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ATTACHMENT P

EIM

1. General Provision - Purpose and Effective Date of Attachment P

Attachment P provides for Transmission Provider’s participation as the NV Energy EIM Entity in the EIM administered by the MO. Attachment P shall be in effect upon its acceptance by the Commission for as long as Transmission Provider implements the EIM and until all final settlements are finalized resulting from such implementation. Sections 4.1.2.1, 4.1.3, 4.1.4, 4.2.3, 4.2.4, 5.1, 6 and 7 of this Attachment P take effect no earlier than September 23, 2015. Sections 4.1.1.5, 4.1.5, 4.1.6, 4.2.5, 5.2, 5.3, 8 and 10 of this Attachment P take effect no earlier than October 1, 2015 or the implementation date of the EIM, whichever is later.

This Attachment P shall apply to all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Parts II, III, IV, and V of this Tariff, as well as all transmission customers with legacy transmission agreements that expressly incorporate by reference the applicability of NV Energy’s Tariff and/or this Attachment P in particular. To the extent an Interconnection Customer controls the output of a generator located in the NV Energy EIM Entity’s BAA, the NV Energy EIM Entity may require the Interconnection Customer to comply with a requirement in this Attachment P to the extent that the NV Energy EIM Entity makes a determination that such Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment P than any Transmission Customer.

This Attachment P shall work in concert with the provisions of the MO Tariff implementing the EIM to support operation of the EIM. To the extent that this Attachment P is inconsistent with a provision in the remainder of this Tariff with regard to the NV Energy EIM Entity’s administration of the EIM, this Attachment P shall prevail.

This Attachment P governs the relationship between the NV Energy EIM Entity and all Transmission Customers and Interconnection Customers subject to this Tariff. This Attachment P does not establish privity between Transmission Customers and the MO or make a Transmission Customer subject to the MO Tariff. Any Transmission Customer duties and obligations related to the EIM are those identified in this Tariff, unless the Transmission Customer voluntarily elects to participate directly in the EIM with NV Energy EIM Participating Resources, in which case the MO Tariff provisions for EIM Participating Resources and EIM Participating Resource Scheduling Coordinators shall also apply.

2. Election of Transmission Customers to become NV Energy EIM Participating Resources

The decision of a Transmission Customer to participate in the EIM with resources as NV Energy EIM Participating Resources is voluntary. A Transmission Customer that chooses to have a resource become a NV Energy EIM Participating Resource must:

(1) Meet the requirements specified in Section 3 of this Attachment P;

(2) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator; and

(3) Follow the application and certification process specified in this Attachment P and the NV Energy EIM BP posted on the Transmission Provider’s OASIS.

Transmission Customers which own or control multiple resources may elect to have any or all of their resources be NV Energy EIM Participating Resources, in which case any resources that are not elected by the Transmission Customer to be NV Energy EIM Participating Resources shall be treated as Non-Participating Resources for purposes of this Attachment P.

3. Eligibility to be a NV Energy EIM Participating Resource

3.1 Internal Resources - Transmission Rights

Resources owned or controlled by Transmission Customers and located within the metered boundaries of NV Energy’s BAA are eligible to become NV Energy EIM Participating Resources. The Transmission Customer that owns or controls the resource must have associated transmission rights based on one of the following:

(1) The resource is a designated Network Resource of a Network Customer and the Network Customer elects to participate in the EIM through its Network Integration Transmission Service Agreement; or

(2) The resource is associated with either (i) a Service Agreement for Firm Point-to-Point Transmission Service or (ii) an Umbrella Service Agreement for Non-Firm Point-to-Point Transmission Service, and such Transmission Customer elects to participate in the EIM.

3.2 Resources External to NV Energy’s BAA

3.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of NV Energy’s BAA may participate in the EIM as a NV Energy EIM Participating Resource if the Transmission Customer (1) implements a Pseudo-Tie into NV Energy’s BAA, consistent with NV Energy’s business practice posted on Transmission Provider’s OASIS, (2) has arranged firm transmission over any third-party transmission systems to a NV Energy BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo-Tie into NV Energy’s BAA, consistent with NV Energy’s business practice posted on Transmission Provider’s OASIS, and (3) has secured transmission service consistent with Section 3.1 of this Attachment P.

3.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner consistent with the treatment of Network Upgrades and Direct Assignment Facilities to facilitate a Pseudo-Tie into NV Energy’s BAA.

3.3 Application and Certification of NV Energy EIM Participating Resources

3.3.1 Application

To become a NV Energy EIM Participating Resource, an applicant must submit a completed application, as set forth in the NV Energy EIM BP, and shall provide a deposit of $1,500 for the NV Energy EIM Entity to process the application. Upon completion of processing the completed application, the NV Energy EIM Entity shall charge and the applicant shall pay the actual costs of the application processing. Any difference between the deposit and the actual costs of the application processing shall be paid by or refunded to the NV Energy EIM Participating Resource applicant, as appropriate.

At the time of application, any NV Energy EIM Participating Resource applicant must elect to perform the duties of either a CAISO Metered Entity or Scheduling Coordinator Metered Entity, consistent with the MO’s requirements and additional technical requirements set forth in the NV Energy EIM BP, as applicable.

3.3.2 Processing the Application

The NV Energy EIM Entity shall make a determination as to whether to accept or reject the application within 45 days of receipt of the application. At minimum, the NV Energy EIM Entity shall validate through the application that the NV Energy EIM Participating Resource applicant has satisfied Sections 3.1 and 3.2 of this Attachment P, as applicable, and met minimum telemetry and metering requirements, as set forth in the NV Energy EIM BP. Within 45 days of receipt of the application and in accordance with the process outlined in the NV Energy EIM BP, the NV Energy EIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The NV Energy EIM Entity may extend the 45-day period to accommodate the resolution of minor deficiencies in the application in order to make a determination on an application.

If the NV Energy EIM Entity approves the application, it shall send notification of approval to both the NV Energy EIM Participating Resource applicant and the MO. The process by which the NV Energy EIM Entity sends notification of approval shall be set forth in the NV Energy EIM BP.

