

Balancing Authority of Northern California

Energy Imbalance Market

Business Practices

Version 1.0_ BANC Commission Approved

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Energy Imbalance Market

1. General Provision - Purpose and Effective Date of BANC EIM Business Practices

The purpose of these Business Practices (BP) is to provide detailed descriptions of the business relationship between the Energy Imbalance Market (EIM) Entity, EIM Participants, and BANC EIM Transmission Providers within the EIM Entity footprint. It is intended to contain sufficient details to address day-to-day business activities, roles, and responsibilities related to BANC EIM operations. However, it is recognized that these business activities, roles, and responsibilities related to BANC EIM operations will evolve as the EIM Entity and EIM Participants gain market experience and the market evolves. Therefore, these BPs must also be able to adapt and change as necessary to address either unanticipated conditions or other circumstances. Thus, ease of amendment and revision is intended, subject to the amendment process adopted herein.

This BP should be read in conjunction with the BANC EIM Participation Agreement (EIM PA), the Market Operator (MO) Tariff, the Applicable Open Access Transmission Tariff (Applicable OATT) of BANC EIM Transmission Providers, Existing Agreements and any prescribed guidelines or protocols of the EIM Entity as adopted by the EIM Committee and provided to EIM Participants.

This BP shall work in concert with the provisions of the BANC agreements implementing EIM in the BANC Balancing Authority Area (BAA), Applicable OATTs, and the MO Tariff implementing the EIM to support operation of the EIM. To the extent that this BP is inconsistent with a provision in these other agreements, Applicable OATTs, or Existing Agreements, BANC shall work with EIM Participant(s) and BANC EIM Transmission Provider(s) to attempt to reconcile any conflicts. To the extent such conflicts cannot be reconciled within a reasonable time (as determined by the circumstances), such conflict shall be addressed in accordance with the Dispute Resolution process set forth in this BP.

This BP shall be in effect for as long as BANC implements the EIM and until all final settlements are reconciled in accordance with this BP and the EIM PA.

This BP shall apply to EIM Participants, BANC EIM Transmission Providers, and/or any EIM Participating Resources within the EIM Entity footprint.

2. Definitions

Capitalized terms not defined herein shall have the definitions used in the MO Tariff, Applicable OATTs or the EIM PA.

2.1 *Applicable Open Access Transmission Tariff (Applicable OATT)* shall mean the applicable Open Access Transmission Tariff of a BANC EIM Transmission Provider. Upon the Approval Date of Version 1.0 of this BP (contained in the Version

History, Appendix 2, herein), there are two Applicable OATTs: that of WAPA and that of SMUD.

- 2.2 **BANC EIM Settlement Allocation Manual** shall mean the detailed manual defining all of the charges and calculations used to calculate the EIM Participant's EIM settlements, as that document may be amended from time-to-time. The BANC EIM Settlements Allocation Manual is found in Attachment A (BANC EIM Settlement Allocation Manual) to this BP.
- 2.3 **BANC EIM Transmission Provider** shall mean an entity which provides transmission services to an EIM Participant either through an OATT or an Existing Agreement, or other contractual arrangement that facilitates the use of an EIM Participant's transmission system for EIM transactions. A BANC EIM Transmission Provider may or may not be an EIM Participant.
- 2.4 **BANC BAA Transmission System** shall mean the collection of transmission facilities inside the BANC BAA used for EIM participation by EIM Participants.
- 2.5 **Base Schedule(s)** shall have the same meaning as "EIM Base Schedule(s)," as used in the MO Tariff.
- 2.6 **Business Practice (BP)** shall mean this document, as it may be amended from time-to-time.
- 2.7 **CAISO** shall mean the California Independent System Operator, which currently serves as the EIM Market Operator.
- 2.8 **CAISO Tariff** shall mean the CAISO's open access transmission tariff filed with, and approved by, FERC, as that tariff may be amended from time-to-time.
- 2.9 **Commission** shall mean the "BANC Commission," as established in the BANC Joint Powers Agreement, as that agreement may be amended from time-to-time.
- 2.10 **EIM Committee** shall mean the administrative committee established and described in the BANC EIM Participation Agreement.
- 2.11 **EIM Entity** shall have the meaning set forth in the CAISO Tariff, as that tariff shall be amended from time-to-time.
- 2.12 **EIM Entity Scheduling Coordinator** shall mean the entity selected by the BANC EIM Entity who is certified by the MO and who enters into the MO's EIM Entity Scheduling Coordinator Agreement.
- 2.13 **EIM Optimization** shall mean the CAISO process whereby it runs its market software to determine the most efficient EIM solution, taking into account all resources and loads available for EIM dispatch/redispach and while honoring system constraints. The EIM Optimization produces pricing and dispatch instructions for each EIM pricing interval.
- 2.14 **EIM Participant** shall mean an entity which has executed the EIM Participation Agreement with BANC.

- 2.15** ***EIM Participation Agreement (EIM PA)*** shall mean the agreement between BANC, as the EIM Entity, and each EIM Participant, which that establishes respective rights, obligations, and procedures related to EIM participation within the BANC BAA, as that agreement may be amended from time-to-time.
- 2.16** ***EIM Transfer Capability*** shall mean the transmission capacity available for EIM Transfers between the [BANC] EIM Entity Balancing Authority Area and other participating EIM Entity Balancing Authority Areas, as determined by BANC EIM Transmission Providers and communicated to the EIM Entity.
- 2.17** ***Energy Imbalance Market (EIM)*** shall have the meaning set forth in the CAISO Tariff, as that tariff shall be amended from time-to-time.
- 2.18** ***Existing Agreement(s)*** shall mean any pre-EIM agreements still in force and effect among any EIM Participant material to that EIM Participant’s ability to transact in EIM.
- 2.19** ***FERC*** shall mean the “Federal Energy Regulatory Commission,” or its successor.
- 2.20** ***Imbalance Energy*** shall mean the deviation of supply or demand from the EIM Base Schedule, positive or negative, as measured by Fifteen Minute Market Schedules, Real-Time Dispatch, metered generation, metered load, or real-time Interchange or Intrachange schedules.
- 2.21** ***Interchange*** shall mean the E-Tagged energy transfers from, to, or through BAAs not including EIM Transfers.
- 2.22** ***Intrachange*** shall mean the E-Tagged energy transfers within the BANC BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.
- 2.23** ***Manual Dispatch*** shall mean operating order issued by the EIM Entity or a BANC EIM Transmission Provider to a Transmission Customer with an EIM Participating Resource, outside of the EIM Optimization, when necessary to address reliability or operational issues on the EIM Transmission Provider’s system or BANC EIM Entity BAA that the EIM is not able to address through economic dispatch and congestion management.
- 2.24** ***Market Operator (MO)*** shall mean the entity responsible for operation, administration, settlement, and oversight of the EIM. The CAISO is the current Market Operator of the Western Energy Imbalance Market.
- 2.25** ***Market Operator Tariff (MO Tariff)*** shall mean the CAISO Tariff, as such tariff may be modified from time to time. The primary MO Tariff sections are found in Section 29 of the CAISO Tariff.
- 2.26** ***NERC*** shall mean the “North American Electric Reliability Corporation,” or its successor.
- 2.27** ***Reliability Standards*** shall mean those NERC Reliability Standards and WECC Regional Reliability Standards that have been approved by FERC under Section 215 of the Federal Power Act and WECC applicable Regional Criteria referenced in FERC-approved Reliability Standards.

