

April 11, 2014

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

**Re: California Independent System Operator Corporation
Amendment to Rate Schedule No. 72
Docket No. ER14-____-000**

Dear Secretary Bose:

The California Independent System Operator Corporation submits for Commission filing and acceptance an amendment to the Adjacent Balancing Authority Operating Agreement (“ABAOA”) between the ISO and the Nevada Power Company (“NEVP”), doing business as NV Energy, a corporation organized and existing under the laws of the State of Nevada (“Amendment”).¹ The ISO submits the Amendment to reflect the planned transition of the United States Department of Energy National Nuclear Security Administration (“DOE”) load and transmission facilities associated with the Nevada National Security Site (“NNSS”) from the NEVP balancing authority area to the ISO balancing authority area, as well as the interconnection of a 138 kV transmission line from the Innovation switchyard to the Mercury Switching Center. The NNSS electric load is served by Valley Electric Association, Inc. (“VEA”), a participating transmission owner, load serving entity and utility distribution company in the ISO. All of VEA’s load, except for the NNSS, is currently in the ISO balancing authority area. The ISO proposes that the Amendment be made effective on June 11, 2014, the target transition date.

I. Background

The NNSS load and transmission facilities currently are located in the NEVP balancing authority area and generally served through NEVP’s 138 kV points of interconnection at the Jackass Flats Substation and the Mercury

¹ The ISO submits the Amendment pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d (2012).

Switching Center. VEA has a 138 kV interconnection at the Jackass Flats substation. In addition, Valley Electric also recently completed a second interconnection with the NNSS at the Mercury Switching Center, which will be placed into commercial operation at the time the NNSS load is transitioned from the NEVP balancing authority area to the ISO balancing authority area.² This provides a total of three transmission lines over which the NNSS load could be served, assuming service would be available from either the ISO or NEVP balancing authority areas.³

The NNSS load and transmission facilities were originally planned to move to the ISO balancing authority area as part of the VEA transition from the NEVP balancing authority area on January 3, 2013.⁴ However, all of the arrangements necessary for that transition to occur were not in place at that time.⁵ Now those arrangements are in place and the ISO and NEVP have agreed upon the necessary interconnection details to transition the NNSS load and transmission facilities to the ISO balancing authority area.

The DOE, VEA, and NEVP have executed an agreement (“Tri-Party Agreement”),⁶ which defines each party’s responsibilities associated with the interconnection and operation of the transmission facilities serving the NNSS. These transmission facilities are owned by the DOE and operated by VEA and NEVP.⁷ The ISO believes that the Tri-Party Agreement represents a reliable and efficient solution to the issues associated with service of the NNSS load and operation of the NNSS transmission facilities, and has agreed to reflect the relevant details of that agreement in the Amendment. Commission acceptance of the Amendment and the Tri-Party Agreement are essential for the transition of the NNSS load and transmission facilities to the ISO balancing authority area.

² Valley Electric constructed a 138 kV interconnection from the Mercury Switching Center to its Innovation switchyard located along the 230 kV transmission path that extends from Pahrump to the Northwest substation. This facility was described in the Transition Agreement amendment filed with the Commission on September 13, 2012 in ER12-2623-000, and approved by letter order dated October 15, 2012.

³ See page 10 of Attachment A for a one line diagram of the facilities.

⁴ The Transition Agreement was filed with the Commission on October 14, 2011, in Docket No. ER12-84-000, and on December 14, 2011, the Commission issued an order accepting the Transition Agreement without change. See *Cal. Indep. Sys. Operator Corp.*, 137 FERC ¶ 61,194 (2012)

⁵ In Docket No. ER13-265-000, NEVP and VEA entered into a settlement agreement resolving certain disputes related to VEA’s electric service to the NNSS. The Commission issued an order accepting the settlement agreement on June 24, 2013.

⁶ The Tri-Party Agreement will be separately and concurrently filed with the Commission for acceptance by NEVP.

⁷ See Tri-Party Agreement.

II. Amendment

The original ABAOA was filed with the Commission on October 29, 2012 in Docket No. ER13-224-000, which was designated as ISO Rate Schedule No. 72. The Commission accepted the ABAOA by order issued on December 31, 2012.⁸ The Amendment includes proposed changes to Schedule A to reflect the changes in the point of interconnection as described above. In addition, the Amendment also includes proposed changes in compliance with a Commission directive in the underlying docket accepting the original ABAOA.⁹

III. Effective Date

The ISO requests that the Amendment be made effective on June 11, 2014. This date is targeted by the parties to implement the transition of the DOE Load to the ISO balancing authority area. Although the transition date is expected to occur on June 11, 2014, it is possible the actual date may be later.¹⁰ In that circumstance, the ISO will make a compliance filing with the Commission to specify the effective date coincident with the transition date.

IV. Attachments

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

Attachment A:	Amendment to the ABAOA;
Attachment B:	Clean version of the amended ABAOA; and
Attachment C:	Redline version of the amended ABAOA.

V. Service

⁸ *Cal. Indep. Sys. Operator Corp.*, 141 FERC ¶ 61,276

⁹ *Id.* (directing the ISO to submit an amended ABAOA within 30 days of the final configuration of the Merchant substation to address comments filed by Southern California Edison Company). Notwithstanding that the Amendment does not represent the final configuration of the Merchant substation, the ISO submits this proposed change at this opportunity. All parties have agreed upon this change and the Amendment presents an opportunity to file it – there is no reason to delay implementation of this Commission directive until the final transition of the Merchant substation. The final configuration of the Merchant substation simply represented what was anticipated at the time to be the next opportunity to amend the ABAOA. There is otherwise no connection between the change directed by the Commission and the final configuration of the Merchant substation.

¹⁰ There will be a hold on network model changes from June 12 until June 25 while an updated model is promoted into the production environment.

Copies of this filing have been served upon the NVEP, VEA, the DOE, Southern California Edison Company, the California Public Utilities Commission and the California Energy Commission. In addition, the filing has been posted on the ISO website.

VI. Correspondence

The ISO requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

John C. Anders*
Lead Counsel
**California Independent System
Operator Corporation**
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 351-4400
E-mail: janders@caiso.com

* Individuals designated for
service pursuant to Rule
203(b)(3), 18 C.F.R. §
385.203(b)(3)

VII. Conclusion

The ISO respectfully requests that the Commission accept this filing and permit the Amendment to be effective as of the date requested.

Respectfully submitted,

/s/ John C. Anders
Roger E. Collanton
General Counsel
Sidney M. Davies
Assistant General Counsel
John C. Anders
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250 Outcropping Way
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Attachment A – Amendment to the ABAOA
Amendment to NV Energy Adjacent Balancing Authority Area Agreement
California Independent System Operator Corporation
April 11, 2014

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
AND
NEVADA POWER COMPANY**

**AMENDMENT NO. 1
TO THE
ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT**

THIS AMENDMENT NO. 1 is effective as of the completion and placing into service of Valley Electric Association's ("VEA") Mercury Switching Center – Innovation 138 kV transmission line and the transition of the Nevada National Security Site loads and certain facilities located on such site from the Nevada Power Company balancing authority area to the California Independent System Operator Corporation balancing authority area and is entered into by and between:

- (1) **Nevada Power Company** ("NEVP"), doing business as NV Energy, having its registered and principal executive office at 6226 West Sahara Avenue, Las Vegas, Nevada 89146;

and

- (2) **California Independent System Operator Corporation** ("CAISO"), a California nonprofit public benefit corporation having a principal executive office located at 250 Outcropping Way, Folsom, California 95630.

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

Whereas:

- A.** The Parties are signatories to an Adjacent Balancing Authority Operating Agreement dated October 29, 2012 (the "Agreement").
- B.** The Parties desire to amend the Agreement to reflect (i) the addition of an intertie at the Mercury Switching Center for VEA's Mercury – Innovation 138 kV transmission line; (ii) the designation of new balancing authority area boundaries at the Jackass Flats Substation and the Mercury Switching Center; and (iii) the incorporation of clarifying and corrective edits.
- C.** In all other respects, the Parties intend that the Agreement remain in full force and effect in accordance with its terms.

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

1. **Termination.** This Amendment No. 1 shall remain in full force and effect until the termination of the Agreement.
2. **Amendment to the Agreement.** The Agreement shall be amended as follows:
 - 2.1 Section 5.1 of the Agreement is deleted in its entirety and a new Section 5.1 is substituted in its place as follows:

“5.1 The Parties are adjacent Balancing Authorities and are interconnected at the points specified in Schedule A to this Agreement and subject to the conditions set forth therein. In the event that new interconnection points are added, or existing points are modified or eliminated, Schedule A will be amended as necessary to reflect any such changes that are mutually agreed upon by both Parties in a written agreement.”
 - 2.2 Schedule A to the Agreement is deleted in its entirety and Schedule A attached to this Amendment No. 1 is substituted in its place.
 - 2.3 Paragraph five in Schedule B to the Agreement is deleted in its entirety and a new paragraph five is substituted in its place as follows:

“Nothing in this Agreement shall obligate NEVP to be bound by the CAISO Tariff unless expressly provided for herein.”
3. This Amendment No. 1 constitutes the complete and final agreement of the Parties with respect to the purpose of this Amendment No. 1 as described in the Recitals hereto and supersedes all prior understandings, whether written or oral, with respect to such subject matter.
4. Except as expressly modified in this Amendment No. 1, the Agreement shall remain in full force and effect in accordance with its terms, and the unmodified provisions of the Agreement shall apply to any new rights and/or obligations established by this Amendment No. 1.
5. This Amendment No. 1 may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 1 to be duly executed by and through their respective authorized representatives.

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Nevada Power Company, d/b/a NV Energy

By: _____

Name: Richard Salgo

Title: Executive, Grid Operations and Reliability

Date: _____

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

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

The interconnections between the CAISO and NEVP are comprised of six (6) interties described below:

- **Mohave – Laughlin 500 kV Intertie**

The Mohave – Laughlin 500 kV Intertie is used to supply the energy needs of NEVP's isolated load located in the general vicinity of Laughlin, Nevada. The Mohave – Laughlin 500 kV Intertie consists of the NEVP-owned Laughlin-Mohave No.1 and No.2 500 kV transmission lines (the "Laughlin - Mohave 500 kV transmission lines") between the jointly owned Mohave 500 kV Switchyard¹ and NEVP's Laughlin Substation, all located on the property of the former Mohave Generating Station.

