the Participating Generator may modify Schedule 1 to eliminate Generating Units which it no longer owns or no longer has contractual entitlement to and such modification shall be effective upon receipt by the CAISO. With respect to any notice of termination given pursuant to this Section, the CAISO must file a timely notice of termination with FERC, if



this Agreement has been filed with FERC, or must otherwise comply with the requirements of FERC Order No. 2001 and related FERC orders. The filing of the notice of termination by the CAISO with FERC 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 the CAISO files the notice of termination within thirty (30) days of receipt of such request; or (2) the CAISO files the notice of termination in accordance with the requirements of FERC Order No. 2001. 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 CAISO's receipt of the Participating Generator's notice of termination, if terminated in accordance with the requirements of FERC Order No. 2001 and related FERC orders.

3.2.3 Termination by Either Party. If, after the effective date of this Agreement, either (1) FERC, a court of competent jurisdiction, or a governmental authority with jurisdiction over the CAISO determines that there is an impediment to incorporation into the Control Area operated by the CAISO of a Generating Unit located outside of the territory of the United States, or (2) a foreign governmental authority asserts or attempts to assert jurisdiction over the CAISO as a result of the incorporation into the Balancing Authority Area operated by the CAISO of such Generating Unit, or (3) a foreign governmental authority asserts jurisdiction over such a Generating Unit in a manner that is inconsistent with the rights and obligations of either of the Parties under this Agreement, either Party may either (1) propose to amend this Agreement to the extent lawful and necessary to eliminate the legal impediment or assertion of jurisdiction; or (2) terminate this Agreement as to the Generating Unit located outside of the territory of the United States by providing written notice thereof to the other Party. If, pursuant to this Section, the CAISO terminates this Agreement, the CAISO shall, if requested to do so by the Participating Generator, enter into good faith negotiations with the Participating Generator to devise and enter into, if it is possible, a replacement Participating Generator Agreement that (a) eliminates the legal impediment or assertion of jurisdiction and (b) is mutually acceptable to the CAISO and the Participating Generator.

3.2.4 Responsibility of Participating Generator Upon Termination. Within thirty (30) days of acceptance by FERC of a notice of termination filed pursuant to Section 3.2.1 and 3.2.2 as to a Generating Unit located outside of the territory of the United States, the Participating Generator (1) shall incorporate such Generating Unit into another WECC-recognized Balancing Authority Area, which, if the Generating Unit or Generating Unit Interconnection facilities creates a new direct point of interconnection with the CAISO Balancing Authority Area, has an Adjacent Balancing Authority Operating Agreement executed with the CAISO that is updated to address establishment and operation of the new direct point of interconnection, or (2) shall otherwise remove such Generating Unit from the Balancing Authority Area operated by the CAISO by disconnecting the Generating Unit and its associated Interconnection facilities from any electric facilities within the CAISO Balancing



Authority Area and not reconnecting to those facilities without the CAISO's express written agreement specifying the conditions of that reconnection.

ARTICLE IV

GENERAL TERMS AND CONDITIONS

4.1 Generating Units

4.1.1 Identification of Generating Units. The Participating Generator has identified the Generating Units that it owns, operates or has a contractual entitlement to in Schedule 1, as required by Section 4.6.4 of the CAISO Tariff. This Agreement applies to Ciclo Combinado Mexicali, a generating plant comprised of four Generating Units: three combustion turbines (each a CT): A, B and C, and a steam turbine generator located near Mexicali, Mexico. A single line diagram of the plant switchyard and the four Generating Units is attached as Appendix A hereto. Under normal circumstances, CT C will be connected to the CAISO Controlled Grid at the Imperial Valley Substation and hence be a part of the CAISO Balance Authority Area. CTs A and B and the steam turbine generator may not be connected to the CAISO Controlled Grid, and hence the CAISO Balancing Authority Area, and will be permanently connected to the Balancing Authority Area of Centro Nacional de Control de Energía– Gerencia de Control Regional Baja California ("CENACE-GCRBC") at the La Rosita Substation. The Participating Generator may disconnect CT C from the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) only with two weeks prior written authorization by the CAISO, unless the CAISO authorizes a shorter notification period, or as otherwise authorized in this Agreement. The Participating Generator may connect CT C to the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) only with two weeks prior written authorization by the CAISO, unless the CAISO authorizes a shorter notification period, or as otherwise authorized in this Agreement. CT C will be subject to the requirements of the CAISO Tariff at all times, except as expressly set forth in this Agreement. For purposes of this Agreement, "connected to" means configured by the arrangement of disconnects and breakers to permit a Generating Unit to be synchronized and paralleled to a specific Balancing Authority Area, and covers all periods of time during which a Generating Unit is so configured including times when the Generating Unit is not synchronized and paralleled to the Balancing Authority Area or carrying load.

