Southwest Power Pool, Inc.
Western Energy Imbalance Service Tariff
Volume No. 1
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I. COMMON SERVICE PROVISIONS
1 Definitions
A - Definitions

**Adjusted Net Scheduled Interchange:** Net Scheduled Interchange as adjusted for WEIS Market dispatch instructions.

**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.

**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 system in accordance with Good Utility Practice.

**Ancillary Service Plan:** A plan submitted by a Market Participant with regulation service and contingency reserve service obligations to meet its next day obligations and current day obligations.

**Asset Owner:** An aggregation of assets defined by a Market Participant through SPP’s registration process that is eligible to be represented by the Market Participant through any combination of Resource and load.
B - Definitions

Balancing Authority: The responsible entity within the WEIS Market that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time 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 Balancing Authority 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 for sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Balancing Authority Area: The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Behind-The-Meter Generation: A generation unit that is connected on the load side of a load Meter Settlement Location and is agreed to by the load Market Participant that is the registered owner of the Meter Settlement Location to serve all or part of its capacity, energy, or Ancillary Service Plan needs.

Business Day: A day on which the Federal Reserve System is open for business.
C - Definitions

Calendar Day: Any day including Saturday and Sunday.

Central Prevailing Time (“CPT”): As established by national time standards, either Central Standard Time or Central Daylight Time.

Commercial Model: A representation of the attributes of and the relationships between Market Participants, Asset Owners, Resource and load assets and Price Nodes for use in the Western Energy Imbalance Service.


Common Bus: A single bus to which two or more Resources owned by the same Asset Owner are connected in an electrically equivalent manner where such Resources may be treated as interchangeable for certain compliance monitoring purposes.

Completed Application: An Application that satisfies all of the information and other requirements of the Tariff, including a Credit Application and any required Financial Security.

Confidential Information: As referenced within Attachments A, B, and C to this Tariff, information containing or revealing:

1. Any confidential, proprietary, or commercially sensitive information, or information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Market Participant that is conspicuously designated as Confidential Information in writing, on each page of the document, by Disclosing Party at the time the information is provided to Receiving Party, whether conveyed electronically, in writing, through inspection, or otherwise;

2. Any confidential, proprietary, or commercially sensitive information, or information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Market Participant that is provided orally and designated as Confidential
Information, by Disclosing Party at the time the information is provided to Receiving Party;

(3) Any customer information designated by the customer as proprietary, unless the customer has authorized the release for public disclosure of such information;

(4) Any software, products of software or other vendor information that SPP is required to keep confidential under its agreements.

Confidential Information does not include Critical Energy Infrastructure Information (“CEII”) materials as designated by FERC, which must be obtained in accordance with FERC regulations.

**Credit Policy:** The Credit Policy set forth in Attachment H to this Tariff.

**Curtailment:** A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.
D - Definitions

**Data Error:** A data error shall be the following:

(i) Data received by SPP from an independent source, including data produced by a system or submitted by a third party, that is inaccurately modified by SPP during the execution of a market function; or

(ii) Data received by SPP from an independent source, including data produced by a system or submitted by a third party, that is patently incorrect and is used by SPP during the execution of a market function; or

(iii) Incorrect data produced and used by SPP during the execution of a market function.

**Day-Ahead Period:** The time period starting at 0001 CPT and ending at 2400 CPT on the day prior to the Operating Day.

**Demand Response Load:** A registered measurable load that is capable of being reduced at the instruction of SPP and subsequently may be increased at the instruction of SPP.

**Disclose or Disclosure:** To, directly or indirectly, disclose, reveal, distribute, report, publish, or transfer Confidential Information to any entity other than to the Disclosing Party which provided the Confidential Information.

**Dispatch Interval:** The interval for which SPP issues dispatch instructions for Western Energy Imbalance Service. The Dispatch Interval is currently 5 minutes.

**Dispatchable Demand Response Resource:** A Resource created to model Demand Response Load reduction associated with controllable load or a Behind-The-Meter generator that is dispatchable on a five (5) minute basis.

**Dispatchable Resource:** A Resource for which an Offer Curve has been submitted and that is available for dispatch by SPP.
**Dispatchable Maximum Limit:** A Resource’s economic maximum output selected by Market Participant for each Operating Hour, as identified in the Resource Plan.

**Dispatchable Minimum Limit:** A Resource’s economic minimum output selected by Market Participant for each Operating Hour, as identified in the Resource Plan.
E - Definitions

**Electrical Node ("ENode"):** A physical node represented in the Network Model where electrical equipment and components are connected.

**Emergency Condition:** A condition or situation determined by a reliability coordinator that is imminently likely to cause a material adverse effect on the security of, or damage to the transmission system.