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

CAISO/SCE Switching Responsibility:

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

NEVP Switching Responsibility:

The NEVP Transmission Operator will direct all switching at the Laughlin 500/69 kV Substation for the Laughlin - Mohave 500 kV transmission lines, including the

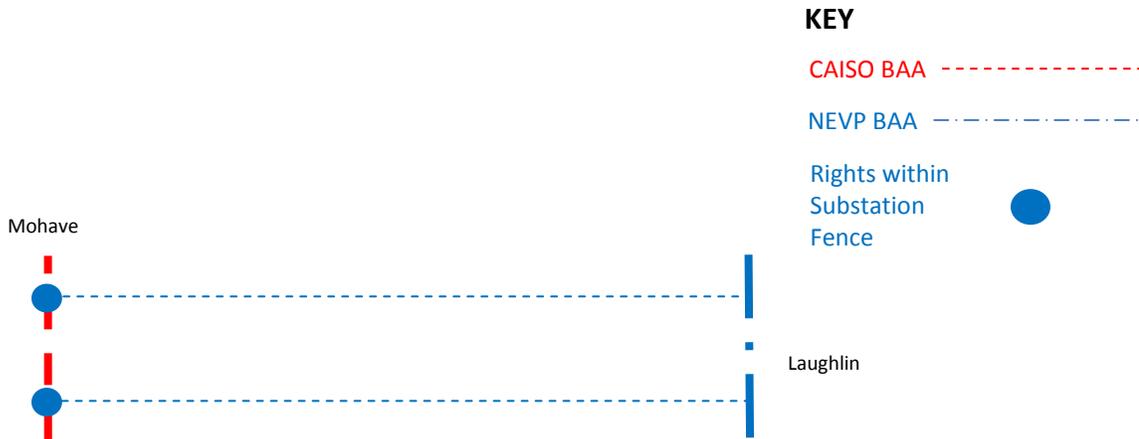
¹ The Mohave 500 kV Switchyard is a component of the Eldorado System which also consists of the Eldorado Substation, the Eldorado – Mohave 500 kV line and the Eldorado – Mead No. 1 and No. 2 220 kV lines. The Eldorado System is jointly owned by LADWP, NEVP, SRP and SCE and is within the metered boundary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

transformer 500 kV disconnects, in coordination with SCE’s Eldorado Switching Center.

Operational and Maintenance Responsibility:

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

The following diagram shows the points of interconnection of the Parties’ Balancing Authority Areas for the Mohave - Laughlin 500 kV Intertie.



• **Merchant 230 kV Intertie**

The Eldorado – Merchant No. 2 230 kV transmission line connects the Eldorado Substation with the Merchant Substation. Center breakers 2308, 2305 and 2302 in the Merchant Substation connect the Merchant 230 kV North Bus to the Merchant 230 kV South Bus. Collectively the Eldorado – Merchant No. 2 230 kV transmission line and center breakers 2308, 2305 and 2302 form the Merchant 230 kV Intertie.

CAISO Terminal:	Eldorado 220 kV Bus and Merchant 230 kV South Bus
Participating Transmission Owner:	Southern California Edison Company and San Diego Gas & Electric Company
NEVP Terminal:	Merchant 230 kV North Bus
Point of Interconnection:	The North and South bus sides of the disconnect switches for bay position 2 in the 220 kV switchyard of the Eldorado Substation and the South side of center breakers 2308, 2305 and 2302 in the Merchant Substation.

Voltage: **220/230 kV**

Eldorado – Merchant No. 2 230 kV Line

The Eldorado – Merchant No. 2 230 kV transmission line connects the Eldorado Substation with the Merchant 230 kV Switchyard.

Operational and Maintenance Responsibility:
SCE’s Eldorado Switching Center has sole operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operating and maintenance activity on the portion of NEVP’s Eldorado – Merchant No. 2 230 kV transmission line that is inside the Eldorado Substation.

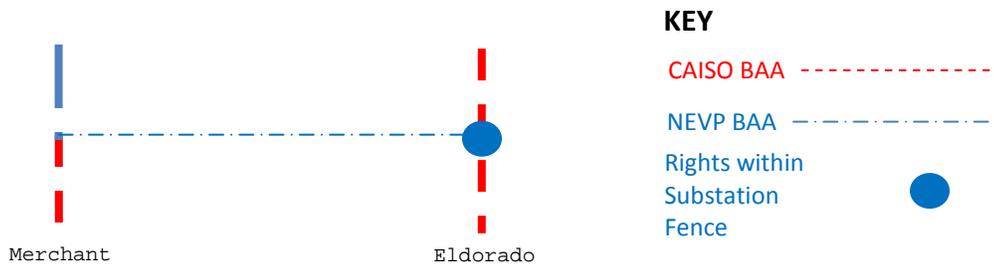
NEVP will have sole operational and maintenance responsibility for the Eldorado – Merchant No. 2 230 kV transmission line from the Eldorado Substation property line to the Merchant Substation.

Merchant 230 kV Substation

Center breakers 2308, 2305 and 2302 in the Merchant Substation connect the Merchant 230 kV North Bus to the Merchant 230 kV South Bus.

Operational and Maintenance Responsibility:
NEVP will have operational and maintenance responsibility for the Merchant Substation.

The following diagram shows the points of interconnection of the Parties’ Balancing Authority Areas for the Merchant 230 kV Intertie.



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

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

The Amargosa Substation is owned by Western.

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

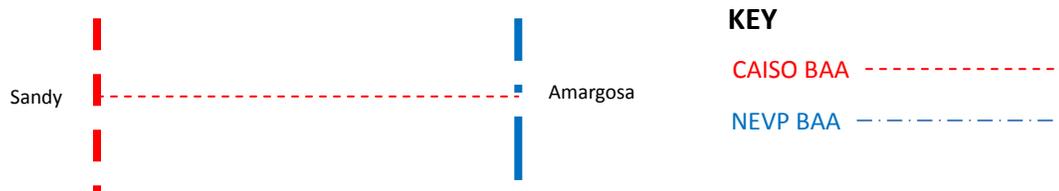
Switching Responsibility:

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

Operational and Maintenance Responsibility:

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

The following diagram shows the point of interconnection of the Parties' Balancing Authority Areas for the Amargosa - Sandy Valley 138 kV Intertie.



• **Northwest – Desert View 230 kV Intertie**

VEA's Northwest – Desert View 230 kV transmission line connects NEVP's Northwest Substation to VEA's Desert View Substation.

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

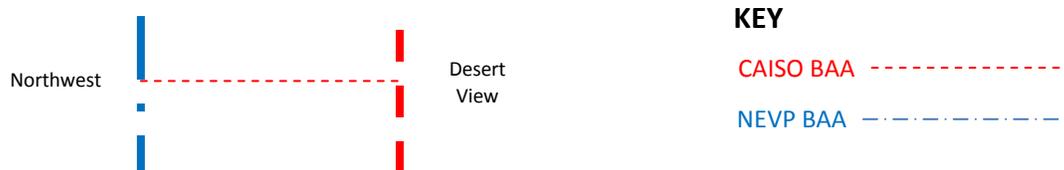
NEVP Switching Responsibility:

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

Operational and Maintenance Responsibility:

The VEA Transmission Operator has operational and maintenance responsibility for the Northwest – Desert View 230 kV transmission line from the Point of Interconnection at the Northwest Substation to the Desert View Substation.

The following diagram shows the point of interconnection of the Parties’ Balancing Authority Areas for the Northwest - Desert View 230 kV Intertie.



• **Jackass Flats 138 kV Intertie**

The Department of Energy (“DOE”) owns the Jackass Flats Substation and the Mercury Switching Center¹. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access between its transmission system and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

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

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

• **Mercury Switching Center 138 kV Intertie**

The DOE owns the Mercury Switching Center and the Jackass Flats Substation. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass

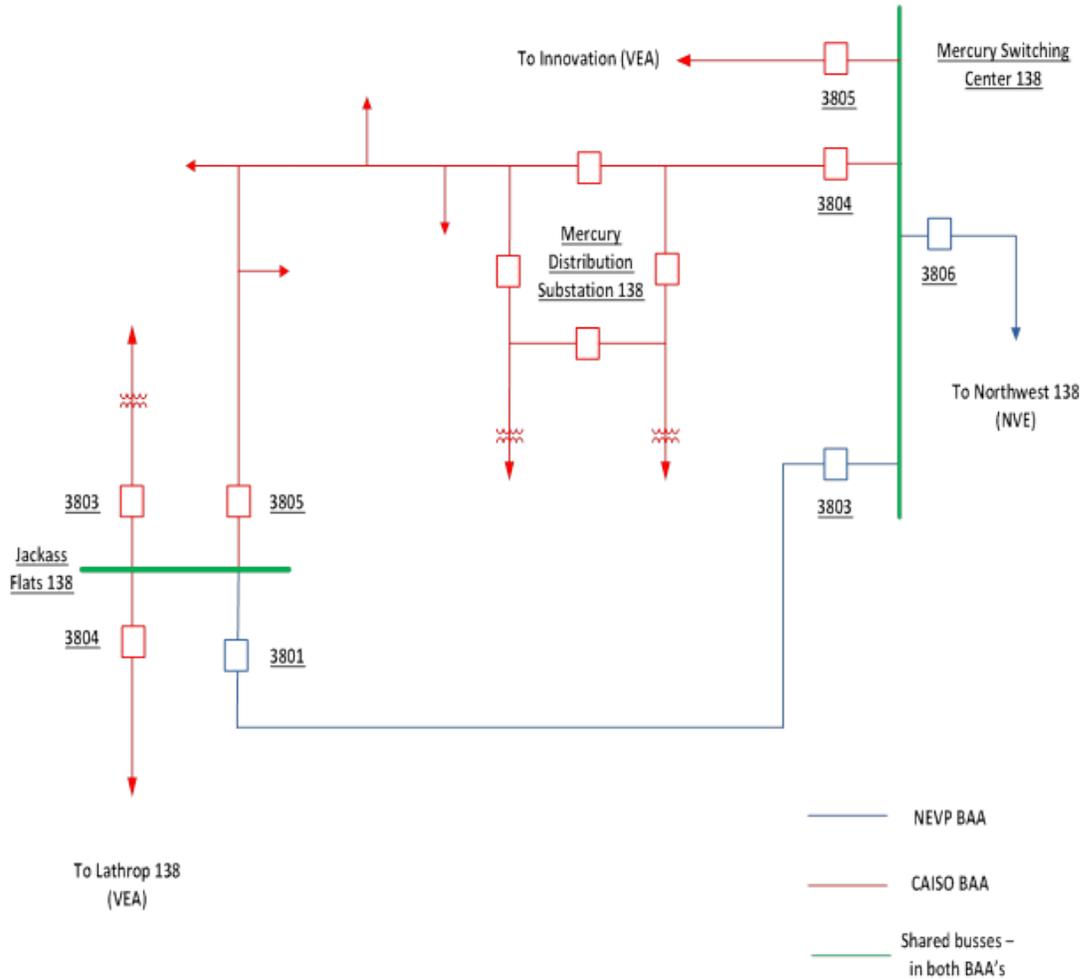
¹ The Jackass Flats Substation and the Mercury Switching Center also serve as end points of a 138 kV loop of transmission facilities owned by DOE.