2.28 WECC shall mean the “Western Electricity Coordinating Council,” or its successor.

3. Registration of EIM Participating Resources

Entities within the BANC BAA which own or control one or multiple resources are required to register their resources to become BANC EIM Participating Resources. An entity within the BANC BAA that is not a signatory to the EIM PA must make a request to the EIM Entity to become an EIM Participant (Requestor) concurrent with a request to register a BANC EIM Participating Resource, as described under Section 4.3.1 (Request to Become a BANC EIM Participating Resource). To become an EIM Participant an entity must enter into an EIM PA with BANC and/or any successor or additional agreement(s).

A Requestor seeking to register EIM Participating Resources and an EIM Participant with EIM Participating Resources must:

- (1) Meet the requirements specified in Section 4 (BANC EIM Participating Resource Requirements) of this BP, as these BPs may be amended from time to time and any requirements set forth in the MO Tariff;
- (2) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator;
- (3) Follow the application and certification process specified in this BP and any successor or additional agreement(s) and/or guidelines or protocols as determined solely by BANC. It shall be the obligation of the Requestor or EIM Participant to make such a request from the EIM Entity and to negotiate any necessary changes in the EIM PA directly with the EIM Entity; and
- (4) Meet all requirements prescribed under the Applicable OATT or Existing Agreements.

4. BANC EIM Participating Resource Requirements

4.1 *Internal Resources - Transmission Rights*

Dispatchable resources owned or controlled by Requestors or EIM Participants and located within the metered boundaries of the EIM Entity BAA are required to become EIM Participating Resources, unless agreed to otherwise in writing between the EIM Entity and the Requestor or EIM Participant. The Requestor or EIM Participant that owns or controls the resource(s) must have associated transmission rights based on its Transmission Owner status or rights obtained through an Existing Agreement or the Applicable OATT.

4.2 *Resources External to BANC's BAA*

4.2.1 *Use of Pseudo-Ties*

Subject to agreements with other impacted BAAs, BANC EIM Transmission Providers or EIM Participants, a resource owned or controlled by a Requestor or EIM Participant that is not physically located inside the metered boundaries of the EIM Entity BAA may operate as a Pseudo-Tie resource within the EIM Entity BAA; however, the Pseudo-Tie resource must participate as an EIM

Participating Resource. In order to do so, the Requestor or EIM Participant must: (1) obtain a written agreement from BANC specifying the roles and obligations of the parties entering into this agreement; (2) arrange firm transmission over any third-party transmission systems to the EIM Entity BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo-Tie into the EIM Entity BAA, consistent with a written agreement with BANC; (3) secure transmission service in accordance with the Applicable OATT, or under Existing Agreements, or other contractual arrangements that facilitate the use of an EIM Participant's transmission system for EIM transactions, as approved by the BANC EIM Transmission Provider; and (4) enter into any further agreement(s), if deemed necessary by any BANC EIM Transmission Provider, or as provided in any applicable business practices, guidelines, protocols or other requirements.

4.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner specified in a written agreement with BANC in addition to any Applicable OATT, Existing Agreement, or other agreements as may be required by the BANC EIM Transmission Provider.

4.3 *Request and Certification of BANC EIM Participating Resources*

This section should be read in conjunction with the EIM PA and any other requirements as prescribed by BANC, as well as Applicable OATT(s), including business practices and guidelines or protocols, and the MO Tariff.

4.3.1 Request to Become a BANC EIM Participating Resource

4.3.1.1 To register a resource to become an EIM Participating Resource, a Requestor must become an EIM Participant by entering into an EIM PA with BANC and/or any successor or additional agreement(s) and meet any requirements prescribed in this BP and/or any additional guidelines or protocols prescribed and provided by BANC, the MO Tariff and the Applicable OATT.

4.3.1.1.1 An entity which is not currently an EIM Participant must make application in accordance with Section 4.3.2 (Processing the Request to Become an EIM Participant with an EIM Participating Resource) of this BP.

4.3.1.1.2 An entity which is an EIM Participant and which has existing BANC EIM Participating Resources may add a new BANC EIM Participating Resource by meeting the applicable requirements under Section 4.3.3 (Confirmation Notice) and 4.3.4 (Notice and Obligation to Report a

Change in Information) of this BP.

4.3.1.2 At the time of application, any EIM Participating Resource applicant must elect to perform the duties of a CAISO Metered Entity or Scheduling Coordinator Metered Entity, consistent with the MO's requirements, as applicable, in addition to meeting any requirements prescribed in the MO Tariff for becoming an EIM Participating Resource, including those requirements pertaining to telemetry and metering requirements.

4.3.2 Processing the Request to Become an EIM Participant with an EIM Participating Resource

An entity not currently a signatory to the EIM PA and with no EIM Participating Resource must make a written request to the EIM Entity to become an EIM Participant with EIM Participating Resource(s) by sending a written request in accordance with Appendix 1 (Notices) to this BP, directed to the BANC General Manager. Such request shall provide a full description of the Requestor's proposed EIM Participating Resource(s), including, at a minimum the: (a) type of resource (e.g., Combustion Turbine, Wind, etc.); (b) nameplate capacity of the resource; (c) point of interconnection; (d) applicable BANC EIM Transmission Provider and transmission rights (actual or proposed) to be used in support of the EIM Participating Resource(s); (e) Host BANC sub-Balancing Authority (SBA)¹; and, (f) Host Balancing Authority of the EIM Participating Resource(s), if the Host Balancing Authority is different than BANC.

Such request will also require the Requestor to enter into an EIM PA with BANC to become an EIM Participant. The EIM Entity shall enter into negotiations with the Requestor to execute an EIM PA, but not prior to a decision as to whether to accept the request to register an EIM Participating Resource and a decision by the Requestor to proceed.

The BANC General Manager, in consultation with the EIM Committee, may develop a written scope of work, list of technical requirements, associated milestones and costs, as deemed appropriate by BANC, required for the Requestor to become an EIM Participant with EIM Participating Resource(s). This written scope of work, list of technical requirements, associated milestones and costs shall form the basis of a letter of agreement between the EIM Entity and the Requestor, which shall be reviewed by the EIM Committee and approved by the Commission. Such Requestor shall be responsible for any coordination, transmission service or interconnection requirements under the Applicable OATT.

