TABLE OF CONTENTS
I. COMMON SERVICE PROVISIONS

1 Definitions
1.1 Affiliate
1.2 Ancillary Services
1.3 Annual Transmission Costs
1.3A Annual Transmission Revenue Requirement (ATRR)
1.4 Application
1.4A Balancing Authority (BA)
1.4B Balancing Authority Area (BAA)
1.4C Balancing Authority Area Resource
1.4D Bid Cost Recover (BCR)
1.4D4E California Independent System Operator Corporation (CAISO)
1.4E4F CAISO BAA or CAISO Controlled Grid
1.5 Commission
1.6 Completed Application
1.7 Control Area
1.8 Curtailment
1.9 Delivering Party
1.10 Designated Agent
1.11 Direct Assignment Facilities
1.11A Dispatch Instruction
1.11B Dispatch Operating Point
1.11C Dynamic Transfer
1.11D Energy Imbalance Market (EIM)
1.11E EIM Area
1.11F EIM Entity Available Balancing Capacity
1.11G EIM Entity
1.11H EIM Transfer
1.12 Eligible Customer
1.12A e-Tag
1.13 Facilities Study
1.14 Firm Point-To-Point Transmission Service
1.14A Flexible Ramping Constraint
1.14B Forecast Data
1.15 Good Utility Practice
1.15A Hourly Pricing Proxy
1.15B Interconnection Customer
1.15C Imbalance Energy
1.15D Instructed Imbalance Energy (IIE)
1.15E Interchange
1.15F Intrachange
1.16 Interruption
1.17 Load Aggregation Point (LAP)
1.17A Locational Marginal Price (LMP)
1.18 Load Shedding
1.19 Long-Term Firm Point-To-Point Transmission Service
1.19A Monthly Network Load
1.19B Manual Dispatch
1.19C Market Operator (MO)
1.19D Measured Demand
1.19E Metered Demand
1.19F MO Tariff
1.20 Native Load Customers
1.21 Network Customer
1.22 Network Integration Transmission Service
1.23 Network Load
1.24 Network Operating Agreement
1.25 Network Operating Committee
1.26 Network Resource
1.27 Network Upgrades
1.28 Non-Firm Point-To-Point Transmission Service
1.29 Non-Firm Sale
1.29A Non-Participating Resource
1.30 Open Access Same-Time Information System (OASIS)
1.30A Operating Hour
1.30B PSE
1.30C PSE’s BAA
1.30D PSE BAA Transmission Owner
1.30E PSE EIM Business Practice (PSE EIM BP)
1.30F PSE EIM Entity
1.30G PSE EIM Entity Scheduling Coordinator
1.30H PSE EIM Participating Resource
1.30I PSE EIM Participating Resource Scheduling Coordinator
1.30J PSE Interchange Rights Holder
1.31 Part I
1.32 Part II
1.33 Part III
1.34 Parties
1.35 Point(s) of Delivery
1.36 Point(s) of Receipt
1.37 Point-To-Point Transmission Service
1.38 Power Purchaser
1.39 Pre-Confirmed Application
1.39A Pricing Node (PNode)
1.39B Real Power Losses
1.40 Receiving Party
1.41 Regional Transmission Group (RTG)
1.42 Reserved Capacity
1.42A Resource Plan
1.43 Service Agreement
1.44 Service Commencement Date
1.45 Short-Term Firm Point-To-Point Transmission Service
1.46 System Condition
1.47 System Impact Study
1.48 Third-Party Sale
1.49 Transmission Customer
1.49A Transmission Customer Base Schedule
1.50 Transmission Provider
1.51 Transmission Provider’s Monthly Transmission System Peak
1.52 Transmission Service
1.53 Transmission System
1.54 Unreserved Use Penalty
1.55 Uninstructed Imbalance Energy (UIE)
1.56 Variable Energy Resource
1.57 Working Day

2 Initial Allocation and Renewal Procedures
2.1 Initial Allocation of Available Transfer Capability
2.2 Reservation Priority For Existing Firm Service Customers

3 Ancillary Services
3.1 Scheduling, System Control and Dispatch Service
3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service
3.3 Regulation and Frequency Response Service
3.4 Energy Imbalance Service
3.5 Operating Reserve - Spinning Reserve Service
3.6 Operating Reserve - Supplemental Reserve Service
3.7 Generator Imbalance Service

3 Open Access Same-Time Information System (OASIS)
4.1 Terms and Conditions
4.2 Incorporation by Reference of the Standards Promulgated by the Wholesale Electric Quadrant of the North American Energy Standards Board
4.3 Access To Critical Energy Infrastructure Information (CEII) On The OASIS

5 Local Furnishing Bonds
5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds
5.2 Alternative Procedures for Requesting Transmission Service
6 Reciprocity

7 Billing and Payment
   7.1 Billing Procedure
   7.2 Interest on Unpaid Balances
   7.3 Customer Default

8 Accounting for the Transmission Provider’s Use of the Tariff
   8.1 Transmission Revenues
   8.2 Study Costs and Revenues

9 Regulatory Filings

10 Force Majeure and Indemnification
   10.1 Force Majeure
   10.2 Indemnification

11 Creditworthiness

12 Dispute Resolution Procedures
   12.1 Internal Dispute Resolution Procedures
   12.2 External Arbitration Procedures
   12.3 Arbitration Decisions
   12.4 Costs
   12.4A EIM Disputes
   12.5 Rights Under The Federal Power Act

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

13 Nature of Firm Point-To-Point Transmission Service
   13.1 Term
   13.2 Reservation Priority
   13.3 Use of Firm Transmission Service by the Transmission Provider
   13.4 Service Agreements
   13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs
   13.6 Curtailment of Firm Transmission Service
   13.7 Classification of Firm Transmission Service
   13.8 Scheduling of Firm Point-To-Point Transmission Service

14 Nature of Non-Firm Point-To-Point Transmission Service
   14.1 Term
   14.2 Reservation Priority
   14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider
   14.4 Service Agreements
14.5 Classification of Non-Firm Point-To-Point Transmission Service
14.6 Scheduling of Non-Firm Point-To-Point Transmission Service
14.7 Curtailment or Interruption of Service

15 **Service Availability**
15.1 General Conditions
15.2 Determination of Available Transfer Capability
15.3 Initiating Service in the Absence of an Executed Service Agreement
15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment
15.5 Deferral of Service
15.6 Other Transmission Service Schedules
15.7 Real Power Losses
15.8 Distribution of Unreserved Use Penalty Amounts

16 **Transmission Customer Responsibilities**
16.1 Conditions Required of Transmission Customers
16.2 Transmission Customer Responsibility for Third-Party Arrangements

17 **Procedures for Arranging Firm Point-To-Point Transmission Service**
17.1 Application
17.2 Completed Application
17.3 Deposit
17.4 Notice of Deficient Application
17.5 Response to a Completed Application
17.6 Execution of Service Agreement
17.7 Extensions for Commencement of Service

18 **Procedures for Arranging Non-Firm Point-To-Point Transmission Service**
18.1 Application
18.2 Completed Application
18.3 Reservation of Non-Firm Point-To-Point Transmission Service
18.4 Determination of Available Transfer Capability

19 **Additional Study Procedures For Firm Point-To-Point Transmission Service Requests**
19.1 Notice of Need for System Impact Study
19.2 System Impact Study Agreement and Cost Reimbursement
19.3 System Impact Study Procedures
19.4 Facilities Study Procedures
19.5 Facilities Study Modifications
19.6 Due Diligence in Completing New Facilities
19.7 Partial Interim Service
19.8 Expedited Procedures for New Facilities
20 Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service
20.1 Delays in Construction of New Facilities
20.2 Alternatives to the Original Facility Additions
20.3 Refund Obligation for Unfinished Facility Additions

21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities
21.1 Responsibility for Third-Party System Additions
21.2 Coordination of Third-Party System Additions

22 Changes in Service Specifications
22.1 Modifications On a Non-Firm Basis
22.2 Modification On a Firm Basis

23 Sale or Assignment of Transmission Service
23.1 Procedures for Assignment or Transfer of Service
23.2 Limitations on Assignment or Transfer of Service
23.3 Information on Assignment or Transfer of Service

24 Metering and Power Factor Correction at Receipt and Delivery Point(s)
24.1 Transmission Customer Obligations
24.2 Transmission Provider Access to Metering Data
24.3 Power Factor

25 Compensation for Transmission Service

26 Stranded Cost Recovery

27 Compensation for New Facilities and Redispatch Costs

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

28 Nature of Network Integration Transmission Service
28.1 Scope of Service
28.2 Transmission Provider Responsibilities
28.3 Network Integration Transmission Service
28.4 Secondary Service
28.5 Real Power Losses
28.6 Restrictions on Use of Service
28.7 Participation in the EIM
29 **Initiating Service**
29.1 Condition Precedent for Receiving Service
29.2 Application Procedures
29.3 Technical Arrangements to be Completed Prior to Commencement of Service
29.4 Network Customer Facilities
29.5 Filing of Service Agreement

30 **Network Resources**
30.1 Designation of Network Resources
30.2 Designation of New Network Resources
30.3 Termination of Network Resources
30.4 Operation of Network Resources
30.5 Network Customer Redispatch Obligation
30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider
30.7 Limitation on Designation of Network Resources
30.8 Use of Interface Capacity by the Network Customer
30.9 Network Customer Owned Transmission Facilities

