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17. Transmission Ownership Rights (TORs)

Transmission Ownership Rights represent transmission capacity on facilities that are located within the CAISO Balancing Authority Area that are either wholly or partially owned by an entity that is not a Participating TO. This Section 17 shall apply to the TORs of Non-Participating TOs. In any case in which (i) the CAISO has entered into a bilateral agreement with a Non-Participating TO regarding its TORs or (ii) a Participating TO has entered into a bilateral agreement with a Non-Participating TO regarding its TORs, the provisions of the agreement shall prevail over any conflicting provisions of this Section 17. Where the provisions of this Section 17 do not conflict with the provisions of the agreement, the provisions of this Section 17 shall apply to the subject TORs.

17.1 TRTC Instructions

17.1.1 Responsibility to Create TRTC Instructions

To enable the CAISO to exercise its responsibilities as Balancing Authority in accordance with Applicable Reliability Criteria, each Non-Participating TO holding a TOR must work with the CAISO to develop the TRTC Instructions that allow the TOR to be accommodated in a way that: (i) maintains the existing scheduling and curtailment priorities of the TOR holder; (ii) is minimally burdensome to the CAISO (i.e., creates the least impact on the CAISO's preferred operational policies and procedures); (iii) to the extent possible, imposes no additional financial burden on the TOR holder (beyond that set forth in an applicable Existing Contract or any other contract pertaining to the TOR); (iv) is minimally burdensome to the TOR holder from an operational point of view; and (v) does not require the CAISO to interpret or underwrite the economics of any applicable Existing Contract. To enable the CAISO to exercise its responsibilities as Balancing Authority in accordance with Applicable Reliability Criteria, the parties holding joint ownership interests and Entitlements in facilities including TORs must attempt to jointly develop and agree on any TRTC Instructions that will be submitted to the CAISO, as provided in Section 17.1.6.

17.1.2 TOR Scheduling Coordinator Responsibilities

To enable the CAISO to exercise its responsibilities as Balancing Authority in accordance with Applicable Reliability Criteria, each TOR holder must designate a Scheduling Coordinator as the responsible entity for submitting TOR Self-Schedules for the relevant TOR. The designated Scheduling Coordinator shall submit TOR Self-Schedules consistent with the terms and conditions specified in the TRTC Instructions.

17.1.3 Submission of TRTC Instructions

For each TOR, the Non-Participating TO holding the TOR shall be obligated to submit TRTC Instructions to the CAISO electronically, unless the Non-Participating TO specifies to the CAISO otherwise. The Non-Participating TO shall notify the CAISO in writing the identity of the responsible party for submission of the TRTC Instructions, subject to the terms of any applicable Existing Contract that may specify the responsible party for submission of the TRTC Instructions and the term of such agreement between the parties to the Existing Contract. The Non-Participating TO shall undertake all obligations with respect to the submission of the TRTC Instructions to the CAISO and any subsequent obligations that follow with respect to the creation, management and updates to the TRTC Instructions. The CAISO is responsible for implementing only one set of TRTC Instructions for each TOR and for implementing only those TRTC Instructions that have been received and accepted by the CAISO. The Non-Participating TO shall submit the TRTC Instructions to the CAISO associated with its TORs thirty (30) days prior to the date on which the scheduling or curtailment of the use of the TORs is to change or commence.

17.1.4 TRTC Instructions Content

TRTC Instructions will include the following information at a minimum and such other information as the CAISO may reasonably require the Non-Participating TO holder of a TOR to provide to enable the CAISO to carry out its functions under the CAISO Tariff, Operating Procedures and Business Practice Manuals:

- (1) A unique Contract Reference Number for each source and sink combination applicable to the TOR (i.e., the CRN that will be assigned by the CAISO and communicated to the Non-Participating TO that references a single TOR or a set of interdependent TORs for each source and sink combination);
- (2) Whether the instruction can be exercised independent of the CAISO's day-to-day involvement ("Yes/No");
- (3) Name of an operational single point of contact for instructions and a 24- hour a day telephone number for the Non-Participating TO contact for TOR issues or the agreed upon party;
- (4) Name(s) and number(s) of TOR(s) that are represented by the unique CRN;
- (5) The following information, as stored in the Master File: (a) the applicable Point(s) of