4.1.2 Technical Characteristics. The Participating Generator has provided to the CAISO in Schedule 1 the required information regarding the capacity and operating characteristics of each of the Generating Units listed in that schedule, CT C, the steam turbine generator, of the Ciclo Combinado Mexicali. Capacity and operating characteristics of CT A and CT B at Ciclo Combinado Mexicali are provided for information only. Pursuant to Sections 8.9 and 8.10 of the CAISO Tariff, the CAISO may verify, inspect and test the capacity and operating characteristics provided in Schedule 1.



4.1.3 Notification of Changes. Except as provided in Section 4.1.1 with regard to the connection and disconnection of CT C at Ciclo Combinado Mexicali to the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area), sixty (60) days prior to changing any technical information in Schedule 1, the Participating Generator shall notify the CAISO of the proposed changes. Pursuant to Sections 8.9 and 8.10 of the CAISO Tariff, the CAISO may verify, inspect and test the capacity and operating characteristics provided in the revised Schedule 1. The CAISO shall post on the CAISO Website a schedule showing, for at least one year in advance: (i) the proposed dates on which the CAISO's Master File will be updated, which dates shall occur at least every three months; (ii) the dates on which the information contained in the revised Master File will become effective; and (iii) the deadlines by which changed technical information must be submitted to the CAISO in order to be tested and included in the next scheduled update of the CAISO's Master File. Unless the Participating Generator fails to test at the values in the proposed change(s), the change will become effective upon the effective date for the next scheduled update of the Master File, provided the Participating Generator submits the changed information by the applicable deadline and is tested by the deadline. Subject to such notification this Agreement shall not apply to any generating unit identified in Schedule 1 which the Participating Generator no longer owns or no longer has contractual entitlement to.

4.1.4 Prohibition of Power Deliveries from Non-Control Area Generating Unit. The Participating Generator shall not deliver power directly from any Generating Unit or through Generating Unit Interconnection facilities to the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) unless that Generating Unit and/or Generating Unit Interconnection facilities is isolated electrically from any Balancing Authority Area other than the CAISO Balancing Authority Area and operates under a valid Participating Generator Agreement with the CAISO.

4.2 Agreement Subject to CAISO Tariff. The Parties will comply with all applicable provisions of the CAISO Tariff. This Agreement shall be subject to the CAISO Tariff which shall be deemed to be incorporated herein.

4.3 Obligations Relating to Ancillary Services

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

4.3.2 Certification. The Participating Generator shall not use a Scheduling Coordinator to submit a Bid for the provision of an Ancillary Service or submit a Submission to Self-Provide an Ancillary Service unless the Scheduling



Coordinator serving that Participating Generator is in possession of a current certificate pursuant to Sections 8.3.4 and 8.4 of the CAISO Tariff.

4.4 Obligations relating to Major Incidents

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

4.5 Dispatch. CT C at Ciclo Combinado Mexicali shall be subject to Dispatch by the CAISO during the time it is connected to the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area). CT C at Ciclo Combinado Mexicali shall be subject to dispatch by CENACE-GCRBC during the time it is connected to the CENACE-GCRBC Balancing Authority Area.