31 **Designation of Network Load**
31.1 Network Load
31.2 New Network Loads Connected With the Transmission Provider
31.3 Network Load Not Physically Interconnected with the Transmission Provider
31.4 New Interconnection Points
31.5 Changes in Service Requests
31.6 Annual Load and Resource Information Updates

32 **Additional Study Procedures For Network Integration Transmission Service Requests**
32.1 Notice of Need for System Impact Study
32.2 System Impact Study Agreement and Cost Reimbursement
32.3 System Impact Study Procedures
32.4 Facilities Study Procedures
32.5 Penalties for Failure to Meet Study Deadlines
32.6 Clustering of Studies

33 **Load Shedding and Curtailments**
33.1 Procedures
33.2 Transmission Constraints
33.3 Cost Responsibility for Relieving Transmission Constraints
33.4 Curtailments of Scheduled Deliveries
33.5 Allocation of Curtailments
33.6 Load Shedding
33.7 System Reliability
34 Rates and Charges
34.1 Monthly Demand Charge
34.2 Determination of Network Customer’s Monthly Network Load
34.3 Determination of Transmission Provider’s Monthly Transmission System Load
34.4 Redispatch Charge
34.5 Stranded Cost Recovery

35 Operating Arrangements
35.1 Operation under The Network Operating Agreement
35.2 Network Operating Agreement
35.3 Network Operating Committee

SCHEDULE 1 Scheduling, System Control and Dispatch Service
SCHEDULE 1-A EIM Administrative Service
SCHEDULE 2 Reactive Supply and Voltage Control from Generation or Other Sources Service
SCHEDULE 3 Regulation and Frequency Response Service
SCHEDULE 4 Energy Imbalance Service
SCHEDULE 4R Energy Imbalance Service for Transmission Customers Taking Service Under Transmission Provider’s Schedule 448 and Schedule 449
SCHEDULE 5 Operating Reserve - Spinning Reserve Service
SCHEDULE 6 Operating Reserve - Supplemental Reserve Service
SCHEDULE 7 Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service
SCHEDULE 8 Non-Firm Point-To-Point Transmission Service
SCHEDULE 9 Generator Imbalance Service
SCHEDULE 10 High Voltage Direct Assignment Facilities - Colstrip and Southern Intertie Transmission Lines
SCHEDULE 11 Tax Rider
SCHEDULE 12 Real Power Losses on Washington Area Transmission Facilities
SCHEDULE 12A Real Power Losses on Colstrip and Southern Intertie Transmission Lines
<table>
<thead>
<tr>
<th>Schedule/Attachment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCHEDULE 13</td>
<td>Regulation and Frequency Response Service for Generators Selling Outside of Control Area</td>
</tr>
<tr>
<td>ATTACHMENT A</td>
<td>Form Of Service Agreement For Firm Point-To-Point Transmission Service</td>
</tr>
<tr>
<td>ATTACHMENT A-1</td>
<td>Form Of Service Agreement For The Resale, Reassignment Or Transfer Of Point-To-Point Transmission Service</td>
</tr>
<tr>
<td>ATTACHMENT B</td>
<td>Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service</td>
</tr>
<tr>
<td>ATTACHMENT C</td>
<td>Methodology To Assess Available Transmission Capability</td>
</tr>
<tr>
<td>ATTACHMENT D</td>
<td>Methodology for Completing a System Impact Study</td>
</tr>
<tr>
<td>ATTACHMENT E</td>
<td>Index Of Point-To-Point Transmission Service Customers</td>
</tr>
<tr>
<td>ATTACHMENT F</td>
<td>Service Agreement For Network Integration Transmission Service</td>
</tr>
<tr>
<td>ATTACHMENT G</td>
<td>Network Operating Agreement</td>
</tr>
<tr>
<td>ATTACHMENT H</td>
<td>Annual Transmission Revenue Requirement For Network Integration Transmission Service</td>
</tr>
<tr>
<td>ATTACHMENT H-1</td>
<td>PSE’s Formula Rate</td>
</tr>
<tr>
<td>ATTACHMENT H-2</td>
<td>Formula Rate Implementation Protocols</td>
</tr>
<tr>
<td>ATTACHMENT I</td>
<td>Index Of Network Integration Transmission Service Customers</td>
</tr>
<tr>
<td>ATTACHMENT J</td>
<td>Procedures for Addressing Parallel Flows</td>
</tr>
<tr>
<td>ATTACHMENT J-1</td>
<td>Form of Service Agreement For Retail Network Integration Transmission Service</td>
</tr>
<tr>
<td>ATTACHMENT K</td>
<td>Transmission Planning Process</td>
</tr>
<tr>
<td>ATTACHMENT L</td>
<td>Creditworthiness Procedures</td>
</tr>
<tr>
<td>ATTACHMENT M</td>
<td>Form of Retail Network Operating Agreement</td>
</tr>
<tr>
<td>ATTACHMENT N</td>
<td>Point-to-Point Transmission Service Products Offered by PSE</td>
</tr>
<tr>
<td>ATTACHMENT O</td>
<td>Energy Imbalance Market</td>
</tr>
</tbody>
</table>
ANNEX A  Standard Large Generator Interconnection Procedures
ANNEX B  Standard Small Generator Interconnection Procedures
SECTION 1
1 Definitions

1.1 Affiliate

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.2 Ancillary Services

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider’s Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

1.3A Annual Transmission Revenue Requirement (ATRR)

The transmission revenue requirement calculated annually using the formula rate set forth in Attachment H-1.

1.4 Application

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.4A Balancing Authority (BA)

The responsible entity that integrates resource plans ahead of time, maintains load-Interchange-generation balance within a BAA, and supports interconnection frequency in real time.

1.4B Balancing Authority Area (BAA)

The collection of generation, transmission, and loads within the metered boundaries of the BA. The BA maintains load-resource balance within this area. For purposes of this Tariff, “BAA” shall have the same meaning as “Control Area.”

1.4C Balancing Authority Area Resource

A resource owned by PSE, or voluntarily contracted for by PSE to provide EIM Available Balancing Capacity, that can provide regulation and load following services to enable the PSE EIM Entity to meet reliability criteria.
1.4D **Bid Cost Recovery (BCR)**

The MO EIM settlements process through which PSE EIM Participating Resources recover their bid costs.

1.4D4E **California Independent System Operator Corporation (CAISO)**

A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.

1.4E4F **CAISO BAA or CAISO Controlled Grid**

The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO’s operational control.

1.5 **Commission**


1.6 **Completed Application**

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.7 **Control Area**

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.

1.8 **Curtailment**

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.
1.9 Delivering Party

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.10 Designated Agent

Any entity that performs actions or functions on behalf of the Transmission Provider, an Interconnection Customer, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.11 Direct Assignment Facilities

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.11A Dispatch Instruction

An instruction by the MO for an action with respect to a specific PSE EIM Participating Resource or Balancing Authority Area Resource for increasing or decreasing its energy supply or demand.

1.11B Dispatch Operating Point

The expected operating point, in MW, of a PSE EIM Participating Resource that has received a Dispatch Instruction from the Market Operator, or a Balancing Authority Area Resource to which the PSE EIM Entity has relayed a Dispatch Instruction received from the Market Operator. For purposes of Attachment O of this Tariff, the Dispatch Operating Point means the change, in MW output, of (i) a PSE EIM Participating Resource due to an EIM bid being accepted and the PSE EIM Participating Resource receiving a Dispatch Instruction; or (ii) a Balancing Authority Area Resource for which a Dispatch Instruction has been issued by the CAISO with respect to EIM Available Balancing Capacity. The Dispatch Operating Point is expressed either as (i) a negative MW quantity for the downward movement of generation, or (ii) a positive MW quantity for the upward movement of generation.

1.11C Dynamic Transfer

The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:
(1) a Dynamic Schedule: a telemetered reading or value that is updated in real time and used as a schedule in the AGC/ACE equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or

(2) a Pseudo-Tie: a functionality by which the output of a generating unit physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.

1.11D Energy Imbalance Market (EIM)

The real-time market to manage transmission congestion and optimize procurement of imbalance energy (positive or negative) to balance supply and demand deviations for the EIM Area through economic bids submitted by EIM Participating Resource Scheduling Coordinators in the fifteen-minute and five-minute markets.

1.11E EIM Area

The combination of PSE’s BAA, the CAISO BAA, and the BAAs of any other EIM Entities.

1.11F EIM Available Balancing Capacity

Any upward or downward capacity from a Balancing Authority Area Resource that has not been bid into the EIM and is included in the PSE EIM Entity’s Resource Plan.

1.11G EIM Entity

A BA, other than the PSE EIM Entity, that enters into the MO’s pro forma EIM Entity Agreement to enable the EIM to occur in its BAA.

1.11H EIM Transfer

The transfer of real-time energy resulting from an EIM Dispatch Instruction: (1) between a PSE BAA and the CAISO BAA; (2) between the PSE BAA and an EIM Entity BAA; or (3) between the CAISO BAA and an EIM Entity BAA using transmission capacity available in the EIM.

1.12 Eligible Customer

i. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer
the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.12A e-Tag

An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).