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

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

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

ONE LINE DIAGRAM OF FACILITIES



2. REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

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

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

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

Attachment B – Clean Tariff Records

Amendment to NV Energy Adjacent Balancing Authority Area Agreement

California Independent System Operator Corporation

April 11, 2014

California Independent System Operator Corporation
Rate Schedule No. 72

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

AND

NEVADA POWER COMPANY

ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT

Proposed Effective Date: June 11, 2014
Version Number: 1.0.0

ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT

Executed by

NEVADA POWER COMPANY

and

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

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

Recitals

A) Each Party is a member of the Western Electricity Coordinating Council (“WECC”), an organization whose members are located in the Western Interconnection as defined in the WECC Bylaws and is registered with WECC as a Balancing Authority pursuant to the North American Electric Reliability Corporation (“NERC”) Reliability Functional Model and Registry Criteria.

B) Federal Energy Regulatory Commission (“FERC”) approved mandatory NERC Reliability Standards for the Bulk-Power Systems of North America include Standard EOP-001 which provides that each Balancing Authority is required to develop, maintain, and implement a set of plans to mitigate operating emergencies and to coordinate such plans with other Balancing Authorities. Standard EOP-001, which may be revised from time to time, directs Balancing Authorities to have operating agreements in place with adjacent Balancing Authorities that, at a minimum, contain provisions for emergency assistance, including provisions to obtain emergency assistance from remote Balancing Authorities.

C) The Parties are adjacent Balancing Authorities by virtue of their transmission systems being interconnected at one or more points. The CAISO has responsibilities as a Balancing Authority and operates the CAISO Balancing Authority Area. NEVP has responsibilities as a Balancing Authority and operates the NEVP Balancing Authority Area.

D) The Parties intend by this Agreement to identify each Party's responsibilities to the other under the Requirements of Standard EOP-001 by recognizing the continuing commitment of each Party to the other to cooperate to mitigate operating emergencies.

Therefore, the Parties mutually agree as follows:

1. Definitions

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

1.2 Specific Definitions:

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

1.2.2 EOP-001: Emergency Operations Planning Standard EOP-001, as it may be modified from time to time.

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

2. Term and Termination

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

3. Responsibilities of the Parties

3.1 The Parties agree to cooperate to mitigate any operating emergencies by adhering to: (1) the mandatory NERC Reliability Standards and WECC Regional Reliability Standards which relate to emergency operations, as may be amended from time to time, and (2) the directives of the applicable WECC Reliability Coordinator (“Reliability Coordinator”).

3.2 Each Party further agrees that it shall develop, maintain, implement, and annually review and update its emergency plans to mitigate operating emergencies and shall share and coordinate such plans with the other Party as required by EOP-001.

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

3.4 Import of Regulation Service by the CAISO. The CAISO and NEVP shall allow for the import of regulation service from the NEVP Balancing Authority Area to the CAISO Balancing Authority Area in accordance with the provisions of Schedule D. NEVP shall be under no obligation to supplement the import of regulation service contracted by third parties to be delivered to the CAISO Balancing Authority Area from resources in the NEVP Balancing Authority Area and shall have the right to terminate Schedule D without prior approval of the CAISO, subject to NEVP providing the CAISO a copy of the termination letter(s) pursuant to the agreement(s) NEVP has entered into with third parties to facilitate the import of regulation service into the CAISO Balancing Authority Area. NEVP shall notify the CAISO and provide to the CAISO a copy of such termination letter a minimum of thirty (30) days prior to such termination.

3.5 Import of Dynamically Scheduled Energy and Non-Regulation Ancillary Services by the CAISO. The CAISO and NEVP shall allow for the import of dynamically scheduled energy and non-regulation ancillary services from the NEVP Balancing Authority Area to the CAISO Balancing Authority Area in accordance with the provisions of Schedule E. NEVP shall be under no obligation to supplement the import of dynamically scheduled energy and non-regulation ancillary services contracted by third parties to be delivered to the CAISO Balancing Authority Area from resources in the NEVP Balancing Authority area and shall have the right to terminate Schedule E without prior approval of the CAISO, subject to NEVP providing the CAISO a copy of the termination letter(s) pursuant to the agreement(s) NEVP has entered into with third parties to facilitate the import of dynamically scheduled energy and non-regulation

ancillary services into the CAISO Balancing Authority Area. NEVP shall notify the CAISO and provide to the CAISO a copy of such termination letter a minimum of thirty (30) days prior to such termination.

4. Coordination and Communication

4.1 In the event of an operating emergency that affects or may affect the reliable operation of interconnected transmission facilities, each Party shall coordinate its actions with the other Party, as such Party deems necessary or as directed by the appropriate Reliability Coordinator(s), to preserve or restore the interconnected transmission system to stable operations and to preserve or restore reliable, safe, and efficient service as quickly as practicable. The Parties shall, without delay, individually notify the appropriate Reliability Coordinator(s) as to the nature and extent of the operating emergency.

4.2 Each Party operates and maintains a 24-hour, 7-day control center with real-time scheduling and control functions. The appropriate control center staff shall be responsible for operational communications and shall have sufficient authority to commit and bind that Party on decisions relating to emergency operations. The Parties agree to exchange operational contact information for ensuring reliable communication in a format to be agreed to by the Parties and completed within thirty (30) days of the Effective Date of this Agreement.

5. Interconnection Points

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

5.2 Schedule A is included for the sole purpose of identifying those interconnection points that result in the Parties being adjacent Balancing Authorities. This Agreement is not intended to act as an interconnection agreement between the Parties.

6. Miscellaneous Provisions

6.1 Exchange of Information and Confidentiality: When a Party ("Providing Party") provides information to the other Party ("Receiving Party") under this Agreement and marks such information as privileged or confidential commercial or financial information, critical energy infrastructure information, or trade secret information, the Receiving Party shall treat such information as confidential and protected from disclosure to the extent permitted by law. The Receiving Party shall promptly notify the Providing Party in writing of any request to release such information. The Parties agree to use such information only for purposes of

performing each Party's obligations under this Agreement. The provisions of this Section 6.1 shall survive the termination of this Agreement.

- 6.2 Amendment: The Parties may amend or modify this Agreement only by written agreement. In the event the mandatory NERC Reliability Standards including EOP-001 are revised or replaced, the Parties shall meet within sixty (60) days of the implementation date of the revised standard to discuss and determine whether such change will affect the terms and conditions of this Agreement and whether a modification or replacement of the Agreement is needed. An amendment that is subject to FERC approval shall not take effect until FERC has accepted such amendment for filing and has made it effective without any material modification or condition that is unacceptable to either Party in that Party's sole discretion. If any material modification or condition is ordered by FERC that is unacceptable to a Party, such Party shall communicate its lack of consent to such modification or condition to the other Party within ten (10) business days after the date on which FERC issues its order, and the Parties shall use best efforts to negotiate mutually acceptable revisions to this Agreement to address the modification or condition. Revisions to Schedules other than with regard to the contact information in Schedule C shall be processed as an amendment to this Agreement.
- 6.3 Assignment and Successors: Neither this Agreement nor any rights or responsibilities under this Agreement may be assigned by either Party to a third party without the written consent of the other Party, and such consent will not be unreasonably delayed, conditioned, or withheld. Subject to the preceding sentence, this Agreement is binding upon and will inure to the benefit of the Parties and their successors in interest.
- 6.4 Notices: Any notice, demand, or request which may be given to or made upon either Party regarding this Agreement shall be made in writing and shall be deemed properly served, given, or made: (a) upon delivery if delivered in person; (b) five (5) days after deposit in the mail if sent by first class United States mail, postage prepaid; (c) upon receipt of confirmation by return facsimile if sent by facsimile; or (d) upon delivery if delivered by prepaid commercial courier service. A Party must update the information in Schedule C of this Agreement relating to its address as that information changes. Such updates to Schedule C shall not constitute an amendment to this Agreement.
- 6.5 Governing Law and Forum: This Agreement shall be deemed to be a contract made under and for all purposes shall be governed by and construed in accordance with the laws of the State of California, except that if a dispute concerns the operation of transmission lines or facilities, the law of the state where the transmission lines or facilities are located will control. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement shall be brought in any of the following forums, as appropriate: (i) a court of the State of California or any federal court of the United States of

America located in the State of California for all disputes under this Agreement except any disputes concerning transmission lines or facilities located in the State of Nevada or disputes determined to be FERC jurisdictional; (ii) a court of the State of Nevada or any federal court of the United States of America located in the State of Nevada if the dispute concerns transmission lines or facilities located in the State of Nevada; or (iii) where subject to its jurisdiction, before FERC. No provision of this Agreement shall be deemed to waive the right of any Party to protest, or challenge in any manner, whether this Agreement, or any action or proceeding arising under or relating to this Agreement, is subject to the jurisdiction of FERC.

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

6.9 Authority: Each individual signing this Agreement certifies that the Party represented has duly authorized such individual to sign, bind, and obligate such Party.

Accepted and agreed to by:

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Nevada Power Company, d/b/a NV Energy

By: _____

Name: Richard Salgo

Title: Executive, Grid Operations and Reliability

Date: _____

Schedule A

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

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

The interconnections between the CAISO and NEVP are comprised of six (6) interties described below:

- **Mohave – Laughlin 500 kV Intertie**

The Mohave – Laughlin 500 kV Intertie is used to supply the energy needs of NEVP's isolated load located in the general vicinity of Laughlin, Nevada. The Mohave – Laughlin 500 kV Intertie consists of the NEVP-owned Laughlin-Mohave No.1 and No.2 500 kV transmission lines (the "Laughlin - Mohave 500 kV transmission lines") between the jointly owned Mohave 500 kV Switchyard¹ and NEVP's Laughlin Substation, all located on the property of the former Mohave Generating Station.

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

CAISO/SCE Switching Responsibility:

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

NEVP Switching Responsibility:

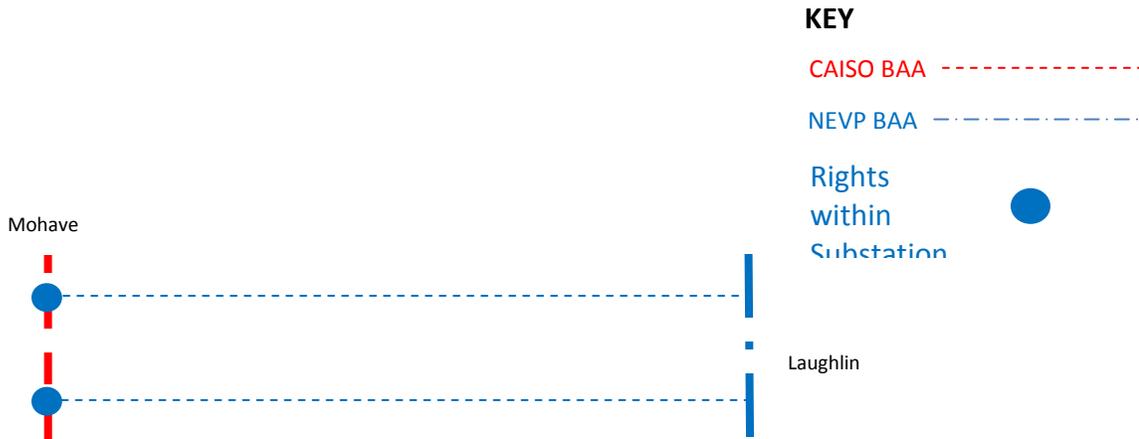
The NEVP Transmission Operator will direct all switching at the Laughlin 500/69 kV Substation for the Laughlin - Mohave 500 kV transmission lines, including the transformer 500 kV disconnects, in coordination with SCE's Eldorado Switching Center.