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Receipt and Point(s) of Delivery); (b) for each Point of Receipt, the resource names for the physical resources as the eligible sources (eligible physical sources include Generating Units and System Resources), and for each Point of Delivery, the resource names for the physical resources as the eligible sinks (eligible physical sinks include Load PNodes, Custom Load Aggregation Points and System Resources); (c) for each physical source or sink, the maximum capacity (MW) that can be scheduled as a TOR; and (d) for each physical source and sink, the Scheduling Coordinator(s) and their Business Associate Identification (BAID) that is (are) eligible to submit TOR Self-Schedules utilizing these sources and sinks;

- (6) Names of the party(ies) holding the TOR(s) and the parties to any agreements applicable to the TORs;
- (7) The Scheduling Coordinator BAID that is entitled to the Settlement of reversal of Congestion Charges;
- (8) Amount of TORs, in maximum MW, that may be utilized under the relevant TRTC Instructions;
- (9) Instructions for the allowable timeframes at which the TOR Self-Schedules and TOR Self-Schedule changes may be submitted to the CAISO, which include whether the Scheduling Coordinator may submit TOR Self-Schedules or TOR Self-Schedule changes: (a) into the DAM; (b) into the RTM; (c) after the close of submitting Bids into the RTM, but before twenty (20) minutes before the applicable Trading Hour of the Trading Day; and (d) at or after twenty (20) minutes before the applicable Trading Hour of the Trading Day; in addition, the Non-Participating TO may also provide any additional comments and restrictions on the submission time of TOR Self-Schedules and TOR Self-Schedule changes;
- (10) Term of ownership interest in the TOR(s) and of any agreements applicable to the TOR(s);
- (11) Any special procedures that would require the CAISO to implement curtailments in any manner different than pro rata reduction of the transfer capability of the transmission line;

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any such instructions submitted to the CAISO must be clear, unambiguous, and not require the CAISO to make any judgments or interpretations as to the meaning, intent, results, or purpose of the curtailment procedures or of any applicable Existing Contract, otherwise, they will not be accepted by the CAISO; and

- (12) Whether or not the TOR provides the right to self-provide Ancillary Services.

17.1.5 Changes and Updates to TRTC Instructions

Updates or changes to the TRTC Instructions must be submitted to the CAISO through a revised set of TRTC Instructions by the Non-Participating TO, on an as needed or as required basis. The CAISO will implement the updated or changed TRTC Instructions as soon as practicable but no later than seven (7) days after receiving clear and unambiguous details of the updated or changed instructions under normal conditions. If the CAISO finds the TRTC Instructions to be inconsistent with the CAISO Tariff, the CAISO will notify the Non-Participating TO within forty-eight (48) hours after receipt of the updated or changed TRTC Instructions indicating the nature of the problem and allowing the Non-Participating TO to resubmit the TRTC Instructions as if they were new, updated or changed TRTC Instructions. If the CAISO finds the updated or changed TRTC Instructions to be acceptable, the CAISO will time-stamp the updated TRTC Instructions as received, confirm such receipt to the Non-Participating TO, and indicate the time at which the updated instructions take effect if prior to the seven (7) day deadline referred to above. In the event of a System Emergency, the CAISO will implement such submitted changes to the TRTC Instructions as soon as practical.

17.1.6 CAISO Role in Accepting TRTC Instructions

The parties holding joint ownership interests and Entitlements in a facility including a TOR must, in the first instance, attempt jointly to agree on any TRTC Instructions that will be submitted to the CAISO. In the event that the parties holding joint ownership interests and Entitlements in a facility including a TOR cannot agree upon the TRTC Instructions, the dispute resolution provisions of any applicable Existing Contract shall be used to resolve the dispute; provided that, until the dispute is resolved, and unless the applicable Existing Contract specifies otherwise, the CAISO shall implement the Participating TO's TRTC Instructions, if one of the parties holding a joint ownership interest or an Entitlement in the facility is a Participating TO. If no party holding a joint ownership interest or Entitlement in a facility including a TOR

is a Participating TO and the parties cannot agree to the TRTC Instructions to be submitted by the parties, until the dispute is resolved, the CAISO shall implement the TRTC Instructions of the Non-Participating TO with the greatest ownership interest in the TOR. The CAISO shall not be responsible for resolution of any disputes that arise over the accuracy of the TRTC Instructions consistent with its obligations in Section 17.1.4.