**Energy:** An amount of electricity that is bid or offered, produced, purchased, consumed, sold or transmitted over a period of time, which is measured or calculated in Megawatt hours.

**Energy Imbalance Service:** The Ancillary Service defined under Schedule 1 to this Tariff.

**Energy Imbalance Service Charge/Credit:** A Market Participant’s charges and credits associated with its Imbalance Energy at a Settlement Location.

**Energy Obligation Deficiency:** A condition created, either at the Market Participant level or Balancing Authority level, when the sum of applicable Resource maximum economic limits in an hour is less than the applicable load forecast as adjusted for third party schedules in that hour.

**Energy Obligation Excess:** A condition created, either at the Market Participant level or Balancing Authority level, when the sum of applicable Resource minimum economic limits in an hour is greater than the applicable load forecast as adjusted for third party schedules in that hour.

**Energy Schedule:** A set of hourly energy injection and withdrawal values, in megawatts per hour, submitted by Market Participants, to be included in native load hedging, the source and sink must map to Settlement Locations.
**External Resource:** A Resource, located outside of the WEIS Market Footprint that is included in a WEIS Market Balancing Authority through an External Resource Pseudo-Tie.

**External Resource Pseudo-Tie:** A non-physical electrical interconnection point between Balancing Authorities, whereby all or a portion of an External Resource is electronically moved from one Balancing Authority to another Balancing Authority that is in the WEIS Market Footprint.
F - Definitions

**Federal Power Marketing Agency:** For purposes of this Tariff, this term shall have the same definition that is set forth in the Federal Power Act at 16 U.S.C. § 796(19), which defines a "Federal power marketing agency" as "any agency or instrumentality of the United States (other than the Tennessee Valley Authority) which sells electric energy[.]"

**FERC:** The Federal Energy Regulatory Commission.
G - Definitions

**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).
H - Definitions

Hour-Ahead Period: The time period following the close of the Day-Ahead Period and ending thirty minutes before the Operating Hour.
I – Definitions

**Imbalance Energy:** The amount of Energy Imbalance Service in megawatts per Dispatch Interval that is provided or consumed by a Market Participant at a Settlement Location in a Dispatch Interval.

**Interchange Transaction:** A schedule for importing Energy into the Balancing Authority Area or exporting Energy out of the Balancing Authority Area.
J – Definitions

**Joint Dispatch Transmission Service:** Intra-hour non-firm transmission service, as available, across transmission facilities of the Market Participant that is used to transmit energy dispatched pursuant to the provisions of this Tariff.

**Joint Dispatch Transmission Service Customer:** Any Market Participant representing load in a Balancing Authority participating in the WEIS Market.

**Joint Dispatch Transmission Service Provider:** Any Market Participant that provides Joint Dispatch Transmission Service and that is in a Balancing Authority participating in the WEIS Market or SPP as the Transmission Service Provider pursuant to Attachment AS and AT of the SPP open access transmission tariff.
L – Definitions

**Load Serving Entity (“LSE”):** A distribution utility or an electric utility that has a service obligation, where a service obligation, as defined in Section 217(a) of the Federal Power Act, means a requirement applicable to, or the exercise of authority granted to, an electric utility under Federal, State, or local law or under long-term contracts to provide electric service to end-users or to a distribution utility.

**Local Emergency Condition:** A condition or situation determined by the local transmission operator that is imminently likely to cause a material adverse effect on the security of or damage to the local transmission operator’s facilities not modeled by SPP.

**Local Reliability Issue:** A local voltage or reliability condition necessitating a Local Reliability Issue Commitment.

**Local Reliability Issue Commitment:** A Resource commitment resulting from and in order to mitigate issues with transmission system voltage or other local reliability concerns.

**Locational Marginal Price (“LMP”):** The market clearing price for Imbalance Energy at a specific location which shall be equivalent to the marginal cost of serving load at that location as calculated by SPP’s security constrained economic dispatch algorithm.
M - Definitions

**Manual Dispatch Instruction:** A dispatch instruction issued manually to a Resource by a reliability coordinator to resolve a system reliability condition that cannot be resolved through the process described under Section 4.3 of Attachment A to this Tariff.

**Market Flow:** The aggregate megawatt flow on a designated transmission constraint caused by Energy Schedules for native load, intra Balancing Authority Area Energy Schedules, inter Balancing Authority Area Energy Schedules that are sourced at Dispatchable Resources or load Settlement Locations and Energy Imbalance Service.