If the NV Energy EIM Entity rejects the application, the NV Energy EIM Entity shall send notification stating the grounds for rejection to the NV Energy EIM Participating Resource applicant. Upon request, the NV Energy EIM Entity may provide guidance to the applicant as to how the NV Energy EIM Participating Resource applicant may cure the grounds for the rejection. In the event that the NV Energy EIM Entity has granted an extension of the 45-day period but the applicant has neither provided the additional requested information nor otherwise resolved identified deficiencies within six (6) months of the NV Energy EIM Entity’s initial receipt of the application, the application shall be deemed rejected by the NV Energy EIM Entity.

If an application is rejected, the NV Energy EIM Participating Resource applicant may resubmit its application at any time (including submission of a new processing fee deposit).

3.3.3 Certification Notice

Upon approval of an application and in accordance with the process specified in the NV Energy EIM BP, certification by the NV Energy EIM Entity of the NV Energy EIM Participating Resource to participate in the EIM shall occur once the Transmission Customer has demonstrated and the MO has confirmed that the Transmission Customer has:

(1) Met the MO’s criteria to become an EIM Participating Resource and executed the MO’s pro forma EIM Participating Resource Agreement;

(2) Qualified to become or retained the services of a MO-certified EIM Participating Resource Scheduling Coordinator;

(3) Met the necessary metering requirements of this Tariff and Section 29.10 of the MO Tariff and the EIM Participating Resource Scheduling Coordinator has executed the MO’s pro forma Meter Service Agreement for Scheduling Coordinators; and

(4) Met communication and data requirements of this Tariff and Section 29.6 of the MO Tariff; and has the ability to receive and implement Dispatch Instructions every five minutes from the MO.

Upon receiving notice from the MO of the completion of the enumerated requirements by the Transmission Customer, the NV Energy EIM Entity shall provide notice to both the Transmission Customer with a NV Energy EIM Participating Resource and the MO that the NV Energy EIM Participating Resource is certified and therefore eligible to participate in the EIM. The process by which the NV Energy EIM Entity certifies Transmission Customers with a NV Energy EIM Participating Resource shall be set forth in the NV Energy EIM BP.

3.3.4 Status of Resource Pending Certification

If the Transmission Customer (i) has submitted an application for a resource to be a NV Energy EIM Participating Resource but the application has not been approved, or (ii) has not yet been certified by the NV Energy EIM Entity consistent with Section 3.3.3 of this Attachment P, the resource shall be deemed to be a Non-Participating Resource.

3.3.5 Notice and Obligation to Report a Change in Information

Each Transmission Customer with a NV Energy EIM Participating Resource has an ongoing obligation to inform the NV Energy EIM Entity of any changes to any of the information submitted as part of the application process under this Attachment P. The NV Energy EIM BP shall set forth the process and timing requirements for notifying the NV Energy EIM Entity of such changes.

This information includes, but is not limited to:

(1) Any change in the NV Energy EIM Participating Resource Scheduling Coordinator representing the resource;

(2) Any change in the ownership or control of the resource;

(3) Any change to the physical characteristics of the resource required to be reported to the MO in accordance with Section 29.4(c)(4)(C) of the MO Tariff; or

(4) If either the MO terminates the participation of the NV Energy EIM Participating Resource in the EIM or the Transmission Customer has terminated the NV Energy EIM Participating Resource’s participation in the EIM; in either case, that resource shall be considered to be a Non-Participating Resource for purposes of this Tariff, including Attachment P.

4. Roles and Responsibilities

4.1 Transmission Provider as the NV Energy EIM Entity and the NV Energy EIM Entity Scheduling Coordinator

4.1.1 Responsibilities

4.1.1.1 Identification of EIM Entity Scheduling Coordinator

The NV Energy EIM Entity can serve as the NV Energy EIM Entity Scheduling Coordinator or retain a third-party to perform such role. If the NV Energy EIM Entity is not the NV Energy EIM Entity Scheduling Coordinator, the NV Energy EIM Entity shall communicate to the NV Energy EIM Entity Scheduling Coordinator the information required by the NV Energy EIM Entity Scheduling Coordinator to fulfill its responsibilities in the EIM.

The NV Energy EIM Entity Scheduling Coordinator shall coordinate and facilitate the EIM in accordance with the requirements of the MO Tariff. The NV Energy EIM Entity Scheduling Coordinator must meet the certification requirements of the MO and enter into any necessary MO agreements.

4.1.1.2 Processing NV Energy EIM Participating Resource Applications

The NV Energy EIM Entity shall be responsible for processing applications of Transmission Customers seeking authorization to participate in the EIM with resources as NV Energy EIM Participating Resources in accordance with Section 3.3 of this Attachment P.

4.1.1.3 Determination of EIM Implementation Decisions for NV Energy’s BAA

The NV Energy EIM Entity is solely responsible for making any decisions with respect to EIM participation that the MO requires of EIM Entities. The NV Energy EIM Entity has made the following determinations:

(1) Eligibility requirements: Eligibility requirements are set forth in Section 3 of Attachment P.

(2) Load Aggregation Points: There shall be two LAPs, one for NVE North and one for NVE South. There shall be a load forecast prepared for each LAP.

(3) MO load forecast: The NV Energy EIM Entity shall utilize the MO load forecast but shall retain the right to provide the load forecast to the MO in accordance with the MO Tariff.

(4) MO metering agreements: The NV Energy EIM Entity and all Transmission Customers with NV Energy EIM Participating Resources shall have the option to elect to be Scheduling Coordinator Metered Entities or CAISO Metered Entities in accordance with Section 29.10 of the MO Tariff. The NV Energy EIM Entity shall be a Scheduling Coordinator Metered Entity on behalf of all Transmission Customers with Non-Participating Resources in accordance with Section 29.10 of the MO Tariff.

4.1.1.4 NV Energy EIM Business Practice

The NV Energy EIM Entity shall establish and revise, as necessary, procedures to facilitate implementation and operation of the EIM through the NV Energy EIM BP that shall be posted on the Transmission Provider’s OASIS.

4.1.1.5 Determination to Take Contingency Actions or Permanently Terminate Participation in the EIM

The NV Energy EIM Entity may terminate its participation in the EIM by providing a notice of termination to the MO pursuant to applicable agreements and by making a filing pursuant to Section 205 of the Federal Power Act to revise this Tariff consistent with the Commission’s requirements.