17.1.7 Implementation of TRTC Instructions

The CAISO shall determine, based on the information provided by the Non-Participating TOs under TRTC Instructions, the transmission capacities that must be reserved for TORs at Scheduling Points.

The CAISO shall coordinate the scheduling of TORs with the scheduling of CAISO transmission service, using the CAISO's Bid submission rules. In doing so, the CAISO shall create an automated day-to-day verification process based on parameters provided by the Non-Participating TO for the TOR to serve as the basis for TOR Self-Schedule validation. The Non-Participating TO will be responsible for: (1) the accuracy of the data files against which the CAISO will validate the TOR Self-Schedule; and (2) providing the data file to the CAISO.

The TOR holders shall remain liable for their performance under any applicable Existing Contracts or other agreements pertaining to their TORs. The CAISO shall be liable in accordance with the provisions of this CAISO Tariff for any damage or injury caused by its non-compliance with the TRTC Instructions submitted to it pursuant to this Section 17.1.

Unless specified otherwise, in the event that the dispute resolution mechanisms prescribed in an Existing Contract applicable to a TOR, including all recourses legally available under the contract, cannot, in the first instance, result in a resolution of such a dispute, the CAISO ADR Procedures will be used to resolve any disputes between the CAISO and the Non-Participating TO regarding any aspects of the implementation of this Section 17.1, including the reasonableness of a Non-Participating TO's TRTC Instructions or any other decision rules which the Non-Participating TO may submit to the CAISO as part of the TRTC Instructions. The holders of TORs shall have standing to participate in the CAISO ADR Procedures.

17.2 Treatment of TORs

The CAISO will accommodate TORs, so that the holders of TORs will receive the same priorities (in

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scheduling, curtailment, assignment and other aspects of transmission system usage) to which they are entitled under any applicable Existing Contracts or other agreements pertaining to the operation of their TORs.

In addition, scheduling deadlines and operational procedures associated with TORs will be honored by the CAISO, provided such information is explicitly included in the TRTC Instructions. The CAISO will accommodate and honor TORs as follows:

- (1) The CAISO will reserve transmission capacity equal to the TOR transmission capacity and make a corresponding adjustment in its determination of ATC. The CAISO will not limit parallel flow from flowing on TOR transmission capacity consistent with the redispatch provisions of Section 17.2(3), just as the CAISO does not limit TOR Self-Schedules from flowing on non-TOR transmission. There shall be no compensation for parallel flow for either the CAISO or the TOR holder.
- (2) In the RTM, the CAISO will give valid TOR Self-Schedules priority over other non-TOR Day-Ahead Schedules and RTM Bids. In the event of a reduction in capacity on the transmission path associated with the TOR, the CAISO will honor the TOR priority in accordance with this Section 17.
- (3) The CAISO will allow the holder of a TOR to make changes to the scheduled amounts of supply after the submission of HASP TOR Self-Schedules in accordance with the TRTC Instructions established for such changes. The CAISO will, as necessary, redispatch non-TOR resources to accommodate valid TOR Self-Schedule changes in Real-Time.
- (4) The CAISO will allow the holder of a TOR to self-provide Ancillary Services, which will include the ability of the holder of a TOR to import Ancillary Services at Scheduling Points with the CAISO.
- (5) The submission of a TOR Self-Schedule change that is authorized pursuant to an applicable existing agreement shall not affect the application of the IFM Congestion Credit or the RTM Congestion Credit, and the IFM Marginal Cost of Losses Credit for Eligible TOR Self-Schedules or the RTM Marginal Cost of Losses Credit for Eligible TOR Self-Schedules for a TOR Self-Schedule that satisfies the applicable requirements of

Sections 17.4.1 and 17.5.