**Market Monitor:** The independent SPP Market Monitor.

**Market Participant:** An entity that generates, transmits, distributes, purchases, or sells electricity in the WEIS Market. Market Participant expressly includes: (1) any entity offering Resources for sale into the WEIS Market that executes the Service Agreement specified in Attachment E to this Tariff, or on whose behalf an unexecuted Service Agreement has been filed at the Commission, (b) any retail customer or eligible person that is not precluded under the laws or regulations of the relevant electric retail regulatory authority including state-approved retail tariff(s) from participating directly in wholesale demand response programs in the WEIS Market and that is technically qualified to offer Demand Response Load into the WEIS Market or (c) an aggregator of such retail customers that offers qualified Demand Response Load into the WEIS Market under Section 1.2.10 of Attachment A to this Tariff.

**Maximum Capacity Operating Limit:** The maximum Megawatt level at which a Resource may operate continuously.

**Maximum Economic Capacity Operating Limit:** An economic MW level at or below a Resource’s Maximum Capacity Operating Limit used for constraining Energy dispatch during normal system conditions.

**Maximum Emergency Capacity Operating Limit:** The maximum Megawatt level at which a Resource may operate under Emergency Conditions.
**Meter Agent:** An entity responsible for collecting load and Resource data associated with identified Meter Settlement Locations within a Settlement Area for the purpose of energy accounting that impacts market settlements.

**Meter Data Submittal Location:** One or more Meter Settlement Locations contained within a single Settlement Area for which meter data is submitted to SPP by the Meter Agent for settlement purposes.

**Meter Settlement Location:** The effective point at which a Market Participant’s registered load and Resources interchange Energy with the WEIS Market.

**Minimum Capacity Operating Limit:** The minimum Megawatt level at which a Resource may operate continuously.

**Minimum Economic Capacity Operating Limit:** A Megawatt level at or above a Resource’s Minimum Capacity Operating Limit used for Energy dispatch at a minimum level during normal operating conditions.

**Minimum Emergency Capacity Operating Limit:** The minimum Megawatt level at which a Resource may operate under Emergency Conditions.
N – Definitions

Net Scheduled Interchange:  The algebraic sum of all Energy Schedules into or out of a Balancing Authority.

Network Model:  A representation of the transmission, generation, and load elements of the interconnected transmission systems of the WEIS Region.

Non-Dispatchable Resource:  A Resource meeting any of the following conditions: (a) operating in Shut-down Mode; (b) operating in Start-up Mode; (c) operating in Testing Mode; (d) is a Qualifying Facility excercising its rights under PURPA, (e) is a Resource having a primary fuel source of run of the river hydro-electric that is incapable of following dispatch instructions, or (f) is a PPR.
O – Definitions

**Offer Curve:** A set of price/quantity pairs associated with a Dispatchable Resource that represents the prices and amounts of dispatchable energy or curtailable consumption offered to SPP for the provision of Western Energy Imbalance Service.

**Open Access Same-Time Information System ("OASIS"):** The information system and Internet location where SPP posts the information required by 18 C.F.R. § 37 of the Commission's regulations, and where SPP may also post the information required to be posted on its Internet website by 18 C.F.R. § 358 of the Commission’s regulations.

**Operating Day:** A daily period beginning at midnight.

**Operating Hour:** A sixty (60) minute period of time during the Operating Day corresponding to a clock hour typically expressed as hour-ending.

**Operating Tolerance:** The Megawatt range of actual Resource output above and below the Resource’s average Setpoint Instruction over the Dispatch Interval where the Resource will not be subject to charges associated with Uninstructed Resource Deviation.

**Out-of-Merit Energy ("OOME"):** (a) An instruction from the reliability coordinator or a local transmission operator to address an Emergency Condition or reliability issue that the market systems cannot resolve, or (b) an instruction from a local transmission operator to address a Local Emergency Condition.
P - Definitions

**Part I:** Tariff Definitions and Common Service Provisions contained in Sections 1 through 7.

**Part II:** Tariff Section 8 pertaining to special Tariff provisions related to participation by the United States.

**Partial Participation Resource ("PPR"):** A non-participating entity resource that is not available for WEIS economic dispatch registered by a Market Participant under their obligation as the host Balancing Authority.

**Power Purchaser:** The entity that is purchasing the Energy to be transmitted under the Tariff.

**Price Node ("Pnode"):** A node in the Commercial Model where Locational Marginal Prices are calculated.
Q – Definitions

**Qualifying Facility:** A generating facility which meets the requirements for Qualifying Facility status under the Public Utility Regulatory Policies Act of 1978 ("PURPA") and part 292 of the Commission’s Regulations (18 C.F.R. Part 292), and which has obtained certification of its Qualifying Facility status.
R - Definitions

**Real-Time Period:** The time period during an Operating Hour in which SPP or the Balancing Authority operator balances the system by deployment of Energy from Energy Imbalance Service and the Ancillary Service Plan.

