

# INITIAL DISCUSSION DRAFT

RTO West Generation Integration Agreement  
between  
RTO West and \_\_\_\_\_

**DRAFT**  
**June 30, 2000**

# RTO WEST GENERATION INTEGRATION AGREEMENT

## TABLE OF CONTENTS

	<u>Page</u>
RECITALS	
1. Definitions	
2. Effective Date; Term and Termination.	
3. Agreement's Application.	
4. Interconnections, Metering Systems, Communications, and Data	
5. RTO West's Obligations	
6. Capabilities, Operation, Maintenance, and Performance of Interconnected Units	
7. Ancillary Services	
8. Transmission System Reliability and Congestion Clearing	
9. RTO West Facilitation of Displacement Energy Bidding Process in Cases of Certain Hydroelectric Must-Run Generation Emergencies.	
10. Special Arrangements and Most Favored Nation Option	
11. Limitation of Liability and Insurance	
12. Assignments and Conveyances	
13. No Guarantee of Uninterrupted Transmission Service	
14. Billing and Payment	
15. Uncontrollable Force	
16. Dispute Resolution	
17. Notices	
18. Amendments	
19. Construction of Agreement	
20. Integration	
21. Preservation of Obligations	

22. Existing Agreements Preserved
23. Governing Law
24. Severability
25. Singular and Plural; Use of “Or”
26. Headings for Convenience Only
27. Relationship of the Parties
28. No Third Party Beneficiaries
29. No Dedication of Facilities
30. Non-Waiver
31. Exhibits Incorporated
32. Further Actions and Documents
33. Counterparts
34. Governing Agreement

Exhibit A - Definitions

Exhibit B - Interconnected Units and Points of Interconnection and Pre-existing Generation Agreements

Exhibit C - Metering Locations

Exhibit D – RTO West Remedial Action Schemes in Which the Generating Party Shall Participate and Other Remedial Action Schemes and Generator Tripping Agreements to Which any Interconnected Unit Is Subject

Exhibit E - Protective Devices and Terminal Voltage Regulators

Exhibit F - Special Arrangements

Exhibit G - Dispute Resolution

Exhibit H - Operating Representatives

## **RTO WEST GENERATION INTEGRATION AGREEMENT**

This Agreement, dated as of \_\_\_\_\_, is by and between RTO West, a Washington non-profit corporation, and \_\_\_\_\_, \_\_\_\_\_ (“the Generating Party”). RTO West and the Generating Party each shall be referred to as a “Party” and collectively shall be referred to as the “Parties.”

### **RECITALS**

#### **WHEREAS:**

**A.** RTO West is a Regional Transmission Organization that has been approved by FERC and that provides Transmission Services throughout a multi-state region; and

**B.** RTO West is responsible for providing such services in a reliable manner consistent with Good Utility Practice, applicable NERC and WSCC operating criteria and applicable requirements of regulatory agencies with authority over such operations; and

**C.** The Generating Party currently has Generation Facilities operating within the RTO West Interconnected Control Areas, or desires to operate Generation Facilities within the RTO West Interconnected Control Areas; and

**D.** Control over the operation of Generation Facilities operating within the RTO West Interconnected Control Areas as provided herein is necessary for RTO West to meet its responsibilities to provide safe and reliable Transmission Services; and

**E.** This Agreement establishes various requirements for the capabilities and operation of the Generating Party’s Generation Facilities operating within the RTO West Interconnected Control Areas, as well as RTO West’s obligations with respect to them; and

**F.** Such requirements are established to provide for reliable operation of the RTO West Transmission System and the Generating Party’s Electric System.

NOW, THEREFORE, in consideration of the mutual benefits to the Parties and the benefits set forth in the recitals above, the Parties agree as follows:

### **AGREEMENT**

**1. Definitions.** For purposes of this Agreement, capitalized terms not defined elsewhere in this Agreement shall have the definitions specified on Exhibit A to this Agreement.

## **2. Effective Date; Term and Termination.**

**2.1 Effective Date.** This Agreement shall become effective upon its acceptance for filing or approval by FERC, without change unacceptable to either Party. If FERC's acceptance for filing or approval of this Agreement is, as a result of rehearing or judicial review thereof, subsequently revised or modified in a manner unacceptable to either Party, this Agreement shall be deemed void ab initio. Any such revision or modification of this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within thirty (30) days of issuance of the applicable FERC action or judicial order that such action or order is unacceptable. The obligations of the Generating Party and RTO West described in Sections 4 through 9 shall commence on the Operational Control Commencement Date.

**2.2 Termination.** This Agreement shall terminate: (1) upon termination of all agreements between RTO West and the Generating Party for the provision of Transmission Services if the Generating Party has not executed an RTO West Transmission Control Agreement; or (2) upon mutual written agreement. In addition, this Agreement shall cease to be applicable to any Interconnected Unit as of the date and time that the Interconnected Unit ceases to operate within the RTO West Interconnected Control Areas, whether resulting from (a) the termination of the RTO West Transmission Control Agreement between RTO West and the owner of the transmission facilities with which the applicable Interconnected Unit is physically interconnected with the RTO West Transmission System (whether or not such owner is the Generating Party), (b) changes in the operation of the applicable Interconnected Unit, (c) the permanent shut-down of the applicable Interconnected Unit, or otherwise. The Generating Party shall provide RTO West with at least \_\_\_\_\_ months' notice before any operating change that would cause an Interconnected Unit to cease operating within the Interconnected Control Areas becomes effective.

## **3. Agreement's Application.**

**3.1 All Interconnected Units Covered.** This Agreement shall apply to all Interconnected Units. The Generating Party represents and warrants to RTO West that all Interconnected Units are included on Exhibit B to this Agreement.

**3.2 Pre-existing Generation Agreements.** Nothing in this Agreement shall require the Generating Party to violate any of its obligations under any Pre-existing Generation Agreement as listed on Exhibit B; *provided, however*, that with respect to any Interconnected Unit covered by a Pre-existing Generation Agreement, the Generating Party shall comply with this Agreement to the maximum extent permitted under the terms of the applicable Pre-existing Generation Agreement. If the Generating Party voluntarily extends, renews, or modifies any Pre-existing Generation Agreements after the effective date of this Agreement, the Generating Party shall make commercially reasonable efforts to cause the extended, renewed, or modified Pre-existing Generation Agreement to contain terms that require full compliance with all provisions of this Agreement. The

Generating Party shall not modify any Pre-existing Generation Agreement in a manner inconsistent with any obligation created by this Agreement.

**3.3 New Agreements Relating to Interconnected Generation Facilities.**

Whenever during the term of this Agreement the Generating Party enters into any new agreement or other arrangement with respect to the ownership or operation of any Generation Facility that is or will become an Interconnected Unit, the Generating Party shall make all reasonable efforts to cause such new agreement or arrangement to contain terms that require full compliance with all provisions of this Agreement.

**3.4 New or Additional Generation Facilities.** Whenever during the term of this Agreement the Generating Party acquires control over any new or additional Generation Facility that is or will be an Interconnected Unit, whether by construction, acquisition, contract or otherwise, the Generating Party shall amend Exhibit B to this Agreement to add the additional Interconnected Unit and the Interconnected Unit shall be subject to this Agreement upon commencing operations within the RTO West Interconnected Control Areas.

**3.5 Transfers of Control over Interconnected Units.** Except in strict compliance with the provisions of Section 12, the Generating Party shall not in any manner, directly or indirectly transfer or assign any interest in, or otherwise impair or diminish any rights to cause compliance with the obligations of this Agreement by, any Interconnected Unit. Notwithstanding the foregoing, no transfer or assignment of any rights or interests in any formerly Interconnected Unit that has ceased to operate within the RTO West Interconnected Control Areas as described in Section 2.2 above shall be deemed to violate the provisions of this Section 3.5 *provided* that the Generating Party has complied with the notice provisions of Section 2.2 with respect to termination of the applicable Generation Facility's status as an Interconnected Unit

**3.6 The Generating Party's Responsibility To Protect Its Electric System.** Under no circumstances shall the Generating Party's execution of this Agreement be interpreted as relieving the Generating Party from any responsibilities to protect its Electric System or as imposing any responsibility or liability on RTO West for damage to the Generating Party's Electric System or to any person or property.

**3.7 Compliance with NERC, WSCC, FERC, Etc.** In carrying out the requirements of this Agreement, neither Party shall be required to take actions that would violate any provision of the reliability criteria, standards, guidelines and operating procedures of NERC or WSCC, its FERC licenses (if any), or applicable governmental laws or regulations.

#### **4. Interconnections, Metering Systems, Communications, and Data.**

##### **4.1 Interconnections and Metering System Locations.**

4.1.1 The Points of Interconnection between the Interconnected Units and the RTO West Interconnected Control Areas (including their location and any related equipment) are as listed in Exhibit B to this Agreement. The Generating Party shall, upon RTO West's request, make available to RTO West corresponding maps and single-line diagrams of all Points of Interconnection and related equipment listed on Exhibit B. The Parties shall amend Exhibit B as necessary to reflect additions or modifications to any Points of Interconnection.

4.1.2 Exhibit C to this Agreement specifies the locations of all metering systems, and any necessary adjustment factors if the location of a metering system is not at the Point of Interconnection. The Parties agree to keep this information current and to advise each other of any additions or modification made to a metering system at the time any such modification or addition is made. The Parties further agree to amend Exhibit C as necessary and appropriate to reflect such additions or modifications.

##### **4.2 Metering System Requirements.**

4.2.1 **Application.** The metering system requirements set forth in Section 4.2 of this Agreement shall apply as follows:

4.2.1.1 Any Large Generation Facility shall be required to comply with all metering system requirements in Section 4.2 immediately as of the Operational Control Commencement Date.

4.2.1.2 Any Small Generation Facility shall be required to comply with the metering system requirements of Section 4.2 only to the extent that metering systems in place at the Small Generation Facility as of the Operational Control Commencement Date satisfies the requirements of Section 4.2; *provided, however*, that any metering system for a Small Generation Facility that is replaced or installed after the Operational Control Commencement Date shall be required to satisfy all the requirements of Section 4.2.

4.2.1.3 Any metering system requirement of this Section 4.2 shall be deemed to be satisfied with respect to any Interconnected Unit if either: (1) the metering system for the Interconnected Unit itself satisfies the applicable requirement, or (2) the Interconnected Unit is part of an Interconnected Plant that has a metering system that satisfies the applicable requirement.

4.2.2 **Interchange Metering.** Each Interconnected Unit shall have an interchange metering system at or near the Point(s) of Interconnection. The interchange metering system shall measure:

- (a) MW of electrical capacity delivered from and received by the Interconnected Unit;
- (b) MWh of energy delivered from and received by the Interconnected Unit; and
- (c) MVARs of Reactive Power produced or absorbed by the Interconnected Unit.

**4.2.3 Accuracy of Metering Systems.** The Generating Party shall make all reasonable efforts to cause all metering systems required under this Agreement to function at all times with 100 percent accuracy, but all such metering systems shall in any case be within the accuracy limits set by RTO West in accordance with Good Utility Practice or two percent (as measured on a kW, kWh, kVAR basis in either case), whichever is less.