¹ [The Mohave 500 kV Switchyard is a component of the Eldorado System which also consists of the Eldorado Substation, the Eldorado – Mohave 500 kV line and the Eldorado – Mead No. 1 and No. 2 220 kV lines. The Eldorado System is jointly owned by LADWP, NEVP, SRP and SCE and is within the metered boundary of the CAISO Balancing Authority Area.](#)

Operational and Maintenance Responsibility:

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

The following diagram shows the points of interconnection of the Parties' Balancing Authority Areas for the Mohave - Laughlin 500 kV Intertie.



• **Merchant 230 kV Intertie**

The Eldorado – Merchant No. 2 230 kV transmission line connects the Eldorado Substation with the Merchant Substation. Center breakers 2308, 2305 and 2302 in the Merchant Substation connect the Merchant 230 kV North Bus to the Merchant 230 kV South Bus. Collectively the Eldorado – Merchant No. 2 230 kV transmission line and center breakers 2308, 2305 and 2302 form the Merchant 230 kV Intertie.

CAISO Terminal:	Eldorado 220 kV Bus and Merchant 230 kV South Bus
Participating Transmission Owner:	Southern California Edison Company and San Diego Gas & Electric Company
NEVP Terminal:	Merchant 230 kV North Bus
Point of Interconnection:	The North and South bus sides of the disconnect switches for bay position 2 in the 220 kV switchyard of the Eldorado Substation and the South side of center breakers 2308, 2305 and 2302 in the Merchant Substation.
Voltage:	220/230 kV

Eldorado – Merchant No. 2 230 kV Line

The Eldorado – Merchant No. 2 230 kV transmission line connects the Eldorado Substation with the Merchant 230 kV Switchyard.

Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has sole operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operating and maintenance activity on the portion of NEVP's Eldorado – Merchant No. 2 230 kV transmission line that is inside the Eldorado Substation.

NEVP will have sole operational and maintenance responsibility for the Eldorado – Merchant No. 2 230 kV transmission line from the Eldorado Substation property line to the Merchant Substation.

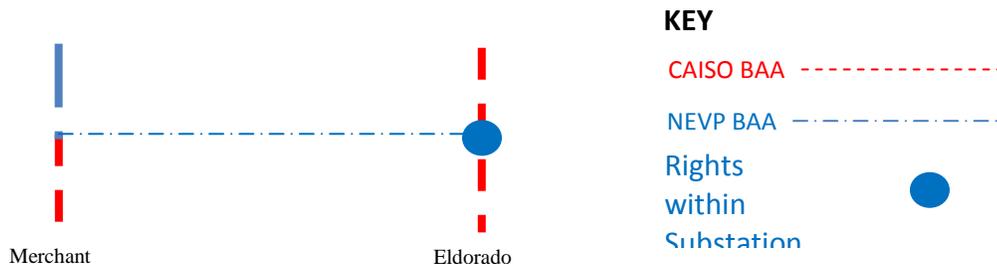
Merchant 230 kV Substation

Center breakers 2308, 2305 and 2302 in the Merchant Substation connect the Merchant 230 kV North Bus to the Merchant 230 kV South Bus.

Operational and Maintenance Responsibility:

NEVP will have operational and maintenance responsibility for the Merchant Substation.

The following diagram shows the points of interconnection of the Parties' Balancing Authority Areas for the Merchant 230 kV Intertie.



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

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

The Amargosa Substation is owned by Western.

CAISO Terminal: Sandy Valley Substation
Participating Transmission Owner: VEA

NEVP Terminal: Amargosa Substation
Point of Interconnection: The first dead-end structure outside the Amargosa Substation fence.
Voltage: 138 kV

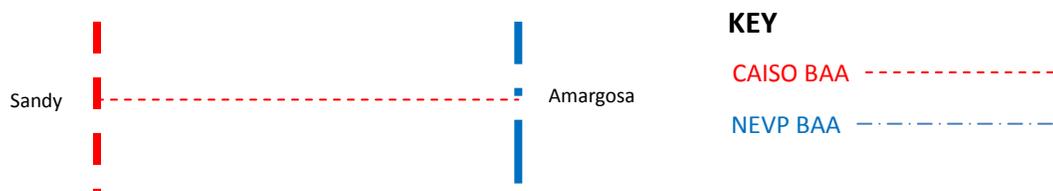
Switching Responsibility:

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

Operational and Maintenance Responsibility:

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

The following diagram shows the point of interconnection of the Parties' Balancing Authority Areas for the Amargosa - Sandy Valley 138 kV Intertie.



• **Northwest – Desert View 230 kV Intertie**

VEA's Northwest – Desert View 230 kV transmission line connects NEVP's Northwest Substation to VEA's Desert View Substation.

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

NEVP Switching Responsibility:

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

Operational and Maintenance Responsibility:

The VEA Transmission Operator has operational and maintenance responsibility for the Northwest – Desert View 230 kV transmission line from the Point of Interconnection at the Northwest Substation to the Desert View Substation.

The following diagram shows the point of interconnection of the Parties' Balancing Authority Areas for the Northwest - Desert View 230 kV Intertie.



- **Jackass Flats 138 kV Intertie**

The Department of Energy (“DOE”) owns the Jackass Flats Substation and the Mercury Switching Center¹. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access between its transmission system and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

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

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

- **Mercury Switching Center 138 kV Intertie**

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

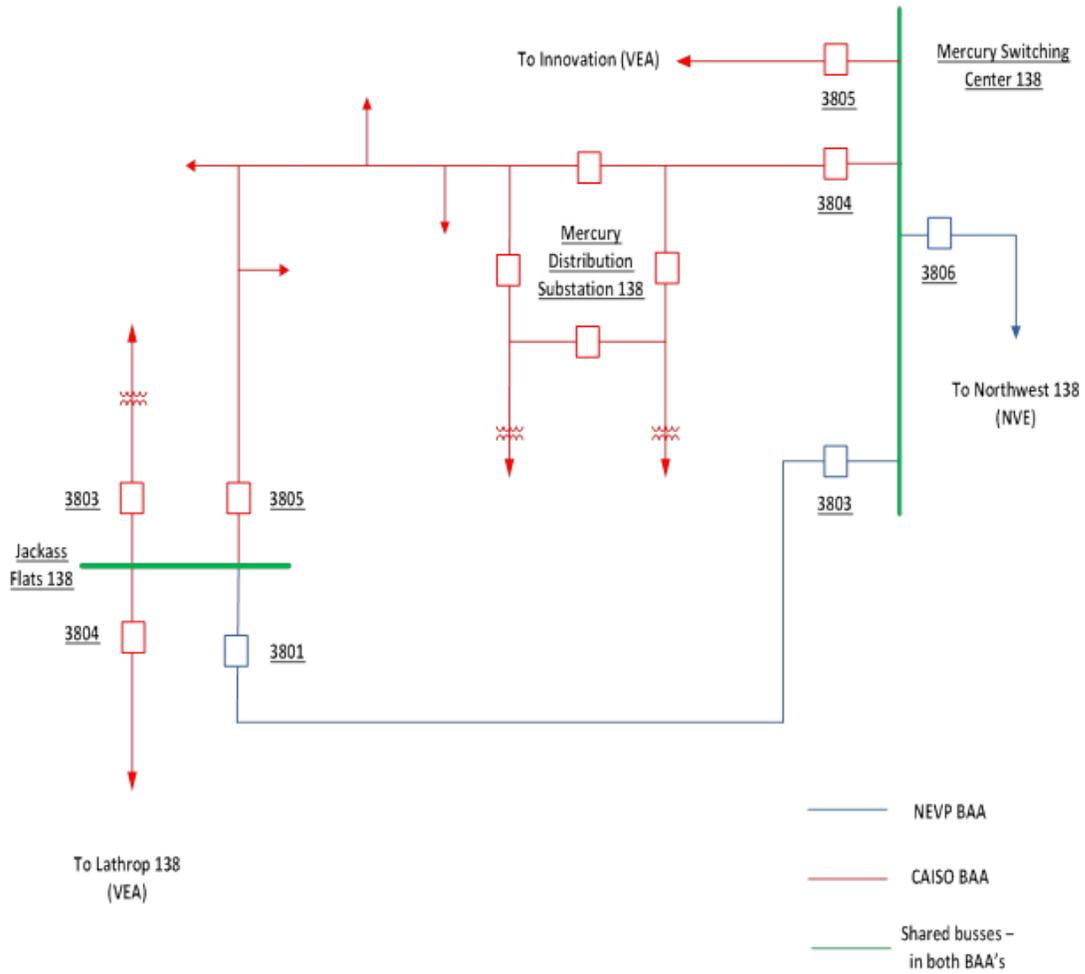
¹ The Jackass Flats Substation and the Mercury Switching Center also serve as end points of a 138 kV loop of transmission facilities owned by DOE.

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

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

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

ONE LINE DIAGRAM OF FACILITIES



2. REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

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

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

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

Schedule B

EMERGENCY CAPACITY AND ENERGY [Sections 3.3 and 6.2]

In accordance with EOP-001, the Parties will, to the extent possible, assist each other in an emergency by scheduling energy and/or capacity. Such emergency assistance will be available at the sole discretion of the Party supplying it and will be recallable without advance notice as required to meet reliability requirements. The Parties will agree upon and log MW values, start and end times, ramp rates and times, and integrated values for any emergency assistance provided.

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

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

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

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

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

Schedule C

CONTACTS FOR NOTICES [Sections 6.2 and 6.4]

CAISO:

Name of Primary

Representative: Regulatory Contracts
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email Address: RegulatoryContracts@caiso.com
Phone: (916) 608-7027
Fax No.: (916) 608-5063

Name of Alternate

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

NEVP:

Name of Primary

Representative: Ms. Sharon Gifford
Title: Project Leader, Transmission Policy and Strategy
Street Address: 6100 Neil Road – M/S S3B40
City/State/Zip Code: Reno, NV 89511
Mailing Address: P.O. Box 10100 – M/S S3B40
City/State/Zip Code: Reno, NV 89520-0024
Email Address: SGifford@nvenergy.com
Phone: (775) 834-3056
Fax No.: (775) 834-3047

Name of Alternate

Representative: Ms. Patricia Englin
Title: Director, Transmission Policy and Contracts
Street Address: 6100 Neil Road – M/S S3B40
City/State/Zip Code: Reno, NV 89511
Mailing Address: P.O. Box 10100 – M/S S3B40
City/State/Zip Code: Reno, NV 89520-0024
Email Address: PEnglin@nvenergy.com
Phone: (775) 834-5877
Fax No.: (775) 834-3047

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

Schedule D

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

1. General

- 1.1. Purpose. This Schedule D sets forth the requirements that must be satisfied by the NEVP Balancing Authority Area (referred to herein as the “Host Balancing Authority Area”) should it elect to support Scheduling Coordinators’ requests for certification, scheduling and delivery of regulation service into the CAISO Balancing Authority Area. The requirements encompass technical (energy management system (“EMS”)/automatic generation control (“AGC”) and communications), interchange scheduling, telemetry and control aspects of interconnected Balancing Authority Area operations.
- 1.2. NERC/WECC Operating Standards Observed. Nothing in this Schedule D is intended to change, supersede, or alter either Party’s obligations to abide by NERC standards and WECC criteria.
- 1.3. Applicable Standards. This Schedule D incorporates, by reference, the CAISO’s “*Standards for Imports of Regulation*” (“Standards”) document. The Standards document is available for viewing and can be downloaded from the CAISO internet home page: www.caiso.com.
- 1.4. Meaning of “System Resource.” “System Resource” is defined in the CAISO Tariff and, in the context of this Schedule D, may include combinations of resources as described in the Standards.