17.2.1 System Emergency Expectations

As set forth in Section 4.2.1, all Market Participants, including Scheduling Coordinators, Utility Distribution Companies, Participating TOs, Participating Generators (which includes Pseudo-Ties of Generating Units to the CAISO Balancing Authority Area), Participating Loads, Demand Response Providers, Distributed Energy Resource Providers, Balancing Authorities (to the extent the agreement between the Balancing Authority and the CAISO so provides), and MSS Operators within the CAISO Balancing Authority Area and all System Resources must comply fully and promptly with the CAISO's Dispatch Instructions and operating orders, unless such operation would impair public health or safety.

The CAISO will honor the terms of TORs, provided that in a System Emergency and circumstances in which the CAISO considers that a System Emergency is imminent or threatened, to enable the CAISO to exercise its responsibilities as Balancing Authority in accordance with Applicable Reliability Criteria, holders of TORs must follow CAISO operating orders even if those operating orders directly conflict with the terms of applicable Existing Contracts or any other contracts pertaining to the TORs, unless such operating orders are inconsistent with the terms of an agreement between the CAISO and a Balancing Authority. In the event of a conflict between the CAISO Tariff and an agreement between the CAISO and a Balancing Authority, the agreement will govern. For this purpose CAISO operating orders to shed Load shall not be considered as an impairment to public health or safety. This section does not prohibit a Scheduling Coordinator from modifying its Bid or re-purchasing Energy in the RTM.

17.3 Valid TOR Self-Schedule

The CAISO will accept a valid TOR Self-Schedule from a Scheduling Coordinator. That Scheduling Coordinator shall be either the holder of the TOR or its designee. TOR Self-Schedules submitted by Scheduling Coordinators to the CAISO must be submitted in accordance with this CAISO Tariff.

17.3.1 Validation of TOR Self-Schedules

A TOR Self-Schedule is a valid TOR Self-Schedule when the CAISO has determined that the TOR Self-Schedule, submitted to the CAISO pursuant to the requirements for Bids in Section 30, properly reflects TORs consistent with the TRTC Instructions, is labeled with a unique TOR identifier, and includes balanced sources and sinks, within the TOR capacity limits.

17.3.2 Treatment of Invalid TOR Self-Schedules

17.3.2.1 Inconsistent with the TRTC Instructions

Generally, except as further specified below in Sections 17.3.2.2 and 17.3.2.3, if the CAISO finds that a TOR Self-Schedule is not consistent with the TRTC Instructions, the CAISO shall find that the TOR Self-Schedule is not valid. If the CAISO finds the TOR Self-Schedule to be invalid, the CAISO shall notify the Scheduling Coordinator and convert the TOR Self-Schedule to an ordinary Self-Schedule and treat the TOR Self-Schedule as an ordinary Self-Schedule for scheduling priority and Settlements.

17.3.2.2 Unbalanced TOR Self-Schedules

If the CAISO determines that a TOR Self-Schedule a Scheduling Coordinator submits to the Day-Ahead Market is not balanced, the CAISO will: (i) remove any scheduling priority for the entire TOR Self-Schedule; (ii) apply the TOR Settlement treatment pursuant to Sections 11.2.1.5 to the valid balanced portions only; and (iii) assess any charges and make any payments consistent with the treatment of ordinary Self-Schedules for the unbalanced portions. If the CAISO determines that a TOR Self-Schedule a Scheduling Coordinator submits to the Real-Time Market is not balanced, the CAISO will: (i) apply the TOR Settlement treatment pursuant to Section 11.5.7.1 to the valid balanced portions only; and (ii) assess any charges and make any payments consistent with the treatment of ordinary Self-Schedules for the unbalanced portions. Where multiple ETC, TOR or Converted Rights Self-Schedules are submitted in an ETC, TOR, or Converted Rights chain, all individual ETC, TOR, or Converted Rights Self-Schedules links in the chain must remain individually valid, including the simultaneous but separate use of an individual ETC, TOR, or Converted Rights Self-Schedule, in order for all the ETC, TOR or Converted Rights Self-Schedules in the chain to remain valid and not be rejected as specified above. Otherwise, the CAISO will treat any of the ETC, TOR, or Converted Rights Self-Schedules in the chain as specified above in this Section 17.3.2.2.