**4.2.4 Calibration and Testing.**

4.2.4.1 Subject to the requirements of Section 4.2.4.3 below, the Generating Party shall cause all interchange metering systems to be calibrated every two years, unless otherwise agreed in writing by the Parties. The Generating Party shall provide RTO West with sufficient notice of the time and place of all metering system calibrations to enable RTO West to arrange for its representative to attend if it so chooses. The Generating Party shall make calibration records available to all interested parties. The Generating Party shall ensure that interchange metering system calibration standards and methods are in accordance with Good Utility Practice.

4.2.4.2 Subject to the requirements of Section 4.2.4.3 below, the Generating Party shall cause such tests or inspections of metering systems subject to this Agreement to be made as may be requested by RTO West from time to time or at any time. RTO West shall be responsible for the costs and expenses of any such tests or inspections unless the results thereof demonstrate that any such metering systems fail to comply with any of the requirements of Section 4.2, in which event the Generating Party shall have sole responsibility for the costs and expenses of such tests or inspections. The Generating Party shall provide RTO West with sufficient notice of the time and place of any metering systems test or inspection to enable RTO West to arrange for its representative to attend if it so chooses. The Generating Party shall adjust, repair, or replace any component of any metering system found to be defective or inaccurate, and promptly notify RTO West thereof. The Generating Party shall perform all metering system tests and inspections in accordance with Good Utility Practice and shall provide to RTO West a copy of all records and documentation of any tests and inspections.

4.2.4.3 In carrying out any metering system calibrations, tests, or inspections as provided in Section 4.2.4.1 or Section 4.2.4.2, the Generating Party

shall (1) use only personnel who meet the technical qualifications approved in advance by RTO West in the exercise of its reasonable discretion and (2) either (a) use only third-party personnel whom both the Generating Party and RTO West, in the exercise of their reasonable discretion, have determined to be sufficiently independent, or (b) in any instance in which the Generating Party elects to use its own personnel to perform any of such responsibilities, permit a representative of RTO West to be present for the performance of such responsibilities. Without in any way limiting the foregoing, neither any approval by RTO West of any personnel used by the Generating Party in carrying out any such responsibilities, nor the presence of any RTO West representatives during the performance of any such responsibilities, shall relieve the Generating Party in any manner whatsoever of any responsibility or liability for any failure to comply with each and all of the requirements of Section 4.2.

4.2.4.4 The Generating Party shall ensure that all metering systems at the locations set forth in Exhibit C are at all times sealed or otherwise secured against tampering, and that any seals on such systems are opened only when the systems are calibrated, inspected, tested or adjusted in accordance with the requirements of this Agreement.

4.2.4.5 RTO West shall have the right at any time to audit the Generating Party's compliance with the requirements of Section 4.2 of this Agreement. RTO West shall provide the Generating Party with reasonable notice of any such audit, and the Generating Party shall cooperate therein. RTO West shall be responsible for the costs and expenses of any such audit unless the results thereof demonstrate that the Generating Party has failed to comply with any of the requirements of Section 4.2, in which event the Generating Party shall have sole responsibility for the costs and expenses of such audit.

4.2.5 **Adjustment for Electric Losses.** In any case where metering systems required under this Agreement are not located at the Point of Interconnection between the applicable Interconnected Unit or Interconnected Plant and the RTO West Interconnected Control Areas, the Generating Party shall cause meter readings to be adjusted, in the manner agreed to by the Parties, for Electric Losses between the metering point and the Point of Interconnection.

4.2.6 **Additional Metering.** The Generating Party shall install any additional metering systems reasonably requested by RTO West to enable RTO West to operate its Control Area and the RTO West-Controlled Transmission in accordance with the Safety and Reliability Requirements

### 4.3 **Data Requirements.**

4.3.1 **Application.** The data requirements set forth in Section 4.3 of this Agreement shall apply as follows:

4.3.1.1 Any Large Generation Facility shall be required to comply with all data requirements in Section 4.3 immediately as of the Operational Control Commencement Date.

4.3.1.2 Any Small Generation Facility shall be required to comply with the data requirements of Section 4.3 only to the extent that equipment in place at the Small Generation Facility as of the Operational Control Commencement Date enables the Generating Party to meet the data requirements of Section 4.3; *provided, however*, the data from metering systems shall be subject to the provisions of Section 4.2.1.2, and *further provided*, that the Generating Party shall make good faith, commercially reasonable efforts to upgrade any other equipment needed to comply with the data requirements of Section 4.3 wherever appropriate in accordance with Good Utility Practice.

4.3.1.3 The Generating Party may provide data required under this Section 4.3 either on an Interconnected Unit basis or on an Interconnected Plant basis, except for data concerning number of Interconnected Units available and on line, which the Generating Party shall provide on an individual Interconnected Unit basis.

4.3.2 **MWh Data.** The Generating Party shall provide to RTO West MWh data for all Interconnected Units on at least a monthly basis.

4.3.3 **Data by Automatic Data Transfer.** For any Interconnected Unit or Interconnected Plant with a rated capacity of 10 MW or greater the Generating Party shall provide the following data to RTO West's Control Center by Automatic Data Transfer:

- (a) MW data, at a data rate of at least once every AGC scan cycle;
- (b) MVARs, at a data rate of at least once every AGC scan cycle;
- (c) Voltage at the Point of Interconnection, at a data rate of at least once every AGC scan cycle;
- (d) Indication of the number of Interconnected Units, both available and on line, at a data rate of at least once every AGC scan cycle;
- (e) MW of Spinning Reserves available and MW of Non-Spinning Reserves controlled by the Generating Party, at a data rate of at least once every ten (10) minutes, or, if RTO West requests a greater data rate to comply with the Safety and Reliability Requirements, at the data rate specified by RTO West; and

(f) MWh data on an hourly basis.

4.3.4 **Additional Data.** The Generating Party shall provide to RTO West any additional data reasonably requested by RTO West to enable RTO West to operate its Control Area and the RTO West-Controlled Transmission in accordance with the Safety and Reliability Requirements.

#### 4.4 **Communications Capabilities.**

4.4.1 For any Interconnected Plant connected to the RTO West Transmission System at 230 kV or higher, the Generating Party shall have dedicated telecommunication facilities (or equipment of equivalent reliability) for the Interconnected Plant's Remedial Action Schemes, relay communications, and other critical control functions.

4.4.2 In any case in which this Agreement requires an Interconnected Unit to have any type of Automated Data Transfer facilities, the Generating Party shall also provide voice communications between RTO West's Control Center and: (1) the applicable Interconnected Unit; (2) the Interconnected Plant that encompasses the applicable Interconnected Unit; or (3) the Control Center for the applicable Interconnected Unit or Interconnected Plant.

4.4.2.1 For (1) any Large Generation Facility and (2) any Interconnected Unit that provides rapid automated generation response as part of a Remedial Actions Scheme, the Generating Party shall have a dedicated, direct, automatic ringdown trunk (or equipment of equivalent reliability) voice circuit between RTO West's Control Center and: (a) the applicable Interconnected Unit; (b) the Interconnected Plant that encompasses the applicable Interconnected Unit; or (c) the Control Center for the applicable Interconnected Unit or Interconnected Plant.

4.4.3 All Automatic Data Transfer facilities and any other control and protection communications facilities required by this Agreement shall be designed and maintained to function at their full performance levels before, during, and after any Electric Disturbance.

4.4.4 The Generating Party shall, upon RTO West's request, install dedicated Automated Data Transfer and other communications facilities between RTO West's Control Center and any Interconnected Unit or Interconnected Plant designated as or containing RTO West Critical Control Facilities.

4.4.5 The Generating Party shall install any additional Automated Data Transfer facilities or other communications facilities reasonably requested by RTO West to enable RTO West to operate its Control Area and the RTO West-Controlled Transmission in accordance with the Safety and Reliability Requirements.

## **5. RTO West's Obligations.**

**5.1 Operation of RTO West-Controlled Transmission.** RTO West shall operate the RTO West-Controlled Transmission in accordance with the Safety and Reliability Requirements. Subject to the provisions of Section 11, the sole remedy available to the Generating Party for or as a result of any breach or violation of this Section 5.1 by RTO West shall be (1) specific performance and (2) reimbursement by RTO West of any fines or other monetary penalties incurred by the Generating Party as a result of such breach or violation. If the Generating Party determines that RTO West may be or become liable for reimbursement of any such fines or penalties under this Section 5.1, the Generating Party shall provide notice thereof to RTO West at the earliest practicable opportunity so that RTO West may contest or take other available action to avoid or minimize such fines or penalties.

**5.2 Interconnected Plant Scheduling.** RTO West shall perform scheduling with respect any requested transmission of capacity and energy from any Interconnected Plant (or the Control Center for any Interconnected Plant) in accordance with the RTO West Tariffs and applicable laws, regulations, and procedures.

**5.3 Maintenance Scheduling.** RTO West shall notify the Generating Party before finalizing any proposed schedule for performing maintenance of the RTO West-Controlled Transmission, and shall consult with and make reasonable efforts to accommodate the needs of the Generating Party in scheduling maintenance of the RTO West-Controlled Transmission in accordance with applicable Safety and Reliability Requirements.

### **5.4 RTO West Confidentiality Obligations.**

**5.4.1 Protection of Confidential Information.** RTO West shall maintain the confidentiality of all Confidential Information of the Generating Party provided to RTO West pursuant to this Agreement; *provided, however*, that RTO West shall be entitled to disclose such Confidential Information if: (1) RTO West determines that such Confidential Information must be disclosed to avert unplanned Transmission Service interruptions or to more speedily restore Transmission Service; or (2) RTO West is required to make such disclosure by administrative or judicial order.

**5.4.2 Disclosure Pursuant to Administrative or Judicial Order.** RTO West shall promptly, and in any event at the earliest practicable opportunity before any disclosure pursuant to administrative or judicial order, notify the Generating Party of any petition for or requirement by administrative or judicial order for RTO West to disclose Confidential Information of the Generating Party to any third party. The Generating Party may, in its sole discretion and at its sole cost and expense, undertake any challenge to such disclosure. RTO West shall reasonably cooperate with the Generating Party, at the

Generating Party's sole cost and expense, to minimize or eliminate any such disclosure requirement consistent with applicable law, and to obtain proprietary or confidential treatment of Confidential Information by any person to whom such information is disclosed pursuant to Section 5.4.1.

**6. Capabilities, Operation, Maintenance, and Performance of Interconnected Units.**

**6.1 Safety and Reliability Requirements.** Notwithstanding any other provision of this Agreement, the Generating Party shall cause each Interconnected Unit to have the capabilities required by, and to be operated in accordance with, the Safety and Reliability Requirements. Subject to the provisions of Section 11, the Generating Party shall reimburse RTO West for any costs or expenses (other than costs or expenses caused by or arising out of claims for damages to third parties) incurred by RTO West as a result of or in connection with any failure by the Generating Party to comply with the requirements of this Section 6.1. Subject to the provisions of Section 11, the sole remedy available to RTO West for or as a result of any breach or violation of this Section 6.1 by the Generating Party shall be (1) specific performance and (2) to the extent not prohibited by applicable law, reimbursement by the Generating Party of any costs or expenses (other than costs or expenses caused by or arising out of claims for damages to third parties) incurred by RTO West as a result of such breach or violation. If RTO West determines that the Generating Party may be or become liable for reimbursement of any such fines or penalties under this Section 6.1, RTO West shall provide notice thereof to the Generating Party at the earliest practicable opportunity so that the Interconnecting Party may contest or take other available action to avoid or minimize such fines or penalties.