If the EIM Entity denies the request it shall send notification stating the grounds

¹ For purposes of this BP, BANC hosts two SBAs, that of the Sacramento Municipal Utility District and that of the Western Area Power Administration – Sierra Nevada Region.

for the denial to the Requestor and shall provide guidance as to how the Requestor may cure the grounds for the denial. If the request is denied, the Requestor may resubmit the request in accordance with any BANC guidelines or protocols in place at the time of the resubmitted request. In the absence of BANC guidelines or protocols, resubmission shall be made in writing to the BANC General Manager to the address set forth in Appendix 1 (Notices) to this BP.

If the EIM Entity accepts the request and the Requestor affirms its intent to proceed, the EIM Entity will finalize and execute a letter of agreement with the Requestor, as approved by the Commission. BANC and the Requestor shall also negotiate and execute an EIM PA, as modified solely at the discretion of BANC. The EIM PA must be reviewed by the EIM Committee and approved by the Commission.

4.3.3 Confirmation Notice

Upon successful negotiation and approval by the Commission of the EIM PA with the new EIM Participant, and written acknowledgement by the EIM Entity of the EIM Participating Resource's eligibility to participate in the EIM, participation shall occur once the EIM Participant has demonstrated, and the MO or BANC EIM Transmission Provider have confirmed, as appropriate, that the EIM Participant 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 BP, the BANC EIM Transmission Provider, 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;
- (4) Met communication and data requirements of this BP, the BANC EIM Transmission Provider, and Section 29.6 of the MO Tariff, and the operator of the plant(s) has the ability to receive and implement Dispatch Instructions every five minutes from the MO; and
- (5) Obtained written confirmation from the BANC EIM Transmission Provider that transmission service has been obtained in accordance with the Applicable OATT, or through an Existing Agreement associated with the EIM Participating Resource.

Upon receiving notice from the MO and BANC EIM Transmission Provider of the completion of the enumerated requirements by the EIM Participant, the EIM

Entity shall provide notice to the EIM Participant with an EIM Participating Resource, the BANC EIM Transmission Provider, and the MO that the EIM Participating Resource is confirmed and therefore eligible to participate in the EIM.

For the avoidance of doubt, no newly-approved EIM Participant with EIM Participating Resources can commence operations within the BANC EIM footprint until it can operate in EIM as an EIM Participating Resource.

4.3.4 Notice and Obligation to Report a Change in Information

Each EIM Participant with a BANC EIM Participating Resource has an ongoing obligation to inform the EIM Entity and the BANC EIM Transmission Provider (if applicable) of any changes to any of the information submitted as part of the application process under this BP.

This information includes, but is not limited to:

- (1) Any change in the BANC 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;
- (4) Any addition of a new BANC EIM Participating Resource; and
- (5) If the MO terminates the participation of the EIM Participating Resource in the EIM, the EIM Participant has terminated the EIM Participating Resource's participation in the EIM, or the EIM Participant has lost eligibility under the Applicable OATT or an Existing Agreement, such matters shall be immediately brought to the attention of the EIM Committee and addressed in consultation with the Commission and General Counsel.

5. Roles and Responsibilities

5.1 *EIM Entity and the EIM Entity Scheduling Coordinator*

5.1.1 Responsibilities

5.1.1.1 Identification of EIM Entity Scheduling Coordinator

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

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

5.1.1.2 Processing EIM Participating Resource Applications

The EIM Entity shall be responsible for facilitating requests by EIM Participants seeking authorization to participate in the EIM with resources as EIM Participating Resources in accordance with Section 4.3 (Request and Certification of BANC EIM Participating Resources) of this BP.

5.1.1.3 Determination of EIM Implementation Decisions for EIM Entity BAA

The EIM Entity is solely responsible for making any decisions with respect to EIM participation that the MO requires of EIM Entities. The EIM Entity, however, will coordinate with the BANC EIM Transmission Providers to the extent practicable. The EIM Entity has made the following determinations:

- (1) Eligibility Requirements for EIM Participating Resources: Eligibility requirements are set forth in Section 4 (BANC EIM Participating Resource Requirements) of this BP.
- (2) Load Aggregation Points: There shall be one LAP for the EIM Entity BAA and there will be a Custom Load Aggregation Point (CLAP) for each EIM Participant with Load.
- (3) MO Load Forecast(s): The EIM Entity shall utilize the MO load forecast(s) but shall retain the right to provide the load forecast(s) to the MO in accordance with the MO Tariff.
- (4) MO Metering Agreements: The EIM Entity and all EIM Participants with 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.
- (5) EIM Transfer Capability: The EIM Entity coordinates with BANC EIM Transmission Providers to determine appropriate implementation methodologies for establishing EIM Transfer capability within the BANC EIM footprint.

5.1.1.4 EIM Entity Adopted Guidelines and/or Protocols

The EIM Entity may establish and revise, as necessary, guidelines or protocols to facilitate implementation and operation of the EIM within

the EIM Entity BAA. The guidelines or protocols shall be discussed and developed in consultation with the EIM Committee, and with BANC EIM Transmission Providers to ensure alignment with their Applicable OATs, contractual arrangements to facilitate use of an EIM Participant's transmission system for EIM transactions, business practices and procedures, as practicable. The guidelines or protocols shall either be added as an attachment to these BPs or otherwise made available to BANC EIM Transmission Providers and EIM Participants in a manner satisfactory to the EIM Committee.

5.1.1.5 Determination to Take Corrective Actions by the EIM Entity

The EIM Entity may take corrective actions in BANC's BAA in accordance with the requirements of Section 11 (Market Contingencies) of this BP. The EIM Entity shall ensure coordination with any BANC EIM Transmission Provider(s) in any corrective action required on the BANC EIM Transmission Provider's systems. Such coordination may be established in guidelines or protocols between the EIM Entity and BANC EIM Transmission Provider(s).

5.1.1.6 Determination to Permanently Terminate Participation in the EIM by the EIM Entity

The EIM Entity, in accordance with the requirements of Section 4.4 (Termination of this Agreement) of the EIM PA and Section 11 (Market Contingencies) of this BP, and 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 to EIM Participants and BANC EIM Transmission Providers, as applicable. Such decision to terminate by the EIM Entity shall be pursuant to Commission approval.

5.1.2 Responsibilities of the EIM Entity to Provide or Ensure the Provision of Required Information

For the avoidance of doubt, the EIM Entity is ultimately responsible to the MO for the provision of all data under this section; however, the EIM Entity, in consultation with EIM Participants and BANC EIM Transmission Providers, may adopt guidelines or protocols for data exchanges which maximize efficiencies of such exchanges with the MO. Thus, the EIM Entity shall either directly provide data to the MO or, as agreed, ensure the provision of data directly to the MO from an EIM Participant or a BANC EIM Transmission Provider as such data is required by the MO under the terms of its tariff and/or business practice manuals, as that relates to the EIM Entity.