**Regulation and Frequency Reserve Service:** Regulation and Frequency Reserve Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining schedule interconnection frequency at sixty cycles per second (60 Hz). This is part of the Ancillary Service Plan.

**Reported Load:** A Market Participant's actual value of energy withdrawn from the transmission system at a Settlement Location adjusted as described under Section 5.1 of Attachment A to this Tariff and further adjusted, if necessary, to account for distribution system losses between the actual metering point and SPP Settlement Location as described under Appendix A of the WEIS Market Protocols.

**Resettlement:** The settlement of an Operating Day subsequent to the posting of the S120 Scheduled Settlement Statement for that Operating Day.

**Resources:** Assets which are defined within the WEIS Market systems which inject Energy into the transmission grid, or which reduce the withdrawal of Energy from the transmission grid, and may be self-dispatched or directly dispatchable by SPP. These Resources may include generation, demand response, or storage that is part of the WEIS Market Footprint through its physical interconnection and External Resources included in the WEIS Market Footprint through an External Resource Pseudo-Tie.

**Resource Plan:** A Market Participant’s plan to meet its Energy obligations including specification of Resource operating characteristics.
S - Definitions

S7 Scheduled Settlement Statement: As defined in Section 7.1(a) of Attachment A to this Tariff.

S53 Scheduled Settlement Statement: As defined in Section 7.1(b) of Attachment A to this Tariff.

S120 Scheduled Settlement Statement: As defined in Section 7.1(c) of Attachment A to this Tariff.

Scheduled Generation: The amount of energy scheduled to be injected at a Settlement Location pursuant to submission of an Energy Schedule that is used in the calculation of a Market Participant’s Imbalance Energy at a Settlement Location. This value is assumed to be a negative value for settlement purposes.

Scheduled Load: The amount of energy scheduled to be withdrawn at a Settlement Location pursuant to submission of an Energy Schedule that is used in the calculation of a Market Participant’s Imbalance Energy at a Settlement Location. This value is assumed to be a positive value for settlement purposes.

Scheduled Settlement: The mandatory settlement of an Operating Day that is posted on a prescribed schedule.

Scheduled Settlement Statement: The statement produced from a Scheduled Settlement.

Setpoint Instruction: The real-time desired Megawatt output signal calculated for a specific Resource by SPP’s control system for a specified period.

Settlement Area: An area within a single Balancing Authority for which interval metering can account for the net injections and net interchange associated with that area.

Settlement Area Metered Net Interchange: The algebraic sum of all energy flowing into or out of a Settlement Area during an hour.
**Settlement Area Net Load:** The sum of (a) net injections at each Settlement Location within the Settlement Area and (b) Settlement Area Metered Net Interchange.

**Settlement Invoice:** A weekly summary of the WEIS net daily charges and payments by Asset Owner and Operating Day that is generated for each Market Participant and contains data for all of the Operating Days settled, either on a Scheduled Settlement or Resettlement basis, during the invoice period. For each Operating Day, only the net amounts (current total less previously invoiced – excluding the S7 Scheduled Settlement Statement) contribute to the invoice amounts.

**Settlement Location:** Locations defined for the purpose of commercial operations and settlement. A Settlement Location can be either a single Meter Settlement Location or, for load, an aggregation of Meter Settlement Locations within one Settlement Area as designated during the asset registration process by a Market Participant serving load.

**Settlement Statement:** A daily summary of the WEIS total daily charges and payments by charge type, Asset Owner and Operating Day which is generated for each Market Participant and contains data for all of the Operating Days settled, either on a Scheduled Settlement or Resettlement basis, on that day. For each Operating Day, the current, previous and net amounts are included on the statement.

**Shadow Price:** A price for a commodity that measures the marginal value of the commodity.

**Software Error:** A software error is a software execution that is inconsistent with the requirements of Attachment A to this Tariff.

**Shut-down Mode:** A period of time after the Resource operates below its Minimum Capacity Operating Limit as indicated in the Resource Plan, but not to exceed one hour before and after the scheduled time for a Resource to be removed from the electrical grid.

**SPP:** The Southwest Power Pool, Inc.
**Start-up Mode:** The period of time before the Resource reaches its Minimum Capacity Operating Limit as indicated in the Resource Plan, but not to exceed two hours before and after the scheduled time for a Resource to synchronize to the grid.

**State Estimator:** A standard industry tool that produces a power flow model based on available real-time metering information, information regarding the current status of lines, generators, transformers, and other equipment, bus load distribution factors, and a representation of the electric network, to provide a complete description of system conditions, including conditions at busses for which real-time information is unavailable.