**6.2 Specific Capability and Operating Requirements.** Without limiting the generality of Section 6.1 above, the Generating Party shall comply with the following specific requirements with respect to all Interconnected Units:

**6.2.1 Clearances/Safety Issues.**

6.2.1.1 Without limiting the provisions of Section 6.2.5, the Generating Party shall cooperate with RTO West to facilitate maintenance of the RTO West Transmission System by disconnecting any Interconnected Unit from the RTO West Transmission System when so requested by RTO West for maintenance purposes. Whenever disconnecting an Interconnected Unit from the RTO West Transmission System, the Generating Party shall perform such disconnection in accordance with Good Utility Practice.

6.2.1.2 The Generating Party acknowledges that following an Electric Disturbance, certain equipment on the RTO West Transmission System may reclose in accordance with Good Utility Practice. The Generating Party shall have sole responsibility for protecting its Electric System and all Interconnected Units and related equipment from any damage resulting from such reclosure. To

the extent not prohibited by applicable law, the Generating Party hereby indemnifies and agrees to hold harmless RTO West and its trustees [*directors*], officers, employees and agents from and against any and all losses, liabilities, injuries, damages, costs and expenses caused by, resulting from or arising out of (1) any damage to any of the Generating Party's Electric System or any Interconnected Unit (or related equipment) to the extent caused by, resulting from, or arising out of any such reclosure and (2) death or injury of any persons to the extent caused by, resulting from, or arising out of any impact or effect of any such reclosure upon the Generating Party's Electric System or any Interconnected Unit (or related equipment).

6.2.1.3 The Generating Party shall not energize a de-energized transmission line on the RTO West-Controlled Transmission unless the energization is approved by RTO West. If, for any reason, any Interconnected Plant is disconnected from the RTO West-Controlled Transmission (by Electric Disturbance, line switching, or otherwise), the Generating Party shall cause the switching device connecting the Interconnected Plant to the RTO West-Controlled Transmission to become and remain open and not reclose until RTO West approves the reclosure.

6.2.2 **Synchronization.** The Generating Party shall be responsible for ensuring that whenever an Interconnected Unit is brought on-line, such Interconnected Unit is synchronized to the RTO West Transmission System before connection to the RTO West Transmission System.

### 6.2.3 **Reporting.**

6.2.3.1 Promptly after execution of this Agreement, and after consulting with the Generating Party, RTO West shall provide to the Generating Party its Significant Events List. RTO West shall have the right to amend such list from time to time and at any time, in each instance after consulting with the Generating Party. The Generating Party shall notify RTO West promptly in the event of the existence or occurrence of any of the events or conditions listed on RTO West's Significant Events List.

6.2.3.2 Promptly after execution of this Agreement, and after consulting with RTO West, the Generating Party shall provide to RTO West its Significant Events List. The Generating Party shall have the right to amend such list from time to time and at any time, in each instance after consulting with RTO West. RTO West shall notify the Generating Party promptly in the event of the existence or occurrence of any of the events or conditions listed on the Generating Party's Significant Events List.

6.2.4 **Remedial Action Schemes.** The Generating Party shall participate in the Remedial Action Schemes, if any, described in Exhibit D to this Agreement.

**6.2.5 Maintenance.** The Generating Party shall maintain all Interconnected Units and all related equipment in accordance with all applicable Safety and Reliability Requirements. The Generating Party shall notify RTO West in advance of any scheduled maintenance that will require an Interconnected Unit to be taken off-line. If RTO West requests that the Generating Party adjust its proposed maintenance schedule because of Safety and Reliability Requirements, the Generating Party shall make all reasonable efforts to adjust its maintenance schedule in accordance with RTO West's request.

**6.2.6 Protective Devices and Schemes.** Each Party reserves the right to install, maintain, and operate (or cause to be installed, maintained, and operated) such protective devices as it deems necessary for separating the Interconnected Units from the RTO West Transmission System to avoid injury or damage, subject to the following conditions:

(a) Each Party shall install, maintain, and operate (or cause to be installed, maintained, and operated) such protective devices in accordance with all applicable Safety and Reliability Requirements; and

(b) If the Generating Party proposes to add or modify any protective relays or control schemes in a manner that could materially affect the operation of RTO West's Control Area or the RTO West Transmission System, the Generating Party shall not proceed with such addition or modification unless the protective relays or control schemes: (i) are compatible with RTO West's existing protective relay schemes and (ii) have been approved in writing by RTO West.

**6.2.7 Opening of Interconnection Facilities.** The Generating Party shall have the unilateral right to open Interconnection Facilities in the event of, and for the duration of, any emergency on its Electric System, if such separation would reasonably be expected to mitigate or remedy the emergency. The Generating Party shall promptly notify RTO West of any such opening of Interconnection Facilities unless such information has already been provided to RTO West by Automatic Data Transfer. During an Electric Disturbance, RTO West shall have the right to open, or order opened, any Interconnection Facility in accordance with the Safety and Reliability Requirements.

**6.2.8 Emergency Response Procedures.** RTO West and the Generating Party shall work together to develop a mutually acceptable set of specific actions that each Party shall take in response to local emergencies or RTO West Transmission System Emergencies affecting the Generating Party, and shall make good faith efforts to incorporate these specific actions into a written set of operating guidelines specifying how each Party shall respond following any such local emergency or RTO West Transmission System Emergency.

**6.3 Excitation System Requirements for Synchronous Generation Facilities.**

6.3.1 Each Interconnected Unit that is a synchronous Generation Facility shall meet the following excitation system requirements:

6.3.1.1 If the Interconnected Unit was in operation before July 1, 1998, the Interconnected Unit's excitation system shall have the best voltage response time permitted by existing equipment; *provided, however*, that if the excitation system's response time is greater than 0.5 seconds, the Generating Party shall make good faith, commercially reasonable efforts to upgrade the excitation system to a response time of 0.5 seconds or less wherever appropriate in accordance with Good Utility Practice.

6.3.1.2 If the Interconnected Unit was not in operation before July 1, 1998, the Interconnected Unit's excitation system shall have a voltage response time of 0.5 seconds or less.

6.3.1.3 The protective devices and terminal voltage regulators for each Interconnected Unit shall be as described in Exhibit E to this Agreement. Unless otherwise directed by RTO West, the Generating Party shall cause all excitation systems' mode of operation to be automatic terminal voltage regulation.

6.3.1.4 Each Interconnected Unit shall meet the power system stabilizer (PSS) requirements of the Safety and Reliability Requirements. The Generating Party shall cause the applicable PSS to be in service and properly calibrated as required by the Safety and Reliability Requirements.

**6.4 Governor Speed and Frequency Control.** To the extent required by the Safety and Reliability Requirements, each Interconnected Unit shall have an operational Governor system meeting the Safety and Reliability Requirements. Subject to the preceding sentence, the Generating Party shall set the Governor for each Interconnected Unit according to RTO West's directions.

**6.5 Voltage Regulation, Frequency, and Reactive Power Requirements.** Each Interconnected Unit shall meet or exceed the following requirements concerning voltage regulation, frequency, and Reactive Power:

6.5.1 Each Interconnected Unit shall produce or absorb Reactive Power, as measured at each Point of Interconnection, between 0.95 leading and 0.95 lagging power factor for steady state conditions to meet voltage schedules specified by RTO West. Each Interconnected Unit also shall produce or absorb Reactive Power up to the temporary overload capability of the Interconnected Unit during Electric Disturbances. An Interconnected Unit may satisfy its Reactive Power and voltage requirements either by its operation or by using separate devices.

6.5.2 Each Interconnected Unit shall be capable, at all times (including during an Electric Disturbance), of continuous operation at 0.95 to 1.05 per unit (pu) voltage, as measured at the Point of Interconnection, and at 59.5 to 60.5 Hz, and shall be kept online and in operation during frequency deviations beyond the range of 59.5 to 60.5 Hz to the extent required by the Safety and Reliability Requirements.

6.5.3 Each Interconnected Unit's time delays for setting over/under voltage and over/under frequency relays shall be as approved by RTO West.

6.5.4 If an Interconnected Unit was in operation before July 1, 1998 and cannot meet a requirement specified in Sections 6.5.1, 6.5.2, or 6.5.3 without installing additional equipment, then such Interconnected Unit shall not be required to meet that requirement; *provided, however*, that the Generating Party shall make good faith, commercially reasonable efforts to upgrade the Interconnected Unit's voltage regulation, frequency, or Reactive Power capabilities as necessary to meet the requirements specified in Sections 6.5.1, 6.5.2, and 6.5.3 wherever appropriate in accordance with Good Utility Practice.

6.5.5 Nothing in this Agreement is intended to modify existing obligations, if any, regarding generator tripping associated with existing Remedial Action Schemes, or other generator tripping agreements. All Remedial Actions Schemes and generator tripping agreements to which any Interconnected Unit is subject (other than those entered into pursuant to this Agreement) are listed on Exhibit D.

**6.6 Provision of Data for RTO West Planning.** The Generating Party shall furnish to RTO West such data, reports, and available forecasts (including but not limited to available computer-generated simulations) as RTO West reasonably requests from time to time in connection with RTO West's operations and planning functions. In addition, the Generating Party shall furnish to RTO West such data, reports, and available forecasts (including without limitation technical data regarding Interconnected Units' characteristics necessary for RTO West to comply with WSCC and NERC requirements for system analysis studies) as RTO West reasonably requests from time to time in connection with RTO West's reliability functions. The Generating Party shall provide any such requested data, reports and available forecasts, in the form specified by RTO West, within a reasonable time following any such request. Any Confidential Information of the Generating Party included in such data, reports, or forecasts shall be subject to the provisions of Section 5.4.

**6.7 The Generating Party's Liability for Noncompliance.** Without in any way limiting any provision of Section 4 or Section 6 of this Agreement, the Generating Party shall, subject to the provisions of Section 11, have sole responsibility for any losses, liabilities, damages, costs and expenses to the extent caused by, resulting from or arising out of any failure on the part of the Generating Party to comply with any of its obligations under Section 4 or Section 6.

7. **Ancillary Services.** If the Generating Party wishes to sell or self-provide any Ancillary Services (as set forth in the RTO West Tariffs), the Generating Party shall install (if necessary) and maintain all equipment, and provide to RTO West all data (at the intervals specified by RTO West) necessary to monitor, verify, and facilitate billing for any such Ancillary Services.

8. **Transmission System Reliability and Congestion Clearing.**

8.1 **Provision of Emergency Generation Redispatch.** In an RTO West Transmission System Emergency, RTO West shall be entitled, whether pursuant to the WSCC Regional Security Plan or otherwise, to order Generation Redispatch of any Interconnected Unit with respect to the output of which the Generating Party has the legal right to cause Generation Redispatch. The Generating Party shall comply with any and all RTO West emergency Generation Redispatch orders.

8.1.1 If RTO West orders Generation Redispatch of an Interconnected Unit by reducing the electrical output of such unit, RTO West as full compensation for such Generation Redispatch shall, without charge to the Generating Party, concurrently (or on a mutually agreed delayed schedule if concurrent delivery is not achievable because of the RTO West Transmission System Emergency) arrange for the generation and delivery to the appropriate customer(s) of the Generating Party an amount of electric energy equal to the amount of Interconnected Unit output so reduced.