4.6 Outages

4.6.1 Maintenance Outages. The Participating Generator shall schedule Maintenance Outages for CT C at Ciclo Combinado Mexicali with the CAISO in accordance with Section 9 of the CAISO Tariff. In addition, the Participating Generator shall provide to the CAISO all relevant information on Maintenance Outages scheduled with CENACE-GCRBC for CT A and CT B and the steam turbine generator at Ciclo Combinado Mexicali that may affect availability of CT C to the CAISO. Subject to compliance by the Participating Generator with the requirements of this Section 4.6.1, the Participating Generator may disconnect CT C from the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) and connect it to the CENACE-GCRBC Balancing Authority Area during a Maintenance Outage for CTs A and B and the steam turbine generator scheduled with CENACE-GCRBC, provided that the Participating Generator: 1) schedules the disconnection of CT C from the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) with the CAISO as though it were a Maintenance Outage, in accordance with Section 9 of the CAISO Tariff and 2) receives approval of such disconnection, as a Maintenance Outage, pursuant to Section 9.3.6.4.1. During times when CT C is disconnected from the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) during the Maintenance Outages of CTs A and B and the steam turbine generator scheduled with CENACE-GCRBC, CT C will be treated as though it were on a Maintenance Outage scheduled with the CAISO.

4.6.2. Forced Outages. Consistent with Section 4.1.1, CT C at Ciclo Combinado Mexicali shall be subject to all CAISO Tariff requirements regarding Forced Outages, including, but not limited to, Section 9.3.10 of the CAISO Tariff, at all times, irrespective of whether it is connected to the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) or to the CENACE-GCRBC Balancing Authority Area.



4.7. Producer Force Majeure

4.7.1. Producer Force Majeure in Normal Conditions. Except as set forth in Section 4.7.2, the Participating Generator may disconnect CT C at Ciclo Combinado Mexicali from the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) provided that the Participating Generator gives the CAISO twenty-four (24) hours prior written notice and provided that the Participating Generator has declared to CFE or CENACE-GCRBC as applicable the existence of a "Producer Force Majeure" under the "Agreement for Commitment of Electrical Power Generation Capacity and Purchase of Associated Electrical Power", dated as of July 14, 2000, between the Participating Generator and CFE ("CFE PPA"). The Participating Generator shall promptly, within twenty-four (24) hours, notify the CAISO in writing and reconnect CT C to the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) once it terminates its declaration of the Producer Force Majeure condition, unless the CAISO agrees in writing to a longer schedule for reconnection.

4.7.2 Producer Force Majeure in CAISO Constrained Conditions. Notwithstanding Section 4.7.1, without prior express written authorization from the CAISO Shift Supervisor, the Participating Generator shall not declare to CENACE-GCRBC the existence of a "Producer Force Majeure" under the CFE PPA and shall not disconnect CT C at Ciclo Combinado Mexicali from the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) during: 1) any period that is covered by an CAISO Electrical Emergency Notice issued pursuant to CAISO Operating Procedure 4420 –System Emergency, 2) any period that is covered by an CAISO notice of Restricted Maintenance Operations applicable to Generating Units issued pursuant to CAISO Operating Procedure 4420, section 3.2 – Restricted Maintenance Operations (commonly known as a generation “no-touch” notice), or 3) any abnormal system condition affecting the reliability of the CAISO Balancing Authority Area and which may constitute Emergency, Capacity Emergency, or Energy Emergency as defined by North American Electric Reliability Council (NERC). A CAISO System Emergency Notice includes any System Emergency Notice listed in CAISO Operating Procedures 4420C. The term “Restricted Maintenance Operations” is used herein as defined in CAISO Operating Procedure 4420.