1.13 Facilities Study

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider’s Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.14 Firm Point-To-Point Transmission Service

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.14A Flexible Ramping Constraint

A requirement, established by the MO, that may be enforced in the MO’s EIM optimization to ensure that the unit commitment or dispatch of resources for intervals beyond the applicable commitment or dispatch period provide for the availability of required capacity for dispatch in subsequent real-time dispatch intervals.

1.14B Forecast Data

Information provided by Transmission Customers regarding expected load, generation, Intrachange, and Interchange, as specified in Section 4.2.4 of Attachment O and the PSE EIM BP. The Transmission Customer Base Schedule includes Forecast Data that is used by the PSE EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement.

1.15 Good Utility Practice

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 limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.15A Hourly Pricing Proxy

The on-peak or off-peak price reported for the IntercontinentalExchange (ICE) Mid-Columbia Firm Power Index for the hour in which Transmission Service is provided. In the event that Transmission Service is provided during a time where no volumes are reported at the Mid-Columbia hub, the most recent firm on-peak and off-peak prices will be carried forward. If ICE permanently ceases to report day ahead pricing at the Mid-Columbia hub, or if the methodology used to determine the index at the Mid-Columbia hub is materially modified, Transmission Provider shall select a permanent replacement index, reported by a reputable third party, that reflects the actual same-day firm transactions at the Mid-Columbia hub.

1.15B Interconnection Customer

Any Eligible Customer (or its Designated Agent) that executes an agreement to receive generation interconnection service pursuant to Annexes A or B of this Tariff.

1.15C Imbalance Energy

The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange schedules.

1.15D Instructed Imbalance Energy (IIE)

There are two categories of IIE which is settled by the PSE EIM Entity depending on the nature and timing of the energy in either the FMM (Fifteen Minute Market) IIE, or RTD (Real-Time Dispatch) IIE: (1) FMM (15-minute) IIE is the portion of Imbalance Energy resulting from the difference between the resource component of the Transmission Customer Base Schedule and the energy, if any, from the Manual Dispatch, EIM Available Balancing Capacity Dispatch, or physical changes in the output from resources incorporated by the MO into the FMM; and (2) RTD (5-minute) IIE is the portion of Imbalance Energy resulting from the difference between the resource component of the Transmission Customer Base Schedule and the energy, if any, from the Manual Dispatch, EIM Available Capacity dispatch, or physical changes in the output from resources incorporated by the EIM Entity Scheduling Coordinator into the RTD.

1.15E Interchange

E-Tagged energy transfers from, to or through the PSE BAA or other BAAs, not
including EIM Transfers.

1.15F Intrachange

E-Tagged energy transfers within the PSE BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.

1.16 Interruption

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.17 Load Aggregation Point (LAP)

A set of Pricing Nodes that is used for the submission of bids and settlement of demand in the EIM.

1.17A Locational Marginal Price (LMP)

The marginal cost ($/MWh) of serving the next increment of demand at that PNode consistent with existing transmission constraints and the performance characteristics of resources.

1.18 Load Shedding

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.19 Long-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.19A Monthly Network Load

The monthly load of an entity receiving service under Part III of the Tariff as measured pursuant to Section 34.2 of the Tariff.

1.19B Manual Dispatch

An operating order issued by the PSE EIM Entity to a Transmission Customer with a PSE EIM Participating Resource or a Non-Participating Resource in PSE’s BAA, outside of the EIM optimization, when necessary to address reliability or operational issues in PSE’s BAA that the EIM is not able to address through economic dispatch and congestion management.
1.19C  Market Operator (MO)

The entity responsible for operation, administration, settlement, and oversight of
the EIM.

1.19D  Measured Demand

Includes (1) Metered Demand, plus (2) e-Tagged export volumes from the PSE
BAA, including losses pursuant to sections 15.7 and 28.5 of this Tariff (excluding
Dynamic Schedules that support EIM Transfers).

1.19E  Metered Demand

Metered load volumes, including losses pursuant to sections 15.7 and 28.5 of this
Tariff or the appropriate transmission provider’s tariff provision addressing Real Power
Losses, in PSE’s BAA.

1.19F  MO Tariff

Those portions of the MO’s approved tariff, as such tariff may be modified from
time to time, that specifically apply to the operation, administration, settlement, and
oversight of the EIM.

1.20  Native Load Customers

The wholesale and retail power customers of the Transmission Provider on whose
behalf the Transmission Provider, by statute, franchise, regulatory requirement, or
contract, has undertaken an obligation to construct and operate the Transmission
Provider’s system to meet the reliable electric needs of such customers.

1.21  Network Customer

An entity receiving transmission service pursuant to the terms of the Transmission
Provider’s Network Integration Transmission Service under Part III of the Tariff.

1.22  Network Integration Transmission Service

The transmission service provided under Part III of the Tariff.

1.23  Network Load

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer’s Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for
making separate arrangements under Part II of the Tariff for any Point-To-Point
Transmission Service that may be necessary for such non-designated load.

1.24  **Network Operating Agreement**

An executed agreement that contains the terms and conditions under which the
Network Customer shall operate its facilities and the technical and operational matters
associated with the implementation of Network Integration Transmission Service under
Part III of the Tariff.

1.25  **Network Operating Committee**

A group made up of representatives from the Network Customer(s) and the
Transmission Provider established to coordinate operating criteria and other technical
considerations required for implementation of Network Integration Transmission Service
under Part III of this Tariff.

1.26  **Network Resource**

Any designated generating resource owned, purchased or leased by a Network
Customer under the Network Integration Transmission Service Tariff. Network
Resources do not include any resource, or any portion thereof, that is committed for sale
to third parties or otherwise cannot be called upon to meet the Network Customer’s
Network Load on a non-interruptible basis, except for purposes of fulfilling obligations
under a reserve sharing program or output associated with an EIM Dispatch Instruction.

1.27  **Network Upgrades**

Modifications or additions to transmission-related facilities that are integrated
with and support the Transmission Provider’s overall Transmission System for the
general benefit of all users of such Transmission System.

1.28  **Non-Firm Point-To-Point Transmission Service**

Point-To-Point Transmission Service under the Tariff that is reserved and
scheduled on an as-available basis and is subject to Curtailment or Interruption as set
forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission
Service is available on a stand-alone basis for periods ranging from one hour to one
month.

1.29  **Non-Firm Sale**

An energy sale for which receipt or delivery may be interrupted for any reason or
no reason, without liability on the part of either the buyer or seller.

1.29A  **Non-Participating Resource**
A resource in PSE’s BAA that is not a PSE EIM Participating Resource.

1.30 Open Access Same-Time Information System (OASIS)

The information system and standards of conduct contained in Part 37 of the Commission’s regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.30A Operating Hour

The hour during the day when the EIM runs and energy is supplied to load.

1.30B PSE

Refers to Puget Sound Energy, Inc.

1.30C PSE’s BAA

Refers to the BAA operated by PSE.

1.30D PSE BAA Transmission Owner

A transmission owner, other than the PSE EIM Entity, who owns transmission facilities in PSE’s BAAs.

1.30E PSE EIM Business Practice (PSE EIM BP)

The business practice posted on PSE’s OASIS that contains procedures related to PSE’s implementation of EIM and the rights and obligations of Transmission Customers and Interconnection Customers related to EIM.

1.30F PSE EIM Entity

The Transmission Provider in performance of its role as an EIM Entity under the MO Tariff and this Tariff, including, but not limited to, Attachment O.

1.30G PSE EIM Entity Scheduling Coordinator

The Transmission Provider or the entity selected by the Transmission Provider who is certified by the MO and who enters into the MO’s pro forma EIM Entity Scheduling Coordinator Agreement.

1.30H PSE EIM Participating Resource

A resource or a portion of a resource: (1) that has been certified in accordance with Attachment O by the PSE EIM Entity as eligible to participate in the EIM; and (2) for which the generation owner and/or operator enters into the MO’s pro forma EIM
Participating Resource Agreement.

1.30I  PSE EIM Participating Resource Scheduling Coordinator

A Transmission Customer with one or more PSE EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more PSE EIM Participating Resource(s), that is certified by the MO and enters into the MO’s pro forma EIM Participating Resource Scheduling Coordinator Agreement.

1.30J  PSE Interchange Rights Holder

A Transmission Customer who has informed the PSE EIM Entity that it is electing to make reserved firm transmission capacity available for EIM Transfers without compensation.

1.31  Part I

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.32  Part II

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.33  Part III

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.34  Parties

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.35  Point(s) of Delivery

Point(s) on the Transmission Provider’s Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.36  Point(s) of Receipt

Point(s) of interconnection on the Transmission Provider’s Transmission System where capacity and energy will be made available to the Transmission Provider by the
Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.37 **Point-To-Point Transmission Service**

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.38 **Power Purchaser**

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.39 **Pre-Confirmed Application**

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.39A **Pricing Node (PNode)**

A single network node or subset of network nodes where a physical injection or withdrawal is modeled by the MO and for which the MO calculates an LMP that is used for financial settlements by the MO and the PSE EIM Entity.

1.39B **Real Power Losses**

Electrical losses associated with the use of the Transmission Provider's Transmission System and, where applicable, the use of the Transmission Provider's distribution system. Such losses are provided for in Sections 15.7 and 28.5 of the Tariff and settled financially under Schedule 12 and Schedule 12-A.