8.1.2 If RTO West orders Generation Redispatch of an Interconnected Unit by increasing the electrical output of such Interconnected Unit, RTO West as full compensation for such Redispatch shall pay the Generating Party:

8.1.2.1 If the Generating Party has established no lawful rate for such Generation Redispatch service, zero (0) mills per kiloWatt-hour of Redispatch;

8.1.2.2 If the Generating Party has established lawful rates for such Generation Redispatch service, and such rates have been accepted for filing, confirmed, or approved by FERC, the lawful rate so accepted, confirmed or approved; or

8.1.2.3 If the Generating Party has established lawful rates for such Generation Redispatch service, and such rates are not subject to acceptance for filing, confirmation, or approval by FERC, the lawful rate so established, provided that RTO West shall not be required to pay for such Generation Redispatch more than the greater of (i) one hundred (100) mills per kiloWatt-hour or (ii) the highest rate accepted for filing, confirmed, or approved by FERC for Generation Redispatch services provided by any other party that has executed an RTO West Generation Integration Agreement.

**8.2 RTO West Not To Use Emergency Generation Redispatch Authority in Establishing Transfer Path Ratings.** RTO West shall not use its ability to order emergency Generation Redispatch under this Agreement as a basis for establishing transfer path ratings for any part of the RTO West Transmission System.

**8.3 RTO West Authority to Order Interconnected Units to Generate for Congestion Clearing.**

**8.3.1 Circumstances in Which Authority May Be Exercised.** At any time and from time to time if, but only if, RTO West is unable, through voluntary bidding processes, to arrange for all required Congestion Clearing with respect to a given Transmission Service day by the end of the pre-scheduling period for that service day, RTO West shall have the right to require the Generating Party to: (1) run one or more Interconnected Units that the Generating Party otherwise would not have run during the applicable Transmission Service day or (2) increase the electrical output of one or more Interconnected Units (not to exceed the maximum output consistent with the Safety and Reliability Requirements) in accordance with the provisions of Section 8.3 of this Agreement.

**8.3.2 RTO West Responsibilities in Connection with Exercise of Authority.** If RTO West elects to exercise its rights under Section 8.3, it shall do each of the following:

(a) RTO West shall notify the Generating Party promptly after the close of the applicable pre-schedule period that RTO West has been unable to arrange for sufficient Congestion Clearing through voluntary bidding procedures. RTO West's notice to the Generating Party shall include: (i) a statement that it intends, if all necessary Congestion Clearing has not occurred by a specified time, to exercise its rights under Section 8.3 of this Agreement; (ii) the specific Interconnected Units that RTO West intends to require to run or increase their output during the applicable Transmission Service day; (iii) the amount of electrical output RTO West intends to require from each affected Interconnected Unit; and (iv) the start and end times of the period during which RTO West intends to require each affected Interconnected Unit to run or increase its electrical output pursuant to Section 8.3;

(b) Notify the Transmission Service customers whose Transmission Service requests have contributed to the need for Congestion Clearing that RTO West intends to exercise its rights under Section 8.3 of this Agreement and pass appropriate charges and penalties through to the affected Transmission Service customers if the need for additional Congestion Clearing is not resolved by a specified time through such Transmission Service customers' voluntary actions;

(c) Compensate the Generating Party for: (i) its direct and indirect costs and expenses incurred to bring and keep the affected Interconnected Units on-line (such as wages for operating crews and start-up fuel and minimum fuel usage to keep the Interconnected Unit on-line) and (ii) all energy and capacity actually provided in response to RTO West's instructions in accordance with payment provisions specified in Section 8.1.2 above; and

(d) Pass resulting costs associated with exercising its rights under Section 8.3 of this Agreement through to the appropriate Transmission Service customers in accordance with the applicable provisions of RTO West Tariffs and Transmission Service agreements.

### **8.3.3 Generating Party's Responsibilities Under Section 8.3.**

8.3.3.1 The Generating Party shall promptly respond to any RTO West notice concerning RTO West's intention to exercise its rights under Section 8.3 of this Agreement, and shall include the following information in its response:

(a) The current operating status of the Interconnected Units identified in RTO West's notice of intent to exercise its rights under Section 8.3, as well as the expected operating status of the affected Interconnected Units on the applicable Transmission Service day;

(b) The lead-time that the Generating Party will need to bring on-line affected Interconnected Units previously expected to be off-line (or increase their output) in accordance with RTO West's instructions; and

(c) The Generating Party's anticipated direct and indirect costs and expenses to bring and keep the affected Interconnected Units on-line in accordance with RTO West's instructions.

8.3.3.2 The Generating Party shall comply with RTO West's instructions issued under Section 8.3 to the extent consistent with: (i) the Safety and Reliability Requirements; (ii) existing Ancillary Services commitments; and (iii) existing contractual obligations.

**8.4 Regional Security Coordinator.** To the extent that RTO West is responsible for performing security coordination functions with respect to the WSCC Regional Security Plan, and the Generating Party is required to comply with the WSCC Regional Security Plan, the Generating Party shall comply with all RTO West directives implementing the WSCC Regional Security Plan or any successor plan or as otherwise required by law.

**9. RTO West Facilitation of Displacement Energy Bidding Process in Cases of Certain Hydroelectric Must-Run Generation Emergencies.**

**9.1 Description of Circumstances in Which Process Is Triggered.** In certain emergency must-generate situations (as described in Sections 9.1.1 and 9.1.2 below), RTO West shall act as an information conduit to facilitate the process of purchasing and selling Displacement Energy in accordance with the provisions of this Section 9.

**9.1.1 Day-Ahead Supersaturation Emergencies.** A “Day-Ahead Supersaturation Emergency” shall be deemed to exist if: (1) a Hydro Plant must, in the opinion of the Hydro Plant Operator, direct water through its turbines, rather than permit water to pass through spillways (a “Must-Run Status”) to alleviate actual or threatened supersaturation of the water with atmospheric gases; and (2) the Hydro Plant Operator did not know, and with the exercise of reasonable diligence could not have known, of the Must-Run Status until there were less than 24 hours before commencement of the Must-Run Status. If a Day-Ahead Supersaturation Emergency exists, the Hydro Plant Operator shall have the right, at its option, to use the voluntary bid request process described in Section 9.2 below to facilitate the sale of the Displacement Energy generated as a result of the Day-Ahead Supersaturation Emergency; *provided, however*, that under no circumstances may the Hydro Plant Operator use the mandatory bid request procedure set forth in Section 9.3 below to sell any Displacement Energy generated as a result of any Day-Ahead Supersaturation Emergency.

**9.1.2 Same-Day Supersaturation Emergency.** A “Same-Day Supersaturation Emergency” shall be deemed to exist if: (1) a Hydro Plant, in the opinion of the Hydro Plant Operator, is in Must-Run Status to alleviate actual or threatened supersaturation of the water with atmospheric gases; and (2) the Hydro Plant Operator did not know, and with the exercise of reasonable diligence could not have known, of the Must-Run Status until midnight or later on the day of commencement of the Must-Run Status. If a Same-Day Supersaturation Emergency exists, the Hydro Plant Operator shall have the right, at its option, to (a) use the voluntary bid request process described in Section 9.2 below to facilitate the sale of the Displacement Energy generated as a result of the Same-Day Supersaturation Emergency, and (b) if the preconditions specified in Section 9.3.1 are satisfied, use the mandatory bid request procedure described in Section 9.3 below.

**9.2 Voluntary Bidding.** If (1) a Day-Ahead Supersaturation Emergency or a Same-Day Supersaturation Emergency occurs and (2) the applicable Hydro Plant Operator (the “Selling Party”) wishes to exercise its rights under Section 9.1.1 or 9.1.2 of its RTO West Generation Integration Agreement, an authorized representative of the Selling Party shall contact RTO West by telephone to request that RTO West broadcast a Voluntary Bid Notice (as defined below). The Selling Party’s request to RTO West shall include the following: (a) the amount of Displacement Energy for which the Selling Party is requesting bids (which amount shall not exceed the amount estimated by the

Selling Party, in the exercise of its reasonable good faith judgment, to be generated as a result of the applicable Must-Run Status); (b) the duration of the delivery period for the Displacement Energy for which the Selling Party is requesting bids (which duration shall not exceed the period estimated by the Selling Party, in the exercise of its reasonable good faith judgment, to be the duration of the applicable Must-Run Status); and (c) the name and telephone number of the Selling Party's contact person for receiving Displacement Energy bids. Upon receipt of such request, RTO West shall broadcast (by means reasonably calculated to result in immediate notification, such as by posting on the OASIS or by other electronic means such as e-mail) a notice (a "Voluntary Bid Notice") requesting voluntary bids to purchase Displacement Energy generated by the affected Hydro Plant as a result of the Day-Ahead Supersaturation Emergency or a Same-Day Supersaturation Emergency. Any Voluntary Bid Notice shall be directed to all parties that have executed RTO West Generation Integration Agreements and shall specify that bids in response to the Voluntary Bid Notice must be (1) directed solely to the Selling Party and (2) submitted within one hour of the time of broadcast of the Voluntary Bid Notice. Parties willing and able to purchase some or all of the offered Displacement Energy shall submit their bids directly to the Selling Party within one hour of the time of broadcast of the Voluntary Bid Notice.

### **9.3 Mandatory Bidding.**

**9.3.1 Necessary Preconditions to Mandatory Bidding.** If and only if (1) there is a Same-Day Supersaturation Emergency, (2) the Selling Party does not receive, within one hour of the time of broadcast of the applicable Voluntary Bid Notice, sufficient voluntary bids to enable it to sell all of the Displacement Energy generated as a result of the Same-Day Supersaturation Emergency, and (3) the Selling Party wishes to exercise its rights under Section 9.1.2 of its RTO West Generation Integration Agreement, an authorized representative of the Selling Party shall contact RTO West by telephone to request that RTO West broadcast a Mandatory Bid Notice (as defined in Section 9.3.2 below). The Selling Party's request to RTO West shall include the following: (a) the amount of Displacement Energy for which the Selling Party is requesting bids (which amount may not exceed the amount of Displacement Energy that the Selling Party was unable to sell in response to the Voluntary Bid Notice); (b) the duration of the delivery period for the Displacement Energy for which the Selling Party is requesting bids (which duration may not exceed the duration of the delivery period for the Displacement Energy that the Selling Party was unable to sell in response to the Voluntary Bid Notice); (c) the name and telephone number of the Selling Party's contact person for receiving Displacement Energy bids; and (d) notification that the request is for a Mandatory Bid Notice under Section 9.3 of the RTO West Generation Integration Agreement. A Selling Party shall not have the right to request that RTO West broadcast a Mandatory Bid Notice (and the Generating Party shall have no obligation to participate in mandatory bidding under this Section 9.3) if the Selling Party receives sufficient voluntary bids to sell all Displacement Energy offered pursuant to Section 9.2 but finds the prices or any other terms of any or all of such bids unacceptable.