5.1.2.1 Provide Modeling Data to the MO

The EIM Entity shall provide, or ensure the provision of, information to

the MO, associated with transmission facilities within BANC's BAA, including, but not limited to, network constraints and associated limits that must be observed in BANC's BAA network and inerties with other BAAs. The EIM Entity shall establish and maintain EIM operating guidelines or protocols, with such guidelines or protocols to be coordinated with BANC EIM Transmission Providers, to ensure the most effective and timely communication of modeling data to the MO.

5.1.2.2 Provide Outage Data to the MO

The EIM Entity is responsible for providing Outage data for the BANC BAA to the MO. The EIM Entity shall establish and maintain EIM operating guidelines or protocols, with such guidelines or protocols to be coordinated with EIM Participants and BANC EIM Transmission Providers, to ensure the most effective and timely communication of Outage data to the MO. Thus, the EIM Entity shall either directly provide Outage data to MO or, as agreed, ensure the provision of Outage data directly to MO from an EIM Participant or a BANC EIM Transmission Provider as such data is required by the MO under the terms of its tariff and/or business practice manuals, as that relates to the EIM Entity.

5.1.2.3 Provision of Meter Data

The EIM Entity shall ensure, and the EIM Participant shall submit, load, resource, and Interchange meter data to the MO in accordance with the format and timeframes required in the MO Tariff.

The EIM Entity may establish and maintain EIM operating guidelines or protocols, with such guidelines or protocols to be coordinated with EIM Participants and BANC EIM Transmission Providers, to ensure the most effective and timely submission of meter data to the MO.

5.1.3 Day-to-Day EIM Operations

5.1.3.1 Submission of Base Schedule and Resource Plans

In accordance with Section 5.1.2 (Responsibilities of the EIM Entity to Provide or Ensure the Provision of Required Information) of this BP, the EIM Entity is responsible for ensuring the provision of the data required by the MO in accordance with Section 29.34 of the MO Tariff, including but not limited to: (1) hourly EIM Interchange Base Schedules; and (2) Resource Plans.

5.1.3.2 Communication of Manual Dispatch Information

The EIM Entity may issue Manual Dispatches in accordance with

Section 7.3.2 (Manual Dispatch) of this BP. The EIM Entity shall ensure the MO is informed of any Manual Dispatch within the BANC BAA, including those initiated by BANC EIM Transmission Providers, by providing adjustment information for the affected resources in accordance with Section 29.34 of the MO Tariff. The EIM Entity and any BANC EIM Transmission Provider shall coordinate such communications with the MO through an operating procedure or other protocol to ensure the most effective and timely communication.

5.1.3.3 Confirmation of EIM Transfers

The MO shall calculate, and the 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 policies and industry standards through an update to the E-Tag. If WECC policies and industry standards are modified such that the 60 minute time frame set forth in the preceding sentence is no longer sufficient to enable compliance with the WECC policies and industry standards, the BANC EIM Transmission Provider shall make any necessary adjustments to remain compliant with such industry standards and policy changes.

5.1.4 Credit and Collateral Requirements Imposed on the EIM Entity by the MO

It is the responsibility of the EIM Entity to ensure that all credit and collateral requirements imposed on the EIM Entity by the MO in accordance with the MO Tariff are passed through by the EIM Entity to EIM Participants or the BANC EIM Transmission Provider, to the extent permitted by applicable law, in accordance with Section 5.2.5 (Credit and Collateral Requirements Related to EIM Participants) of this BP. EIM Participants are required to use reasonable efforts to meet any timelines imposed by the MO Tariff in response to any credit and collateral requirements.

5.1.5 Settlement of MO Charges and Payments

The EIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the EIM Entity. The EIM Entity shall allocate EIM charges and payments in accordance with Attachment A (BANC EIM Settlement Allocation Manual) to this BP, as applicable.

5.1.6 Dispute Resolution with the MO

The EIM Entity shall manage dispute resolution with the MO for the EIM Entity settlement statements consistent with Section 29.13 of the MO Tariff and Section 12 (EIM Disputes) of this BP. EIM Participants with EIM Participating Resources shall manage dispute resolution with the MO for any settlement

statements they receive directly from the MO.

5.2 EIM Participant Responsibilities

Certain EIM Participants are also BANC EIM Transmission Providers, whose additional responsibilities are those set forth in Section 5.3 (BANC EIM Transmission Provider Responsibilities) of this BP. Such EIM Participants may choose coordinate under this dual role to ensure efficiency and avoid the duplication of responsibilities performed under this Section.

5.2.1 Initial Registration Data

5.2.1.1 EIM Participants with an EIM Participating Resource

An EIM Participant with an EIM Participating Resource shall provide the EIM Entity with the 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.

5.2.2 Responsibility to Update Required Data

5.2.2.1 EIM Participants with a BANC EIM Participating Resource

Each EIM Participant with an EIM Participating Resource has an ongoing obligation to inform the MO and EIM Entity of any changes to any of the information submitted by the EIM Participant provided under Section 5.2.1 (Initial Registration Data) of this BP that reflects changes in operating characteristics as required by Section 29.4(e)(4)(D) of the MO Tariff.

5.2.3 Outages

EIM Participants with EIM Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 8 (Outages) of this BP and applicable guidelines or protocols.

5.2.4 Submission of EIM Participant Base Schedule

Every EIM Participant shall submit their resource Base Schedule(s) to the MO. This submission must balance the EIM Participant's resource Base Schedules, Interchange, Intrachange, and anticipated load each hour. The submissions shall be in the format and within the timing requirements established by the MO and the EIM Entity as required in Section 5.2.4.4 (Timing for the Submission of EIM Participant Interchange and Intrachange Base Schedules Submission for EIM Participants with Resources or Load in the EIM Entity BAA) of this BP.

5.2.4.1 EIM Participants with a BANC EIM Participating Resource in the BANC BAA

An EIM Participant is not required to submit a Base Schedule for:

- (1) Non-dispatchable resources located in the EIM Entity BAA; or
- (2) behind-the-meter generation which is not contained in the MO's network model.

Each BANC EIM Participating Resource Scheduling Coordinator shall provide to the EIM Entity access to:

- (3) the energy bid range data of the respective resources it represents that are participating in the EIM; and
- (4) Dispatch Operating Target data of the respective resources it represents that are participating in the EIM.
- (5) Access to the MO Master File (as defined in the MO Tariff).

5.2.4.2 EIM Participants with Load and Load Aggregation Points

As set forth in Section 5.2.4 (Submission of EIM Participant Base Schedule) of this BP, an EIM Participant is required to submit resource Base Schedules on all resources which balance to the EIM Participant's EIM Load Forecast, Interchange and Intrachange, as applicable.

For purposes of settling Imbalance Energy pursuant to this BP, the EIM Entity shall calculate the EIM Participant load Base Schedule as the EIM Participating Resource Base Schedules net of its Interchange and net of its Intrachange, and net of expected system losses, as applicable. Any settlement is allocated in accordance with Attachment A (BANC EIM Settlement Allocation Manual) to this BP.