1.40 **Receiving Party**

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.41 **Regional Transmission Group (RTG)**

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.42 **Reserved Capacity**

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider’s Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under
Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.42A Resource Plan

The combination of load, resource and Interchange components of the Transmission Customer Base Schedule, ancillary services plans of the PSE EIM Entity, and bid ranges submitted by PSE EIM Participating Resources, and the EIM Available Balancing Capacity of Balancing Authority Area Resources.

1.43 Service Agreement

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.44 Service Commencement Date

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.45 Short-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.46 System Condition

A specified condition on the Transmission Provider’s system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer’s Service Agreement.

1.47 System Impact Study

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.48 Third-Party Sale

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.
1.49 Transmission Customer

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.49A Transmission Customer Base Schedule

An energy schedule that provides Transmission Customer hourly-level resource-forecast data and hourly-level Interchange forecast data and other information that is used by the PSE EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term “Transmission Customer Base Schedule” as used in this Tariff may refer collectively to the components of such schedule (resource, Interchange, and load-intrachange, and load determined pursuant to Section 4.2.4.3 of Attachment O) or any individual components of such schedule.

1.50 Transmission Provider

The public utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.51 Transmission Provider’s Monthly Transmission System Peak

The maximum firm usage of the Transmission Provider’s Transmission System in a calendar month.

1.52 Transmission Service

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.53 Transmission System

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

1.54 Unreserved Use Penalty

Any penalty rate charged for unreserved use of Point-to-Point Transmission Service. Any Unreserved Use Penalty shall be as stated in Section 13.7(d) or Section 14.5 of this Tariff. Any Overrun System Use Charge specified in any Service Agreement shall not be assessed.

1.55 Uninstructed Imbalance Energy (UIE)
For Non-Participating Resources in an EIM Entity BAA, the MO shall calculate UIE as either (1) the algebraic difference between the resource’s 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable, (2) the 5-minute meter data and any Manual Dispatch, or EIM Available Balancing Capacity dispatch. For Transmission Customers with load in the PSE EIM Entity’s BAA, the PSE EIM Entity shall calculate UIE as the algebraic difference between the Transmission Customer’s actual hourly load and the Transmission Customer Base Schedule.

1.56 Variable Energy Resource

A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

1.57 Working Day

The days Monday through Friday, excluding any prescheduling holiday observed by the Western Electricity Coordinating Council.
SCHEDULE 4
SCHEDULE 4
Energy Imbalance Service

This Schedule 4 shall apply to Transmission Service for Transmission Customers other than Transmission Customers receiving service pursuant to Transmission Provider’s Schedules 448 and 449, on file with the Washington Utilities and Transportation Commission. Transmission Customers receiving service pursuant to Transmission Provider’s Schedules 448 and 449 shall take Energy Imbalance Service under Schedule 4R.

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.

A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer’s metered load compared to the load component of the Transmission Customer Base Schedule (as determined pursuant to Section 4.2.4 of Attachment O of this Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located, as determined by the MO under Section 29.11(b)(3)(C) of the MO Tariff. A spreadsheet showing the hourly LAP for each hour during the previous month shall be accessible through the MO’s OASIS.

The Transmission Provider shall assess penalties to Transmission Customers whose metered load deviates from the load component of the Transmission Customer’s Base Schedule by more than 1.5%—

(i) In any hour when the deviation between the Transmission Customer’s metered load deviates from the load component of the Transmission Customer’s Base Schedule by greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW), Energy Imbalance Service will be settled at 110 percent of the LAP price where the load is located for under-scheduling or 90 percent of the LAP price where the load is located for over-scheduling.

(ii) In any hour when the deviation between the Transmission Customer’s metered load deviates from the load component of the Transmission Customer’s Base Schedule by greater than 7.5 percent (or 10 MW), Energy Imbalance Service will be settled at 125 percent of the LAP price where the load is located for under-scheduling or 75 percent of the LAP price where the load is located for over-scheduling.
For any hour for which Transmission Provider assesses any charge for Energy Imbalance Service under this Schedule 4 based on 110 percent or 125 percent of the LAP, Transmission Provider shall credit to non-offending Transmission Customers for such hour the amount by which such charge exceeded the LAP.
SCHEDULE 4R
SCHEDULE 4R
Energy Imbalance Service for Transmission Customers Taking Service Under Transmission Provider’s Schedule 448 and Schedule 449

This Schedule shall apply to Transmission Service for Transmission Customers taking service under Transmission Provider’s Schedule 448 and Schedule 449, on file with the Washington Utilities and Transportation Commission. Such service will not be subject to charges under Schedule 4. The Transmission Provider may charge a Transmission Customer a penalty for either energy imbalance 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.

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.

4R.0 A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer’s metered load compared to the load component of the Transmission Customer Base Schedule corresponding to the Transmission Customer’s load (as determined pursuant to Section 4.2.4 of Attachment O of this Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located, as determined by the MO under Section 29.11(b)(3)(C) of the MO Tariff. A spreadsheet showing the hourly LAP for each hour during the previous month shall be accessible through the MO’s OASIS.

4R.2 The Transmission Provider shall assess penalties to Transmission Customers whose metered load deviates from the load component of the Transmission Customer’s Base Schedule by more than 1.5%—

(i) In any hour when the deviation between the Transmission Customer’s metered load deviates from the load component of the Transmission Customer’s Base Schedule by greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW), Energy Imbalance Service will be settled at 110 percent of the LAP price where the load is located for under-scheduling or 90 percent of the LAP price where the load is located for over-scheduling—

(ii) In any hour when the deviation between the Transmission Customer’s metered load deviates from the load component of the Transmission Customer’s Base Schedule by greater than 7.5 percent (or 10 MW), Energy Imbalance Service will be settled at 125 percent of the LAP price where the load is located for under-scheduling or 75 percent of the LAP price where the load is located for over-scheduling—
4R.3 For any hour for which Transmission Provider assesses any charge for Energy Imbalance Service under this Schedule 4 based on 110 percent or 125 percent of the LAP, Transmission Provider shall credit to non-offending Transmission Customers for such hour the amount by which such charge exceeded the LAP.

4R.4 Transmission Customers shall have the right to aggregate their Loads and Supplied Power for purposes of determining the hourly imbalance energy. Transmission Provider has no obligation to provide excess energy required for Transmission load following using its own generation resources, but shall make commercially reasonable efforts to obtain in the market such excess energy.

4R.5 Prior to commencing any complaint or court proceeding regarding any dispute between Transmission Provider and Transmission Customer, (i) Transmission Provider and Transmission Customer shall each make good faith efforts to resolve such dispute pursuant to alternative dispute resolution (ADR) procedures consistent with WAC 480-09-465 and (ii) pursuant to the foregoing, the Transmission Provider and Transmission Customer shall make use of ADR procedures to the maximum extent practicable in resolving such dispute.
SCHEDULE 9
SCHEDULE 9
Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator, that is not a PSE EIM Participating Resource, located in the Transmission Provider’s Control Area and the resource component of the Transmission Customer Base 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 or Schedule 4R 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 Service as follows (the following provisions do not apply to Transmission Customers which have received a Manual Dispatch or EIM Available Capacity Dispatch, or which have communicated physical changes in the output of resources to the MO):

(1) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer’s metered generation compared to the resource component of the Transmission Customer Base Schedule settled as UIE for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

(2) The Transmission Provider shall assess penalties to Transmission Customers whose metered generation deviates from the resource component of the Transmission Customer’s Base Schedule by more than 1.5%:

a. In any hour when the deviation between the Transmission Customer’s metered generation deviates from the resource component of the Transmission Customer’s Base Schedule by greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW), Generator Imbalance Service will be settled at 110 percent of the applicable PNode RTD price where the generator is located, for under-scheduling or 90 percent of the applicable PNode RTD price where the generator is located for over-scheduling.

b. In any hour when the deviation between the Transmission Customer’s metered generation deviates from the resource component of the Transmission Customer’s Base Schedule by greater than 7.5 percent (or 10 MW), Generator.
Imbalance Service will be settled at 125 percent of the applicable PNode RTD price where the generator is located for under-scheduling or 75 percent of the applicable PNode RTD price where the generator is located for over-scheduling.

(3) For any hour for which Transmission Provider assesses any charge for Generator Imbalance Service under this Schedule 9 based on 110 percent or 125 percent of the applicable PNode RTD price, Transmission Provider shall credit to non-offending Transmission Customers for such hour the amount by which such charge exceeded the applicable PNode RTD price.

The following provisions shall apply to Transmission Customers which have received a Manual Dispatch or EIM Available Capacity Dispatch, or which have communicated physical changes in the output of resources to the MO:

1. (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer’s metered generation compared to either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources communicated to incorporated by the MO prior to the FMM, settled as UIE for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff; or

(b) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer’s metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD, settled as UIE for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

2. (a) A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity amount, or physical changes in the output of resources communicated to incorporated by the MO prior to the FMM, compared to the resource component of the Transmission Customer Base Schedule, settled as IIE for the period of the deviation at the applicable PNode FMM price where the generator is located, as determined by the MO under Section 29.11(b)(1)(A)(ii) of the MO Tariff; or

(b) Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity amount, or physical changes in the output of resources communicated to incorporated by the MO subsequent to the FMM in RTD, compared to the resource component of the Transmission Customer Base Schedule, as IIE for the period of the deviation at the applicable PNode RTD
price where the generator is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff. This provision only applies to Transmission Customers which have received a Manual Dispatch.