**9.3.2 Mandatory Bid Notice; Generating Party's Obligation to Participate in Mandatory Bidding.** Upon receipt of a request from the Selling Party pursuant to Section 9.3.1, RTO West shall broadcast (by means reasonably calculated to result in immediate notification, such as by posting on the OASIS or by other electronic means such as e-mail) a notice (a "Mandatory Bid Notice") for bids to purchase Displacement Energy generated by the affected Hydro Plant as a result of the Same-Day Supersaturation Emergency. Any Mandatory Bid Notice shall be directed to all parties that have executed RTO West Generation Integration Agreements and shall specify that bids in response to the Mandatory Bid Notice must be (1) directed solely to the Selling Party and (2) submitted within one hour of the time of broadcast of the Mandatory Bid Notice. Within one hour of receiving a Mandatory Bid Notice, the Generating Party shall, subject to the limitations set forth in Section 9.3.3 below, submit to the Selling Party a good-faith offer to purchase on commercially reasonable terms and conditions as much Displacement Energy (both as to amount and duration) as the Generating Party is able to accept by displacing energy generated by its Interconnected Units. In no event shall the Generating Party's obligation to offer to purchase Displacement Energy on commercially reasonable terms and conditions be deemed to restrict in any manner the price that the Generating Party may specify in its purchase offer.

**9.3.3 Limitations on Mandatory Displacement Energy Bidding Obligation.** The Generating Party's obligations to offer to purchase Displacement Energy under Section 9.3.2 above shall not (1) require any operation of any Interconnected Unit in an unsafe manner or otherwise in a manner not consistent the normal operating requirements for such facility, (2) require the Generating Party to breach any other contract for the purchase of displacement energy, (3) require the Generating Party to displace any Interconnected Unit, the operation of which is required to assure reliable service to local electric loads, or (4) in any manner limit or affect the form or amount of the consideration offered or paid for such Displacement Energy.

## **10. Special Arrangements and Most Favored Nation Option.**

**10.1 Special Arrangements.** Notwithstanding any other provision of this Agreement, the Parties may agree to specific arrangements that differ from the requirements of this Agreement as necessary to accommodate technical limitations or legal requirements (whether statutory, regulatory, or contractual) specific to the Generating Party. Any such arrangements shall be set forth in Exhibit F to this Agreement.

**10.2 Most Favored Nations Option.** If a new RTO West Generation Integration Agreement or an amendment to an existing RTO West Generation Integration Agreement contains terms (including without limitation terms contained in Exhibit F to such new or amended RTO West Generation Integration Agreement) that differ from the provisions contained in this Agreement, other than as necessary to accommodate technical differences or legal requirements that apply to the other party executing the new or amended RTO West Generation Integration Agreement but not to the Generating Party,

RTO West agrees to amend this Agreement at the Generating Party's request to incorporate terms that are comparably favorable to such different terms.

## **11. Limitation of Liability and Insurance.**

### **11.1 Liability - Interconnected System Operation.**

#### **11.1.1 Limitation of Liability for Loss to Electric Systems.**

Notwithstanding the provisions of Section 11.3, except as set forth in Sections 11.1.4. and 11.1.5., neither RTO West, nor its trustees [*directors*], officers or employees, shall be liable to the Generating Party for any Loss to the Electric System of the Generating Party caused by or arising out of an Electric Disturbance, whether or not such Electric Disturbance results from the negligent, grossly negligent or wrongful act or omission of RTO West or its trustees [*directors*], officers or employees (whether its or their own or imputed) in the performance or nonperformance of any obligation under this Agreement; and the Generating Party hereby releases RTO West and its trustees [*directors*], officers and employees, from any such liability.

**11.1.2 Limitation of Liability for WIS Parties.** Notwithstanding the provisions of Section 11.3, except as set forth in Sections 11.1.4. and 11.1.5., if the Generating Party is a party to the WIS Agreement, then neither the Generating Party nor its directors, commissioners, officers or employees, shall be liable to RTO West for any Loss to RTO West caused by or arising out of an Electric Disturbance, whether or not such Electric Disturbance results from the negligent, grossly negligent or wrongful act or omission of the Generating Party or its directors, commissioners, officers or employees, (whether its or their own or imputed) in the design, construction, operation, maintenance, use or ownership of the Generating Party's Electric System, or the performance or nonperformance of any obligation under this Agreement; and RTO West hereby releases the Generating Party and its directors, commissioners, officers and employees from any such liability.

**11.1.3 Consistency With Insurance Policies.** In the event that a Party holds or obtains any insurance policy that is inconsistent with the provisions of Sections 11.1.1 and 11.1.2, such Party shall, to the extent not prohibited by applicable law, indemnify and hold harmless the other Party from all costs and damages to the other Party resulting from such inconsistency, including but not necessarily limited to the other Party's costs of defending against subrogated claims.

**11.1.4 Not Applicable to Willful Action.** The provisions of Sections 11.1.1 and 11.1.2 do not apply to Losses resulting from Willful Action.

**11.1.5 Effect of Prior Arbitration Awards.** The provisions of Sections 11.1.1. and 11.1.2. do not apply to Losses resulting from an action taken or not taken by a Party which action or non-action (1) has been determined by arbitration award to be a violation of Section 11.3.1. of this Agreement and (2) occurs or continues beyond the

period specified in such arbitration award for curing such violation or, if no cure period is specified, occurs or continues beyond a reasonable period to cure such violation. Each Party agrees to pay for Losses that both (a) occur while such Party is a party to this Agreement and (b) result from violation by such Party that occurs or continues beyond the period specified in such arbitration award for curing such violation or, if no cure period is specified, occurs or continues beyond a reasonable period to cure such violation.

## **11.2 Relationship to WIS Agreement.**

**11.2.1 The Generating Party as WIS Agreement Party.** The Parties recognize that the Generating Party is or may become a party to the WIS Agreement.

**11.2.2 RTO West as a WIS Agreement Party.** RTO West agrees to become a party to the WIS Agreement and the WIS Insurance, subject to amendment of the WIS Agreement and the WIS Insurance to permit RTO West to become a named insured of the WIS Insurance.

**11.2.3 Amendments to WIS Agreement.** If the Generating Party is a party or becomes a party to the WIS Agreement, it agrees to cooperate in all reasonable respects in effecting any amendments that may be necessary or appropriate to the WIS Agreement and WIS Insurance, including but not limited to amendments assessing appropriate premiums against RTO West, to enable coverage of the "Ultimate Net Loss" (as defined in the WIS Insurance Insuring Form) arising out of an Electrical Disturbance in or on the Electric System of any party participating in WIS Insurance, subject to reasonable limits.

**11.2.4 WIS Agreement Exclusions.** The Parties agree that the WIS Insurance, as amended, shall have reasonable exclusions, including but not necessarily limited to the following:

- (a) The WIS Insurance shall not apply to physical injury to the Electric System of any WIS insured party or any property of RTO West, or to loss of revenue resulting therefrom.
- (b) Unless an Electric Disturbance is caused in whole or in part, directly, indirectly or concurrently, by the actions or inactions of RTO West, the WIS Insurance shall not apply to damage resulting from an Electric Disturbance, if such damage occurs solely on and is confined to: (1) the Electric System of the WIS insured party upon whose system the Electric Disturbance originated, and (2) the customers of such Electric System, except wholesale for resale customers.

### 11.3 Responsibility - Interconnected System Design and Operation.

#### 11.3.1 Operation to Minimize Electric Disturbances.

11.3.1.1 **The Generating Party's Operation of Electric System to Minimize Electric Disturbances.** The Generating Party shall design, construct, operate, maintain, and use its Electric System and perform its other obligations under this Agreement in conformance with Good Utility Practice to minimize:

(a) Electric Disturbances originating on the Generating Party's Electric System;

(b) The effect on the Generating Party's Electric System of any Electric Disturbance that originates on the Generating Party's Electric System or another party's Electric System; and

(c) The effect on any other party's Electric System of any Electric Disturbance that: (i) originates on the Generating Party's Electric System or (ii) although not originating on the Generating Party's Electric System, reaches or could reach the Electric System of the other party through the Generating Party's Electric System.

11.3.1.2 **RTO West's Operation of RTO West-Controlled Transmission to Minimize Electric Disturbances.** RTO West shall operate the RTO West-Controlled Transmission and perform its other obligations under this Agreement in conformance with Good Utility Practice to minimize:

(a) Electric Disturbances originating on the RTO West-Controlled Transmission;

(b) The effect on the RTO West-Controlled Transmission of any Electric Disturbance that originates on the RTO West-Controlled Transmission or another party's Electric System; and

(c) The effect on any other party's Electric System of any Electric Disturbance that: (i) originates on the RTO West-Controlled Transmission or (ii) although not originating on the RTO West-Controlled Transmission, reaches or could reach the Electric System of the other party through the RTO West-Controlled Transmission.

11.3.2 **No Duties Created to Non-Party.** Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person other than RTO West and the Generating Party.

**11.3.3 Resolution of Differences.** Should differences arise between the Parties regarding the implementation of Section 11.3.1, they shall seek an equitable solution and shall perform necessary technical studies, which shall not be unreasonably delayed. In the event agreement cannot be reached, and if in the judgement of either Party to the disagreement the necessary technical studies have been performed, such Party may demand the matter be resolved in accordance with the dispute resolution provisions of Exhibit G to this Agreement. This provision shall not be used to resolve differences among or with persons or entities that are not Parties.

**11.3.4 Covenants Independent.** Except as and to the extent set forth in Section 11.1.5, the mutual releases and covenants of Sections 11.1.1 and 11.1.2 are independent of and divisible from the covenants of Section 11.3.1 and are not affected by nonperformance under Section 11.3.1. It is the intent of this Agreement that the obligations of Section 11.3.1 shall be enforceable only by a Party assuming the risk of liability for Loss resulting from a failure to comply with an arbitration award as provided in Section 11.1.5.

## **12. Assignments and Conveyances.**

**12.1 Assignment of RTO West's Rights and Obligations.** Except as otherwise provided in Section 12.4, RTO West shall not, without the prior written consent of the Generating Party, assign, pledge or transfer all or any part of, or any right or obligation under, this Agreement, whether voluntarily or by operation of law.

**12.2 Assignment of the Generating Party's Rights and Obligations.** Except as otherwise provided in Section 12.4, the Generating Party shall not, without the prior written consent of RTO West, assign, pledge or transfer all or any part of, or any right or obligation under, this Agreement, whether voluntarily or by operation of law; *provided, however,* that the Generating Party may, without the consent of RTO West, assign its rights and obligations under this Agreement to any person or entity (1) with which the Generating Party is merged or consolidated, or (2) to which the Generating Party sells, transfers, or assigns all or substantially all of the Interconnected Units, so long as the survivor in any such merger or consolidation, or the purchaser, transferee or assignee of such Interconnected Units provides to RTO West a valid and binding written agreement expressly assuming and agreeing to be bound by all obligations of the Generating Party under this Agreement.

**12.3 Transfer of Rights Affecting Interconnected Units.** Unless otherwise approved by RTO West in writing, the Generating Party shall not sell, transfer or assign any rights that affect the Generating Party's ability to perform its obligations under this Agreement with respect to any Interconnected Unit unless (1) the purchaser, transferee or assignee of such rights provides to RTO West a valid and binding written agreement expressly assuming and agreeing to be bound by all obligations of the Generating Party under this Agreement with respect to the affected Interconnected Unit, or (2) RTO West and the transferee have entered an agreement comparable to this Agreement with respect

to the affected Interconnected Unit. Notwithstanding the foregoing, the provisions of this Section 12.3 shall not apply to any Interconnected Unit that, upon completion of a proposed sale, transfer, or assignment of rights, would no longer be operated within the RTO West Interconnected Control Areas *provided* that the Generating Party has given RTO West at least \_\_\_\_\_ months' notice of the date on which the applicable Interconnected Unit will cease to operate within the RTO West Interconnected Control Areas.