**Statutory Obligation:** As defined in Section 8.3(d) of this Tariff.
T - Definitions

**Tariff:** The West Energy Imbalance Service Tariff including all schedules or attachments thereto, of SPP as amended from time to time and approved by the Commission.

**Test Mode:** Operation of new facilities not yet commercially accepted by the owner of the Resource that is designed to assist in commercial acceptance testing of the Resource by the owner or, the operation of a Resource that has been off-line due to an extended maintenance period. This operation must be coordinated with SPP to the extent possible.
U - Definitions

Uninstructed Resource Deviation ("URD") Charge: A Market Participant’s charge associated with a Resource that is determined to have operated outside an acceptable operating tolerance relative to dispatch instructions in accordance with procedures set forth in Attachment A to this Tariff.

Uninstructed Resource Deviation Megawatt: The megawatt amount by which a Resource’s actual output in a Dispatch Interval is above or below that Resource’s Setpoint Instruction in the Dispatch Interval.

Users: Market Participants or other entities that are parties to transactions under the Tariff.
V – Definitions

**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.

**Violation Relaxation Limit (“VRL”):** The values described under Section 4.6 of Attachment A to this Tariff.
W - Definitions

WEIS Market Protocols: The protocols implementing Attachment A of this Tariff, the WEIS Market as amended from time to time.

Western Area Power Administration-Colorado River Storage Project Management Center (“WAPA-CRSP”): A division of the Western Area Power Administration that markets and transmits Federal power generated from certain U.S. Bureau of Reclamation hydroelectric facilities collectively known as the Salt Lake City Area Integrated Projects (“SLCA/IP”). WAPA-CRSP is participating in the SPP WEIS Market in the following capacities: as CRSP and CRCM. CRSP is the Market Participant who represents the SLCA/IP loads and Resources in the WEIS Market Footprint. CRCM is the Joint Dispatch Transmission Provider for the SLCA/IP transmission within the WEIS Market Footprint offered under Schedule 2 of the WEIS Tariff.

Western Area Power Administration-Rocky Mountain Region (“WAPA-RMR”): A division of the Western Area Power Administration that markets and transmits Federal power generated from certain U.S. Bureau of Reclamation hydroelectric facilities collectively known as the Loveland Area Projects. WAPA-RMR also operates the Western Area Colorado Missouri Balancing Authority Area, known as WACM, and the Western Area Lower Colorado Balancing Authority Area, known as WALC, and provides transmission services, including, but not limited to, transmission service across Western-owned transmission facilities within the two Balancing Authority Areas. WAPA-RMR is participating in the SPP WEIS Market in the following capacities: as LAP, LAPT, and WACM. LAP is the Market Participant that represents the Loveland Area Project loads and Resources in the WEIS Market Footprint. LAPT is the Joint Dispatch Transmission Provider for the LAP transmission within the WEIS Market Footprint offered under Schedule 2 of the WEIS Tariff. WACM is a Balancing Authority in the WEIS Market Footprint. Also, as a Balancing Authority in the WEIS Market Footprint, WACM is required to register loads and resources for non-participating entities in WACM. WAPA-RMR is not participating in SPP WEIS on behalf of the WALC Balancing Authority, the Pacific Northwest-Pacific Southwest Intertie Project, the Central Arizona Project, or the Parker-Davis Project. In the WEIS Market Footprint, WAPA-RMR will provide
transmission services for LAPT Joint Dispatch Transmission Provider and CRCM Joint Dispatch Transmission Provider.

**Western Area Power Administration-Upper Great Plains Region (“WAPA-UGP”):** A division of the Western Area Power Administration that markets and transmits Federal power from reservoir projects under the control of the Department of the Army or the U.S. Bureau of Reclamation, collectively known as Pick Sloan Missouri Basin Program—Eastern Division (“PS-ED”). WAPA-UGP operates the WAUW Balancing Authority Area in the Western Interconnection, where certain of its transmission facilities are located. For purposes of the WEIS Tariff, WAPA-UGP is participating in the WEIS Market in the following capacities: as PS-ED and WAUW. PS-ED is a Market Participant that represents the Pick Sloan Missouri River Basin—Eastern Division loads and Resources in the WEIS Market Footprint. WAUW is a Balancing Authority in the WEIS Market Footprint. As a Balancing Authority in the WEIS Market Footprint, WAUW is required to register loads and resources for non-participating entities in WAUW. Under a separate agreement, WAPA-UGP transferred functional control of its transmission facilities in the western interconnection. Under the terms and as a result of that separate agreement, SPP is the Joint Dispatch Transmission Provider for the WAPA-UGP PS-ED transmission within the WEIS Market Footprint offered under Schedule 2 of the WEIS Tariff for PS-ED transmission within the WEIS Market Footprint.