The NV Energy EIM Entity may take contingency actions in NV Energy’s BAA in accordance with the requirements of Section 10 of Attachment P. In addition, the NV Energy EIM Entity, in its sole and absolute discretion, may terminate its participation in the EIM in accordance with this Attachment P, the MO Tariff, any implementing agreements, and the Commission’s regulations.

4.1.2 Responsibilities of the NV Energy EIM Entity to Provide Required Information

4.1.2.1 Provide Modeling Data to the MO

The NV Energy EIM Entity shall provide the MO information associated with transmission facilities within NV Energy’s BAA, including, but not limited to, network constraints and associated limits that must be observed in NV Energy’s BAA network and interties with other BAAs.

4.1.2.2 Registration

The NV Energy EIM Entity shall register all Non-Participating Resources with the MO. The NV Energy EIM Entity shall update this information in accordance with the MO’s requirements as revised information is received from Transmission Customers with Non-Participating Resources in accordance with Section 4.2.1.2 of this Attachment P.

4.1.3 Day-to-Day EIM Operations

4.1.3.1 Submission of Transmission Customer Base Schedule and Resource Plans

The NV Energy EIM Entity is responsible for providing the data required by the MO in accordance with Section 29.34 of the MO Tariff, including but not limited to: (1) hourly Transmission Customer Base Schedules; and (2) Forecast Data for Non-Participating Resources that are variable energy resources; and (3) Resource Plans.

4.1.3.2 Communication of Manual Dispatch Information

The NV Energy EIM Entity shall inform the MO of a Manual Dispatch by providing reliability adjustment information for the affected resources in accordance with Section 29.34 of the MO Tariff.

4.1.3.3 Confirmation

The MO shall calculate, and the NV Energy EIM Entity shall confirm, actual values for Dynamic Schedules reflecting EIM Transfers to the MO within 60 minutes after completion of the Operating Hour to ensure the e-Tag author will be able to update these values in accordance with WECC business practices through an update to the e-Tag.

4.1.4 Provision of Meter Data

The NV Energy EIM Entity shall submit load, resource, and Interchange meter data to the MO in accordance with the format and timeframes required in the MO Tariff on behalf of Transmission Customers with Non-Participating Resources, loads, and Interchange.

4.1.5 Settlement of MO Charges and Payments

The NV Energy EIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the NV Energy EIM Entity. The NV Energy EIM Entity shall sub-allocate EIM charges and payments in accordance with Schedules 1, 4, and 9 of this Tariff or Section 8 of Attachment P, as applicable.

4.1.6 Dispute Resolution with the MO

The NV Energy EIM Entity shall manage dispute resolution with the MO for the NV Energy EIM Entity settlement statements consistent with Section 29.13 of the MO Tariff, Section 12 of this Tariff, and the NV Energy EIM BP. Transmission Customers with NV Energy EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO.

4.2 Transmission Customer Responsibilities

The following must comply with the information requirements of this section: (1) Transmission Customers with an NV Energy EIM Participating Resource; (2) Transmission Customers with a Non-Participating Resource; and (3) Transmission Customers with load within NV Energy’s BAA.

4.2.1 Initial Registration Data

4.2.1.1 Transmission Customers with a NV Energy EIM Participating Resource

A Transmission Customer with a NV Energy EIM Participating Resource shall provide the MO and the NV Energy EIM Entity with data necessary to meet the requirements established by the MO to register all resources with the MO.

4.2.1.2 Transmission Customers with Non-Participating Resources

A Transmission Customer with Non-Participating Resources shall provide the NV Energy EIM Entity with data necessary to meet the requirements established by the MO.

4.2.2 Responsibility to Update Required Data

4.2.2.1 Transmission Customers with a NV Energy EIM Participating Resource

Each Transmission Customer with a NV Energy EIM Participating Resource has an ongoing obligation to inform the MO and NV Energy EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 4.2.1 of this Attachment P that reflects changes in operating characteristics as defined in Section 29.4(e)(4)(D) of the MO Tariff. The NV Energy EIM BP shall set forth the process and timing requirements of notifying the NV Energy EIM Entity of such changes.

4.2.2.2 Transmission Customers with Non-Participating Resources

Each Transmission Customer with a Non-Participating Resource has an ongoing obligation to inform the NV Energy EIM Entity of any changes to any of the information submitted by the Transmission Customer with a Non-Participating Resource provided under Section 4.2.1 of this Attachment P. The NV Energy EIM BP shall set forth the process and timing requirements of notifying the NV Energy EIM Entity of such changes.

4.2.3 Outages

Transmission Customers with NV Energy EIM Participating Resources and Transmission Customers with Non-Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 7 of this Attachment P. The NV Energy EIM BP shall set forth the outage information requirements for NV Energy EIM Participating Resources and Non-Participating Resources.

4.2.4 Submission of Forecast Data

4.2.4.1 Transmission Customers with a NV Energy EIM Participating Resource

A Transmission Customer with an NV Energy EIM Participating Resource shall submit Forecast Data to the NV Energy EIM Entity. This submission must include data on all resources, Interchange, and Intrachange which balance to the Transmission Customer’s anticipated load, as applicable. If the Transmission Customer does not serve load within NV Energy’s BAA, submission of Forecast Data shall include data on all resources, Interchange, and Intrachange which shall balance to the Transmission Customer’s anticipated actual generation. Transmission Customers opting for physical delivery of Real Power Losses shall supply Interchange Forecast Data for amounts of power to be delivered at the Point(s) of Delivery and the amounts of energy expected to be received at the Point(s) of Receipt. These submissions shall be subject to the following additional requirements:

(1) For resources located in NV Energy’s BAA, the Transmission Customer shall provide Forecast Data from any resource greater than or equal to three MW;

(2) Only behind-the-meter generation which is contained in the MO’s network model shall be required to submit EIM Forecast Data unless explicitly contradicted by contract terms; and

(3) The submissions must be in the format and within the timing requirements established by the MO and the NV Energy EIM Entity as required in the NV Energy EIM BP.

If the MO does not provide information on bid ranges for NV Energy EIM Participating Resources, each NV Energy EIM Participating Resource Scheduling Coordinator shall provide to the NV Energy EIM Entity the energy bid range data (without price information) of the respective resources it represents that are participating in the EIM.

If the MO does not provide Dispatch Operating Point data for NV Energy EIM Participating Resources, each NV Energy EIM Participating Resource Scheduling Coordinator shall provide the NV Energy EIM Entity with Dispatch Operating Point data of the respective resources it represents that are participating in the EIM.