**12.4 Assignment for Security Purposes.** Notwithstanding any other provision of this Agreement, (1) the Generating Party may, without RTO West's consent, pledge or assign all or any portion of its Electric System for financing purposes, and (2) RTO West may, without the Generating Party's consent, pledge or assign, for financing purposes, all or any portion of its rights or interests with respect to the RTO West Transmission System.

**12.5 Effect of Permitted Assignment.** In the event of any permitted sale, transfer or assignment hereunder, the transferor or assignor shall to the extent of the transferred or assigned obligations, and only to such extent, be relieved of obligations accruing from and after the effective date of such transfer or assignment; *provided, however,* that under no circumstances shall any sale, transfer or assignment relieve the transferor or assignor of any liability for any breach of this Agreement occurring before the effective date of such transfer or assignment.

**12.6 Successors and Assigns.** This Agreement is binding on and shall inure to the benefit of the Parties and their respective successors, permitted assigns and legal representatives.

**12.7 Consent Not Unreasonably Denied or Delayed.** Consents to assignment, pledge or transfer requested pursuant to this Section 12 shall not be unreasonably denied or delayed.

**13. No Guarantee of Uninterrupted Transmission Service.** Nothing in this Agreement shall be construed to imply a guarantee by RTO West, to the Generating Party or any other person, of uninterrupted Transmission Service.

**14. Billing and Payment.** RTO West and the Generating Party shall comply with the billing and payment provisions as set forth in the applicable RTO West Tariffs and tariffs of the Generating Party.

**15. Uncontrollable Force.** A Party shall not be in breach of this Agreement as a result of such Party's failure to perform its obligations under this Agreement when such failure is caused by an Uncontrollable Force which such Party, despite the exercise of due diligence, is unable to remove with reasonable dispatch; *provided, however,* that such Party shall have the right to suspend performance of such obligations only to the extent and for the duration that the Uncontrollable Force actually and reasonably prevents the

performance of such obligations by such Party. In the event of the occurrence of an Uncontrollable Force that prevents a Party from performing any of its obligations under this Agreement, such Party shall: (1) immediately notify the other Party of such Uncontrollable Force with such notice to be confirmed in writing as soon as reasonably practicable; (2) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligations hereunder; (3) keep the other Party apprised of such efforts on an ongoing basis; and (4) provide written notice of the resumption of performance hereunder. Notwithstanding any of the foregoing, the settlement of any strike, lockout, or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the Party to this Agreement involved in such strike, lockout, or labor dispute and the requirement that a Party must use its best efforts to remedy the cause of the Uncontrollable Force or mitigate its effects and resume full performance hereunder shall not apply to strikes, lockouts, or labor disputes.

**16. Dispute Resolution.** Either Party may invoke the dispute resolution provisions of Exhibit G to this Agreement to resolve any dispute arising under this Agreement.

**17. Notices.**

**17.1 Permitted Methods of Notice.** Any notice, demand, or request required or permitted under this Agreement shall be in writing and shall be deemed properly served, given, or made to the address of the receiving Party set forth below: (1) upon delivery if delivered in person; (2) five days after deposit in the mail, if sent by first class United States or Canadian mail, postage prepaid; (3) upon receipt of confirmation by return electronic facsimile if sent by facsimile; or (4) upon delivery if delivered by prepaid commercial courier service.

The address of RTO West for notices shall be:

Attn:  
Telecopy:

The address of the Generating Party for notices shall be:

Attn:  
Telecopy:

17.2 **Change of Notices Address.** Either Party may at any time, by notice to the other Party in the manner set forth above, change the designation, address, or telecopy number of the person specified to receive notice on its behalf.

17.3 **Specific Provision Controls.** Notwithstanding the requirements of Section 17.1, where any provision of this Agreement requires a Party to furnish any particular data, information, or notice in a specific manner or within a specific time period, such provision shall control.

18. **Amendments.** This Agreement may not be modified by either Party except by subsequent mutual written agreement duly executed by the Parties.

19. **Construction of Agreement.** Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but shall be construed in a manner that most accurately reflects the purpose of this Agreement and the nature of the rights and obligations of the Parties with respect to the matter being construed.

20. **Integration.** This Agreement, including the exhibits hereto, constitute the complete agreement of the Parties with respect to the subject matter hereof, and all prior or contemporaneous representations, statements, negotiations, understandings and inducements are fully merged and incorporated in this Agreement.

21. **Preservation of Obligations.** Upon termination of this Agreement, all unsatisfied obligations of each Party shall be preserved until satisfied.

22. **Existing Agreements Preserved.** Nothing in this Agreement shall be interpreted to supersede the requirements of any existing agreement unless otherwise expressly stated herein.

23. **Governing Law.** This Agreement shall in all respects be interpreted, construed and enforced in accordance with the laws of the State or Province in which is located the principal office of the Party whose alleged obligations are to be enforced (without reference to rules governing conflicts of laws), except to the extent that such laws may be preempted by the laws of the United States of America or of Canada, as applicable; *provided, however,* that, notwithstanding the foregoing, if the Generating Party is a United States government entity (including but not limited to a federal power marketing administration), this Agreement shall in all respects be interpreted, construed, and enforced in accordance with the laws of the United States.

24. **Severability.** The rights of each Party shall be as set forth in Section 2.1 if this Agreement is (1) not accepted for filing or approved by FERC, (2) accepted for filing or approved by FERC with changes unacceptable to either Party, or (3) accepted for filing or approved by FERC, but such acceptance or approval is, as a result of judicial review, subsequently reversed or modified in a manner unacceptable to either Party. If this Agreement is not rendered void in accordance with the provisions of Section 2.1, and

thereafter any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent not prohibited by law, and all other terms, covenants, and conditions of this Agreement, and the application thereof, shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.

**25. Singular and Plural; Use of “Or”.** Any use of the singular in this Agreement also includes the plural and any use of the plural also includes the singular, and references to “or” shall be deemed to be disjunctive but not necessarily exclusive.

**26. Headings for Convenience Only.** The section headings in this Agreement are intended for convenience and reference only, and are not intended to define, limit, or describe the scope or intent of any provisions of this Agreement.

**27. Relationship of the Parties.**

**27.1 No Partnership, Etc.** Nothing contained in this Agreement shall be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement.

**27.2 Rights Several.** All rights of the Parties are several, not joint. Except as expressly provided in this Agreement, neither Party shall have a right or power to bind the other Party without that Party’s express written consent.

**28. No Third Party Beneficiaries.** Except for the rights of intervenors as specified in Exhibit G, this Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation, or undertaking established herein.

**29. No Dedication of Facilities.** No undertaking by either Party to the other Party under or pursuant to any provision of this Agreement shall constitute or be deemed to constitute a dedication of all or any portion of the RTO West Transmission System to the public or to the Generating Party or a dedication of all or any portion of the Generating Party’s Electric System to the public or to RTO West.

**30. Non-Waiver.** Any waiver at any time by any 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 other default or other matter arising in connection with this Agreement. Any waiver must be delivered in writing, executed by an authorized representative of the Party granting such waiver. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.

**31. Exhibits Incorporated.** The exhibits to this Agreement, as they may be amended or revised from time to time, are attached to this Agreement and are incorporated by reference as if herein fully set forth.

**32. Further Actions and Documents.** Each Party agrees to do all things, including but not limited to the preparation, execution, delivery, filing and recording of any instruments or agreements, reasonably requested by the other Party to carry out the provisions of this Agreement.

**33. Counterparts.** This Agreement may be executed in one or more counterparts, which may be executed at different times. Each counterpart shall constitute an original but all counterparts together shall constitute one and the same instrument.

**[For the Western Area Power Administration: 34. No Violation of Applicable Law.** Nothing contained in this Agreement shall be deemed to require either Party to (1) violate any applicable law or regulation, or any order lawfully promulgated thereunder, or (2) exceed such Party's legal authority, as defined by any applicable law or regulation, or any order lawfully promulgated thereunder. To the extent that any provision of this Agreement is inconsistent with any requirement or limitation imposed on either Party by applicable law or regulation, or any order lawfully promulgated thereunder, then, to such extent (and only to such extent), such provision shall be deemed inapplicable to such Party, and such Party shall have no liability whatsoever for any failure to comply with such provision to such extent. Notwithstanding the foregoing, each Party covenants and agrees that it shall comply with each and all of the provisions of this Agreement to the fullest extent permitted by applicable laws and regulations, and any orders lawfully promulgated thereunder.]

**34. Governing Agreement.** In the event of a conflict between the terms of this Agreement and the terms of any RTO West Transmission Control Agreement entered into by the Generating Party, the terms of the RTO West Transmission Control Agreement shall govern.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names.

RTO West

[The Generating Party]

By:

By:

Name:

Name:

Title:

Title:

## Exhibit A

### Definitions

“**AGC**” means automatic generation control.

“**Agreement**” means this RTO West Generation Integration Agreement.

“**Ancillary Services**” means Energy Imbalance Service, Spinning Reserve Service, Non-Spinning Reserve Service, Reactive Supply and Voltage Support Service, Regulation and Frequency Support Service, and Scheduling, System Control and Dispatch Service provided over the RTO West Transmission System, together with such other interconnected operation services as RTO West may offer to support the use of its Transmission Services, and which shall include all ancillary services a transmission provider is required by FERC to provide, while maintaining reliable operation of the RTO West Transmission System in accordance with Good Utility Practice.

“**Automatic Data Transfer**” means the provision of data to RTO West either by: (1) direct telemetry between the applicable Interconnected Unit or Interconnected Plant and RTO West’s designated Control Center, or (2) by a data channel from the Control Center for the applicable Interconnected Unit or Interconnected Plant to RTO West’s designated Control Center.

“**Confidential Information**” means any documents, data or other information received by RTO West, whether in written, oral or machine readable form, which the provider has identified in writing to be confidential, *provided* that Confidential Information shall not include (1) information subject to disclosure on the OASIS pursuant to the RTO West Tariffs, (2) information that becomes available to the public on a non-confidential basis, other than as a result of RTO West’s breach of its confidentiality obligations, (3) information received by RTO West from a third party without claim of confidentiality, or (4) information independently developed by RTO West.

“**Congestion Clearing**” means the alteration of the pattern of system use by the combination of: (1) an increase or decrease in electric generation at one or more specified Generating Facilities, (2) a decrease in load at specified locations, (3) the use of Remedial Action Schemes to raise transfer capability, (4) the operation of phase shifters , or (5) an alteration of scheduled transmission through or within the RTO West Transmission System, undertaken to permit or maintain the provision of reliable Transmission Service over the RTO West Transmission System.

“**Control Area**” means an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to: (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s) with the load within the electric power system(s); (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice; (3)

maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

**“Control Center”** means the central operations control facilities that are staffed 24-hours a day year-round and perform operational control functions for a given Control Area or Generation Facility.

**“Day-Ahead Supersaturation Emergency”** has the meaning specified in Section 9.1.1.

**“Displacement Energy”** means electric energy that is generated by a given Hydro Plant because the Hydro Plant must, in the opinion of the Hydro Plant Operator, direct water through the applicable Hydro Plant’s turbines rather than allowing water to pass through spillways.