17.3.2.3 Exceeds Capacity Limits or Invalid Contract Reference Numbers

17.3.2.3.1 Rejection of TOR Self-Schedule

The CAISO will reject a TOR Self-Schedule and will inform the responsible Scheduling Coordinator that it has rejected the TOR Self-Schedule if the CAISO determines the TOR Self-Schedule is invalid for the following reasons: (i) the Scheduling Coordinator submits the incorrect Contract Reference Number for

the TOR Self-Schedule; (ii) the TOR Self-Schedule exceeds the resource capacity limits of the TOR as registered and reflected in TRTC Instructions; or (iii) the available capacity MW limit permissible under the relevant TOR is zero (0).

17.3.2.3.2 Non-Zero Available Capacity

If the CAISO determines that the TOR Self-Schedules submitted by Scheduling Coordinators for a specific Transmission Ownership Right in total exceed the non-zero available MW limit permissible under the relevant Transmission Ownership Rights as specified in the TRTC Instructions, the CAISO will: (i) remove any scheduling priority for the entire TOR Self-Schedule; (ii) apply the TOR Settlement treatment pursuant to Sections 11.2.1.5 and 11.5.7.1 to the valid and balanced portions within the capacity limits of the TOR as reflected in the TRTC Instructions; and (iii) assess any charges and make any payments consistent with the treatment of ordinary Self-Schedules for the portions in excess of the capacity limits of the TOR as reflected in the TRTC Instructions. Where multiple ETC, TOR or Converted Rights Self-Schedules are submitted in an ETC, TOR, or Converted Rights chain, all individual ETC, TOR, or Converted Rights Self-Schedules links in the chain must remain individually valid, including the simultaneous but separate use of an individual ETC, TOR, or Converted Rights Self-Schedule, in order for all the ETC, TOR or Converted Rights Self-Schedules in the chain to remain valid and not be rejected as specified above. Otherwise, the CAISO will treat any of the ETC, TOR, or Converted Rights Self-Schedules in the chain as specified above in this Section 17.3.2.3.2.

17.3.3 Settlement Treatment of Valid TOR Self-Schedules

The resulting valid TOR Self-Schedules shall have the following Settlement treatment:

- (1) The CAISO will apply the TOR Settlement treatment in Sections 11.2.1.5 and 11.5.7.
- (2) The CAISO shall base the Marginal Cost of Losses on LMP differentials at the Points of Receipt and Points of Delivery identified in the valid TOR Self-Schedule; provided, however, that if a specific loss percentage exists in an applicable agreement between the TOR holder and the CAISO or an existing agreement between the TOR holder and a Participating TO, the CAISO will apply the IFM and RTM Marginal Cost of Losses Credit as provided in Sections 11.2.1.7 and 11.5.7.2. In any case in which the TOR holder has an existing agreement regarding its TORs with either the CAISO or a Participating TO,

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the provisions of the agreement shall prevail over any conflicting provisions of this Section 17.3.3(2). Where the provisions of this Section 17.3.3(2) do not conflict with the provisions of the agreement, the provisions of this Section 17.3.3(2) shall apply to the subject TORs.

- (3) The CAISO will assess only charges applicable to Ancillary Services, Imbalance Energy, Transmission Losses, Flexible Ramping Product, and Grid Management Charges for the use of a TOR and will not assess charges for neutrality, UFE, transmission Access Charges, Minimum Load Costs, or other charges that might otherwise be applicable to the Demand or exports served solely over the TOR. The CAISO will assess charges applicable to Ancillary Services for the use of a TOR only to the extent that the CAISO must procure Ancillary Services for the TOR holder because Ancillary Services are not self-provided by the TOR holder. The CAISO will assess charges and provide payments for TOR Self-Schedules pursuant to the rules specified in Sections 11.2.1.5 and 11.5.7.2. The CAISO will assess charges applicable to Imbalance Energy for the use of a TOR only if the CAISO must procure Imbalance Energy for the TOR holder. The CAISO will assess Grid Management Charges for the use of a TOR only in accordance with the provisions of Section 11.22 and Appendix F, Schedule 1.
- (4) The holders of TORs will not be entitled to an allocation of revenues from the CAISO, including Access Charge revenues; provided that the Scheduling Coordinator for the TOR holder shall be allocated the applicable amount of IFM Marginal Losses Surplus Credit in accordance with the provisions of Section 11.2.1.6, except for any TOR Self-Schedule that received the IFM Marginal Cost of Losses Credit.
- (5) Parties with TORs shall continue to pay for Transmission Losses or Ancillary Services requirements in accordance with any Existing Contracts applicable to those TORs as they may be modified or changed in accordance with the terms of the Existing Contract. Any affected Participating TOs shall continue to provide Transmission Losses and any other Ancillary Services to the holder of a TOR subject to an Existing Contract as may be required by the Existing Contract. As described in Section 17.3.3(3) above, the CAISO