The EIM Participant shall coordinate with the EIM Entity and the MO to determine appropriate Load Aggregation Points.

5.2.4.3 EIM Participants with Interchange or Intrachange

The EIM Participant shall submit to the EIM Entity all Interchange Base Schedules, which the EIM Entity shall provide to the MO on the EIM Participant's behalf.

For purposes of settling Imbalance Energy for Interchange and Intrachange, the EIM Entity will calculate the Interchange and Intrachange Base Schedule component as the schedules presented to EIM Entity at T-57 minutes. Any settlement is allocated in accordance with Attachment A (BANC EIM Settlement Allocation Manual) to this BP.

5.2.4.4 Timing for the Submission of EIM Participant Interchange and Intrachange Base Schedules Submission for EIM Participants with Resources or Load in the EIM Entity BAA

5.2.4.4.1 Preliminary Submission of EIM Participant Interchange and Intrachange Base Schedules by EIM Participant with Resources or Load in the EIM Entity BAA

EIM Participants shall submit Interchange and Intrachange Schedules up to 7 days prior to each Operating Day (“T - 7 days”). EIM Participants may modify the proposed Interchange and Intrachange Base Schedules at any time.

5.2.4.4.2 Final Submissions of EIM Participant Base Schedules

EIM Participants shall submit Interchange and Intrachange schedules at any time but no later than 57 minutes prior to each Operating Hour (“T-57”). EIM Participants may modify Interchange and Intrachange Base Schedules up to and until 57 minutes prior to the Operating Hour (“T-57”). As of 57 minutes prior to each Operating Hour (“T-57”), the EIM Participant Base Schedule data for the Operating Hour will be considered financially binding.

5.2.5 Credit and Collateral Requirements Related to EIM Participants

Each EIM Participant shall be responsible to meet the credit and collateral requirements imposed on the EIM Entity by the MO in accordance with the MO Tariff, inclusive of timelines thereto, as set forth in Section 5.1.4 (Credit and Collateral Requirements Imposed on the EIM Entity by the MO) of this BP, to the extent permitted by applicable law.

5.2.6 EIM Resource Plan

The EIM Participant shall support the EIM Entity in the submission of a day ahead EIM Resource Plan in accordance with Section 29.34(e) of the MO Tariff. The EIM Entity will coordinate with EIM Participants on the manner which best supports this requirement.

5.2.6.1 EIM Resource Plan Components

- (1) Participating Resources – EIM Participant with a PR submits generation resource plan directly to the MO.
- (2) Interchange schedules – the EIM Entity submits all interchange schedules currently known directly to the MO.
- (3) Load Forecast – Provided by MO. No submission required.

5.2.7 Resource Sufficiency

It is the obligation of each EIM Participant serving load inside of the EIM Entity

BAA to be resource sufficient (balancing of its relevant forecasted load with its supply) and to not intentionally lean on other EIM Participants or the broader EIM for its Energy Imbalance needs. Therefore, each EIM Participant is responsible to ensure it has sufficient resources in each EIM interval in order for the EIM Entity to pass the MO EIM Resource Sufficiency tests in accordance with the MO Tariff. EIM Participants which fail to meet this obligation will be allocated costs associated with such failure in accordance with Attachment A (BANC EIM Settlement Allocation Manual) to this BP.

5.2.8 Metering for EIM Participants

The EIM Participant, shall be responsible for the provision to the MO of timely and accurate meter data in compliance with applicable metering procedures/protocols for EIM Participants in accordance with BANC metering standards and, if applicable, metering standards of EIM Participant's Transmission Provider.

5.2.9 Termination by an EIM Participant

The EIM Participant, in accordance with the requirements of Section 4.3 (Termination by EIM Participants) of the EIM PA, may terminate its participation in EIM by providing at least one (1) year advance notice prior to such termination, as set forth in the EIM PA. Notwithstanding the foregoing, any EIM Participant which is an EIM Participating Resource and/or an EIM Participating Resource Scheduling Coordinator is solely responsible for meeting any of its termination obligations set forth in the MO Tariff.

5.3 *BANC EIM Transmission Provider Responsibilities*

BANC EIM Transmission Providers may include both EIM Participants and non-EIM Participants. All BANC EIM Transmission Providers are responsible for the following:

5.3.1 Eligibility Requirements

To ensure consistency with its tariff, if applicable, and to ensure the reliability of its system, the BANC EIM Transmission Provider may set any eligibility requirements for resources within the BANC EIM Transmission Provider's system. Such eligibility requirements shall be consistent with this BP and the MO Tariff and shall be coordinated with the EIM Entity to ensure consistency with this BP to the extent practicable.

5.3.2 Determination of EIM Transfer Capability

BANC EIM Transmission Providers shall provide the EIM Entity with amounts of transmission capacity on the BANC EIM Transmission Provider's system available for EIM Transfers consistent with the Applicable OATT and Section 6.2 (Provision of EIM Transfer Capability) of this BP.

5.3.3 Communication of Manual Dispatch Information

A BANC EIM Transmission Provider may take corrective actions within its transmission system, including issuing a Manual Dispatch to an EIM Participant with a BANC EIM Participating Resource in the BANC EIM Transmission Provider's transmission system, outside of the EIM Optimization to address reliability or operational issues in the BANC EIM Transmission Provider's transmission system, or due to disruption of EIM operations.

The BANC EIM Transmission Provider shall inform the EIM Entity of a Manual Dispatch within its transmission system as soon as possible, and in accordance with EIM Entity guidelines or protocols consistent with Section 5.1.3.2 (Communication of Manual Dispatch Information) of this BP.

The BANC EIM Transmission Provider and the EIM Entity shall follow the communication processes set forth in Section 5.1 (EIM Entity and the EIM Entity Scheduling Coordinator), Section 7.3 (Management of Contingencies and Emergencies – Normal and Emergency Conditions) or Section 11.3 (Management of Contingencies and Emergencies – Market Contingencies) of this BP, related to any corrective actions or Manual Dispatches taken by the BANC EIM Transmission Provider to preserve the reliability of its system. The EIM Entity and the BANC EIM Transmission Provider may adopt additional written communication guidelines or protocols outside of this BP to ensure reliable operations of the BANC BAA and to proper communication of events impacting EIM operations with the MO.

5.3.4 Providing Modeling Data

A BANC EIM Transmission Provider shall provide all relevant modeling data for its Transmission System in accordance with the guidelines or protocols for system modeling within the BANC BAA.

5.3.5 Providing Outage Data

A BANC EIM Transmission Provider shall provide all relevant planned and unplanned outage data to the MO for transmission facilities within its transmission system in accordance with Section 8 (Outages) of this BP, and applicable guidelines or protocols.