**Western Energy Imbalance Service (“WEIS”):** The Schedule 1 Service defined in this Tariff for the Western Energy Imbalance Service Region.

**Western Energy Imbalance Service Market (“WEIS Market”):** The market for Imbalance Energy administered by SPP in the Western Region.

**Western Energy Imbalance Service Market Footprint (“WEIS Market Footprint”):** The loads and Resources that are located within a Balancing Authority Area participating in the WEIS Market under this Tariff.

**Western Energy Imbalance Service Region (“WEIS Region”):** The geographic region of the WEIS Market operated by SPP under this Tariff.
Western Interconnection: A major alternating current power grid in North America. The Western Interconnection stretches from Western Canada south to Baja California in Mexico, reaching eastward over the Rockies to the Great Plains. Western Interconnection is comprised of the states of Washington, Oregon, California, Idaho, Nevada, Utah, Arizona, Colorado, Wyoming, portions of Montana, South Dakota, Nebraska, New Mexico and Texas in the United States, the Provinces of British Columbia and Alberta in Canada, and a portion of the Comisión Federal de Electricidad’s system in Baja California in Mexico.

Western Real-Time Balancing Market (“WRTBM”): The market operated by SPP continuously in real-time to balance the system through deployment of Energy for the WEIS Market.
2 Ancillary Service

SPP also shall maintain the Ancillary Service schedule which provides Western Energy Imbalance Service.
Reserved for Future Use
4 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of SPP, acting by and through authorization from the SPP Board of Directors, to make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.
Force Majeure and Indemnification
5.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, terrorism, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither SPP, the Joint Dispatch Transmission Service Provider(s), nor the Market Participant will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.
5.2 Liability:

(a) SPP shall not be liable for money damages or other compensation to any Joint Dispatch Transmission Service Customer or Users for actions or omissions by SPP or Joint Dispatch Transmission Service Provider in performing its obligations under this Tariff or any Service Agreement thereunder, except to the extent such act or omission by SPP is found to result from its gross negligence or intentional wrongdoing.

(b) A Joint Dispatch Transmission Service Provider shall not be liable for money damages or other compensation to any Joint Dispatch Transmission Service Customer or Users for actions or omissions by such Joint Dispatch Transmission Service Provider or SPP in performing its obligations under this Tariff or any Service Agreement thereunder, except to the extent such act or omission by such Joint Dispatch Transmission Service Provider is found to result from its gross negligence or intentional wrongdoing.

(c) A Joint Dispatch Transmission Service Customer or Users may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of SPP or a Joint Dispatch Transmission Service Provider or Affiliate of either solely by reason of their status as directors, members, shareholders, officers, employees or agents of the SPP or a Joint Dispatch Transmission Service Provider or Affiliate of either. Notwithstanding the foregoing, a Joint Dispatch Transmission Service Customer or Users shall be liable to the SPP for all amounts owed for the full term of any Service Agreement under the Tariff.

(d) In no event shall SPP, a Joint Dispatch Transmission Service Provider or any Joint Dispatch Transmission Service Customer or Users be liable for any incidental, consequential, punitive, special, exemplary or indirect damages, attorney’s fees and costs, loss of revenues or profits, arising out of, or connected in any way with the performance or non-performance under this Tariff or any Service Agreement thereunder.
5.3 **Indemnification:**

The Joint Dispatch Transmission Service Customer shall at all times indemnify, defend, and save SPP and Joint Dispatch Transmission Service Provider(s) harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from SPP's or Joint Dispatch Transmission Service Provider(s’) performance of obligations under this Tariff on behalf of the Joint Dispatch Transmission Service Customer, except in cases of gross negligence or intentional wrongdoing by SPP or a Joint Dispatch Transmission Service Provider. If SPP engages in gross negligence or intentional wrongdoing, but the Joint Dispatch Transmission Service Provider(s) does (do) not, that will not affect the indemnification of the Joint Dispatch Transmission Service Provider(s) under this Section 5.3 and vice-versa.
5.4 Further Limitation of Liability:

Neither the Joint Dispatch Transmission Service Provider nor SPP shall be liable for damages arising out of services provided under this Tariff including, but not limited to any act or omission that results in an interruption, deficiency or imperfection of service, occurring as a result of conditions or circumstances beyond the control of the Joint Dispatch Transmission Service Provider or SPP, as applicable, or resulting from electric system design common to the domestic electric utility industry or electric system operation practices or conditions common to domestic electric utility industry. Joint Dispatch Transmission Service Providers shall not be liable for acts or omissions done in compliance or good faith attempts to comply with directives of SPP.
5.5 Limitation on Claims:

Except as otherwise specified Sections 7.1 or 7.3 of Attachment A to this Tariff, or as may be required to comply with the requirements of this Tariff or applicable Commission directives, no claim seeking an adjustment in the billing for any service, transaction, or charge under the Tariff may be asserted if more than two years has elapsed since the first date upon which the billing for that week or month occurred. SPP shall make no adjustment to billing with respect to any service, transaction, or charge under this Tariff if more than two years has elapsed since the first date upon which the billing for that week or month occurred, unless a claim seeking such adjustment had been received by SPP prior to the end of the two-year period.
6 Creditworthiness:

SPP will specify its Creditworthiness procedures in Attachment H.
7.1 Internal Dispute Resolution Procedures:

Any dispute between a Market Participant(s) and SPP involving service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of SPP and a senior representative of the Market Participant for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.
7.2 **External Arbitration Procedures:**
Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel, except that if more than two Parties are involved, the Parties shall agree on procedures to choose these two arbitrators. If the Parties are unable to agree, then the American Arbitration Association shall be asked to appoint the arbitrator(s) who must be knowledgeable in matters involving the electric power industry. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.
7.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction; provided, however, that final decisions with the Federal Government as one of the parties are nonbinding. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.
7.4 **Costs:**

Each Party shall be responsible for its own costs, including its attorney’s fees and costs, incurred during the arbitration process and for the following costs, if applicable:

(i) the cost of the arbitrator chosen by the Party or Parties to sit on the three member panel and its equal share of the cost of the third arbitrator chosen; or

(ii) its equal share of the cost of the single arbitrator jointly chosen by the Parties.
7.5 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.
II. SPECIAL RULES ON USE OF TARIFF
8. Applicability of Non-Rate Terms and Conditions
8.1 Subject to State Laws and Regulations and Public Power Rate Schedules

The participation in this Tariff by a User that is not a public utility under the Federal Power Act, but rather is a public-power entity, is subject in all respects to the laws and regulations of the state of its creation and to rate schedules adopted by its governing board under state law. The Commission has exclusive jurisdiction to interpret the provisions of this Tariff and how the provisions apply to such public-power entity(ies). However, in the event that the governing board of such public-power entity(ies), subject to state court review, determines that a conflict exists between the applicable state law, regulations, or rate schedules, and provisions of this Tariff as interpreted by the Commission, such state law, regulations, or rate schedules shall govern with respect to the application of this Tariff to such public-power entity(ies). Should the governing board of such public-power entity(ies) determine that such a conflict exists, the public-power entity(ies) must file, with the Commission, such necessary documents notifying the Commission of the governing board determination of such a conflict and explaining both the conflict (including what state law, regulations, or rate schedules, and what Tariff provisions are at issue) and what actions the governing board is taking in response to that determination.
8.2 Applicability to Rural Electric Cooperatives

The participation in this Tariff by a User that is an electric cooperative that receives financing under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is subject in all respects to the laws and regulations of the state of its creation and to rate schedules adopted by its governing board under state law. The Commission has exclusive jurisdiction to interpret the provisions of this Tariff and how the provisions apply to such entity. However, in the event that the governing board of such entity, subject to state court review, determines that a conflict exists between the applicable state law, regulations, or rate schedules, and provisions of this Tariff as interpreted by the Commission, such state law, regulations, or rate schedules shall govern with respect to the application of this Tariff to such entity. Should the governing board of such entity determine that such a conflict exists, the entity must file with the Commission such necessary documents notifying the Commission of the governing board’s determination of such a conflict and explaining both the conflict (including what state law, regulations, or rate schedules and what Tariff provisions are at issue) and what actions the governing board is taking in response to that determination.
8.3 Participation by Western Area Power Administration Subject to Federal Laws and Regulations

(a) Subject to Acts of Congress

The participation by the United States through WAPA-UGP and/or WAPA-RMR and/or WAPA-CRSP in this Tariff is subject in all respects to acts of Congress and to regulations of the Secretary of Energy established thereunder, and to rate schedules promulgated by the Secretary of Energy. This reservation includes, but is not limited to, the statutory limitations upon the authority of the Secretary of Energy to submit disputes arising under this Tariff to arbitration. In the event of a conflict between these Federal participation provisions in Section 8.3 of this Tariff and any other provision of this Tariff, these Federal participation provisions shall have precedence with respect to the application of this Tariff to WAPA-UGP and/or WAPA-RMR and/or WAPA-CRSP.

(b) Contingent Upon Appropriations and Authorization

Where activities provided for in this Tariff extend beyond the current fiscal year, continued expenditures by the United States through WAPA-UGP and/or WAPA-RMR and/or WAPA-CRSP are contingent upon Congress making the necessary appropriations required for the continued performance of the obligations of the United States under this Tariff. In case such appropriation is not made, the United States is hereby released from its contractual obligations under this Tariff and from all liability due to the failure of Congress to make such appropriation.