A spreadsheet showing the sub-hourly LMPs of the previous month shall be accessible through the MO’s OASIS.

**Applicability to Interconnection Customers:**

To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider’s Control Area, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9.
SCHEDULE 12
SCHEDULE 12
Real Power Losses on Washington Area Transmission Facilities

The Transmission Customer taking Network Integration Transmission Service, Firm Point-to-Point, or Non-Firm Point-to-Point Transmission Service, excluding Energy Imbalance Service and Generator Imbalance Service, shall reimburse the Transmission Provider for Real Power Losses as provided in Sections 15.7 and 28.5 of this Tariff. The Transmission Customer must financially settle for Real Power Losses by reimbursement as specified herein.

Settlement of Real Power Losses associated with Energy Imbalance Service shall be pursuant to Schedule 4 or 4R of this Tariff, and settlement of Real Power Losses associated with Generator Imbalance Service shall be pursuant to Schedule 9 of this Tariff. The procedures to determine the amount of Real Power Losses associated with a Transmission Customer’s Base Schedule, as well as the reimbursement for Real Power Losses are set forth below.

The amount of Real Power Losses assessed to a Transmission Customer in a given hour shall be the product of such Transmission Customer’s Base Schedule during the hour in MWhs and the applicable loss factor provided in Sections 15.7 and 28.5.

The Transmission Customer shall compensate the Transmission Provider at a rate equal to the amount of Real Power Losses assessed to such Transmission Customer in a given hour multiplied by the hourly LAP price for the PSE BAA in that hour as established by the MO under section 29.11 (b)(3)(C) of the MO Tariff. A spreadsheet showing the LAP prices for each hour of the previous month shall be accessible through the MO’s OASIS.
SCHEDULE 12A
SCHEDULE 12A
Real Power Losses on Colstrip and Southern Intertie Transmission Lines

The Transmission Customer taking service over the Colstrip and Southern Intertie High Voltage Direct Assignment Facilities pursuant to Schedule 10 shall reimburse Transmission Provider for Real Power Losses as provided in Sections 15.7 and 28.5 of this Tariff. The Transmission Customer must financially settle the losses by reimbursement as specified herein.

The Transmission Customer shall compensate the Transmission Provider for Real Power Losses assessed to such Transmission Customer in a given hour at a rate equal to the hourly LAP price for the PSE BAA as established by the MO under section 29.11(b)(3)(C) of the MO Tariff, multiplied by the energy for such hour based on a Transmission Customer’s amount of power scheduled to be delivered. A spreadsheet showing the LAP prices for each hour of the previous month shall be accessible through the Transmission Providers’ OASIS based on 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 Sections 15.7 and 28.5 of the Tariff.
ATTACHMENT O
ATTACHMENT O
Energy Imbalance Market

1. General Provision - Purpose and Effective Date of Attachment O
2. Election of Transmission Customers to become PSE EIM Participating Resources
3. Eligibility to be a PSE EIM Participating Resource
   3.1 Internal Resources - Transmission Rights
   3.2 Resources External to PSE’s BAA
      3.2.1 Use of Pseudo-Ties
      3.2.2 Pseudo-Tie Costs
   3.3 Application and Certification of PSE EIM Participating Resources
      3.3.1 Application
      3.3.2 Processing the Application
      3.3.3 Certification Notice
      3.3.4 Status of Resource Pending Certification
      3.3.5 Notice and Obligation to Report a Change in Information
4. Roles and Responsibilities
   4.1 Transmission Provider as the PSE EIM Entity and the PSE EIM Entity Scheduling Coordinator
      4.1.1 Responsibilities
         4.1.1.1 Identification of EIM Entity Scheduling Coordinator
         4.1.1.2 Processing PSE EIM Participating Resource Applications
         4.1.1.3 Determination of EIM Implementation Decisions for PSE’s BAA
         4.1.1.4 PSE EIM Business Practice
         4.1.1.5 Determination to Take Corrective Actions or Permanently Terminate Participation in the EIM
   4.1.2 Responsibilities of the PSE EIM Entity to Provide Required Information
      4.1.2.1 Provide Modeling Data to the MO
      4.1.2.2 Registration
   4.1.3 Day-to-Day EIM Operations
      4.1.3.1 Submission of Transmission Customer Base Schedule, Forecast Data for Non-Participating Resources that are Variable Energy Resources, and Resource Plans
      4.1.3.2 Communication of Manual Dispatch Information
4.1.3.3 Confirmation

4.1.3.4 Dispatch of EIM Available Balancing Capacity for a Non-Participating Resource

4.1.4 Provision of Meter Data

4.1.5 Settlement of MO Charges and Payments

4.1.6 Dispute Resolution with the MO

4.2 Transmission Customer Responsibilities

4.2.1 Initial Registration Data

4.2.1.1 Transmission Customers with a PSE EIM Participating Resource

4.2.1.2 Transmission Customers with Non-Participating Resources

4.2.2 Responsibility to Update Required Data

4.2.2.1 Transmission Customers with a PSE EIM Participating Resource

4.2.2.2 Transmission Customers with Non-Participating Resources

4.2.3 Outages

4.2.4 Submission of Forecast Data

4.2.4.1 Transmission Customers with a PSE EIM Participating Resource or Non-Participating Resource in the PSE BAA

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

4.2.4.3 Transmission Customers with Load

4.2.4.4 Transmission Customers Wheeling Through Without Resources or Load in PSE’s BAA

4.2.4.5 Timing of Transmission Customer Base Schedules Submission

4.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules

4.2.4.5.2 Final Submissions of Transmission Customer Base Schedules

4.2.5 Metering for Transmission Customers with Non-Participating Resources

5. Transmission Operations

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

5.2 Provision of EIM Transfer Capacity by a PSE Interchange Rights Holder

5.3 Provision of EIM Transfer Capability by PSE EIM Entity
6. System Operations Under Normal And Emergency Conditions
   6.1 Compliance With Reliability Standards
   6.2 Good Utility Practice
   6.3 Management of Contingencies and Emergencies
      6.3.1 EIM Disruption
      6.3.2 Manual Dispatch

7. Outages
   7.1 PSE EIM Entity Transmission Outages
      7.1.1 Planned Transmission Outages
      7.1.2 Unplanned Transmission Outages
   7.2 PSE BAA Transmission Owner Outages
   7.3 PSE EIM Participating Resource Outages
      7.3.1 Planned PSE EIM Participating Resource Outages and Known Derates
      7.3.2 Unplanned PSE EIM Participating Resource Outages
   7.4 Outages of Transmission Customers with Non-Participating Resources
      7.4.1 Planned Outages and Known Derates of Transmission Customers with Non-Participating Resources
      7.4.2 Unplanned Outages of Resources of Transmission Customers with Non-Participating Resources

8. EIM Settlements and Billing
   8.1 Instructed Imbalance Energy (IIE)
   8.2 Uninstructed Imbalance Energy (UIE)
   8.3 Unaccounted for Energy (UFE)
   8.4 Charges for Under-Scheduling or Over-Scheduling Load
      8.4.1 Under-Scheduling Load
      8.4.2 Over-Scheduling Load
      8.4.3 Distribution of Under-Scheduling or Over-Scheduling Proceeds
   8.5 EIM Uplifts
      8.5.1 EIM BAA Real-Time Market Neutrality (Real-Time Imbalance Energy Offset - BAA)
      8.5.2 EIM Entity BAA Real-Time Congestion Offset
      8.5.3 EIM Entity Real-Time Marginal Cost of Losses Offset
      8.5.4 EIM Neutrality Settlement
8.5.5 Real-Time Bid Cost Recovery
8.5.6 Flexible Ramping Constraint
8.5.7 Inaccurate or Late Actual Settlement Quality Meter Data Penalty
8.5.8 Other EIM Settlement Provisions

8.6 MO Tax Liabilities
8.7 EIM Transmission Service Charges
8.8 Variable Energy Resource Forecast Charge
8.9 EIM Payment Calendar
8.10 EIM Residual Balancing Account
8.11 Market Validation and Price Correction
8.12 Allocation of Operating Reserves
  8.12.1 Payments
  8.12.2 Charges

9. Compliance
  9.1 Provision of Data
  9.2 Rules of Conduct
  9.3 Enforcement

10. Market Contingencies
  10.1 Temporary Suspension by the MO
  10.2 Termination of Participation in EIM by the PSE EIM Entity
  10.3 Corrective Actions Taken by the PSE EIM Entity for Temporary Contingencies
    10.3.1. Corrective Actions for Temporary Contingencies
  10.4 Temporary Schedules 4, 4R, 9, 12, and 12A
    10.4.1 Temporary Schedule 4 Energy Imbalance Service
    10.4.2 Temporary Schedule 4R Energy Imbalance Service for Transmission Customers Taking Service Under Transmission Provider’s Schedule 448 and Schedule 449
    10.4.3 Temporary Schedule 9 Generator Imbalance Service
    10.4.4 Temporary Schedule 12 – Real Power Losses on Washington Area Transmission Facilities
    10.4.5 Temporary Schedule 12A – Real Power Losses on Colstrip and Southern Intertie Transmission Lines
ATTACHMENT O
EIM

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

Attachment O provides for Transmission Provider’s participation as the PSE EIM Entity in the EIM administered by the MO. Attachment O shall be in effect upon its acceptance by the Commission, with the exceptions provided below, 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, 4.2.4, 5, 6 and 7 of this Attachment O take effect no earlier than August 11, 2016 or seven (7) days prior to the start of parallel operations. Sections 4.1.5, 4.1.6, 8 and 10 of this Attachment O take effect no earlier than October 1, 2016 or the implementation date of Transmission Provider’s participation in the EIM, whichever is later.