**“Electric Disturbance”** means any sudden, unexpected, changed or abnormal electric condition occurring in or on an Electric System that may cause damage. A single Electric Disturbance shall be deemed to continue from its inception until all affected Electric Systems are restored to a stable condition of normal voltage and frequency and are capable of carrying normal electrical loads. The effects of a single Electric Disturbance shall be deemed to include: (1) all effects of such Electric Disturbance on the Electric System in or on which such Electric Disturbance originates; and (2) all effects of such Electric Disturbance on all Electric Systems directly or indirectly interconnected with such Electric System.

**“Electric Losses”** means the power and energy consumed in the transmission of electric power and energy over an electric transmission system due to the effect of electrical resistance in the facilities and equipment that make up the electric transmission system.

**“Electric System”** means a single integrated electric power grid usually characterized by ownership, rental, lease, control, or operation by a single person or entity. An “Electric System” consists of electric distribution facilities or generating facilities or transmission facilities, or any combination of the three, and includes transmission lines, distribution lines, substations, switching stations, generating plants and all associated equipment for generating, transmitting, distributing or controlling flow of power. The term “Electric System” shall include any devices or equipment by which information is originated on an electric system or by the person operating such system, by which such information is transmitted, and by which such information is received either for information or for operation of the system, whether by the originating system or by another system.

**“Energy Imbalance Service”** means energy correction for the difference between the scheduled and the actual delivery of electric energy to a transmission customer’s load.

**“FERC”** means the Federal Energy Regulatory Commission or any successor thereto.

**“Generation Facility”** means any facility used for the generation of electricity for sale at wholesale or retail.

**“Generation Redispatch”** means an increase or decrease in electric generation at one or more specified Generation Facilities, undertaken to permit or to maintain the provision of reliable Transmission Service over the RTO West Transmission System.

**“Good Utility Practice”** means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the WSCC Interconnection.

**“Governor”** means any device that regulates the output of an electric generator as a function of Electric System frequency for the purposes of helping to maintain Electric System stability.

**“Hydro Plant”** means a hydroelectric Generation Facility that is operating within the RTO West Interconnected Control Areas and: (1) that is directly subject to an RTO West Generation Integration Agreement; or (2) with respect to which the administration or other entity responsible for marketing its power has executed an RTO West Generation Interconnection Agreement.

**“Hydro Plant Operator”** means, with respect to a particular Hydro Plant, the party that: (1) is an owner, operator, power marketing administration, or holder of contractual or other rights affecting the operation of the Hydro Plant; and (2) has executed an RTO West Generation Interconnection Agreement.

**“Interconnected Plant”** means one or more Interconnected Units operated within the RTO West Interconnected Control Areas as a single Generation Facility.

**“Interconnected Unit”** means any Generation Facility, or any part of any Generation Facility, or any part of the output of any Generation Facility, to the extent that (1) the Generation Facility is operated within the RTO West Interconnected Control Areas (whether as of the Operational Control Commencement Date or upon the occurrence of the events described in Section 3.3 or Section 3.4) and (2) the Generating Party has the ability (whether through ownership, by contract, or otherwise) to cause compliance with any of this Agreement’s obligations with respect to such Generation Facility or output.

**“Interconnection Facilities”** means electric transmission and distribution equipment required for the operation of any Point of Interconnection.

**“Large Generation Facility”** means (1) any Interconnected Unit with a rated capacity of 100 MW or greater; and (2) any Interconnected Plant for which the aggregate rated capacity of all its Interconnected Units is 100 MW or greater.

**“Loss” or “Losses”** mean physical damage to an Electric System; loss or damage resulting from making an Electric System or any portion thereof inoperable; and loss or damage consequential to either such loss or damage, including loss of use.

**“Mandatory Bid Notice”** has the meaning specified in Section 9.3.2.

**“Must-Run Status”** has the meaning specified in Section 9.1.1.

**“NERC”** means the North American Electric Reliability Council or its successor organization.

**“Non-Spinning Reserve Service”** means provision of additional electric capacity from electric generating facilities that are capable of being synchronized and ramping to a specified load on ten (10) minutes’ notice, or from load that is capable of being interrupted on ten (10) minutes’ notice.

**“Non-Spinning Reserves”** means additional electric capacity from Generation Facilities that are capable of being synchronized and ramped to a specified load on ten (10) minutes’ notice, or load that is capable of being interrupted on ten (10) minutes’ notice.

**“OASIS”** means an open access same-time information system as prescribed by FERC, or any successor or revised system to OASIS prescribed by FERC.

**“Operational Control Commencement Date”** means the date RTO West commences “Operational Control” of the RTO West-Controlled Transmission, pursuant to an RTO West Transmission Control Agreement between RTO West and the party operating the Control Area within which the Interconnected Units theretofore were controlled.

**“Point of Interconnection”** means the point of change in operational control between an Interconnected Unit or Interconnected Plant and the RTO West Transmission System.

**“Pre-existing Generation Agreement”** means any agreement to which the Generating Party is a party that is in effect as of the effective date of this Agreement and that relates to the ownership or operation of one or more of the Interconnected Units.

**“Reactive Power”** means the portion of apparent power that is measured in VARs and that is supplied or absorbed by rotating equipment or by electrostatic equipment, such as capacitors, reactors or power lines.

**“Reactive Supply and Voltage Support Service”** means service needed to maintain acceptable voltage levels on the RTO West Transmission System and to meet reactive capacity requirements at points of interconnection on the RTO West Transmission System.

**“Regulation and Frequency Support Service”** means following the moment-to-moment variations in the electric energy supplies and demands in a Control Area in order to maintain the scheduled interconnection frequency at sixty cycles per second (60 Hz).

**“Remedial Action Scheme”** means protective systems that typically utilize a combination of conventional protective relays, computer-based processors, and telecommunications to accomplish rapid, automated response to any Electric Disturbance.

**“RTO West-Controlled Transmission”** means the collective facilities and equipment specified on Exhibits E and F to all RTO West Transmission Control Agreements, taken together.

**“RTO West Interconnected Control Areas”** means the Control Areas or former Control Areas of all parties that have executed RTO West Transmission Control Agreements.

**“RTO West Critical Control Facilities”** means those facilities, protective relay systems and Remedial Action Schemes that have a direct impact on RTO West’s ability to maintain the security of the RTO West Transmission System.

**“RTO West Tariffs”** means those tariffs of RTO West for the provision of Transmission Services, including Ancillary Services, as accepted for filing or approved by FERC.

**“RTO West Transmission Control Agreement”** means the form of RTO West agreement by which owners of portions of RTO West-Controlled Transmission have transferred operational control of such transmission facilities to RTO West.

**“RTO West Transmission System”** means the collective facilities set forth on the Exhibits C to all the RTO West Transmission Control Agreements, taken together.

**“RTO West Transmission System Emergency”** means an unexpected situation or sudden occurrence on the RTO West Transmission System or on interconnected transmission systems of a serious and urgent nature that requires immediate action to maintain the reliability of transmission services over the RTO West Transmission System and over interconnected transmission systems.

**“Safety and Reliability Requirements”** means all that is required by Good Utility Practice, together with all applicable laws and governmental rules, regulations, orders, and all mandatory provisions of the reliability criteria, standards, guidelines and operating procedures of NERC, FERC, WSCC and other organizations that govern the planning, design, and operation of a Party’s Electrical System.

**“Same-Day Supersaturation Emergency”** has the meaning specified in Section 9.1.2.

**“Scheduling, System Control and Dispatch Service”** means the services required for RTO West to schedule the movement of electric power through, out of, within, or into its Control Area.

**“Selling Party”** has the meaning specified in Section 9.2.

**“Significant Events List”** means (1) with respect to RTO West, a list of significant operating events and conditions of which RTO West, in the event of the occurrence or existence of any such events or conditions on the Interconnecting Party’s Electric System, wishes to receive notice, and (2) with respect to the Interconnecting Party, a list of significant operating events and conditions of which the Interconnecting Party, in the event of the occurrence or existence of any such event or condition on the RTO West Transmission System, wishes to receive notice.

**“Small Generation Facility”** means any Interconnected Unit that (1) has a rated capacity of less than 100 MW and (2) is part of an Interconnected Plant for which the aggregate rated capacity of all its Interconnected Units is less than 100 MW.

**“Spinning Reserve Service”** means the provision of additional electric capacity from partially or wholly unloaded synchronized Generation Facilities, which capacity is capable of immediately beginning to ramp upon demand.

**“Spinning Reserves”** means additional electric capacity from partially or wholly unloaded synchronized Generation Facilities capable of beginning to ramp immediately upon demand.

**“Transmission Service”** shall be as defined in the RTO West Tariffs.

**“Uncontrollable Force”** means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, earthquake, explosion, accident to or breakage, failure or malfunction of machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities (other than the Generating Party, if the Generating Party is a federal power marketing administration, municipal corporation, or other federal or state governmental entity or subdivision thereof), or any other cause beyond a Party’s reasonable control and to the extent without such Party’s fault or negligence.

**“Voluntary Bid Notice”** has the meaning specified in Section 9.2.

**“Willful Action”** means an action taken or not taken by a Party, which action is knowingly or intentionally taken or failed to be taken, with intent that injury or damage would result therefrom or which action is wantonly reckless. Willful Action does not include any act or failure to act which is involuntary, accidental, negligent or grossly negligent.

**“WIS Agreement”** means the Agreement Limiting Liability Among Western Interconnected Systems.

**“WIS Insurance”** means the insurance program associated with the WIS Agreement.

**“WSCC”** means the Western Systems Coordinating Council or its successor organization.

**“WSCC Interconnection”** means the WSCC geographic region as defined by NERC.

**“WSCC Regional Security Plan”** means a plan adopted and approved by the WSCC to meet NERC requirements for a security process for Control Area operations within the WSCC.

**Exhibit B**

**Interconnected Units and Points of Interconnection and  
Pre-existing Generation Agreements**

**Exhibit C**

**Metering System Locations**

**Exhibit D**

**I. RTO West Remedial Action Schemes in Which the Generating Party Shall Participate**

**II. Other Remedial Action Schemes and Generator Tripping Agreements to Which Any Interconnected Unit is Subject**

**Exhibit E**

**Protective Devices and Terminal Voltage Regulators**

**Exhibit F**

**Special Arrangements**

## Exhibit G

### DISPUTE RESOLUTION

1. **Definitions.** In addition to the capitalized terms defined in the attached Agreement, the following additional terms used in this Exhibit G have the meanings specified below:

1.1 **“Canadian Regulatory Authority”** means the agency or agencies established under the laws of Canada or the applicable Provinces of Canada and having jurisdiction over facilities, interconnections, transmission rates, charges, terms and conditions of service of a Canadian Generating Party.

1.2 **“FPA”** means the Federal Power Act, 16 USC § 824 *et seq.*, as amended.

1.3 **“WRTA”** means the Western Regional Transmission Association.

2. **Dispute Resolution.**

2.1 **Preconditions to Arbitration.**

2.1.1 **Informal Settlement.** Each Party shall make all reasonable efforts to settle all disputes governed by this Exhibit G. In the event any such dispute is not settled, either Party may request in writing that the manager of WRTA (or its successor organization) appoint an impartial facilitator to aid the parties in reaching a mutually acceptable resolution to the dispute; such appointment shall be made within ten days of receipt of the request. The facilitator and representatives of the Parties with authority to settle the dispute shall meet within 21 days after the facilitator has been appointed to attempt to negotiate a resolution of the dispute. Settlement offers shall not be admissible in any subsequent dispute resolution process. With the consent of all Parties, resolution may include referring the matter to a technical body for resolution or for an advisory opinion.