5.3.6 Providing Meter Data

A BANC EIM Transmission Provider shall ensure that all relevant meter data is provided in accordance with the requirements related to EIM Participants.

5.3.7 Ensuring Consistency Between its OATT and the EIM Entity BP and the MO Tariff

The BANC EIM Transmission Provider remains fully responsible for the development of its OATT, contractual arrangements to facilitate use of an EIM Participant's transmission system for EIM transactions, business practices, operating procedures, guidelines or protocols related to the operation of EIM in its system. The BANC EIM Transmission Provider shall coordinate with the

EIM Entity to ensure consistency between its OATT, contractual arrangements to facilitate use of an EIM Participant's transmission system for EIM transactions, business practices, operating procedures, guidelines or protocols related to the operation of EIM in its system.

To the extent a conflict arises between any provision of the BANC EIM Transmission Provider's OATT or contractual arrangements to facilitate use of an EIM Participant's transmission system for EIM transactions, and any provision of the EIM Entity's business practices, operating procedures, guidelines or protocols related to the operation of EIM in its system such disputes will be addressed in accordance with Section 12 (EIM Disputes) of this BP.

6. Facilitation of Transmission Operations

BANC is not a Transmission Service Provider; however, as the EIM Entity, BANC is responsible for ensuring the MO is provided with available EIM Transfer Capability for the BANC BAA in accordance with this section. EIM Transfer Capability is determined by BANC EIM Transmission Providers in accordance with the Applicable OATT and communicated to the EIM Entity.

6.1 *Provision to MO of Information Regarding Real-Time Status of the BANC BAA Transmission System*

The EIM Entity provides the MO the following information:

- (1) real time data for the BANC BAA Transmission System and interties; and
- (2) any changes to transmission capacity and the BANC BAA Transmission System due to operational circumstances.

6.2 *Provision of EIM Transfer Capability*

6.2.1 *Available Transfer Capability*

The EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers by ensuring the MO is provided with information about the amounts available for EIM Transfers utilizing Available Transfer Capability (ATC) as determined by BANC EIM Transmission Providers.

The provision of EIM Transfer capability using ATC shall be implemented by 40 minutes prior to the Operating Hour ("T-40"). BANC EIM Transmission Providers shall create an E-Tag, with an OASIS identification reservation number(s) created for EIM Transfers utilizing ATC, and shall also include the EIM Entity, MO, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified in the E-Tag. The amount of ATC will be based upon the lower of the amount of ATC calculated by each EIM Entity at that interface. 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.

7. System Operations Under Normal and Emergency Conditions

7.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the EIM Entity, BANC EIM Transmission Providers, or EIM Participants operate their resources and/or transmission systems for purposes of reliability, consistent with applicable Reliability Standards, including adjustments.

Participation in the EIM shall not modify, change, or otherwise alter the obligations of the EIM Entity, BANC EIM Transmission Providers, or EIM Participants to comply with applicable Reliability Standards.

The EIM Entity, acting dually as Balancing Authority for the BANC BAA, shall remain responsible for:

- (1) ensuring 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 BANC's BAA;
- (3) ensuring the processing of 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 the EIM Entity BAA, including coordination with BANC EIM Transmission Providers for monitoring and management of facilities within the BANC EIM Transmission Provider's system. If requested by a BANC EIM Transmission Provider, the EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of the BANC EIM Transmission Provider.

7.2 Good Utility Practice

The EIM Entity, BANC EIM Transmission Providers, and EIM Participants shall comply with Good Utility Practice with respect to this BP, Applicable OATTs, Existing Agreements, and the MO Tariff.

7.3 Management of Contingencies and Emergencies

7.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with Section 29.7(j) of the MO Tariff, the EIM Entity shall notify BANC EIM Transmission Providers, and in accordance with Section 29.7(j)(4) of the MO Tariff, ensure the MO is promptly informed of actions taken within the BANC BAA in response to the EIM disruption by providing adjustment information, updates to E-Tags, transmission limit adjustments, or Outage and de-rate information, as applicable. The EIM Entity and any BANC EIM Transmission Provider shall coordinate such communications with the MO through an operating procedure or other protocol to ensure the most effective and timely communication consistent with Section 5.3.3 (Communication of Manual Dispatch Information) of this BP.

7.3.2 Manual Dispatch

The EIM Entity may issue a Manual Dispatch to an EIM Participant with a BANC EIM Participating Resource in the BANC EIM footprint outside of the EIM Optimization to address reliability or operational issues in the BANC BAA. The EIM Entity coordinates with BANC EIM Transmission Providers prior to issuing Manual Dispatch instructions for resources within the BANC EIM Transmission Provider's transmission system. The EIM Entity also receives and processes Manual Dispatch information communicated to the EIM Entity from BANC EIM Transmission Providers for Manual Dispatches that are issued within the BANC EIM Transmission Providers' system in accordance with Section 5.3.3 (Communication of Manual Dispatch Information.)

The EIM Entity informs the Market Operator of any manual dispatch within the BANC BAA in accordance with BANC operating procedures or other guidelines or protocols of the EIM Entity. The EIM Entity and any BANC EIM Transmission Provider shall coordinate such communications with the MO through an operating procedure or other protocol to ensure the most effective and timely communication consistent with Section 5.3.5 (Providing Outage Data) of this BP.

8. Outages

For the avoidance of doubt, the EIM Entity is ultimately responsible to the MO for the provision of all Outage data under this section; however, for purposes of efficiency, it has been agreed upon among EIM Participants, BANC EIM Transmission Providers and the EIM Entity that the primary interfaces with the MO for the provision of such data, unless agreed to otherwise between the EIM Entity and EIM Participants and BANC EIM Transmission Providers, shall be the EIM Participants and BANC EIM Transmission Providers. The EIM Entity, in consultation with EIM Participants, including BANC EIM Transmission Providers, may adopt guidelines or protocols in support of such exchanges with the MO. The originator of the Outage data is responsible for updates and changes to the Outage data regardless if the change is due to resource availability or a reliability issue.

8.1 BANC Transmission Outages

8.1.1 Planned Transmission Outages and Known Derates

The EIM Entity shall ensure the submission of Outage data regarding planned transmission outages and known derates to the MO's outage management system (OMS) in accordance with Section 29.9(b) of the MO Tariff.

Notwithstanding the foregoing, and unless agreed to otherwise, the BANC EIM Transmission Providers, or EIM Participants that are also Transmission Owners inside the EIM Entity BAA, as applicable, shall remain responsible for the actual submission to the MO of all Outage data required in this section. The EIM Entity's outage management integrates with the MO OMS.

8.1.2 Unplanned Transmission Outages

The EIM Entity shall ensure the submission of information as soon as possible regarding unplanned transmission outages or derates to the MO's OMS in accordance with Section 29.9(e) of the MO Tariff.

Notwithstanding the foregoing, and unless agreed to otherwise, the BANC EIM Transmission Providers, or EIM Participants that are also Transmission Owners inside the EIM Entity BAA, as applicable, shall remain responsible for the actual submission to the MO of all Outage data required in this section.