4.2.4.2 Transmission Customers with Non-Participating Resources

A Transmission Customer with a Non-Participating Resource shall submit Forecast Data to the NV Energy EIM Entity. This submission must include data on all resources, Interchange, and Intrachange which balance to the Transmission Customer’s anticipated load, as applicable. If the Transmission Customer does not serve load within NV Energy’s BAA, submission of Forecast Data shall include data on all resources, Interchange, and Intrachange which shall balance to the Transmission Customer’s anticipated actual generation. Transmission Customers opting for physical delivery of Real Power Losses shall supply Interchange Forecast Data for amounts of power to be delivered at the Point(s) of Delivery and the amounts of energy expected to be received at the Point(s) of Receipt. These submissions shall be subject to the following additional requirements:

(1) For resources located in NV Energy’s BAA, the Transmission Customer with Non-Participating Resources shall provide Forecast Data from any resource greater than or equal to three MW;

(2) Only behind-the-meter generation which is contained in the MO’s network model shall be required to submit EIM Forecast Data unless explicitly contradicted by contract terms; and

(3) The submissions must be in the format and within the timing requirements established by the NV Energy EIM Entity as required in the NV Energy EIM BP.

(4)A Transmission Customer with a Non-Participating Resource that is a variable energy resource shall submit (i) resource Forecast Data with hourly granularity and (ii) resource Forecast Data with 5-minute or 15-minute granularity. A Transmission Customer with a Non-Participating Resource that is a variable energy resource shall provide, at minimum, a three-hour rolling forecast with 15-minute granularity, updated every 15 minutes, and may provide, in the alternative, a three-hour rolling forecast with 5-minute granularity, updated every 5 minutes, and in accordance with any additional procedures set forth in the NV Energy EIM BP.

4.2.4.2.1 Alternative Methods for Transmission Customers with Non-Participating Resources that are Variable Energy Resources to Submit Resource Forecast Data

A Transmission Customer with a Non-Participating Resource that is a variable energy resource shall submit resource Forecast Data consistent with Section 4.2.4.2(4) using any one of the following methods:

(1) The Transmission Customer may elect to use the NV Energy EIM Entity’s variable energy resource reliability forecast prepared for variable energy resources within NV Energy’s BAA, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff;

(2) The Transmission Customer may elect to self-supply the Forecast Data and provide such data to the NV Energy EIM Entity, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff. The NV Energy EIM BP will specify the manner in which Transmission Customers may self-supply Forecast Data; or

(3) The Transmission Customer may elect that the MO produce Forecast Data for the variable energy resource, made available to the Transmission Customer in a manner consistent with Section 29.11(j)(1) of the MO Tariff, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 9 of this Tariff.

A Transmission Customer with a Non-Participating Resource that is a variable energy resource must elect one of the above methods prior to commencement of the EIM or prior to such other date in accordance with the procedures set forth in the NV Energy EIM BP. A Transmission Customer with a Non-Participating Resource that is a variable energy resource may change its election by providing advance notice to the NV Energy EIM Entity, in accordance with the procedures set forth in the NV Energy EIM BP.

To the extent a Transmission Customer with a Non-Participating Resource that is a variable energy resource elects method (2) above, and such Transmission Customer fails to submit resource Forecast Data for any time interval as required by Section 4.2.4.2(4) of this Attachment P, the NV Energy EIM Entity shall apply method (1) for purposes of settlement pursuant to Schedule 9 of this Tariff.

4.2.4.3 Transmission Customers with Load

As set forth in Sections 4.2.4.1 and 4.2.4.2 of Attachment P, a Transmission Customer is required to submit Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer’s anticipated load, as applicable. Transmission Customers opting for physical delivery of Real Power Losses shall supply Interchange Forecast Data for amounts of power to be delivered at Point(s) of Delivery and the amounts of energy expected to be received at the Point(s) of Receipt. The submissions shall be in the format and within the timing requirements established by the NV Energy EIM Entity as required in the NV Energy EIM BP.

For purposes of settling Energy Imbalance Service pursuant to Schedule 4 of this Tariff, the NV Energy EIM Entity shall calculate the load component of the Transmission Customer Base Schedule as the product of its resource Forecast Data net of its Interchange Forecast Data and net of its Intrachange Forecast Data, as applicable.

4.2.4.4 Transmission Customers Wheeling Through NV Energy’s BAA

A Transmission Customer wheeling through NV Energy’s BAA which does not have any resources or load within NV Energy’s BAA shall submit Interchange Forecast Data to the NV Energy EIM Entity. This submission shall include data on import Interchange which balances to the Transmission Customer’s export Interchange. Transmission Customers electing physical delivery of Real Power Losses shall supply Interchange Forecast Data for amounts of energy expected to be received at the Point(s) of Receipt.

4.2.5 Metering for Transmission Customers with Non-Participating Resources

To assess imbalance, the MO shall disaggregate meter data into 5-minute intervals if the meter intervals are not programmed to 5-minute intervals pursuant to a Transmission Customer’s applicable interconnection requirements associated with any agreement pursuant to Parts IV or V of this Tariff. To the extent that a Transmission Customer owns the meter or communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data accessible for the NV Energy EIM Entity to comply with Section 4.1.4 of this Attachment P.

5. Transmission Operations

5.1 Provision of Information Regarding Real-Time Status of the Transmission Provider’s Transmission System

The NV Energy EIM Entity shall provide the MO information on:

(1) real time data for the Transmission System and interties; and

(2) any changes to transmission capacity and the Transmission System due to operational circumstances.

6. System Operations Under Normal and Emergency Conditions

6.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the Transmission Provider operates its Transmission System consistent with applicable reliability standards, including reliability adjustments.

Participation in the EIM shall not modify, change, or otherwise alter the obligations of the NV Energy EIM Entity, Transmission Customers with NV Energy EIM Participating Resources, or Transmission Customers with Non-Participating Resources to comply with applicable reliability standards.