2.1.2 **Impasse.** If the Parties have not succeeded in negotiating a resolution of the dispute within 30 days after first meeting with the facilitator or if the facilitator is not appointed within ten days pursuant to Section 2.1.1 of this Exhibit G, unless otherwise agreed, the Parties shall be deemed to be at an impasse and any such disputing Party may commence the arbitration process provided hereunder by notice to the other Party. RTO West shall post on the OASIS notice of the commencement of such dispute resolution process with respect to any Generating Party within forty-eight (48) hours after RTO West sends or receives such notice.

2.1.3 **Statements of Dispute.** Within 14 days of a Party’s request that the arbitration process be commenced, each Party shall submit a statement in writing to the other Party, which statement shall set forth in reasonable detail the nature of the dispute, the issues to be arbitrated, and the proposed arbitrator’s award sought through such arbitration proceedings. To the extent Parties do not agree on the terms of a required

contract provision, each submittal shall include proposed contract language for those issues in dispute.

**2.1.4 Selection of an Arbitrator.** Within ten days following the submission of their statements, the Parties shall select an arbitrator familiar with and knowledgeable about the policies and criteria used in the Parties' Control Areas, transmission systems, and regulatory requirements. If the Parties cannot agree upon an arbitrator, the Parties shall take turns striking names from a list of ten qualified individuals supplied by the WRTA Arbitration Committee from the list maintained by the WRTA Board, with a Party chosen by lot first striking a name. The last-remaining name not stricken shall be designated as the arbitrator. If that individual is unable or unwilling to serve, the individual last stricken from the list shall be designated and the process repeated until an individual is selected who is able and willing to serve. Absent the express written consent of all Parties as to any particular individual, no person shall be eligible for selection as an arbitrator who is a past or present officer, member of the governing body, employee of or consultant to any of the Parties, or of an entity related to or affiliated with any of the Parties, or whose interests are otherwise affected by the matter to be arbitrated. Any individual designated as an arbitrator shall make known to the Parties any such disqualifying relationship and a new arbitrator shall be designated in accordance with the provisions of this Section 2.1.4.

**2.1.5 Procedural Rules.** The arbitrator shall determine discovery procedures, intervention rights, how evidence shall be taken, what written submittals may be made, and other such procedural matters, taking into account the complexity of the issues involved, the extent to which factual matters are disputed and the extent to which the credibility of witnesses is relevant to a resolution of the dispute. Intervenors shall have the same procedural rights as parties to the dispute. Each party to the dispute shall produce all evidence determined by the arbitrator to be relevant to the issues presented. To the extent such evidence involves proprietary or confidential information, the arbitrator shall issue an appropriate protective order which shall be complied with by all parties to the dispute. The arbitrator may elect to resolve the arbitration matter solely on the basis of written evidence and arguments.

**2.1.6 Intervention.** The arbitrator shall admit as intervenors in the dispute resolution process any party that requests intervention and demonstrates to the arbitrator good cause for intervention. Absent the agreement to the contrary of all parties, no party shall be permitted to intervene unless, as a condition of its intervention, it agrees to be bound by the provisions of this Exhibit G in regard to the arbitration, including the provisions related to deference on appeal to FERC set forth in Section 2.5 of this Exhibit G and to deference on appeal to a Canadian Regulatory Authority set forth in Section 2.6 of this Exhibit G.

**2.1.7 Evidence.** The arbitrator shall take evidence submitted by the disputing parties in accordance with procedures established by the arbitrator and may request additional information, including the opinion of recognized technical bodies. All disputing parties shall be afforded a reasonable opportunity to rebut any such additional information. Other affected entities may request in writing that the arbitrator consider

additional information and the arbitrator may consider such additional information, subject to a right of the parties to have a reasonable opportunity to rebut such additional information.

**2.2 Substantive Standards and Decision.** As soon as practicable but in no event later than 115 days of his or her selection as arbitrator, the arbitrator shall select, by written notice to the Parties, the proposed award of a Party, or intervenor which best meets the terms and intent of this Agreement, of any provisions of the RTO West Tariff not inconsistent with this Agreement, other applicable agreements, laws, or regulations, or applicable technical standards and criteria not inconsistent with this Agreement and any other policies or determinations by the arbitrator not inconsistent with this Agreement; *provided, however*, if the arbitrator concludes that no proposed award is consistent with the applicable considerations or that no proposed award addresses all issues in dispute, the arbitrator shall specify how each proposed award is deficient and request that the disputing parties submit new proposed awards that cure the deficiency perceived by the arbitrator. A written decision, including specific findings of fact, explaining the basis for the award shall be provided by the arbitrator with the written notice to parties. Awards shall be based only on the evidence on the record before the arbitrator. No award that is not appealed shall be deemed to be precedential in any other arbitration related to a different dispute.

### **2.3 Compliance and Costs.**

**2.3.1 Compliance With the Arbitrator's Award.** Immediately upon the decision by the arbitrator, except during the period of appeal as provided for in Sections 2.4 or 2.5 of this Exhibit G, the Parties shall commence to take, and thereafter diligently prosecute to completion, whatever action is required to comply with the selected award to the extent the selected award does not require regulatory action and shall pursue no avenue of appeal. To the extent the award requires local, state, federal or provincial approval or regulatory action, FERC review of an award involving a federal power marketing agency, or a FERC filing by a transmission provider subject Sections 205 or 206 of the Federal Power Act, 16 USC §§ 824 d. and e.), or a Canadian Regulatory Authority filing by a Canadian Generating Party, the affected Party or intervenor shall promptly submit and support that portion of the award with the appropriate authority except as provided in Section 2.4 or Section 2.5. Any and all costs associated with the arbitration (but not including the parties' costs associated with attorney and witness fees) shall be borne by the party or parties whose proposed award was not selected, unless the parties agree to an alternate method of allocating costs, or unless the arbitrator determines it would be appropriate to allocate all or a portion of such costs to one or more intervenors.

## 2.4 FERC Appeal.

2.4.1 **Grounds for Appeal.** Within thirty (30) days of the issuance of any arbitration award, any party to an arbitration may apply to FERC to hear an appeal of such award with respect to matters to which FERC has jurisdiction, but only upon the grounds that the award is contrary to or beyond the scope of this Agreement or is unjust, unreasonable, unduly discriminatory or preferential or otherwise inconsistent with the FPA or FERC's then applicable standards or policies. Any appeal to FERC shall be based solely upon the record assembled by the arbitrator; *provided, however*, that any order by an arbitrator excluding material from the arbitration record or any ruling which is alleged to violate due process may be explicitly appealed to FERC by a Party as a part of an appeal under this Section 2.4. Parties to arbitrations intend that: (1) FERC should afford substantial deference to the factual findings of the arbitrator; (2) the portion, if any, of the award relating to issues not of first impression (i.e., matters previously decided by FERC or a court of competent jurisdiction in cases involving comparable facts and circumstances) should be afforded appropriate deference by FERC; and (3) the portion, if any, of the award relating to issues of first impression should be afforded no deference by FERC. Implementation of the award shall be stayed pending an appeal to FERC unless and until, at the request of a disputing party, FERC issues an order shortening or extending the stay.

2.4.2 **No Expansion of Factual Record.** No Party to an arbitration shall seek to expand the factual record before FERC beyond that offered to the arbitrator.

## 2.5 Canadian Review of Arbitration Awards.

2.5.1 **Canadian Facilities.** In a dispute involving Interconnected Units within Canada or interconnection with transmission facilities within Canada or transmission service provided through such facilities, a Party may elect to utilize the procedures of this Section 2.5.

2.5.2 **Canadian Appeal.** Any party to an arbitration involving Interconnected Units within Canada may apply to the appropriate Canadian Regulatory Authority to hear an appeal of any award with respect to such facilities only upon the grounds that the award is contrary to or beyond the scope of this Agreement or is unjust, unreasonable, unduly discriminatory or preferential or otherwise inconsistent with applicable Canadian laws or with then-applicable standards or policies of the appropriate Canadian Regulatory Authority.

2.5.3 **Canadian Appeal Record.** Any appeal to a Canadian Regulatory Authority by a party to an arbitration involving Interconnected Units within Canada shall be based solely upon the record assembled by the arbitrator; *provided, however*, that any order by an arbitrator including material from the arbitration record or which is alleged to violate due process may be explicitly appealed to the Canadian Regulatory Authority by a party as part of an appeal under this Section 2.5. Parties to arbitrations intend that: (1) the Canadian Regulatory Authority should afford substantial deference to the factual findings of the arbitrator; (2) the portion, if any, of the award relating to issues not of first

impression (i.e., matters previously decided by the Canadian Regulatory Authority or a court of competent jurisdiction in cases involving comparable facts and circumstances) should be afforded appropriate deference by the Canadian Regulatory Authority, and (3) the portion, if any, of the award relating to issues of first impressions should be afforded no deference by the Canadian Regulatory Authority; *provided, however*, that nothing in this provision is intended to limit the ability of a Canadian Regulatory Authority on its own initiative to review an award, should it determine that the award affects a matter within its jurisdiction.

**2.5.4 Canadian Appeal Proceeding.** If any party to an arbitration involving transmission facilities within Canada desires to appeal an award, it shall provide written notice to that effect to all other Parties and to the arbitrator within 14 days following the date of the award. If such notice of appeal is timely provided:

(a) Within 14 days of the date of such first notice of appeal, the party providing such notice shall file its statement of position regarding the appeal with the Canadian Regulatory Authority, together with the complete evidentiary record of the arbitration and a copy of the award.

(b) Within 30 days of the date of such first notice of appeal, any other party that was a party to the arbitration may file its statement of position regarding the appeal with the Canadian Regulatory Authority.

(c) Copies of all materials filed with the Canadian Regulatory Authority by a Party during the course of an appeal shall be delivered to all other Parties.

(d) Implementation of the award shall be deemed stayed pending an appeal unless and until, at the request of a disputing party, the Canadian Regulatory Authority issues an order shortening or extending such stay.

(e) The Parties intend that Canadian Regulatory Authority orders resulting from appeals shall be subject to judicial review pursuant to applicable Canadian Laws.

**2.5.5 Review on Initiative of Canadian Regulatory Authority.** An award involving transmission facilities within Canada shall be filed with the appropriate Canadian Regulatory Authority within 10 days after its issuance. The Canadian Regulatory Authority may thereafter determine whether to review the award on its own initiative, take such other action as it may deem appropriate, or take no action with respect to the award. Should the Canadian Regulatory Authority take no action regarding the award within such 30 day period, the parties to the arbitration are entitled to assume that the Canadian Regulatory Authority intends to take no action in its own initiative to review the award. Should the Canadian Regulatory Authority issue an order under this Section 2.5.5 initiating a review of the award within such 30 day period, the effectiveness

of the award shall be stayed pending a final order of the Canadian Regulatory Authority regarding the award.

2.6 **Judicial Review.** Subject to the right of any party to appeal to and exhaustion of remedies at FERC or at a Canadian Regulatory Authority, as provided in Sections 2.4 and 2.5 of this Exhibit G, any party shall be entitled to seek enforcement of the Award in any court of competent jurisdiction. Except for appeals of any decision by FERC or by a Canadian Regulatory Authority, judicial challenges to an award under this Exhibit G shall be limited to the grounds specified in the Federal Arbitration Act, Title 9, U.S.C., as amended.

**Exhibit H**

**Operating Representatives**