4.8. Emergency Conditions in the CENACE-GCRBC Balancing Authority Area. Subject to Sections 4.9 and 4.10 of this Agreement, in the event that CENACE-GCRBC or CFE notifies the Participating Generator of a National Electricity System Emergency under the terms of the CFE PPA (a " CENACE-GCRBC or CFE Emergency Condition"), the Participating Generator may disconnect CT C at Ciclo Combinado Mexicali from the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) and connect it to the CENACE-GCRBC Balancing Authority Area for the duration of the CENACE-GCRBC or CFE Emergency Condition, provided that the Participating Generator shall notify the



CAISO immediately by telephone and in writing in the event of such declaration by CENACE-GCRBC or CFE. The Participating Generator shall promptly, within twenty-four (24) hours, notify the CAISO in writing and reconnect CT C to the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) once the CENACE-GCRBC or CFE Emergency Condition ceases to exist, unless the CAISO agrees in writing to a longer schedule for reconnection.

- 4.9. Emergency Conditions in the CAISO Balancing Authority Area.** CT C at Ciclo Combinado Mexicali shall be subject to all applicable CAISO Tariff requirements related to System Emergencies. Notwithstanding any other Section in this Agreement, during 1) any period that is covered by an CAISO System Emergency Notice issued pursuant to CAISO Operating Procedure 4420, 2) any period that is covered by an CAISO notice of Restricted Maintenance Operations applicable to Generating Units issued pursuant to CAISO Operating Procedure 4220 (commonly known as a generation “no-touch” notice), or 3) any abnormal system condition affecting the reliability of the CAISO Balancing Authority Area and which may constitute Emergency, Capacity Emergency, or Energy Emergency as defined by the North American Electric Reliability Council (NERC), the Participating Generator may only disconnect CT C at Ciclo Combinado Mexicali from the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area) with the prior express written authorization from the CAISO Shift Supervisor. A CAISO System Emergency Notice includes any System Emergency Notice listed in CAISO Operating Procedure 4420C. The term “Restricted Maintenance Operations” is used herein as defined in CAISO Operating Procedure 4420.
- 4.10. Notification of Disconnection and Reconnection.** The Participating Generator shall coordinate with the CAISO as to any disconnection and reconnection of CT C from or to the CAISO Controlled Grid (and hence the CAISO Balancing Authority Area). In addition to other notifications required in this Agreement, unless explicitly released from such obligation by the CAISO Shift Supervisor, the Participating Generator must notify the CAISO in writing of any proposed disconnection or reconnection no later than an hour prior to such disconnection and reconnection, and must notify the CAISO in writing that the procedure has been completed no later than hour after disconnection or reconnection is complete.
- 4.11. Coordination with CENACE-GCRBC.** The Participating Generator shall cooperate fully with the CAISO and CENACE-GCRBC as to inter-Balancing Authority Area coordination between the CAISO and CENACE-GCRBC in accordance with the requirements of the WECC, the Adjacent Balancing Authority Operating Agreement between the CAISO and CENACE-GCRBC, and the August 25, 2005, letter agreement between the CAISO and CFE addressing coordination as to Ciclo Combinado Mexicali.



ARTICLE V

PENALTIES AND SANCTIONS

- 5.1 Penalties.** If the Participating Generator fails to comply with any provisions of this Agreement, the CAISO shall be entitled to impose penalties and sanctions on the Participating Generator. No penalties or sanctions may be imposed under this Agreement unless a Schedule or CAISO Tariff provision providing for such penalties or sanctions has first been filed with and made effective by FERC. Nothing in the Agreement, with the exception of the provisions relating to the CAISO ADR Procedures, shall be construed as waiving the rights of the Participating Generator to oppose or protest any penalty proposed by the CAISO to the FERC or the specific imposition by the CAISO of any FERC-approved penalty on the Participating Generator.
- 5.2 Corrective Measures.** If the Participating Generator fails to meet or maintain the requirements set forth in this Agreement and/or the CAISO Tariff, the CAISO shall be permitted to take any of the measures, contained or referenced in the CAISO Tariff, which the CAISO deems to be necessary to correct the situation.

ARTICLE VI

COSTS

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

ARTICLE VII

DISPUTE RESOLUTION

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



ARTICLE VIII

REPRESENTATIONS AND WARRANTIES

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

ARTICLE IX

LIABILITY

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

ARTICLE X

UNCONTROLLABLE FORCES

- 10.1 Uncontrollable Forces Tariff Provisions.** Section 14.1 of the CAISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14.1 of the CAISO Tariff to Market Participants shall be read as a reference to the Participating Generator and references to the CAISO Tariff shall be read as references to this Agreement.