The NV Energy EIM Entity shall remain responsible for:

(1) maintaining appropriate operating reserves and for its obligations pursuant to any reserve sharing group agreements;

(2) NERC and WECC responsibilities including, but not limited to, informing the Reliability Coordinator of issues within NV Energy’s BAA;

(3) processing e-Tags and managing schedule curtailments at the interties; and

(4) monitoring and managing real-time flows within system operating limits on all transmission facilities within NV Energy’s BAA, including facilities of NV Energy BAA Transmission Owners. If requested by a Transmission Customer that is also a NV Energy BAA Transmission Owner, the NV Energy EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of a NV Energy BAA Transmission Owner.

6.2 Good Utility Practice

The NV Energy EIM Entity, Transmission Customers with Non-Participating Resources, and Transmission Customers with NV Energy EIM Participating Resources shall comply with Good Utility Practice with respect to this Attachment P.

6.3 Management of Contingencies and Emergencies

6.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with Section 29.7(j) of the MO Tariff, the NV Energy EIM Entity shall, in accordance with Section 29.7(j)(4) of the MO Tariff, promptly inform the MO of actions taken in response to the EIM disruption by providing reliability adjustment information, updates to e-Tags, transmission limit adjustments, or outage and de-rate information, as applicable.

6.3.2 Manual Dispatch

The NV Energy EIM Entity may issue a Manual Dispatch order to a Transmission Customer with a NV Energy EIM Participating Resource or a Non-Participating Resource in NV Energy’s BAA, to address reliability or operational issues in NV Energy’s BAA that the EIM is not able to address through normal economic dispatch and congestion management.

The NV Energy EIM Entity shall inform the MO of a Manual Dispatch as soon as possible.

7. Outages

7.1. NV Energy EIM Entity Transmission Outages

7.1.1 Planned Transmission Outages

The NV Energy EIM Entity shall submit information regarding planned transmission outages to the MO’s outage management system in accordance with Section 29.9(b) of the MO Tariff. The NV Energy EIM Entity shall update the submittal if there are changes to the transmission outage plan.

7.1.2 Unplanned Transmission Outages

The NV Energy EIM Entity shall submit information as soon as possible regarding unplanned transmission outages to the MO’s outage management system in accordance with Section 29.9(e) of the MO Tariff.

7.2 NV Energy BAA Transmission Owner Outages

Transmission Customers that are also NV Energy BAA Transmission Owners shall provide the NV Energy EIM Entity with planned and unplanned transmission outage data. Planned outages shall be reported to the NV Energy EIM Entity 7 or more days in advance and preferably at least 30 days in advance of the outage. Unplanned outages shall be reported to the NV Energy EIM Entity as soon as possible but no later than 30 minutes after the outage commences.

The NV Energy EIM Entity shall communicate information regarding planned and unplanned outages of NV Energy BAA Transmission Owner facilities to the MO as soon as practicable upon receipt of the information from the NV Energy BAA Transmission Owner.

7.3 NV Energy EIM Participating Resource Outages

7.3.1 Planned NV Energy EIM Participating Resource Outages

NV Energy EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages to the NV Energy EIM Entity. Planned outages shall be reported to the NV Energy EIM Entity 7 or more days in advance and preferably at least 30 days in advance of the outage. The NV Energy EIM Entity shall then submit this outage information to the MO’s outage management system in accordance with Section 29.9(c) of the MO Tariff. NV Energy EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

7.3.2 Unplanned NV Energy EIM Participating Resource Outages

In the event of an unplanned outage required to be reported under Section 29.9(e) of the MO Tariff, the NV Energy EIM Participating Resource Scheduling Coordinator is responsible for notifying the NV Energy EIM Entity of required changes. Unplanned outages shall be reported to the NV Energy EIM Entity as soon as possible but no later than 30 minutes after the outage commences. The NV Energy EIM Entity shall then submit this information to the MO's outage management system.

7.4 Outages of Transmission Customers with Non-Participating Resources

7.4.1 Planned Outages of Transmission Customers with Non-Participating Resources

Transmission Customers with Non-Participating Resources shall report information regarding planned outages of resources to the NV Energy EIM Entity 7 or more days in advance and preferably at least 30 days in advance of the outage. The Transmission Customer with a Non-Participating Resource shall update the submittal if there are changes to the resource’s outage plan.

The NV Energy EIM Entity shall submit planned resource outages of Non-Participating Resources to the MO’s outage management system in accordance Section 29.9(c) of the MO Tariff.

7.4.2 Unplanned Outages of Resources of Transmission Customers with Non-Participating Resources

Unplanned outages of resources of a Transmission Customer with Non-Participating Resources shall be reported to the NV Energy EIM Entity as soon as possible but no later than 30 minutes after the outage commences. De-rates of 50 MW or greater shall be reported to the NV Energy EIM Entity; reporting of de-rates less than 50 MW to the NV Energy EIM Entity is not required, but is encouraged.

In the event of a forced outage required to be reported under Section 29.9(e) of the MO Tariff, the NV Energy EIM Entity is responsible for notifying the MO of required changes through the MO's outage management system.

8. EIM Settlements and Billing

The NV Energy EIM BP shall include information on the specific charge codes applicable to EIM settlement.

8.1 Instructed Imbalance Energy (IIE)

The NV Energy EIM Entity shall be required to sub-allocate IIE based on the operational adjustments of any affected Interchange or based on resource imbalances created by Manual Dispatch or an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff at the applicable PNode RTD or FMM price, less the price component for marginal losses. Any allocations to the NV Energy EIM Entity pursuant to Section 29.11(b) of the MO Tariff for IIE shall be sub-allocated directly to Transmission Customers.

8.2 Uninstructed Imbalance Energy (UIE)

Any charges or payments to the NV Energy EIM Entity pursuant to Section 29.11(b)(3)(B) and (C) of the MO Tariff for UIE not otherwise recovered under Schedule 4 or Schedule 9 shall not be sub-allocated to Transmission Customers.

8.3 Unaccounted for Energy (UFE)

Any charges to the NV Energy EIM Entity pursuant to Section 29.11(c) of the MO Tariff for UFE shall not be sub-allocated to Transmission Customers.

8.4 Charges for Under-Scheduling or Over-Scheduling Load

8.4.1 Under-Scheduling Load

Any charges to the NV Energy EIM Entity pursuant to Section 29.11(d)(1) of the MO Tariff for under-scheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer’s respective under-scheduling imbalance ratio share, which is the ratio of the Transmission Customer’s under-scheduled load imbalance amount relative to all other Transmission Customers’ under-scheduled load imbalance amounts who have under-scheduled load for the Operating Hour, expressed as a percentage.

