California Independent System Operator
Criteria for Temporary Exemption from Telemetry Requirements

The ISO has established a requirement for direct telemetry of Generating Unit data according to the provisions of Section 5.1.3 of the ISO Tariff. A Participating Generator must install a Remote Intelligent Gateway (RIG) for Generating Units providing Regulation (AGC) and/or non-AGC Ancillary Services, a Data Processing Gateway (DPG) for Generating Units providing only non-AGC Ancillary Services, or other ISO-approved technology to satisfy the requirement for direct telemetry. The ISO will consider granting a temporary exemption from this requirement (on an individual case basis) in response to a written request for the exemption. The ISO’s exemption policy is summarized in Attachment 1.

Participating Generators requesting an exemption shall include the following schedule and status of progress towards the installation of a RIG or DPG:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Completed Or Anticipated Completion Date</th>
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<tr>
<td>• Purchase and installation of a RIG or DPG</td>
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<tr>
<td>• Delivery of an Engineering Package to the ISO</td>
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<tr>
<td>• Procurement of Telecommunications circuits</td>
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<td>• Site acceptance testing</td>
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Written requests shall describe the status and schedule of the above requirements. Participating Generators and prospective Participating Generators are encouraged to refer to the DPG Engineering and Deployment Guide at http://www.caiso.com/docs/2001/02/12/2001021214222927602.html for explanations of the above requirements.

The technical merits of requests for temporary exemptions based on other criteria will be considered on an individual case basis. The length of any temporary exemption granted by the ISO will depend on the basis for the temporary exemption and the specific circumstances of the affected Generating Unit.

Unless a Participating Generator has complied with or has been notified by the ISO in writing as having been granted a temporary exemption from this requirement, the Generating Unit(s) of that Participating Generator may be precluded from supplying Regulation, Spinning Reserve, Non-Spinning Reserve, and Replacement Reserve Ancillary Services to the ISO after June 1, 2001.
Attachment 1

California Independent System Operator
Telemetry Requirements Exemption Policy

The ISO may grant, at its discretion, temporary exemptions from its telemetry requirements on a case-by-case basis, subject to the following:

- The Generator must provide a written request for exemption,
- The Generator must document the schedule to complete the direct telemetry installation and other interconnection requirements,
- The Generator must commit to provide progress reports on a scheduled basis,
- The ISO must determine that the exemption will not impair the safe and reliable operation of the grid, and
- The exemption may be revoked anytime at the ISO’s discretion.

In assessing the impact of the exemption request on grid safety and reliability, the ISO may consider all relevant factors, including:

- Technical specifics of the exemption request,
- Project specific logistics, including the possibility of obtaining interim telemetry data from the Generating Unit through an existing ICCP link (and whether due diligence has been demonstrated by the Generator),
- The reliability-enhancing benefit the new resource’s capacity may provide to the grid,
- The impact of existing exemptions on the operation of the grid.

If warranted, the ISO will issue the exemption subject to the following limitations:

- Installation of direct telemetry and other conditions of the exemption must be completed as scheduled,
- The exemption due date is established to minimize exemption duration and will be based on the expectation of the Generator’s maximum effort in installing direct telemetry,
- The exemption duration will be limited to a maximum of 120 days,
- Progress reports must be submitted within seven days of scheduled milestone completion (or every 30 days, whichever is less).

The ISO may revoke an exemption if:

- Regardless of the scheduled expiration date, it is determined that the exemption is detrimental to grid reliability
- The Generator does not submit a scheduled progress report,
- The Generator does not demonstrate adequate progress in installing direct telemetry or satisfying any other condition of the exemption, or
- The exemption exceeds the maximum 120-day duration.