8.2 *BANC EIM Participating Resource Outages*

8.2.1 Planned BANC EIM Participating Resource Outages and Known Derates

BANC EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates directly to the MO and communicate this information back to the EIM Entity, as well as providing any updates, on an ongoing basis, related to such relevant system changes impacting EIM Participating Resource availability. Planned outages and known derates shall be reported to the MO and communicated back to the EIM Entity. The BANC EIM Participating Resource Scheduling Coordinator shall submit this Outage data to the MO's OMS in accordance with Section 29.9(c) of the MO Tariff and communicate this information back to the EIM Entity. BANC EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

8.2.2 Unplanned BANC EIM Participating Resource Outages or Derates

In the event of an unplanned outage required to be reported under Section 29.9(e) of the MO Tariff, the BANC EIM Participating Resource Scheduling Coordinator is responsible for notifying the MO and communicating this information back to the EIM Entity of required changes. The BANC EIM Participating Resource Scheduling Coordinator shall submit this information to the MO's OMS and shall communicate this submission of information to the EIM Entity.

9. EIM Settlements and Billing

Attachment A (BANC EIM Settlement Allocation Manual) to this BP shall include information on the specific charges applicable to EIM settlement passed through by the EIM Entity to EIM Participants and BANC EIM Transmission Providers. The EIM Entity shall remain revenue neutral in all EIM payments and charges and shall allocate all payments and charges in accordance with Attachment A to this BP.

9.1 *MO Tax Liabilities*

Any charges to the 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 EIM Participants triggering the tax liability.

9.2 *EIM Transmission Service Charges*

The EIM Entity is not a Transmission Provider or Transmission Owner at this time. However, for the avoidance of doubt and for purposes of EIM operations within the EIM Entity footprint, unless subsequently imposed by the MO as part of the MO Tariff, the EIM Entity and the BANC EIM Transmission Providers have agreed that there shall be no incremental transmission charge assessed for transmission use related to the EIM assessed by an EIM Participant. The EIM Entity and the EIM Participants will discuss any future EIM transmission charges imposed by a BANC EIM Transmission Provider with the EIM Committee in order to evaluate and address issues that could impact participation in the EIM under the MO Tariff.

9.3 *EIM Payment Calendar*

Pursuant to Section 29.11(1) of the MO Tariff, the 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 EIM Entity shall process all payments and charges in accordance with Attachment A (BANC EIM Settlement Allocation Manual) to this BP, and Disputes process in Section 12 (EIM Disputes) of this BP.

9.4 *EIM Residual Balancing Account*

To the extent that MO EIM-related charges or payments to the EIM Entity are not captured elsewhere in this Tariff, or this section, those charges or payments shall be placed in an interest-bearing account, with interest accruing until BANC develops an allocation methodology.

9.5 *Market Validation and Price Correction*

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

10. Compliance

10.1 *Provision of Data*

An EIM Participant with EIM Participating Resources is responsible for complying with information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

An EIM Participant with EIM Participating Resources must provide the EIM Entity with all data necessary to respond to information requests received by the EIM Entity from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the EIM Entity is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information concerning EIM activities that is otherwise required to be maintained in confidence, the EIM Entity may disclose such information; provided, however, that upon the EIM Entity learning of the disclosure requirement and, if possible, prior to making such disclosure, the EIM Entity shall notify any EIM Participant (“Affected Party”) of the requirement and the terms thereof, providing a reasonable time for the Affected Party to be able to respond to such disclosure requirement. The Affected Party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The 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. It is acknowledged that the EIM Entity and EIM Participants may be subject to federal or state public disclosure laws.

The EIM Entity shall treat all EIM Participant data and information provided to it as market-sensitive and confidential, unless the EIM Entity is otherwise allowed or required to disclose.

10.2 *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.

All EIM Participants must:

- (1) Comply with Dispatch Instructions and operating orders of the EIM Entity or applicable BANC EIM Transmission Provider in accordance with Good Utility Practice. If some limitation prevents the EIM Participant from fulfilling the action requested by the MO, the EIM Entity, or the BANC EIM Transmission Provider, the EIM Participant must immediately and directly communicate the nature of any such limitation to the EIM Entity and, if applicable, the BANC EIM Transmission Provider;
- (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 reasonably should have been known at the time of submission;

- (3) Notify the MO, EIM Entity, and/or BANC EIM Transmission Provider, as applicable, of outages in accordance with Section 8 (Outages) of this BP;
- (4) Provide complete, accurate, and timely meter data in accordance with the metering and communication requirements of this BP, and Applicable OATTs, 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, the EIM Participant shall be responsible for any consequence on settlement and billing; and
- (5) Provide information to the EIM Entity, including the information requested in Sections 5.2.1 (Initial Registration Data), 5.2.2 (Responsibility to Update Required Data), 5.2.3 (Outages), 5.2.4 (Submission of EIM Participant Base Schedule) and 10.1 (Provision of Data) of this BP, by the applicable deadlines.

10.3 Enforcement

The EIM Entity may refer a violation of Section 10.2 (Rules of Conduct) of this BP to the EIM Committee, its Commission and/or its General Counsel and/or the MO for further action.

11. Market Contingencies

11.1 Temporary Suspension by the MO or by the EIM Entity

In the event that the MO implements a temporary suspension (“Suspension Period”) in accordance with Section 29.1 (d)(1) of the MO Tariff, including the actions identified in Section 29.1 (d)(5), the EIM Entity shall notify BANC EIM Transmission Providers and EIM Participants as soon as practicable and ensure any additional coordination deemed necessary with BANC EIM Transmission Providers. The EIM Entity shall settle all market and non-market energy charges in the most efficient manner as prescribed by BANC as approved by the EIM Committee. Once transition from Market Operations to the Suspension Period is completed, it is expected that there will not be any charges imposed by the MO. EIM Participants will still be subject to paying their allocated share of ongoing BANC EIM costs required by the EIM Participation Agreement or these BPs during the Suspension Period. This shall continue 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 EIM Entity’s participation in the EIM in accordance with Section 29.1(d)(2) of the MO Tariff.

In the event that the EIM Entity implements a temporary suspension, the same process shall apply.

11.2 Termination of Participation in EIM by the EIM Entity

If the EIM Entity, after approval by the Commission, submits a notice of termination of

its participation in the EIM to the MO in accordance with Section 3.2.2 (Termination by the EIM Entity) of the Amended and Restated EIM Entity Agreement between the CAISO and BANC and Section 5.1.1.6 (Determination to Permanently Terminate Participation in the EIM by the EIM Entity) of this BP, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the EIM Entity will confirm with the MO that EIM Transfers shall cease on Day 1 of the notice of termination by the EIM Entity, and the EIM Entity is switched by the MO to “non-EIM Entity” on Day 2, in accordance with the MO Tariff and CAISO Business Practice Manual for EIM [11.4.1].