This Attachment O shall apply to all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Articles II and III and Annexes A and B of this Tariff, as well as all Transmission Customers with legacy transmission agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of PSE’s Tariff and/or this Attachment O in particular. To the extent an Interconnection Customer controls the output of a generator located in PSE’s BAA, the PSE EIM Entity may require the Interconnection Customer to comply with a requirement in this Attachment O that on its face applies to a Transmission Customer to the extent that the PSE EIM Entity makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment O than any Transmission Customer.

This Attachment O 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 O is inconsistent with a provision in the remainder of this Tariff with regard to the PSE EIM Entity’s administration of the EIM, this Attachment O shall prevail.

This Attachment O governs the relationship between the PSE EIM Entity and all Transmission Customers and Interconnection Customers subject to this Tariff. This Attachment O 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 PSE 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 PSE EIM Participating Resources

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

(1) Meet the requirements specified in Section 3 of this Attachment O and the PSE EIM
(2) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator; and

(3) Follow the application and certification process specified in this Attachment O and the PSE 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 PSE EIM Participating Resources, in which case any resources that are not elected by the Transmission Customer to be PSE EIM Participating Resources shall be treated as Non-Participating Resources for purposes of this Attachment O.

3. **Eligibility to be a PSE EIM Participating Resource**

   **3.1 Internal Resources - Transmission Rights**

Resources owned or controlled by Transmission Customers and located within the metered boundaries of PSE’s BAA are eligible to become PSE 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) 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 PSE’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 PSE’s BAA may participate in the EIM as a PSE EIM Participating Resource if the Transmission Customer (1) implements a Pseudo-Tie into PSE’s BAA, consistent with PSE’s business practice posted on Transmission Provider’s OASIS, (2) has arranged firm transmission over any third-party transmission systems to a PSEI BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo-Tie into PSE’s BAA, consistent with PSE’s business practice posted on Transmission Provider’s OASIS, and (3) has secured transmission service consistent with Section 3.1 of this Attachment O.
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 PSE’s BAA.

3.3 Application and Certification of PSE EIM Participating Resources

3.3.1 Application

To become a PSE EIM Participating Resource, an applicant must submit a completed application, as set forth in the PSE EIM BP, and shall provide a deposit of $1,500 for the PSE EIM Entity to process the application. Upon completion of processing the completed application, the PSE 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 PSE EIM Participating Resource applicant, as appropriate.

At the time of application, any PSE 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 PSE EIM BP, as applicable.

3.3.2 Processing the Application

The PSE 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 PSE EIM Entity shall validate through the application that the PSE EIM Participating Resource applicant has satisfied Sections 3.1 and 3.2 of this Attachment O, as applicable, and met minimum telemetry and metering requirements, as set forth in the MO’s requirements and the PSE EIM BP. Within 45 days of receipt of the application and in accordance with the process outlined in the PSE EIM BP, the PSE EIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The PSE 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 PSE EIM Entity approves the application, it shall send notification of approval to both the PSE EIM Participating Resource applicant and the MO. The process by which the PSE EIM Entity sends notification of approval shall be set forth in the PSE EIM BP.

If the PSE EIM Entity rejects the application, the PSE EIM Entity shall send notification stating the grounds for rejection to the PSE EIM Participating Resource applicant. Upon request, the PSE EIM Entity may provide guidance to the applicant as to how the PSE EIM Participating Resource applicant may cure the grounds for the rejection. In the event that the PSE 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 PSE EIM Entity’s initial receipt of the application, the application shall be deemed rejected by the PSE EIM Entity.
If an application is rejected, the PSE 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 PSE EIM BP, certification by the PSE EIM Entity of the PSE 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 PSE EIM Entity shall provide notice to both the Transmission Customer with a PSE EIM Participating Resource and the MO that the PSE EIM Participating Resource is certified and therefore eligible to participate in the EIM. The process by which the PSE EIM Entity certifies Transmission Customers with a PSE EIM Participating Resource shall be set forth in the PSE 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 PSE EIM Participating Resource but the application has not been approved, or (ii) has not yet been certified by the PSE EIM Entity consistent with Section 3.3.3 of this Attachment O, 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 PSE EIM Participating Resource has an ongoing obligation to inform the PSE EIM Entity of any changes to any of the information submitted as part of the application process under this Attachment O. The PSE EIM BP shall set forth the process and timing requirements for notifying the PSE EIM Entity of such changes.
This information includes, but is not limited to:

1. Any change in the PSE 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 PSE EIM Participating Resource in the EIM or the Transmission Customer has terminated the PSE 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 O.

4. Roles and Responsibilities

4.1 Transmission Provider as the PSE EIM Entity and the PSE EIM Entity Scheduling Coordinator

4.1.1 Responsibilities

4.1.1.1 Identification of EIM Entity Scheduling Coordinator

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

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

4.1.1.2 Processing PSE EIM Participating Resource Applications

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

4.1.1.3 Determination of EIM Implementation Decisions for PSE’s BAA

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

1. **Eligibility requirements**: Eligibility requirements are set forth in Section 3 of Attachment O.

2. **Load Aggregation Points**: There shall be one LAP for PSE’s BAA.

3. **MO load forecast**: The PSE 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 PSE EIM Entity and all Transmission Customers with PSE 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 PSE 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 **PSE EIM Business Practice**

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

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

The PSE EIM Entity may take contingency corrective actions in PSE’s BAA in accordance with the requirements of Section 10.3 of Attachment O.

In addition, the PSE EIM Entity, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing 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.

4.1.2 **Responsibilities of the PSE EIM Entity to Provide Required Information**

4.1.2.1 **Provide Modeling Data to the MO**

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

The PSE EIM Entity shall register all Non-Participating Resources with the MO. The PSE EIM Entity may choose to obtain default energy bids from the MO for Non-Participating Resources that are Balancing Authority Area Resources. The PSE 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 O.

4.1.3  Day-to-Day EIM Operations

4.1.3.1  Submission of Transmission Customer Base Schedule, Forecast Data for Non-Participating Resources that are Variable Energy Resources, and Resource Plans

The PSE 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; (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 PSE 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 PSE 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.

4.1.3.4  Dispatch of EIM Available Balancing Capacity of a Non-Participating Resource

Upon notification by the MO, the PSE EIM Entity shall notify the Non-Participating Resource of the Dispatch Operating Point for any EIM Available Balancing Capacity from the Non-Participating Resource, except in circumstances in which the PSE EIM Entity determines the additional capacity is not needed for the BAA or has taken other actions to meet the capacity need.

4.1.4  Provision of Meter Data

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

4.1.6 Dispute Resolution with the MO

The PSE EIM Entity shall manage dispute resolution with the MO for the PSE EIM Entity settlement statements consistent with Section 29.13 of the MO Tariff, Section 12 of this Tariff, and the PSE EIM BP. Transmission Customers with PSE 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 a PSE EIM Participating Resource; (2) Transmission Customers with a Non-Participating Resource; (3) Transmission Customers with load within PSE’s BAA; and (4) Transmission Customers wheeling through PSE’s BAA.

4.2.1 Initial Registration Data

4.2.1.1 Transmission Customers with a PSE EIM Participating Resource

A Transmission Customer with a PSE EIM Participating Resource shall provide the MO and the PSE EIM Entity with data necessary to meet the requirements established by the MO to register all resources with the MO as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.1.2 Transmission Customers with Non-Participating Resources

A Transmission Customer with Non-Participating Resources shall provide the PSE EIM Entity with data necessary to meet the requirements established by the MO as required by Section 29.4(c)(4)(C) of the MO Tariff.

4.2.2 Responsibility to Update Required Data

4.2.2.1 Transmission Customers with a PSE EIM Participating Resource

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

4.2.3 Outages

Transmission Customers with PSE 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 O. The PSE EIM BP shall set forth the outage information requirements for PSE EIM Participating Resources and Non-Participating Resources.

4.2.4 Submission of Forecast Data

A Transmission Customer shall submit the Transmission Customer Base Schedule to the PSE 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 PSE’s BAA, submission of the Transmission Customer Base Schedule shall include data on all resources, Interchange, and Intrachange which shall balance to the Transmission Customer’s anticipated actual generation within PSE’s BAA. The submissions shall be in the format and within the timing requirements established by the MO and the PSE EIM Entity as required in Section 4.2.4.5 of this Attachment O and the PSE EIM BP.

4.2.4.1 Transmission Customers with a PSE EIM Participating Resource or Non-Participating Resource in the PSE BAA

A Transmission Customers with a PSE EIM Participating Resource or a Non-Participating Resource is not required to submit Forecast Data for:

(1) resources located in PSE’s BAA that are less than five MW; or

(2) behind-the-meter generation which is not contained in the MO’s network model.

Each PSE EIM Participating Resource Scheduling Coordinator shall provide to the PSE EIM Entity the energy bid range data (without price information) of the respective resources it represents that are participating in the EIM.