8.4.2 Over-Scheduling Load

Any charges to the NV Energy EIM Entity pursuant to Section 29.11(d)(2) of the MO Tariff for over-scheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer’s respective over-scheduling imbalance ratio share, which is the ratio of the Transmission Customer’s over-scheduled load imbalance amount relative to all other Transmission Customers’ over-scheduled load imbalance amounts who have over-scheduled load for the Operating Hour, expressed as a percentage.

8.4.3 Distribution of Under-Scheduling or Over-Scheduling Proceeds

Any payment to the NV Energy EIM Entity pursuant to Section 29.11(d)(3) of the MO Tariff shall be distributed to Transmission Customers on the basis of Metered Demand and in accordance with the procedures outlined in the NV Energy EIM BP.

8.5 EIM Uplifts

8.5.1. EIM BAA Real-Time Market Neutrality (Real-Time Imbalance Energy Offset – BAA)

Any charges to the NV Energy EIM Entity pursuant to Section 29.11(e)(3) of the MO Tariff for EIM BAA real-time market neutrality shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.2 EIM Entity BAA Real-Time Congestion Offset

Any charges to the NV Energy EIM Entity pursuant to Section 29.11(e)(2) of the MO Tariff for the EIM real-time congestion offset shall be allocated to Transmission Customers on the basis of Measured Demand.

8.5.3 EIM Entity Real-Time Marginal Cost of Losses Offset

Any charges to the NV Energy EIM Entity pursuant to Section 29.11(e)(4) of the MO Tariff for real-time marginal cost of losses offset shall not be sub-allocated to Transmission Customers.

8.5.4 EIM Neutrality Settlement

Any charges to the NV Energy EIM Entity pursuant to Section 29.11(e)(5) of the MO Tariff for EIM neutrality settlement shall be sub-allocated as follows:

Description Allocation

Neutrality Adjustment (monthly and daily) Measured Demand

Rounding Adjustment (monthly and daily) Measured Demand

8.5.5 Real-Time Bid Cost Recovery

Any charges to the NV Energy EIM Entity pursuant to Section 29.11(f) of the MO Tariff for EIM real-time bid cost recovery shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.6 Flexible Ramping Constraint

Any charges to the NV Energy EIM Entity pursuant to Section 29.11(g) of the MO Tariff for the Flexible Ramping Constraint shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.7 Inaccurate or Late Actual Settlement Quality Meter Data Penalty

To the extent the NV Energy EIM Entity incurs a penalty for inaccurate or late actual settlement quality meter data, pursuant to Section 37.11.1 of the MO Tariff, the NV Energy EIM Entity shall directly assign the penalty to the offending Transmission Customer.

8.5.8 Other EIM Settlement Provisions

Any charges to the NV Energy EIM Entity pursuant to the MO Tariff for the EIM settlement provisions shown in the following table shall be sub-allocated as follows:

Description Allocation

Invoice Deviation (distribution and allocation) NV Energy EIM Entity

Generator Interconnection Process Forfeited Deposit Allocation NV Energy EIM Entity

Default Invoice Interest Payment NV Energy EIM Entity

Default Invoice Interest Charge NV Energy EIM Entity

Invoice Late Payment Penalty NV Energy EIM Entity

Financial Security Posting (Collateral) Late Payment Penalty NV Energy EIM Entity

Shortfall Receipt Distribution NV Energy EIM Entity

Shortfall Reversal NV Energy EIM Entity

Shortfall Allocation NV Energy EIM Entity

Default Loss Allocation NV Energy EIM Entity

8.6 MO Tax Liabilities

Any charges to the NV Energy EIM Entity pursuant to Section 29.22(a) of the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

8.7 EIM Transmission Service Charges

There shall be no incremental transmission charge assessed for transmission use related to the EIM.

8.8 Variable Energy Resource Forecast Charge

Any costs incurred by the NV Energy EIM Entity related to the preparation and submission of resource Forecast Data for a Transmission Customer electing either method (1) or (2), as set forth in Section 4.2.4.2.1 of this Attachment P, shall be allocated to the Transmission Customer with a Non-Participating Resource electing to use either such method.

For a Transmission Customer electing method (3), as set forth in Section 4.2.4.2.1 of this Attachment P, any charges to the NV Energy EIM Entity pursuant to Section 29.11(j)(1) of the MO Tariff for variable energy resource forecast charges shall be sub-allocated to the Transmission Customer with a Non-Participating Resource requesting such forecast.

8.9 EIM Payment Calendar

Pursuant to Section 29.11(l) of the MO Tariff, the NV Energy EIM Entity shall be subject to the MO’s payment calendar for issuing settlement statements, exchanging invoice funds, submitting meter data, and submitting settlement disputes to the MO. The NV Energy EIM Entity shall follow Section 7 of this Tariff for issuing invoices regarding the EIM.

8.10 EIM Residual Balancing Account

To the extent that MO EIM-related charges or payments to the NV Energy EIM Entity are not captured elsewhere in Attachment H, Schedules 1, 4, and 9 of this Tariff, or this Section 8, those charges or payments shall be placed in a balancing account, with interest accruing at the rate established in 18 C.F.R. § 35.19(a)(2)(iii), until NV Energy makes a filing with the Commission pursuant to Section 205 of the Federal Power Act proposing an allocation methodology.

8.11 Market Validation and Price Correction

If the MO modifies the NV Energy EIM Entity settlement statement in accordance with the MO’s market validation and price correction procedures in the MO Tariff, the NV Energy EIM Entity reserves the right to make corresponding or similar changes to the charges and payments sub-allocated under this Attachment P.

8.12 Allocation of Operating Reserves

To be determined.

9. Compliance

9.1 Provision of Data

Transmission Customers with NV Energy EIM Participating Resources and NV Energy EIM Participating Resource Scheduling Coordinators are responsible for complying with information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer with NV Energy EIM Participating Resources or a Transmission Customer with Non-Participating Resources must provide the NV Energy EIM Entity with all data necessary to respond to information requests received by the NV Energy EIM Entity from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the NV Energy EIM Entity is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the NV Energy EIM Entity may disclose such information; provided, however, that upon the NV Energy EIM Entity learning of the disclosure requirement and, if possible, prior to making such disclosure, the NV Energy EIM Entity shall notify any affected party of the requirement and the terms thereof. The party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The NV Energy EIM Entity shall cooperate with the affected party to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

The NV Energy EIM Entity shall treat all Transmission Customer and Interconnection Customer data and information provided to it as market-sensitive and confidential, unless the NV Energy EIM Entity is otherwise allowed or required to disclose. The NV Energy EIM Entity shall continue to abide by the Commission’s Standards of Conduct and handle customer information accordingly.