As such, this will ensure, as soon as practicable and in accordance with the MO obligations:

- (1) EIM Transfers will cease with the EIM Entity and the EIM Entity Balancing Authority Area will be separated the EIM operation; and
- (2) There will be a suspension of the settlement of EIM charges with respect to the EIM Entity.

If the EIM Entity takes action under this Section 11.2 (Termination of Participation in EIM by the EIM Entity) of this BP, the EIM Entity shall notify the MO, EIM Participants and BANC EIM Transmission Providers and shall develop a wind down process in consultation with the EIM Committee and approved by the Commission.

Notwithstanding the forgoing, EIM Participants and BANC EIM Transmission Providers shall remain obligated for any charges imposed by the MO on the EIM Entity subsequent to such notice of termination and for their allocated share of ongoing BANC EIM costs during the wind down period in accordance with Section 4.5 (Surviving Obligations) of the EIM PA.

11.3 *Management of Contingencies and Emergencies*

The 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 BANC’s BAA) have caused or are in danger of causing an abnormal system condition in the BANC 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 EIM Entity are disrupted and prevent the EIM Entity, the EIM Entity Scheduling Coordinator, or a BANC EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

The EIM Entity also takes corrective action for the EIM based on notice of need for

corrective action received from BANC EIM Transmission Providers in accordance with Applicable OATTs. The EIM Entity will coordinate with BANC EIM Transmission Providers and may jointly develop guidelines or protocols to address such actions.

11.3.1 Corrective Actions for Temporary Contingencies

If either of the above temporary contingencies occurs, the EIM Entity may invoke the following corrective actions by making an affirmative request to the MO that the MO immediately, or as soon as practicable:

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

When corrective action under Section 11.3.1 (2) of this BP is implemented or if the MO Tariff requires the use of temporary schedules to set an administrative price, imbalance services shall defer to the provisions of the BANC EIM Transmission Provider's Applicable OATT.

If the EIM Entity takes action under this Section 11.3 (Management of Contingencies and Emergencies), the EIM Entity shall notify the MO, BANC EIM Transmission Providers, and EIM Participants. The EIM Entity, BANC EIM Transmission Providers, and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.

Notwithstanding the forgoing, EIM Participants shall remain obligated for any charges imposed by the MO on the EIM Entity during any such suspension and/or contingency as may be imposed under the MO Tariff. The EIM Entity will coordinate with BANC EIM Transmission Providers and may jointly develop guidelines and/or protocols to address such actions.

12. EIM Disputes

12.1 *Disputes between the EIM Entity and an EIM Participant or BANC EIM Transmission Provider Related to Allocation of Charges or Payments from the MO*

To the extent a dispute arises between the EIM Entity and an EIM Participant or BANC EIM Transmission Provider regarding the EIM Entity's implementation of this BP's provisions regarding the manner in which the EIM Entity allocates charges or payments from the MO, the parties shall follow the dispute resolution procedures in this Section 12.

12.2 *Disputes between the MO and EIM Participating Resource Scheduling Coordinators Related to EIM Charges and Payments Directly With the MO*

Disputes involving settlement statements between the MO and EIM Participating Resource Scheduling Coordinators shall be resolved directly between the EIM Participating Resource Scheduling Coordinator and the MO in accordance with the dispute resolution process outlined in the MO Tariff. An EIM Participant with an EIM Participating Resource may choose to inform the EIM Entity if it raises a dispute with the MO, if that dispute may reasonably be expected to impact other EIM Participants or the EIM Entity.

12.3 *Disputes between the MO and the EIM Entity*

The EIM Entity may raise disputes with the MO regarding the settlement statements it receives from the MO in accordance with the process specified in the MO Tariff.

12.4 *Disputes Regarding MO Charges or Payments to the EIM Entity Raised by EIM Participants or BANC EIM Transmission Providers*

To the extent a dispute arises regarding a MO charge or a MO payment to the EIM Entity that is subsequently charged or paid by the EIM Entity to an EIM Participant or BANC EIM Transmission Provider, and such EIM Participant or EIM Transmission Provider wishes to raise a dispute with the MO, the EIM Entity shall file a dispute on behalf of such EIM Participant or BANC EIM Transmission Provider in accordance with the MO Tariff and work with the EIM Participant or BANC EIM Transmission Provider to resolve the dispute pursuant to the process specified in the MO Tariff.

12.5 *Disputes among and between the EIM Entity and EIM Participants or BANC EIM Transmission Providers*

Any disputes between the EIM Entity, EIM Participants, and BANC EIM Transmission Providers, and/or between such parties, arising through participation in EIM shall be addressed in accordance with the Dispute Resolution procedures set forth in Section 14 of the EIM PA.

13. Attachments and Appendices Incorporated by Reference

All Attachments and Appendices hereto are made part of this BP and are hereby incorporated by reference.

14. Amendments

This BP, including its Attachments and Appendices, shall be initially coordinated with the BANC EIM Transmission Providers (which are also EIM Participants) and approved by the Commission. Subsequent amendments to this BP, Attachments and Appendices, may be made by the General Manager upon the unanimous concurrence by the EIM Committee, unless specified otherwise in the individual Attachments and/or Appendices. Such amendments and changes shall be coordinated with BANC EIM Transmission Providers to ensure alignment with Applicable OATTs, and contractual arrangements for use of an EIM Participant's transmission system, as reasonable, and to resolve any disputes between the EIM Entity and BANC EIM Transmission Providers that may arise from proposed changes to this BP. Absent unanimous

concurrence by the EIM Committee with the General Manager, amendments to this BP must be approved by the Commission. Amendments and changes to this BP shall be reflected in updates to the Version History set forth in Appendix 2 (Version History) in accordance with the process prescribed in that appendix.

Attachment A: BANC EIM Settlement Allocation Manual

[To be inserted in a future version]

Appendix 1: Notices

[To be inserted in a future version]

Amendments

Updates to this Appendix 1 (Notices) can be made at any time, as required, by the General Manager. Such changes will constitute a “minor” revision with respect to an update to Appendix 2 (Version History) of this BP.

Appendix 2: Version History

Balancing Authority of Northern California Business Practice			
Version	Issue Date	Approved	Remarks
1.0	10/28/2020	10/28/20	BANC Commission Approval

Amendments

Updates to this Appendix 2 (Version History) shall be made upon any amendments to this BP, Attachments or Appendices subsequent to such amendments. Minor changes, as determined by BANC counsel, to this BP, Attachments or Appendices shall only require a change to numbering after the decimal point (i.e., 1.1 to 1.2, etc.) to this Version History. Significant changes, as determined by BANC counsel, to this BP, Attachments or Appendices shall be reflected in the numeral before the decimal point (i.e., 1.0 to 2.0, etc.) of this Version History. The revised BP shall be posted on the BANC Website.