

BUSINESS PRACTICE

Operation of Eddy County HVDC Terminal

El Paso Electric Company

April 18, 2017

1. EPE has posted on the OASIS the transmission capacity on and through the Eddy County HVDC Terminal as non-firm.
2. Due to the potential for damage and/or degradation to the Eddy County HVDC Terminal from repeated on/off cycling of the Terminal, EPE implements the following operating parameters:
 - a. A one-business-day study period will be required for all transactions scheduled over the HVDC terminal in order to assess the impact of the request;
 - b. If system conditions do not allow the HVDC terminal to be started or re-started, the HVDC terminal will not be started or re-started until those conditions are relieved;
 - c. The preferred start time for transactions is 10:00 AM MDT or later in an effort to minimize adverse voltage condition due to light loads;
 - d. The minimum "on" time for the HVDC Terminal will be 3 days or 72 continuous hours;
 - e. The minimum "off" time for the HVDC Terminal will be 2 days or 48 continuous hours;
 - f. The Minimum Net Schedule on the Eddy County HVDC Terminal is 35 MW.
 - g. Because reversing the direction of flow through the HVDC terminal requires the terminal to be stopped and then started, "piggy-backing" of schedules that would result in such a reversal will be refused if they do not satisfy conditions, 2.d, 2.e and 2.f.;
 - h. If the HVDC Terminal is removed from service for any reason other than a forced outage during a transaction, the HVDC terminal will not be re-started until the minimum time period stated in 2.e above has been met;
 - i. During emergency conditions, EPE may deviate from these operating procedures, as necessary.
3. If the HVDC Terminal is removed from service due to a forced outage, the HVDC Terminal can only be re-started based on the system conditions at the time, as determined by EPE's System Controller. In this case, no more than two re-starts to restore schedules will be allowed.
4. If a Party makes a Transmission Service Request on the OASIS over the HVDC Terminal and that request results in a violation of the HVDC Terminal operating

parameters listed above or the requirements in any other posted Eddy County HVDC Terminal Business Practice, the Transmission Service Request will be "Refused" on the OASIS.

5. If a Party that directly interconnects to the HVDC Terminal (PNM, EPE, or SWPP) declares a NERC Capacity or Energy Emergency, then that Party may utilize the HVDC Terminal in a manner consistent with curing the declared Emergency.

6. If, during any hour, a Net Schedule on the Eddy County HVDC Terminal is less than 35 MW, a curtailment will occur for that hour in the following manner:
 - a. If a pro-rata curtailment of all parties using the Eddy County HVDC Terminal will increase the Net Schedule to a level above the 35 MW minimum, that pro-rata curtailment will take place, or;
 - b. If a pro-rata curtailment will not increase the Net Schedule above the 35 MW minimum, the Last In, First Out (LIFO) curtailment method will be used. This method will utilize the ETS E-Tag Creation Time, as listed on each E-Tag, to determine the party(-ies) being curtailed until the 35 MW minimum is reached.