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will charge Scheduling Coordinators submitting the TOR Self-Schedule the charges applicable to Transmission Losses, Ancillary Services, and Imbalance Energy in accordance with the CAISO Tariff (e.g., the Transmission Losses Charge based on the Marginal Cost of Losses), and any shortfall or surplus between the CAISO charges and the provisions of any applicable Existing Contract shall be settled bilaterally between the Existing Contract parties or through the relevant TO Tariff. To enable holders of TORs to determine whether the CAISO's calculations result in any associated shortfall or surplus and to enable the parties to the Existing Contracts to settle the differences bilaterally or through the relevant TO Tariff, the CAISO shall calculate and provide the Scheduling Coordinator's Settlements the amounts paid for the MCL for the amounts of MWh submitted with a valid TOR Self-Schedule. Each Participating TO will be responsible for recovering any deficits or crediting any surpluses associated with differences in Transmission Losses and Transmission Loss requirements and/or Ancillary Services requirements, through its bilateral arrangements or its Transmission Owner Tariff.

17.3.4 Notification to SCs of CAISO Determination

After performing validation of the TOR Self-Schedule, and prior to taking any action pursuant to 17.6.2, the CAISO will make an automated validation notice available to the Scheduling Coordinator indicating whether the TOR Self-Schedule is valid or invalid. If a TOR Self-Schedule involves more than one Scheduling Coordinator, the complete validation of the chain of TOR Self-Schedules will occur when the last Scheduling Coordinator submits its TOR Self-Schedule. At that time, the CAISO will make an automated validation notice available to each Scheduling Coordinator registered as associated with the chain of TOR Self-Schedules. The CAISO can accommodate corrections submitted by a Scheduling Coordinator to a TOR Self-Schedule up to Market Close of the Day-Ahead Market as further described in the applicable Business Practice Manual.

17.4 The HASP

17.4.1 Scheduling Deadlines

Holders of TORs may submit TOR Self-Schedules for the use of those rights by the deadlines for the Market Close for the RTM.

17.5 The CAISO's Real-Time Process

Consistent with this Section 17, the CAISO will honor those scheduling flexibilities that may be exercised by holders of TORs through their respective Scheduling Coordinators during the CAISO's Real-Time Market to the extent that such flexibilities do not interfere with or jeopardize the safe and reliable operation of the CAISO Controlled Grid or Balancing Authority Area operations.

17.6 Inter-Balancing Authority Area TOR Self-Schedule Bid Changes

Changes to TOR Self-Schedules that occur during the CAISO's Real-Time Market that involve changes to CAISO Balancing Authority Area imports or exports with other Balancing Authority Areas (that is, inter-Balancing Authority Area changes to TOR Self-Schedules) will be allowed and will be recorded by the CAISO based upon notification received from the Scheduling Coordinator representing the holder of the TOR. The Scheduling Coordinator representing the holder of the TOR must notify the CAISO of any such changes to external import/export in submitted TOR Self-Schedules. The Scheduling Coordinator representing the holder of the TOR must notify the CAISO of Real-Time Market changes to external import/export Interchange Schedules in submitted TOR Self-Schedules, by telephone. The timing and content of any such notification must be consistent with the TRTC Instructions previously submitted to the CAISO by the Non-Participating TO. The CAISO will manually adjust or update the FMM Schedule for the Scheduling Coordinator to conform with the other Balancing Authority Area's net TOR Self-Schedule in Real-Time, and the notifying Scheduling Coordinator will be responsible for and manage any resulting Energy imbalance. These Imbalance Energy deviations will be priced and charged to the Scheduling Coordinator representing the holder of the TOR in accordance with the FMM LMP.