2. Telecommunications Requirements

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

3. Telemetry and Control

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

- 3.2. Control. The Host Balancing Authority Area EMS shall be able to receive control signals, in real time, from the CAISO EMS, via the ICCP communications links, causing the System Resource to vary its energy production or allocation level from the prescheduled preferred operating point by the specified amount. Further detailed information regarding control requirements may be found in the Standards document.
- 3.3. Delivery of Megawatts (“MW”). The Host Balancing Authority Area shall only deliver to the CAISO the amount of MW being generated by the System Resource. The Host Balancing Authority Area shall not be obligated to make up any difference between the CAISO’s set-point and the MW being generated by the System Resource.

4. Interchange Scheduling Requirements

- 4.1. Dynamic Scheduling. The Host Balancing Authority Area shall support Scheduling Coordinators’ requests to arrange dynamic interchange schedules for the delivery of regulation service to the CAISO Balancing Authority Area, reflecting the System Resource’s instantaneous energy production or allocation level as caused by real time control signals issued by the CAISO EMS/AGC and taking into account available transmission capacity.
- 4.2. Treatment of Area Control Error (“ACE”). The Host Balancing Authority Area shall instantaneously compensate its AGC for the System Resource’s variable energy output level such that the System Resource energy production or allocation changes, caused by the CAISO EMS/AGC control signals, have an equal in magnitude and opposite in sign effect on the Host Balancing Authority Area’s ACE.
- 4.3. Integration of Dynamic Scheduling. For each operating hour during which regulation service was dynamically scheduled for delivery to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall compute an integrated amount of interchange based on the System Resource’s integrated energy production by integrating the instantaneous System Resource production levels. Such integrated MWH value shall be agreed to hourly by the real time schedulers.
- 4.4. Access to Information. The Parties agree to exchange information related to control signals issued and telemetry received with respect to the delivery of regulation service (i) at the request of the other Party for purposes of after-the-fact interchange accounting or (ii) on demand for any other purpose.

5. Other

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

Area for deliver to the CAISO.

- 5.2. Certification. Only CAISO-certified System Resource/Host Balancing Authority Area arrangements will be allowed to bid or self-provide regulation service in the CAISO's ancillary services market through a CAISO-certified Scheduling Coordinator.
- 5.3. No Guarantee of Award. Certification of a System Resource/Host Balancing Authority Area arrangement allows for bidding of regulation service into the CAISO market; it does not, however, guarantee selection of such bid.
- 5.4. Performance Assessment. The CAISO will monitor and measure imported regulation service, whether bid or self-provided, against the performance benchmarks described in the Standards document.

Schedule E

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

1. General

- 1.1 Purpose. This Schedule E sets forth the requirements that must be satisfied by Nevada Power Company (referred to herein as the "Host Balancing Authority Area") should it elect to support Scheduling Coordinators' requests for implementation of a dynamic scheduling functionality and delivery of energy, supplemental energy, and energy associated with ancillary services (except regulation service) into the CAISO Balancing Authority Area. The requirements encompass technical (energy management system ("EMS")/automatic generation control ("AGC") and communications), interchange scheduling, telemetry, and aspects of interconnected Balancing Authority Area operations.
- 1.2 NERC/WECC Operating Standards Observed. Nothing in this Schedule E is intended to change, supersede, or alter either Party's obligations to abide by NERC standards and policies and WECC criteria.
- 1.3 Applicable Standards. This Schedule E incorporates, by reference, the CAISO's *Dynamic Scheduling Protocol* ("DSP") posted on the CAISO internet home page: "www.caiso.com".
- 1.4 Meaning of "System Resource". "System Resource" is defined in the CAISO Tariff and, in the context of this Schedule E, may include combinations of resources as described in the DSP.

2. Telecommunications Requirements

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

3. Telemetry

For each operating hour for which a System Resource is scheduled to deliver energy, supplemental energy, and/or energy associated with any of the non-regulating ancillary services to the CAISO Balancing Authority Area, the Host

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

4. Interchange Scheduling Requirements

- 4.1 Dynamic Scheduling. The Host Balancing Authority Area shall support Scheduling Coordinators' requests to arrange dynamic interchange schedules for the delivery of energy to the CAISO Balancing Authority Area, reflecting the System Resource's instantaneous energy production or allocation level and taking into account available transmission capacity.
- 4.2 Treatment of Area Control Error ("ACE"). The Host Balancing Authority Area shall instantaneously compensate its AGC for the System Resource's energy output that is generated or allocated for establishing the dynamic schedule to the CAISO such that the System Resource energy production or allocation changes have an equal in magnitude and opposite in sign effect on the Host Balancing Authority Area's ACE.
- 4.3 Integration of Dynamic Scheduling. For each operating hour during which energy was dynamically scheduled for delivery to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall compute an integrated amount of interchange based on the System Resource's integrated energy production, by integrating the instantaneous System Resource production levels. Such integrated MWH value shall be agreed to hourly by the real time schedulers.
- 4.4 Delivery of Megawatts ("MW"). The Host Balancing Authority Area shall not be obligated to make up any difference between the dynamic energy schedule and the MW being generated or allocated by the System Resource.
- 4.5 Access to Information. The Parties agree to exchange information related to telemetry sent and received with respect to the delivery of energy (i) at the request of the other Party for purposes of after-the-fact interchange accounting or (ii) on demand for any other purpose.

5. Other Host Balancing Authority Area Responsibilities

- 5.1 Operational Jurisdiction. The Host Balancing Authority Area will have, at a minimum, the level of operational jurisdiction over the System Resource and the associated dynamic schedule that NERC and WECC vest in Host Balancing Authority Areas.
- 5.2 E-Tagging. The Host Balancing Authority Area must support associated e-tagging as described in the DSP to the extent such e-tagging is deemed not to be inconsistent with NERC and/or WECC requirements.

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

5.4 Coordination with Other Balancing Authority Areas. The Host Balancing Authority Area must provide in real time the instantaneous value of each dynamic schedule to every intermediary Balancing Authority Area through whose systems such dynamic schedule may be implemented to the CAISO.

6. Other

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

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

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

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

7. Consent to Implementation of Dynamic System Resources

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

Attachment C – Marked Tariff Records

Amendment to NV Energy Adjacent Balancing Authority Area Agreement

California Independent System Operator Corporation

April 11, 2014

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
AND
NEVADA POWER COMPANY

ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT

Proposed Effective Date: ~~January 3,~~
2013 June 11, 2014

Version Number: ~~0~~1.0.0

ADJACENT BALANCING AUTHORITY OPERATING AGREEMENT

Executed by

NEVADA POWER COMPANY

and

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

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

Recitals

A) Each Party is a member of the Western Electricity Coordinating Council (“WECC”), an organization whose members are located in the Western Interconnection as defined in the WECC Bylaws and is registered with WECC as a Balancing Authority pursuant to the North American Electric Reliability Corporation (“NERC”) Reliability Functional Model and Registry Criteria.

B) Federal Energy Regulatory Commission (“FERC”) approved mandatory NERC Reliability Standards for the Bulk-Power Systems of North America include Standard EOP-001 which provides that each Balancing Authority is required to develop, maintain, and implement a set of plans to mitigate operating emergencies and to coordinate such plans with other Balancing Authorities. Standard EOP-001, which may be revised from time to time, directs Balancing Authorities to have operating agreements in place with adjacent Balancing Authorities that, at a minimum, contain provisions for emergency assistance, including provisions to obtain emergency assistance from remote Balancing Authorities.

C) The Parties are adjacent Balancing Authorities by virtue of their transmission systems being interconnected at one or more points. The CAISO has responsibilities as a Balancing Authority and operates the CAISO Balancing Authority Area. NEVP has responsibilities as a Balancing Authority and operates the NEVP Balancing Authority Area.

D) The Parties intend by this Agreement to identify each Party's responsibilities to the other under the Requirements of Standard EOP-001 by recognizing the continuing commitment of each Party to the other to cooperate to mitigate operating emergencies.

Therefore, the Parties mutually agree as follows:

1. Definitions

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

1.2 Specific Definitions:

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

1.2.2 EOP-001: Emergency Operations Planning Standard EOP-001, as it may be modified from time to time.

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

2. Term and Termination

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

3. Responsibilities of the Parties

3.1 The Parties agree to cooperate to mitigate any operating emergencies by adhering to: (1) the mandatory NERC Reliability Standards and WECC Regional Reliability Standards which relate to emergency operations, as may be amended from time to time, and (2) the directives of the applicable WECC Reliability Coordinator (“Reliability Coordinator”).

3.2 Each Party further agrees that it shall develop, maintain, implement, and annually review and update its emergency plans to mitigate operating emergencies and shall share and coordinate such plans with the other Party as required by EOP-001.

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

3.4 Import of Regulation Service by the CAISO. The CAISO and NEVP shall allow for the import of regulation service from the NEVP Balancing Authority Area to the CAISO Balancing Authority Area in accordance with the provisions of Schedule D. NEVP shall be under no obligation to supplement the import of regulation service contracted by third parties to be delivered to the CAISO Balancing Authority Area from resources in the NEVP Balancing Authority Area and shall have the right to terminate Schedule D without prior approval of the CAISO, subject to NEVP providing the CAISO a copy of the termination letter(s) pursuant to the agreement(s) NEVP has entered into with third parties to facilitate the import of regulation service into the CAISO Balancing Authority Area. NEVP shall notify the CAISO and provide to the CAISO a copy of such termination letter a minimum of thirty (30) days prior to such termination.