Each PSE EIM Participating Resource Scheduling Coordinator shall also provide the PSE EIM
Entity with Dispatch Operating Point data of the respective resources it represents that are participating in the EIM.

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 PSE EIM BP.

4.2.4.2 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 4.2.4.1 using any one of the following methods:

1. The Transmission Customer may elect to use the PSE EIM Entity’s Variable Energy Resource reliability forecast prepared for Variable Energy Resources within PSE’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 PSE 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 PSE 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 PSE 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 PSE EIM Entity, in accordance with the procedures set forth in the PSE 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 O, the PSE 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 of this Attachment O, 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.

For purposes of settling Energy Imbalance Service pursuant to Schedule 4 and Schedule 4R of this Tariff, the PSE EIM Entity shall calculate the load component of the Transmission Customer Base Schedule as the 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 Without Resources or Load in PSE’s BAA

A Transmission Customer wheeling through PSE’s BAA which does not have any resources or load within PSE’s BAA shall submit a Transmission Customer Base Schedule that includes Interchange and Intrachange Forecast Data to the PSE EIM Entity as set forth in Section 4.2.4 of this Attachment O. This submission shall include data on import Interchange which balances to the Transmission Customer’s export Interchange.

### 4.2.4.5 Timing of Transmission Customer Base Schedules Submission

#### 4.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules

Transmission Customers shall submit their initial Transmission Customer Base Schedules, including generation Forecast Data for each resource, preliminary Interchange, and Intrachange 7 days prior to each Operating Day (“T - 7 days”). Transmission Customers may modify the proposed Transmission Customer Base Schedule at any time but shall submit at least one update by 10 a.m. of the day before the Operating Day.

#### 4.2.4.5.2 Final Submissions of Transmission Customer Base Schedules

Transmission Customers shall submit proposed final Transmission Customer Base Schedules, including generation Forecast Data for each resource, Interchange, Intrachange, and Load Forecast Data at any time but no later than 77 minutes prior to each Operating Hour (“T-77”). Transmission Customers may modify Transmission Customer Base Schedules up to and until 57 minutes prior to the Operating Hour (“T-57”). As of 55 minutes prior to each Operating Hour
(“T-55”), the Transmission Customer Base Schedule data for the Operating Hour will be considered financially binding and Transmission Customers may not submit further changes to Forecast Data for each resource, Interchange, Intrachange, or Load. If the Transmission Customer fails to enter a Forecast Data value, the default will be 0 MW for that Operating Hour.

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 already programmed to 5-minute intervals pursuant to a Transmission Customer’s applicable interconnection requirements associated with any agreement pursuant to Annexes A and B 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 PSE EIM Entity to comply with Section 4.1.4 of this Attachment O.

5. Transmission Operations

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

The PSE 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.

5.2 Provision of EIM Transfer Capacity by a PSE Interchange Rights Holder

The PSE EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers offered by a PSE Interchange Rights Holder by providing the MO with information about the amounts made available by the PSE Interchange Rights Holder for EIM Transfers.

The provision of EIM Transfer capacity shall be implemented through the PSE Interchange Rights Holder’s submission of an e-Tag by 75 minutes prior to the Operating Hour (“T-75”). The PSE Interchange Rights Holder shall include on the e-Tag the OASIS identification reservation number(s) associated with the transmission rights made available for EIM Transfers and shall also include the Market Operator, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified on the e-Tag. The PSE Interchange Rights Holder’s rights associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.

The amount made available for EIM Transfers shall never exceed the PSE Interchange Rights Holder’s transmission rights.
5.3 Provision of EIM Transfer Capability by the PSE EIM Entity

The PSE EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers by providing the MO with information about the amounts available for EIM Transfers utilizing Available Transfer Capability (“ATC”). Such amounts shall be in addition to any amounts made available by PSE Interchange Rights Holders pursuant to Section 5.2 of this Attachment O.

The provision of EIM Transfer capacity corresponding to ATC shall be implemented through the submission of an e-Tag by 40 minutes prior to the Operating Hour (“T-40”) by the PSE EIM Entity. The PSE EIM Entity shall include on the e-Tag, with an OASIS identification reservation number(s) created for EIM Transfers utilizing ATC, and shall also include the MO, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified in the e-Tag. The amount of ATC indicated on the e-Tag will be based upon the lower of the amount of ATC calculated by each EIM Entity at that interface by T-40. The ATC associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.


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 PSE EIM Entity, Transmission Customers with PSE EIM Participating Resources, or Transmission Customers with Non-Participating Resources to comply with applicable reliability standards.

The PSE 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 PSE’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 PSE’s BAA, including facilities of PSE BAA Transmission Owners. If requested by a Transmission Customer that is also a PSE BAA Transmission Owner, the PSE EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of a PSE BAA Transmission Owner.
6.2  Good Utility Practice

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

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

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

7.  Outages

7.1.  PSE EIM Entity Transmission Outages

7.1.1 Planned Transmission Outages and Known Derates

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

7.1.2 Unplanned Transmission Outages

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

7.2  PSE BAA Transmission Owner Outages

Transmission Customers that are also PSE BAA Transmission Owners shall provide the PSE EIM
Entity with planned and unplanned transmission outage data. Planned outages shall be reported to the PSE 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 PSE EIM Entity as soon as possible but no later than 30 minutes after the outage commences.

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

7.3 PSE EIM Participating Resource Outages

7.3.1 Planned PSE EIM Participating Resource Outages and Known Derates

PSE EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates to the PSE EIM Entity. Planned outages and known derates shall be reported to the PSE EIM Entity 7 or more days in advance and preferably at least 30 days in advance of the outage or known derate. The PSE 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. PSE EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

7.3.2 Unplanned PSE 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 PSE EIM Participating Resource Scheduling Coordinator is responsible for notifying the PSE EIM Entity of required changes. Unplanned outages shall be reported to the PSE EIM Entity as soon as possible but no later than 30 minutes after the outage commences. The PSE EIM Entity shall then submit this information to the MO's outage management system.

7.3.3 Unplanned Derates

Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the PSE EIM Entity. These reports are due within 30 minutes of discovery, and are required only to include effective time and MW availability. The PSE 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 and Known Derates of Transmission Customers with Non-Participating Resources

Transmission Customers with Non-Participating Resources shall report information regarding planned outages and known derates of resources to the PSE 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
The PSE EIM Entity shall submit planned resource outages and known derates 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 PSE EIM Entity as soon as possible but no later than 30 minutes after the outage commences.

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

### 7.4.3 Unplanned Derates

Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the PSE EIM Entity. These reports are due within 30 minutes of discovery, and are required only to include effective time and MW availability. The PSE EIM Entity shall then submit this information to the MO's outage management system.

### 8. EIM Settlements and Billing

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

#### 8.1 Instructed Imbalance Energy (IIE)

The PSE EIM Entity shall be required to sub-allocate IIE that is not otherwise recovered under Schedule 9 of this Tariff and that occurs because of (1) operational adjustments of any affected Interchange or Intrachange, which includes changes by Transmission Customers after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, or (3) an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff and using the RTD or FMM price at the applicable PNode. Any allocations to the PSE EIM Entity pursuant to Section 29.11(b)(1) and (2) 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 PSE EIM Entity pursuant to Section 29.11(b)(3)(B) and (C) of the MO Tariff for UIE not otherwise recovered under Schedule 4, Schedule 4R, or Schedule 9 shall not be sub-allocated to Transmission Customers.
8.3 Unaccounted for Energy (UFE)

Any charges to the PSE 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 PSE 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 and Schedule 4R 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 PSE 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 and Schedule 4R 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 PSE EIM Entity pursuant to Section 29.11(d)(3) of the MO Tariff shall be distributed to Transmission Customers that were not subject to underscheduling or over-scheduling charges during the Trading Day on the basis of Metered Demand and in accordance with the procedures outlined in the PSE 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 PSE 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 PSE 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
8.5.3  EIM Entity Real-Time Marginal Cost of Losses Offset

Any charges to the PSE EIM Entity pursuant to Section 29.11(e)(4) of the MO Tariff for real-time marginal cost of losses offset shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.4  EIM Neutrality Settlement

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutrality Adjustment (monthly and daily)</td>
<td>Measured Demand</td>
</tr>
<tr>
<td>Rounding Adjustment (monthly and daily)</td>
<td>Measured Demand</td>
</tr>
</tbody>
</table>

8.5.5  Real-Time Bid Cost Recovery

Any charges to the PSE 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 PSE 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 PSE 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 PSE EIM Entity shall directly assign the penalty to the offending Transmission Customer.

8.5.8  Other EIM Settlement Provisions

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice Deviation (distribution and allocation)</td>
<td>PSE EIM Entity</td>
</tr>
<tr>
<td>Generator Interconnection Process</td>
<td>PSE EIM Entity</td>
</tr>
<tr>
<td>Forfeited Deposit Allocation</td>
<td>PSE EIM Entity</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Default Invoice Interest Payment</td>
<td>PSE EIM Entity</td>
</tr>
<tr>
<td>Default Invoice Interest Charge</td>
<td>PSE EIM Entity</td>
</tr>
<tr>
<td>Invoice Late Payment Penalty</td>
<td>PSE EIM Entity</td>
</tr>
<tr>
<td>Financial Security Posting (Collateral) Late Payment Penalty</td>
<td>PSE EIM Entity</td>
</tr>
<tr>
<td>Shortfall Receipt Distribution</td>
<td>PSE EIM Entity</td>
</tr>
<tr>
<td>Shortfall Reversal</td>
<td>PSE EIM Entity</td>
</tr>
<tr>
<td>Shortfall Allocation</td>
<td>PSE EIM Entity</td>
</tr>
<tr>
<td>Default Loss Allocation</td>
<td>PSE EIM Entity</td>
</tr>
</tbody>
</table>

### 8.6 MO Tax Liabilities

Any charges to the PSE 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.