9.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the EIM on a fair and equal basis. Parties should:

(1) Comply with Dispatch Instructions and NV Energy EIM Entity operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO or the NV Energy EIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the NV Energy EIM Entity;

(2) Submit bids for resources that are reasonably expected to be available and capable of performing at the levels specified in the bid, and to remain available and capable of so performing based on all information that is known or should have been known at the time of submission;

(3) Notify the MO and the NV Energy EIM Entity of outages in accordance with Section 7 of this Attachment P;

(4) Provide complete, accurate, and timely meter data to the NV Energy EIM Entity in accordance with the metering and communication requirements of this Tariff, and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely when provided to the NV Energy EIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;

(5) Provide information to the NV Energy EIM Entity, including the information requested in Sections 4.2.1, 4.2.2, 4.2.3, and 9.1 of this Attachment P, by the applicable deadlines; and

(6) Utilize commercially-reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the NV Energy EIM Entity.

9.3 Enforcement

The NV Energy EIM Entity may refer a violation of Section 9.2 of this Attachment P to FERC. Violations of these rules of conduct may be enforced by FERC in accordance with FERC’s rules and procedures. Nothing in this Section 9 is meant to limit any other remedy before FERC or any applicable judicial, governmental, or administrative body.

10. Market Contingencies

10.1 Temporary Suspension by the MO

In the event that the MO implements a temporary suspension in accordance with Section 29.1(d)(1) of the MO Tariff, including the actions identified in Section 29.1(d)(5), the NV Energy EIM Entity shall utilize Temporary Schedules 4, 9 and 10 in accordance with Sections 10.4.1, 10.4.2 and 10.4.3 of this Attachment P until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process termination of the NV Energy EIM Entity’s participation in the EIM in accordance with Section 29.1(d)(2) of the MO Tariff.

10.2 Termination of Participation in EIM by the NV Energy EIM Entity

If the NV Energy EIM Entity submits a notice of termination of its participation in the EIM to the MO in accordance with the applicable agreements and Section 4.1.1.5 of this Attachment P, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the NV Energy EIM Entity may invoke the following corrective actions by requesting that the MO:

(1) prevent EIM Transfers and separate the NV Energy EIM Entity’s BAA from operation of the EIM in the EIM Area; and

(2) suspend settlement of EIM charges with respect to the NV Energy EIM Entity.

Once such corrective actions are implemented by the MO, the NV Energy EIM Entity shall utilize Temporary Schedules 4, 9 and 10 in accordance with Sections 10.4.1, 10.4.2 and 10.4.3 of this Attachment P.

If the NV Energy EIM Entity takes action under this Section 10.2, the NV Energy EIM Entity shall notify the MO and Transmission Customers.

10.3 Corrective Actions Taken by the NV Energy EIM Entity for Temporary Contingencies

The NV Energy EIM Entity may declare a temporary contingency and invoke corrective actions for the EIM when in its judgment —

(1) operational circumstances (including a failure of the EIM to produce feasible results in NV Energy’s BAA) have caused or are in danger of causing an abnormal system condition in NV Energy’s BAA that requires immediate action to prevent loss of load, equipment damage, or tripping system elements that might result in cascading outages, or to restore system operation to meet the applicable Reliability Standards and reliability criteria established by NERC and WECC;

(2) communications between the MO and the NV Energy EIM Entity are disrupted and prevent the NV Energy EIM Entity, the NV Energy EIM Entity Scheduling Coordinator, or a NV Energy EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

10.3.1 Corrective Actions for Temporary Contingencies

If either of the above temporary contingencies occurs, the NV Energy EIM Entity may invoke the following corrective actions by requesting that the MO:

(1) prevent EIM Transfers and separate the NV Energy EIM Entity’s BAA from operation of the EIM in the EIM Area; and/or

(2) suspend settlement of EIM charges with respect to the NV Energy EIM Entity.

When corrective actions 10.3.1(1) and (2) are implemented in conjunction, the NV Energy EIM Entity shall utilize Temporary Schedules 4, 9 and 10 in accordance with Sections 10.4.1, 10.4.2 and 10.4.3 of this Attachment P.

If the NV Energy EIM Entity takes action under this Section 10.3, the NV Energy EIM Entity shall notify the MO and Transmission Customers. The NV Energy EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

10.4 Temporary Schedules 4, 9 and 10

10.4.1 Temporary Schedule 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) the portion of deviations within +/-1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of the Market Price Proxy; (ii) the portion of deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer’s scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of the Market Price Proxy for underscheduling or 90 percent of the Market Price Proxy for overscheduling, and (iii) the portion of deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer’s scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Market Price Proxy for underscheduling or 75 percent of the Market Price Proxy for overscheduling.

For purposes of this Schedule, the Market Price Proxy shall be the simple average of the Powerdex Hourly Mid-Columbia Index (Mid-C) and the Powerdex Hourly Mead Index for the applicable hour.

If the Market Price Proxy hourly pricing data set out above is not available from Powerdex for a given hour, pricing data from another published source for the same hour and location shall be used or, if no such alternative published data is available, the applicable Powerdex indexes from one or more hours proximate to (either prior or subsequent to) the hour without available data and with the same hour characteristics shall be used in a commercially reasonable manner to estimate the missing pricing data.

For any hour for which the Transmission Provider assesses any charge for Energy Imbalance Service under this Schedule 4 based on 110% or 125% of the Market Price Proxy, the Transmission Provider shall credit any such penalty revenues in excess of the Market Price Proxy to Qualified Transmission Customers that did not incur an imbalance penalty in such hour. For each such hour, the amount of such credit shall be allocated among Qualified Transmission Customers that did not incur an imbalance penalty in such hour in proportion to their respective Qualified Transmission Loads for such hour. The calculation will be done monthly, for all hours of the month, on a one-month lagging basis.