17.7 Intra-Balancing Authority Area TOR Self-Schedule Changes

Changes to TOR Self-Schedules that occur during the CAISO's Real-Time processes that do not involve changes to CAISO Balancing Authority Area imports or exports with other Balancing Authority Areas (that is, intra-Balancing Authority Area changes to Schedules) will be allowed and will give rise to Imbalance Energy deviations. These Imbalance Energy deviations will be priced and charged to the Scheduling Coordinator representing the holder of the TOR in accordance with the Real-Time LMP.

17.8 Existing Contracts Re TORs for Non-Participating TOs

Continuation of Rights and Obligations of Non-Participating TOs Regarding TORs and Under Existing

Contracts Applicable to TORs.

The transmission service rights and obligations of Non-Participating TOs under Existing Contracts applicable to their TORs, including all terms, conditions and rates of the Existing Contracts, as they may change from time to time under the terms of the Existing Contracts, will continue to be honored by the parties to those contracts, for the duration of those contracts.

17.8.1 Participating TO Obligation

If a Participating TO is a party to an Existing Contract with provisions applicable to a TOR of a Non-Participating TO, the Participating TO shall attempt to negotiate changes to the Existing Contract to align the contract's scheduling and operating provisions with the CAISO's scheduling and operational procedures, rules and protocols, to align operations under the contract with CAISO operations, and to minimize the contract parties' costs of administering the contract while preserving their financial rights and obligations.

17.8.2 Right to Use and Ownership of TORs

If a Non-Participating TO has an Existing Contract with a Participating TO under which the Non-Participating TO's TORs, or a portion thereof, are subject to use by the Participating TO, the Non-Participating TO's rights to the use and ownership of its TORs shall remain unchanged, regardless of the Participating TO's act of turning over the Participating TO's Entitlement to use the Non-Participating TO's TORs to the extent possible to the Operational Control of the CAISO.

The CAISO will accept valid TOR Self-Schedules from holders of TORs that are Scheduling Coordinators or that are represented by a Scheduling Coordinator. TOR Self-Schedules submitted by Scheduling Coordinators to the CAISO must be submitted in accordance with Sections 17 and 30. The CAISO may refuse to accept TOR Self-Schedules that do not meet the requirements of the principles, protocols and rules referred to in this Section 17.

17.8.3 Dispute Resolution for Existing Contracts Applicable to TORs

The CAISO will, if requested, advise parties to Existing Contracts applicable to TORs regarding the operational aspects of any Existing Contract renegotiations that they undertake.

If the parties to an Existing Contract applicable to a TOR are unable to reach agreement on the changes needed to meet the requirements of this CAISO Tariff, any disputes related thereto shall be addressed

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using the dispute resolution provisions of the Existing Contract, including any remedies as are provided by law. The rights of the parties to seek changes or to challenge such changes, under the FPA or as otherwise provided by law, are preserved consistent with the terms of the Existing Contract. Unless and until the necessary changes to the Existing Contract are made, all terms and conditions of the Existing Contracts will continue to be honored by the parties to the Existing Contracts.

17.9 Conversion of PTOs' Rights Under Existing Contracts Re TORs

Non-Participating TOs holding TORs and who choose to become Participating TOs must, at the time of becoming a Participating TO, turn over Operational Control of those TORs to the CAISO in accordance with Section 4.3.1 and convert any Existing Contract rights associated with those TORs to Converted Rights in accordance with Section 4.3.1.6.

17.10 TOR Operations Obligations

To enable the CAISO to exercise its responsibilities as Balancing Authority in accordance with Applicable Reliability Criteria, each Non-Participating TO must operate its ownership interests in facilities in which it holds a TOR in accordance with Good Utility Practice and Applicable Reliability Criteria.