3.5 Import of Dynamically Scheduled Energy and Non-Regulation Ancillary Services by the CAISO. The CAISO and NEVP shall allow for the import of dynamically scheduled energy and non-regulation ancillary services from the NEVP Balancing Authority Area to the CAISO Balancing Authority Area in accordance with the provisions of Schedule E. NEVP shall be under no obligation to supplement the import of dynamically scheduled energy and non-regulation ancillary services contracted by third parties to be delivered to the CAISO Balancing Authority Area from resources in the NEVP Balancing Authority area and shall have the right to terminate Schedule E without prior approval of the CAISO, subject to NEVP providing the CAISO a copy of the termination letter(s) pursuant to the agreement(s) NEVP has entered into with third parties to facilitate the import of dynamically scheduled energy and non-regulation

ancillary services into the CAISO Balancing Authority Area. NEVP shall notify the CAISO and provide to the CAISO a copy of such termination letter a minimum of thirty (30) days prior to such termination.

4. Coordination and Communication

4.1 In the event of an operating emergency that affects or may affect the reliable operation of interconnected transmission facilities, each Party shall coordinate its actions with the other Party, as such Party deems necessary or as directed by the appropriate Reliability Coordinator(s), to preserve or restore the interconnected transmission system to stable operations and to preserve or restore reliable, safe, and efficient service as quickly as practicable. The Parties shall, without delay, individually notify the appropriate Reliability Coordinator(s) as to the nature and extent of the operating emergency.

4.2 Each Party operates and maintains a 24-hour, 7-day control center with real-time scheduling and control functions. The appropriate control center staff shall be responsible for operational communications and shall have sufficient authority to commit and bind that Party on decisions relating to emergency operations. The Parties agree to exchange operational contact information for ensuring reliable communication in a format to be agreed to by the Parties and completed within thirty (30) days of the Effective Date of this Agreement.

5. Interconnection Points

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

5.2 Schedule A is included for the sole purpose of identifying those interconnection points that result in the Parties being adjacent Balancing Authorities. This Agreement is not intended to act as an interconnection agreement between the Parties.

6. Miscellaneous Provisions

6.1 Exchange of Information and Confidentiality: When a Party ("Providing Party") provides information to the other Party ("Receiving Party") under this Agreement and marks such information as privileged or confidential commercial or financial information, critical energy infrastructure information, or trade secret information,

the Receiving Party shall treat such information as confidential and protected from disclosure to the extent permitted by law. The Receiving Party shall promptly notify the Providing Party in writing of any request to release such information. The Parties agree to use such information only for purposes of performing each Party's obligations under this Agreement. The provisions of this Section 6.1 shall survive the termination of this Agreement.

- 6.2 Amendment: The Parties may amend or modify this Agreement only by written agreement. In the event the mandatory NERC Reliability Standards including EOP-001 are revised or replaced, the Parties shall meet within sixty (60) days of the implementation date of the revised standard to discuss and determine whether such change will affect the terms and conditions of this Agreement and whether a modification or replacement of the Agreement is needed. An amendment that is subject to FERC approval shall not take effect until FERC has accepted such amendment for filing and has made it effective without any material modification or condition that is unacceptable to either Party in that Party's sole discretion. If any material modification or condition is ordered by FERC that is unacceptable to a Party, such Party shall communicate its lack of consent to such modification or condition to the other Party within ten (10) business days after the date on which FERC issues its order, and the Parties shall use best efforts to negotiate mutually acceptable revisions to this Agreement to address the modification or condition. Revisions to Schedules other than with regard to the contact information in Schedule C shall be processed as an amendment to this Agreement.
- 6.3 Assignment and Successors: Neither this Agreement nor any rights or responsibilities under this Agreement may be assigned by either Party to a third party without the written consent of the other Party, and such consent will not be unreasonably delayed, conditioned, or withheld. Subject to the preceding sentence, this Agreement is binding upon and will inure to the benefit of the Parties and their successors in interest.
- 6.4 Notices: Any notice, demand, or request which may be given to or made upon either Party regarding this Agreement shall be made in writing and shall be deemed properly served, given, or made: (a) upon delivery if delivered in person; (b) five (5) days after deposit in the mail if sent by first class United States mail, postage prepaid; (c) upon receipt of confirmation by return facsimile if sent by facsimile; or (d) upon delivery if delivered by prepaid commercial courier service. A Party must update the information in Schedule C of this Agreement relating to its address as that information changes. Such updates to Schedule C shall not constitute an amendment to this Agreement.
- 6.5 Governing Law and Forum: This Agreement shall be deemed to be a contract made under and for all purposes shall be governed by and construed in accordance with the laws of the State of California, except that if a dispute concerns the operation of transmission lines or facilities, the law of the state

where the transmission lines or facilities are located will control. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement shall be brought in any of the following forums, as appropriate: (i) a court of the State of California or any federal court of the United States of America located in the State of California for all disputes under this Agreement except any disputes concerning transmission lines or facilities located in the State of Nevada or disputes determined to be FERC jurisdictional; (ii) a court of the State of Nevada or any federal court of the United States of America located in the State of Nevada if the dispute concerns transmission lines or facilities located in the State of Nevada; or (iii) where subject to its jurisdiction, before FERC. No provision of this Agreement shall be deemed to waive the right of any Party to protest, or challenge in any manner, whether this Agreement, or any action or proceeding arising under or relating to this Agreement, is subject to the jurisdiction of FERC.

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

Agreement. Any delay short of the statutory period of limitations, in asserting or enforcing any right under this Agreement, shall not constitute or be deemed a waiver of such right.

- 6.9 Authority: Each individual signing this Agreement certifies that the Party represented has duly authorized such individual to sign, bind, and obligate such Party.

Accepted and agreed to by:

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

Nevada Power Company, d/b/a NV Energy

By: _____

Name: Richard Salgo _____

Title: Executive, Grid Operations and Reliability _____

Date: _____

Schedule A

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

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

~~The interconnection between the CAISO and NEVP is comprised of five (5) transmission lines described below:~~

~~□ Mohave – Laughlin 500 kV Intertie~~

~~The Mohave – Laughlin 500 kV Intertie is designed to supply the energy needs of NEVP's isolated load located in the general vicinity of Laughlin, Nevada. The Mohave – Laughlin 500 kV Intertie consists of two (2) very short 500 kV transmission lines between the Mohave 500 kV Switchyard and NEVP's Laughlin Substation, all located on the site of the former Mohave Generating Station.~~

~~CAISO Terminal: Mohave~~

~~Participating Transmission Owner: Southern California Edison Company ("SCE")~~

~~NEVP Terminal: Laughlin~~

~~Point of Interconnection: The East and West bus sides of the disconnect switches for bay positions 5 and 6 in the Mohave Switchyard.~~

~~Voltage: 500 kV~~

~~Jurisdictional Boundary: The connections to the respective A-frame structures located in the applicable bay positions in the Mohave 500 kV Switchyard associated with the two (2) Mohave-Laughlin 500 kV transmission lines.~~

~~ISO/SCE Switching Responsibility:~~

~~SCE's Eldorado Switching Center, as approved by the CAISO, will direct all switching at the Mohave 500 kV Switchyard for the Mohave – Laughlin 500 kV transmission lines in coordination with the NEVP Transmission Operator.~~

~~NEVP Switching Responsibility:~~

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

~~Operational and Maintenance Responsibility:~~

~~The NEVP Transmission Operator has operational and maintenance responsibility for the Mohave – Laughlin 500 kV transmission lines from the connections to the respective A-frame structures in the applicable bay positions in the Mohave 500 kV Switchyard to the Laughlin Substation. The NEVP Transmission Operator has~~

operational and maintenance responsibility for the Laughlin 500/69 kV Substation, including the transformer 500 kV jack bus and disconnects.

Merchant 230 kV Intertie

The Eldorado Merchant No. 2 230 kV line connects the Eldorado Substation with the Merchant Substation. Center breakers 2308, 2305 and 2302 in the Merchant Substation connect the Merchant 230 kV North Bus to the Merchant 230 kV South Bus. Collectively the Eldorado Merchant No. 2 230 kV line and center breakers 2308, 2305 and 2302 form the Merchant 230 kV Intertie.

CAISO Terminal: Eldorado 230 kV Bus and Merchant 230 kV South Bus

Participating Transmission Owner Southern California Edison Company and San Diego Gas & Electric Company

NEVP Terminal: Merchant 230 kV North Bus

Point of Interconnection: The North and South bus sides of the disconnect switches for bay position 2 in the Eldorado Substation and the South side of center breakers 2308, 2305 and 2302 in the Merchant Substation.

Voltage: 230 kV

Eldorado Merchant No. 2 230 kV Line

The Eldorado Merchant No. 2 230 kV line connects the Eldorado Substation with the Merchant Substation.

Jurisdictional Boundary:

The connection to the A-frame structure located in bay position 2 in the 230 kV switchyard of the Eldorado Substation.

Operational and Maintenance Responsibility:

SCE's Eldorado Switching Center has operational and maintenance responsibility for the Eldorado Substation.

NEVP will have operational and maintenance responsibility for the Eldorado Merchant No. 2 230 kV line from the connection to the A-frame structure in bay position 2 in the 230 kV switchyard of the Eldorado Substation to the Merchant Substation.

Merchant 230 kV Substation

Center breakers 2308, 2305 and 2302 in the Merchant Substation connect the Merchant 230 kV North Bus to the Merchant 230 kV South Bus.

Jurisdictional Boundary:

The south side of center breakers 2308, 2305 and 2302 in the Merchant Substation.

Operational and Maintenance Responsibility:

~~NEVP will have operational and maintenance responsibility for the Merchant Substation.~~

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

~~The Amargosa – Sandy Valley 138 kV line connects the Amargosa Substation with the Sandy Valley Substation.~~

~~**CAISO Terminal:** Sandy Valley~~

~~**Participating Transmission Owner** Valley Electric Association (“VEA”)~~

~~**NEVP Terminal:** Amargosa~~

~~**Point of Interconnection:** The first dead-end structure outside the Amargosa Substation fence.~~

~~**Voltage:** 138 kV~~

~~Jurisdictional Boundary: The first dead-end structure outside the substation fence at the Amargosa Substation associated with the Amargosa – Sandy Valley 138 kV transmission line.~~

~~**NEVP Switching Responsibility:**~~

~~The NEVP Transmission Operator will direct all switching at the Amargosa Substation for the Amargosa – Sandy Valley 138 kV transmission line.~~

~~**Operational and Maintenance Responsibility:**~~

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

~~**Jackass Flats – Lathrop 138 kV Intertie**~~

~~The Jackass Flats – Lathrop 138 kV line connects the Jackass Flats Substation to the Lathrop Switching Station.~~

~~**CAISO Terminal:** Lathrop~~

~~**Participating Transmission Owner** VEA~~

~~**NEVP Terminal:** Jackass Flats~~

~~**Point of Interconnection:** The first dead-end structure outside the Jackass Flats Substation fence.~~

~~**Voltage:** 138 kV~~

~~Jurisdictional Boundary: The first dead-end structure outside the substation fence at the Jackass Flats Substation associated with the Jackass Flats – Lathrop 138 kV transmission line.~~

~~**NEVP Switching Responsibility:**~~

~~The NEVP Transmission Operator will direct all switching at the Jackass Flats Substation for the Jackass Flats – Lathrop 138 kV transmission line.~~