ARTICLE XI

MISCELLANEOUS

- 11.1 Assignments.** Either Party may assign or transfer any or all of its rights and/or obligations under this Agreement with the other Party's prior written consent in accordance with Section 22.2 of the CAISO Tariff. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.



- 11.2 Notices.** Any notice, demand or request which may be given to or made upon either Party regarding this Agreement shall be made in accordance with Section 22.4 of the CAISO Tariff, provided that all references in Section 22.4 of the CAISO Tariff to Market Participants shall be read as a reference to the Participating Generator and references to the CAISO Tariff shall be read as references to this Agreement, and unless otherwise stated or agreed shall be made to the representative of the other Party indicated in Schedule 3. A Party must update the information in Schedule 3 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.
- 11.3 Waivers.** Any 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 other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 11.4 Governing Law and Forum.** This Agreement shall be deemed to be a contract made under, and for all purposes shall be governed by and construed in accordance with, the laws of the State of California, except its conflict of law provisions. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement to which the CAISO ADR Procedures do not apply, shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.
- 11.5 Consistency with Federal Laws and Regulations.** This Agreement shall incorporate by reference Section 22.9 of the CAISO Tariff as if the references to the CAISO Tariff were referring to this Agreement.
- 11.6 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 11.7 Severability.** If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless



a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.

11.8 [NOT USED]

11.9 Amendments. This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. Nothing contained herein shall be construed as affecting in any way the right of the CAISO to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 of the FPA and pursuant to FERC's rules and regulations promulgated thereunder, and the Participating Generator shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 206 or any other applicable provision of the FPA and FERC's rules and regulations 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.

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



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

California Independent System Operator Corporation

By: DocuSigned by:
Eric Schmitt
0971A84CB55B4B8... _____
Name: Eric Schmitt _____
Title: VP, Operations _____
Date: 4/17/2017 _____

Energia Azteca X, S.A de C.V.

By: _____
Name: Carlos Humberto Blanco Villaseñor _____
Title: _____
Date: _____



California ISO

FIRST AMENDED AND RESTATED PARTICIPATING GENERATOR AGREEMENT

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

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Energia Azteca X, S.A de C.V.

By:  _____

Name: Carlos Humberto Blanco Villaseñor

Title: Commercial Director

Date: April 17, 2017



SCHEDULE 2

CAISO IMPOSED PENALTIES AND SANCTIONS

Section 5.1

TO BE INSERTED UPON FERC APPROVAL



SCHEDULE 3

NOTICES

Section 11.2

Participating Generator

Name of Primary Representative: David Fatzinger
 Title: General Manager
 Company: Energia Azteca X, S.A. de C.V.
 Address: Av. Miguel de Cervantes Saavedra No. 301-Piso 11 de Edificio Terret, Torre Norte
 Col. Granada, Delegación Miguel Hidalgo
 City/State/Zip Code: Mexico D.F., C.P. 11520
 Email address: dfatzinger@intergen.com
 Phone: 52 +(55) 5279 4850
 Fax: 52 +(55) 5202 9148 and 7776

Name of Alternative Representative: Liliana Gonzalez
 Title: Commercial Associate
 Company: Energia Azteca X, S.A. de C.V.
 Address: Km. 12 Carretera Federal No. 2 Mexicali-Tijuana Col. Progreso
 City/State/Zip Code: Mexicali, Baja California, Mexico. C.P. 21610
 Email address: lggonzal@intergen.com
 Phone: 52 +(686) 837-3000 Ext. 3034-3035
 Fax: 52 +(686) 837 3014



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: (916) 608-5063

Name of Alternative

Representative: Christopher J. Sibley
Title: Manager, Regulatory Contracts
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email address: csibley@caiso.com
Phone: (916) 608-7030
Fax: (916) 608-5063

Appendix A – Single Line Diagram of CCM Switchyard