Unreserved Use Penalties shall apply to any amount of actual metered generation in an Operating Hour, if any, which is in excess of the sum of both: (1) the greatest positive Dispatch Operating Point or Manual Dispatch of the PSE EIM Participating Resource received during the Operating Hour, and (2) the Transmission Customer’s Reserved Capacity. Any ancillary service charges that are applicable to Unreserved Use Penalty charges shall apply.

### 8.8 Variable Energy Resource Forecast Charge

Any costs incurred by the PSE EIM Entity related to the preparation and submission of resource Forecast Data for a Transmission Customer with a Non-Participating Resource electing either method (1) or (2), as set forth in Section 4.2.4.2 of this Attachment O, shall be allocated to the Transmission Customer with a Non-Participating Resource electing to use either such method.

For a Transmission Customer with a Non-Participating Resource electing method (3), as set forth in Section 4.2.4.2 of this Attachment O, any charges to the PSE 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 PSE 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 PSE 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 PSE EIM Entity are not captured elsewhere in Attachment H-1, Schedules 1, 1-A, 4, 4R, 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 PSE 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 PSE EIM Entity settlement statement in accordance with the MO’s market validation and price correction procedures in the MO Tariff, the PSE EIM Entity reserves the right to make corresponding or similar changes to the charges and payments sub-allocated under this Attachment O.

8.12 Allocation of Operating Reserves

8.12.1 Payments

Any payments to the PSE EIM Entity pursuant to Section 29.11(n)(1) of the MO Tariff for operating reserve obligations shall be sub-allocated to Transmission Customers with PSE EIM Participating Resources in the PSE BAA for Operating Hours during which EIM Transfers from the PSE BAA to another BAA occurred shall not be sub-allocated to Transmission Customers. Payments shall be sub-allocated on a ratio-share basis, defined as the proportion of the volume of Operating Reserves provided by a PSE EIM Participating Resource in the PSE BAA dispatched during the Operating Hour compared to the total volume of Operating Reserves provided by all PSE EIM Participating Resources dispatched in the PSE BAA for the Operating Hour.

8.12.2 Charges

Any charges to the PSE EIM Entity pursuant to Section 29.11(n)(2) of the MO Tariff for operating reserve obligations shall be sub-allocated to Transmission Customers within the PSE BAA based on the Transmission Customer’s positive load imbalance ratio share, which is the ratio of the Transmission Customer’s positive load imbalance amount (the amount that the Transmission Customer’s load exceeds the Transmission Customer’s resources) relative to the sum of the positive load imbalances of all other Transmission Customers with positive load imbalance amounts for the Operating Hour, expressed as a percentage.

9. Compliance

9.1 Provision of Data

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

If the PSE 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 PSE EIM Entity may disclose such information; provided, however, that upon the PSE EIM Entity learning of the disclosure requirement and, if possible, prior to making such disclosure, the PSE 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 PSE 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 PSE EIM Entity shall treat all Transmission Customer and Interconnection Customer data and information provided to it as market-sensitive and confidential, unless the PSE EIM Entity is otherwise allowed or required to disclose. The PSE 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. Transmission Customers must:

(1) Comply with Dispatch Instructions and PSE 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 PSE EIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the PSE EIM Entity;

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

(3) Notify the MO and/or the PSE EIM Entity, as applicable, of outages in accordance with Section 7 of this Attachment O;

(4) Provide complete, accurate, and timely meter data to the PSE 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 PSE EIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;

(5) Provide information to the PSE EIM Entity, including the information requested in Sections 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 9.1 of this Attachment O, 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 PSE EIM Entity.

9.3 Enforcement

The PSE EIM Entity may refer a violation of Section 9.2 of this Attachment O 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 PSE EIM Entity shall utilize Temporary Schedules 4, 4R, 9, 12, and 12A in accordance with Sections 10.4.1, 10.4.2, 10.4.3, 10.4.4, and 10.4.5 of this Attachment O 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 PSE 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 PSE EIM Entity

If the PSE 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 O, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the PSE EIM Entity may invoke the following corrective actions by requesting that the MO:

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

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

Once such corrective actions are implemented by the MO, the PSE EIM Entity shall utilize Temporary Schedules 4, 4R, 9, 12 and 12A in accordance with Sections 10.4.1, 10.4.2, 10.4.3,
10.4.4, and 10.4.5 of this Attachment O.

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

**10.3 Corrective Actions Taken by the PSE EIM Entity for Temporary Contingencies**

The PSE 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 PSE’s BAA) have caused or are in danger of causing an abnormal system condition in PSE’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; or

(2) communications between the MO and the PSE EIM Entity are disrupted and prevent the PSE EIM Entity, the PSE EIM Entity Scheduling Coordinator, or a PSE 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 PSE EIM Entity may invoke the following corrective actions by requesting that the MO:

(1) prevent EIM Transfers and separate the PSE 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 PSE EIM Entity.

When corrective action under 10.3.1 (2) is implemented or if the MO Tariff requires the use of these temporary schedules to set an administrative price, the PSE EIM Entity shall utilize Temporary Schedules 4, 4R, 9, 12, and 12A in accordance with Sections 10.4.1, 10.4.2, 10.4.3, 10.4.4, and 10.4.5 of this Attachment O.

If the PSE EIM Entity takes action under this Section 10.3, the PSE EIM Entity shall notify the MO and Transmission Customers. The PSE 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, 4R, 9, 12, and 12A**

**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 (plus real power losses). 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 Temporary Schedule or a penalty for hourly generator imbalances under Temporary 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) 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, using the Hourly Pricing Proxy, (ii) 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 Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling, and (iii) 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 Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling.

For any hour for which Transmission Provider assesses any charge for Energy Imbalance Service under this Temporary Schedule 4 based on 110 percent or 125 percent of the Hourly Pricing Proxy, Transmission Provider shall credit to non-offending Transmission Customers for such hour the amount by which such charge exceeded the Hourly Pricing Proxy.

10.4.2 Temporary Schedule 4R Energy Imbalance Service for Transmission Customers Taking Service Under Transmission Provider’s Schedule 448 and Schedule 449

This Temporary Schedule 4R applies only to Transmission Customers that take service under Transmission Provider’s Schedules 448 and 449, on file with the Washington Utilities and Transportation Commission. Temporary Schedule 4R applies in place of Temporary Schedule 4 for any such customer; Transmission Customers will be charged or paid for imbalance energy under Temporary Schedule 4 or Temporary Schedule 4R but not both. 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 (plus real power losses). 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 Temporary Schedule or a penalty for hourly generator imbalances under Temporary 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) 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, using the Hourly Pricing Proxy, (ii) 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 Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling, and (iii) 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 Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling.

For any hour for which Transmission Provider assesses any charge for Energy Imbalance Service under this Temporary Schedule 4R based on 110 percent or 125 percent of the Hourly Pricing Proxy, Transmission Provider shall credit to non-offending Transmission Customers for such hour the amount by which such charge exceeded the Hourly Pricing Proxy.

10.4.3 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 (plus real power losses). 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 Temporary Schedule 9 or a penalty for hourly energy imbalances under Temporary Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other. To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider’s Control Area, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Temporary Schedule 9.

The Transmission Provider shall establish charges for generator imbalance based on the deviation bands as follows: (i) 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 the Hourly Pricing Proxy, (ii) 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 Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling, and (iii) 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 Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling, 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 Hourly Pricing Proxy. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

For any hour for which Transmission Provider assesses any charge for Generator Imbalance Service under this Temporary Schedule 9 based on 110 percent or 125 percent of the Hourly Pricing Proxy, Transmission Provider shall credit to non-offending Transmission Customers for such hour the amount by which such charge exceeded the Hourly Pricing Proxy.

10.4.4 Temporary Schedule 12 – Real Power Losses on Washington Area Transmission Facilities

A transmission customer taking Network Integration Transmission Service, Firm or Non-Firm Point-to-Point Transmission Service shall be responsible for Real Power Losses as provided for in Sections 15.7 and 28.5 of the Tariff. For each hour where the Transmission
Provider provides loss service, the Transmission Customer shall compensate the Transmission Provider at a rate equal to the Hourly Pricing Proxy for energy for such hour based on 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 Sections 15.7 and 28.5 of the Tariff.

10.4.5 Temporary Schedule 12A – Real Power Losses on Colstrip and Southern Intertie Transmission Lines

A transmission customer taking service over the Colstrip and Southern Intertie High Voltage Direct Assignment Facilities pursuant to Schedule 10 of the Tariff shall be responsible for Real Power Losses as provided for in Sections 15.7 and 28.5 of the Tariff. For each hour where the Transmission Provider provides loss service, the Transmission Customer shall compensate the Transmission Provider at a rate equal to the Hourly Pricing Proxy for energy for such hour based on 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 Sections 15.7 and 28.5 of the Tariff.