~~Operational and Maintenance Responsibility:
The VEA Transmission Operator has operational and maintenance responsibility for the Jackass Flats – Lathrop 138 kV transmission line from the connection to the respective A-frame structure in the applicable bay position in the Jackass Flats Substation to the Lathrop Switching Station.~~

~~**Northwest – Desert View 230 kV Intertie**
The Northwest – Desert View 230 kV line connects the Northwest Substation to the Desert View Substation.~~

~~**CAISO Terminal:** Desert View
Participating Transmission Owner: VEA
NEVP Terminal: Northwest
Point of Interconnection: The first dead-end structure outside the Northwest Substation fence.
Voltage: 230 kV~~

~~Jurisdictional Boundary: The first dead-end structure outside the substation fence at the Northwest Substation associated with the Northwest – Desert View 230 kV transmission line.~~

~~NEVP Switching Responsibility:
NEVP Dispatcher will direct all switching at the Northwest Substation for the Northwest – Desert View 230 kV transmission line.~~

~~Operational and Maintenance Responsibility:
The VEA Transmission Operator has operational and maintenance responsibility for the Northwest – Desert View 230 kV transmission line from the connection to the respective A-frame structure in the applicable bay position in the Northwest Substation to the Desert View Substation.~~

REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

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

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

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

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

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

The interconnections between the CAISO and NEVP are comprised of six (6) interties described below:

- Mohave – Laughlin 500 kV Intertie**

The Mohave – Laughlin 500 kV Intertie is used to supply the energy needs of NEVP’s isolated load located in the general vicinity of Laughlin, Nevada. The Mohave – Laughlin 500 kV Intertie consists of the NEVP-owned Laughlin-Mohave No.1 and No.2 500 kV transmission lines (the “Laughlin - Mohave 500 kV transmission lines”) between the jointly owned Mohave 500 kV Switchyard¹ and NEVP’s Laughlin Substation, all located on the property of the former Mohave Generating Station.

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

CAISO/SCE Switching Responsibility:

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

NEVP Switching Responsibility:

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

Operational and Maintenance Responsibility:

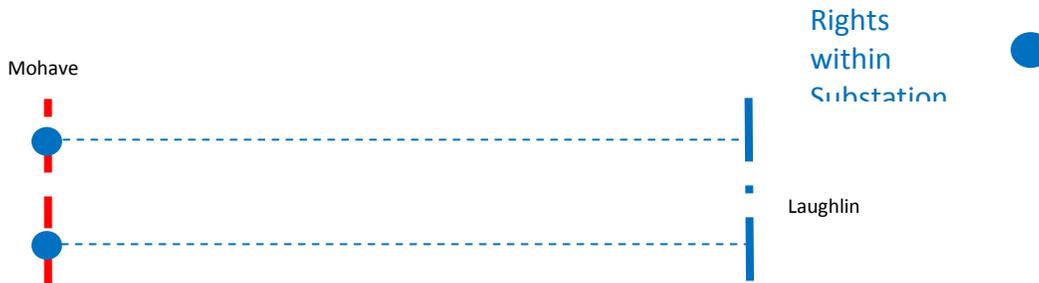
The NEVP Transmission Operator has operational and maintenance responsibility for the portions of the Laughlin - Mohave 500 kV transmission lines outside the Mohave 500 kV Switchyard fence to the Laughlin Substation. The NEVP Transmission Operator has operational and maintenance responsibility for the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

The following diagram shows the points of interconnection of the Parties’ Balancing Authority Areas for the Mohave - Laughlin 500 kV Intertie.

KEY

CAISO BAA -----

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



• Merchant 230 kV Intertie

The Eldorado – Merchant No. 2 230 kV transmission line connects the Eldorado Substation with the Merchant Substation. Center breakers 2308, 2305 and 2302 in the Merchant Substation connect the Merchant 230 kV North Bus to the Merchant 230 kV South Bus. Collectively the Eldorado – Merchant No. 2 230 kV transmission line and center breakers 2308, 2305 and 2302 form the Merchant 230 kV Intertie.

<u>CAISO Terminal:</u>	<u>Eldorado 220 kV Bus and Merchant 230 kV South Bus</u>
<u>Participating Transmission Owner:</u>	<u>Southern California Edison Company and San Diego Gas & Electric Company</u>
<u>NEVP Terminal:</u>	<u>Merchant 230 kV North Bus</u>
<u>Point of Interconnection:</u>	<u>The North and South bus sides of the disconnect switches for bay position 2 in the 220 kV switchyard of the Eldorado Substation and the South side of center breakers 2308, 2305 and 2302 in the Merchant Substation.</u>
<u>Voltage:</u>	<u>220/230 kV</u>

Eldorado – Merchant No. 2 230 kV Line

The Eldorado – Merchant No. 2 230 kV transmission line connects the Eldorado Substation with the Merchant 230 kV Switchyard.

Operational and Maintenance Responsibility: SCE’s Eldorado Switching Center has sole operational and maintenance responsibility for all facilities inside the Eldorado Substation. SCE will coordinate with NEVP all operating and maintenance activity on the portion of NEVP’s Eldorado – Merchant No. 2 230 kV transmission line that is inside the Eldorado Substation.

NEVP will have sole operational and maintenance responsibility for the Eldorado –

Merchant No. 2 230 kV transmission line from the Eldorado Substation property line to the Merchant Substation.

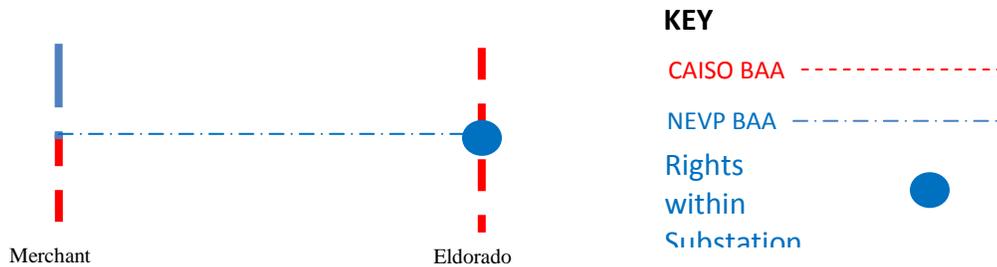
Merchant 230 kV Substation

Center breakers 2308, 2305 and 2302 in the Merchant Substation connect the Merchant 230 kV North Bus to the Merchant 230 kV South Bus.

Operational and Maintenance Responsibility:

NEVP will have operational and maintenance responsibility for the Merchant Substation.

The following diagram shows the points of interconnection of the Parties' Balancing Authority Areas for the Merchant 230 kV Intertie.



• Amargosa – Sandy Valley 138 kV Intertie

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

The Amargosa Substation is owned by Western.

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

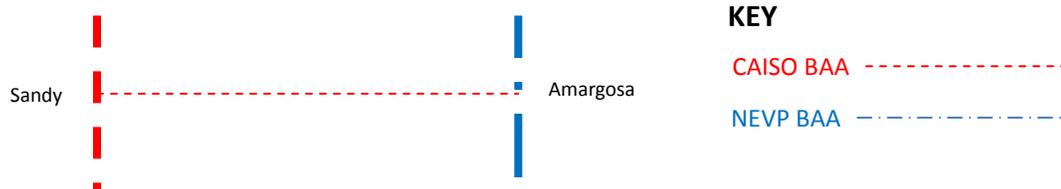
Switching Responsibility:

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

Operational and Maintenance Responsibility:

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

The following diagram shows the point of interconnection of the Parties' Balancing Authority Areas for the Amargosa - Sandy Valley 138 kV Intertie.



Northwest – Desert View 230 kV Intertie

VEA's Northwest – Desert View 230 kV transmission line connects NEVP's Northwest Substation to VEA's Desert View Substation.

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

NEVP Switching Responsibility:

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

Operational and Maintenance Responsibility:

The VEA Transmission Operator has operational and maintenance responsibility for the Northwest – Desert View 230 kV transmission line from the Point of Interconnection at the Northwest Substation to the Desert View Substation.

The following diagram shows the point of interconnection of the Parties' Balancing Authority Areas for the Northwest - Desert View 230 kV Intertie.



• **Jackass Flats 138 kV Intertie**

The Department of Energy (“DOE”) owns the Jackass Flats Substation and the Mercury Switching Center¹. NEVP owns the 138 kV line between the Mercury Switching Center and the Jackass Flats Substation. NEVP shall retain its transmission rights and the right to unimpeded bi-directional access between its transmission system and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the CAISO Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus. The CAISO shall have unimpeded bi-directional access between the CAISO Controlled Grid and the Jackass Flats 138 kV bus without necessitating transfer(s) through any portion of the NEVP Balancing Authority Area regardless of the actual physical configuration of the line terminals at the bus.

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

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

• **Mercury Switching Center 138 kV Intertie**

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

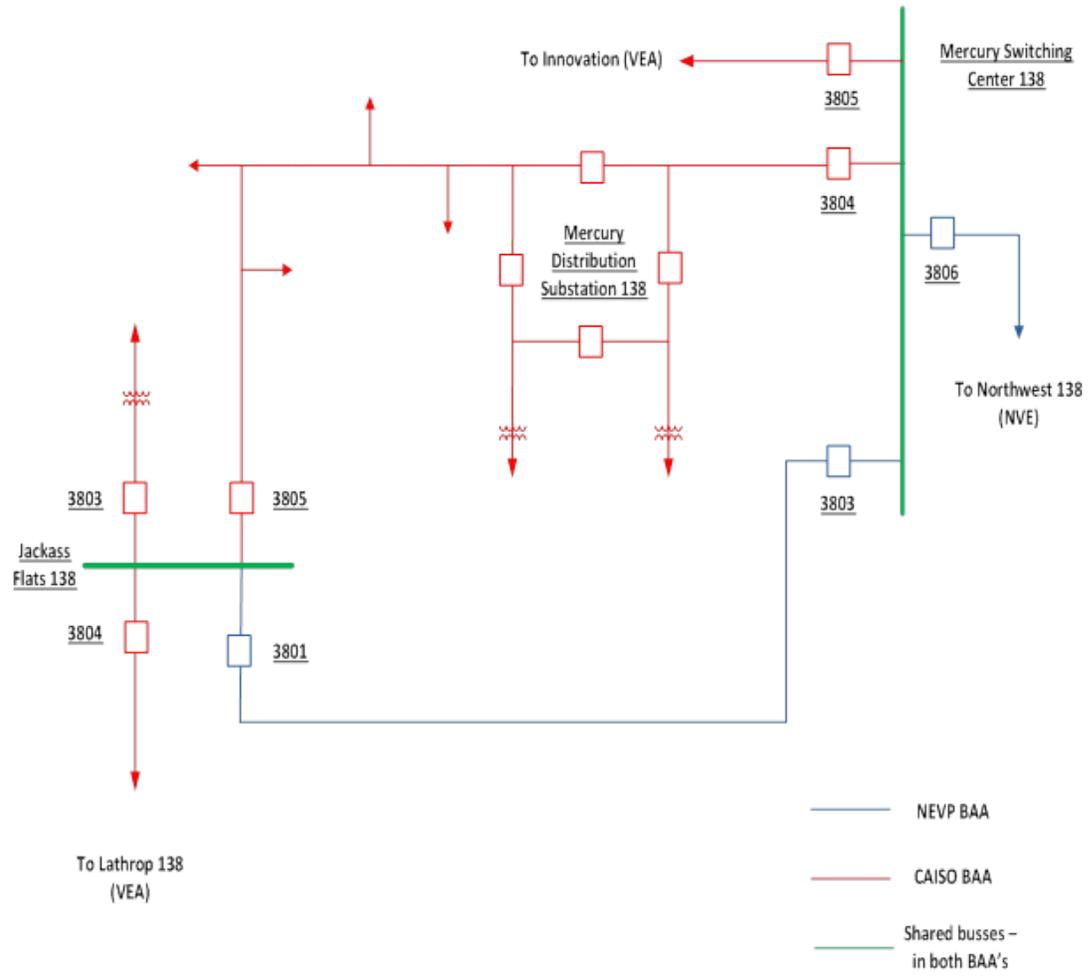
<u>CAISO Terminal:</u>	<u>Mercury Switching Center</u>
<u>Participating Transmission Owner:</u>	<u>VEA</u>
<u>NEVP Terminal:</u>	<u>Mercury Switching Center</u>
<u>Point of Interconnection:</u>	<u>The Mercury Switching Center 138 kV bus</u>
<u>Voltage:</u>	<u>138 kV</u>