For purposes of this Schedule 4, the following definitions shall apply:

(a) “Qualified Transmission Customer” means each of the following:

(i) Long-Term Firm Point-to-Point Transmission Service Customer;

(ii) Network Customer; or

(iii) Transmission Provider on behalf of its Native Load Customers.

(b) “Qualified Transmission Load” for any hour means the following with respect to each Qualified Transmission Customer:

(i) For each Long-Term Firm Point-to-Point Transmission Service Customer, its Reserved Capacity applicable to such hour;

(ii) For each Network Customer, its load for such hour; or

(iii) For the Transmission Provider on behalf of its Native Load Customers, the hourly load in such hour.

For purposes of Schedule 10, the terms “Transmission Provider’s Incremental Energy Cost” and “Transmission Provider’s Decremental Energy Cost” will be deemed to be the Market Price Proxy as defined in this Schedule 4.

10.4.2 Temporary Schedule 9

Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider’s Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider’s Control Area over a single hour. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for generator imbalance based on the deviation bands as follows: (i) the portion of deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at 100 percent of the Market Price Proxy, (ii) the portion of deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of the Market Price Proxy for underscheduling or 90 percent of the Market Price Proxy for overscheduling, and (iii) the portion of deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of the Market Price Proxy for underscheduling or 75 percent of the Market Price Proxy for overscheduling, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW.

An intermittent resource, for the limited purpose of this Schedule, is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of the Market Price Proxy. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

For purposes of this Schedule, the Market Price Proxy shall be the simple average of the Powerdex Hourly Mid-Columbia Index (Mid-C) and the Powerdex Hourly Mead Index for the applicable hour. If the Market Price Proxy hourly pricing data set out above is not available from Powerdex for a given hour, pricing data from another published source for the same hour and location shall be used or, if no such alternative published data is available, the applicable Powerdex indexes from one or more hours proximate to (either prior or subsequent to) the hour without available data and with the same hour characteristics shall be used in a commercially reasonable manner to estimate the missing pricing data.

Credit to Transmission Customers for Imbalance Penalty Charges

For any hour for which the Transmission Provider assesses any charge for Generator Imbalance Service under this Schedule 9 based on 110% or 125% of the Market Price Proxy, the Transmission Provider shall credit any such penalty revenues in excess of the Market Price Proxy to Qualified Transmission Customers that did not incur an imbalance penalty in such hour. For each such hour, the amount of such credit shall be allocated among Qualified Transmission Customers that did not incur an imbalance penalty in such hour in proportion to their respective Qualified Transmission Loads for such hour. The calculation will be done monthly, for all hours of the month, on a one-month lagging basis.

For purposes of this Schedule 9, the following definitions shall apply:

(a) “Qualified Transmission Customer” means each of the following:

(i) Long-Term Firm Point-to-Point Transmission Service Customer;

(ii) Network Customer; or

(iii) Transmission Provider on behalf of its Native Load Customers.

(b) “Qualified Transmission Load” for any hour means the following with respect to each Qualified Transmission Customer:

(i) For each Long-Term Firm Point-to-Point Transmission Service Customer, its Reserved Capacity applicable to such hour;

(ii) For each Network Customer, its load for such hour; or

(iii) For the Transmission Provider on behalf of its Native Load Customers, the hourly load in such hour.

10.4.3 Temporary Schedule 10

Loss Compensation Service

Capacity and energy losses occur when a Transmission Provider delivers electricity across its transmission facilities for a Transmission Customer. The Transmission Customer for Point-To-Point Transmission Service shall reimburse Transmission Provider for Real Power Losses as provided in Section 15.7 and may elect to:

(1) Financially settle the losses by reimbursement as specified by the Transmission Provider for such losses, or;

(2) Supply via a schedule capacity and energy necessary to compensate the Transmission Provider for such losses, or

(3) Arrange for a third party to supply via a schedule the capacity and energy to compensate the Transmission Provider for such losses.

The procedures to determine the amount of losses associated with a transaction as well as the provisions for such charges or schedules for losses are set forth below.

1. Transmission Customer Options:

A Transmission Customer shall have the option to settle Real Power Losses pursuant to Section 2, Financial Losses, or Section 3, Physical Delivery as scheduled by the Transmission Customer or by a third party on behalf of the Transmission Customer, described below subject to the following conditions:

a. A Transmission Customer shall be required to settle Real Power Losses associated with all short-term firm and non-firm point-to-point transmission service in an identical manner.

b. Transmission Customers shall elect the method of loss compensation at the time of scheduling the Point-To-Point Transmission Service.

c. Failure of a Transmission Customer to provide notification of its election for settling Real Power Losses to the Transmission Provider during the scheduling of the Point-To-Point Transmission Service will result in Financial Settlement pursuant to Section 2 below until the next scheduling period.

2. Financial Settlement:

a. The amount of Loss Compensation Service provided shall be the product of the actual transmission service provided (scheduled service less any curtailments, corrections or adjustments mutually agreed on by the Transmission Provider and the Transmission Customer) during each hour in MWhs and the applicable loss factor provided in Section 4 below.

b. The Transmission Customer shall compensate the Transmission Provider for Loss Compensation Service provided each hour at a rate equal to the Transmission Provider’s Incremental Energy Cost for that hour.

c. For purposes of this Schedule 10, “Transmission Provider’s Incremental Energy Cost” shall be as defined in Schedule 4, Energy Imbalance Service.

3. Physical Delivery:

Transmission Customers electing physical delivery shall schedule losses, or have a third party schedule losses on their behalf, to the Transmission Provider concurrently with transmission energy schedules. Consistent with the e-Tag Business Practices of the WECC, Real Power Losses must be scheduled utilizing capacity from the original transmission service reservation or capacity on a new transmission service reservation. The amount of Real Power Losses scheduled shall be the product of the actual transmission service provided (scheduled service less any curtailments, corrections or adjustments mutually agreed on by the Transmission Provider and the Transmission Customer) during each hour in whole MWhs and the applicable loss factor provided in Section 4 below. Partial MWhs will be accrued by the Transmission Customer and scheduled back within the month transmission service was taken, concurrent with their transmission schedules. Any partial MWhs not scheduled back within the month of service shall be billed financially.

4. Loss Factors

The Real Power Loss Factors is:

1.57%