¹ The Jackass Flats Substation and the Mercury Switching Center also serve as end points of a 138 kV loop of transmission facilities owned by DOE.

Metered Interchange Segments: Mercury Switching Center – Mercury Distribution 138 kV line
Mercury Switching Center – Innovation 138 kV line
Metered End: Mercury Switching Center

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

ONE LINE DIAGRAM OF FACILITIES



2. REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

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

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

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

Schedule B

EMERGENCY CAPACITY AND ENERGY [Sections 3.3 and 6.2]

In accordance with EOP-001, the Parties will, to the extent possible, assist each other in an emergency by scheduling energy and/or capacity. Such emergency assistance will be available at the sole discretion of the Party supplying it and will be recallable without advance notice as required to meet reliability requirements. The Parties will agree upon and log MW values, start and end times, ramp rates and times, and integrated values for any emergency assistance provided.

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

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

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

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

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

Schedule C

CONTACTS FOR NOTICES [Sections 6.2 and 6.4]

CAISO:

Name of Primary

Representative: Regulatory Contracts
Address: 250 Outcropping Way
City/State/Zip Code: Folsom, CA 95630
Email Address: RegulatoryContracts@caiso.com
Phone: (916) 608-7027
Fax No.: (916) 608-5063

Name of Alternate

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

NEVP:

Name of Primary

Representative: Ms. Sharon Gifford
Title: Project Leader, Transmission Policy and Strategy
Street Address: 6100 Neil Road – M/S S3B40
City/State/Zip Code: Reno, NV 89511
Mailing Address: P.O. Box 10100 – M/S S3B40
City/State/Zip Code: Reno, NV 89520-0024
Email Address: SGifford@nvenergy.com
Phone: (775) 834-3056
Fax No.: (775) 834-3047

Name of Alternate

Representative: Ms. Patricia Englin
Title: Director, Transmission Policy and Contracts
Street Address: 6100 Neil Road – M/S S3B40
City/State/Zip Code: Reno, NV 89511
Mailing Address: P.O. Box 10100 – M/S S3B40
City/State/Zip Code: Reno, NV 89520-0024
Email Address: PEnglin@nvenergy.com
Phone: (775) 834-5877
Fax No.: (775) 834-3047

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

Schedule D

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

1. General

- 1.1. Purpose. This Schedule D sets forth the requirements that must be satisfied by the NEVP Balancing Authority Area (referred to herein as the “Host Balancing Authority Area”) should it elect to support Scheduling Coordinators’ requests for certification, scheduling and delivery of regulation service into the CAISO Balancing Authority Area. The requirements encompass technical (energy management system (“EMS”)/automatic generation control (“AGC”) and communications), interchange scheduling, telemetry and control aspects of interconnected Balancing Authority Area operations.
- 1.2. NERC/WECC Operating Standards Observed. Nothing in this Schedule D is intended to change, supersede, or alter either Party’s obligations to abide by NERC standards and WECC criteria.
- 1.3. Applicable Standards. This Schedule D incorporates, by reference, the CAISO’s “*Standards for Imports of Regulation*” (“Standards”) document. The Standards document is available for viewing and can be downloaded from the CAISO internet home page: www.caiso.com.
- 1.4. Meaning of “System Resource.” “System Resource” is defined in the CAISO Tariff and, in the context of this Schedule D, may include combinations of resources as described in the Standards.

2. Telecommunications Requirements

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

3. Telemetry and Control

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

- 3.2. Control. The Host Balancing Authority Area EMS shall be able to receive control signals, in real time, from the CAISO EMS, via the ICCP communications links, causing the System Resource to vary its energy production or allocation level from the prescheduled preferred operating point by the specified amount. Further detailed information regarding control requirements may be found in the Standards document.
- 3.3. Delivery of Megawatts (“MW”). The Host Balancing Authority Area shall only deliver to the CAISO the amount of MW being generated by the System Resource. The Host Balancing Authority Area shall not be obligated to make up any difference between the CAISO’s set-point and the MW being generated by the System Resource.

4. Interchange Scheduling Requirements

- 4.1. Dynamic Scheduling. The Host Balancing Authority Area shall support Scheduling Coordinators’ requests to arrange dynamic interchange schedules for the delivery of regulation service to the CAISO Balancing Authority Area, reflecting the System Resource’s instantaneous energy production or allocation level as caused by real time control signals issued by the CAISO EMS/AGC and taking into account available transmission capacity.
- 4.2. Treatment of Area Control Error (“ACE”). The Host Balancing Authority Area shall instantaneously compensate its AGC for the System Resource’s variable energy output level such that the System Resource energy production or allocation changes, caused by the CAISO EMS/AGC control signals, have an equal in magnitude and opposite in sign effect on the Host Balancing Authority Area’s ACE.
- 4.3. Integration of Dynamic Scheduling. For each operating hour during which regulation service was dynamically scheduled for delivery to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall compute an integrated amount of interchange based on the System Resource’s integrated energy production by integrating the instantaneous System Resource production levels. Such integrated MWH value shall be agreed to hourly by the real time schedulers.
- 4.4. Access to Information. The Parties agree to exchange information related to control signals issued and telemetry received with respect to the delivery of regulation service (i) at the request of the other Party for purposes of after-the-fact interchange accounting or (ii) on demand for any other purpose.

5. Other

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

Area for deliver to the CAISO.

- 5.2. Certification. Only CAISO-certified System Resource/Host Balancing Authority Area arrangements will be allowed to bid or self-provide regulation service in the CAISO's ancillary services market through a CAISO-certified Scheduling Coordinator.
- 5.3. No Guarantee of Award. Certification of a System Resource/Host Balancing Authority Area arrangement allows for bidding of regulation service into the CAISO market; it does not, however, guarantee selection of such bid.
- 5.4. Performance Assessment. The CAISO will monitor and measure imported regulation service, whether bid or self-provided, against the performance benchmarks described in the Standards document.

Schedule E

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

1. General

- 1.1 Purpose. This Schedule E sets forth the requirements that must be satisfied by Nevada Power Company (referred to herein as the "Host Balancing Authority Area") should it elect to support Scheduling Coordinators' requests for implementation of a dynamic scheduling functionality and delivery of energy, supplemental energy, and energy associated with ancillary services (except regulation service) into the CAISO Balancing Authority Area. The requirements encompass technical (energy management system ("EMS")/automatic generation control ("AGC") and communications), interchange scheduling, telemetry, and aspects of interconnected Balancing Authority Area operations.
- 1.2 NERC/WECC Operating Standards Observed. Nothing in this Schedule E is intended to change, supersede, or alter either Party's obligations to abide by NERC standards and policies and WECC criteria.
- 1.3 Applicable Standards. This Schedule E incorporates, by reference, the CAISO's *Dynamic Scheduling Protocol* ("DSP") posted on the CAISO internet home page: "www.caiso.com".
- 1.4 Meaning of "System Resource". "System Resource" is defined in the CAISO Tariff and, in the context of this Schedule E, may include combinations of resources as described in the DSP.

2. Telecommunications Requirements

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

3. Telemetry

For each operating hour for which a System Resource is scheduled to deliver energy, supplemental energy, and/or energy associated with any of the non-regulating ancillary services to the CAISO Balancing Authority Area, the Host

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

4. Interchange Scheduling Requirements

- 4.1 Dynamic Scheduling. The Host Balancing Authority Area shall support Scheduling Coordinators' requests to arrange dynamic interchange schedules for the delivery of energy to the CAISO Balancing Authority Area, reflecting the System Resource's instantaneous energy production or allocation level and taking into account available transmission capacity.
- 4.2 Treatment of Area Control Error ("ACE"). The Host Balancing Authority Area shall instantaneously compensate its AGC for the System Resource's energy output that is generated or allocated for establishing the dynamic schedule to the CAISO such that the System Resource energy production or allocation changes have an equal in magnitude and opposite in sign effect on the Host Balancing Authority Area's ACE.
- 4.3 Integration of Dynamic Scheduling. For each operating hour during which energy was dynamically scheduled for delivery to the CAISO Balancing Authority Area, the Host Balancing Authority Area shall compute an integrated amount of interchange based on the System Resource's integrated energy production, by integrating the instantaneous System Resource production levels. Such integrated MWH value shall be agreed to hourly by the real time schedulers.
- 4.4 Delivery of Megawatts ("MW"). The Host Balancing Authority Area shall not be obligated to make up any difference between the dynamic energy schedule and the MW being generated or allocated by the System Resource.
- 4.5 Access to Information. The Parties agree to exchange information related to telemetry sent and received with respect to the delivery of energy (i) at the request of the other Party for purposes of after-the-fact interchange accounting or (ii) on demand for any other purpose.

5. Other Host Balancing Authority Area Responsibilities

- 5.1 Operational Jurisdiction. The Host Balancing Authority Area will have, at a minimum, the level of operational jurisdiction over the System Resource and the associated dynamic schedule that NERC and WECC vest in Host Balancing Authority Areas.
- 5.2 E-Tagging. The Host Balancing Authority Area must support associated e-tagging as described in the DSP to the extent such e-tagging is deemed not to be inconsistent with NERC and/or WECC requirements.

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

5.4 Coordination with Other Balancing Authority Areas. The Host Balancing Authority Area must provide in real time the instantaneous value of each dynamic schedule to every intermediary Balancing Authority Area through whose systems such dynamic schedule may be implemented to the CAISO.

6. Other

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

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

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

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

7. Consent to Implementation of Dynamic System Resources

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