(c) Employment Practices; Contractor Agreement

For the purpose of this Federal participation provision, the term “Contract” shall mean this Tariff and the term “Contractor” shall mean a party having transactions with WAPA-UGP and/or WAPA-RMR and/or WAPA-CRSP. During the performance of this Contract, the Contractor agrees to the provisions set forth in Section 8.3 of this Tariff and its subdivisions. In addition, the Contractor will include the following provisions in every subcontract or purchase order involving WAPA-UGP and/or WAPA-RMR and/or WAPA-CRSP unless exempted by rules, regulations, or order of the Secretary of Labor.

(i) Equal Opportunity Employment Practices

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color,
religion, sex, or national origin, is incorporated by reference in the Contract by reference to same as if the specific language had been written into the Contract, except that Indian Tribes and tribal organizations may apply Indian Preference to the extent permitted by federal law.

(ii) Contract Work Hours and Safety Standards

The Contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (“Act”), 40 U.S.C. § 3701, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. § 3701-3708, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

(iii) Use of Convict Labor

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the Contract except as provided by 18 U.S.C. § 3622(c), as amended or supplemented, and Executive Order No. 11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.

(d) Statutory Obligation

Western Area Power Administration was established on December 21, 1977, pursuant to Section 302 of the Department of Energy Organization Act, Public Law 95-91, dated August 4, 1977. By law, WAPA-UGP, WAPA-RMR and WAPA-CRSP market hydropower resources to meet Statutory Obligations. WAPA transmission system was built primarily to enable the delivery of Federal power to satisfy these obligations. Use of transmission facilities that WAPA owns, operates, or to which it has contract rights for delivery of Federal long-term firm capacity and energy to project use and firm electric service customers is a WAPA responsibility under the terms and conditions of marketing criteria and electric service contracts implementing Statutory Obligations to market Federal power. Capacity in WAPA transmission facilities under the WAPA tariff and SPP tariff is solely for the use of available transfer capability, as that term is defined in WAPA’s Tariff, in excess of the capability WAPA requires for the delivery of long-term firm capacity and energy to Statutory Obligations and otherwise committed both currently and in the future under transmission agreements. Nothing in this WEIS Tariff will interfere with WAPA’s transmission capacity and deliveries of Statutory Obligations. WAPA retains the available transfer capability, as that term is defined in WAPA’s Tariff, from its resources to deliver to its Statutory Obligations.
(e) Advance Funding

In the absence of appropriated funds, WAPA requires advance deposit of funds when it is required to perform any work for third parties. As such, WAPA must receive an advance deposit of funds pursuant to Federal law prior to WAPA committing to perform any work pursuant to this Tariff.

(f) Net Billing

Payments due WAPA may be offset against payments due SPP. For services included in net billing procedures, payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

(g) Bill Crediting

Payments to WAPA-UGP’s, WAPA-RMR, and/or WAPA-CRSP’s by SPP shall be paid by SPP to a third party when so directed by the WAPA entity (WAPA-UGP, WAPA-RMR, and WAPA-CRSP) to whom payment was due. Any third party designated to receive payment and the amount to be paid to that party will be so identified in writing to SPP. The payment to the third party shall be due and payable by the payment due date specified on WAPA-UGP’s, WAPA-RMR, and/or WAPA-CRSP’s bill. When remitting payment to a designated third party, SPP shall indicate that such payment is being made on behalf of WAPA-UGP, WAPA-RMR, and/or WAPA-CRSP. Each WAPA entity (WAPA-UGP, WAPA-RMR, and WAPA-CRSP) shall credit SPP for the amount paid as if payment had been made directly to it (WAPA-UGP, WAPA-RMR, or WAPA-CRSP).

(h) Regulatory Filings/No Waiver of Jurisdictional Immunity

If Market Participant is not subject to the jurisdiction of FERC as a public utility under the Federal Power Act, Market Participant shall not be required to take any action or participate in any filing or appeal that would confer FERC jurisdiction over Market Participant that does not otherwise exist. Any order, decision, rule or regulation issued by FERC to SPP or any other Market Participants relating to matters exempt from FERC jurisdiction under Section 201(f) of the Federal Power
Act shall not apply directly or separately to a non-jurisdictional Market Participant. Without limiting the generality of the foregoing, except as otherwise provided in the Federal Power Act, a non-jurisdictional Member shall not be bound or obligated by any FERC order, decision, rule or regulation requiring a change in the rates, terms or conditions for transmission service or compensation for utilizing the transmission facilities of a non-jurisdictional Member, which conflicts with applicable Federal or state law, including any order requiring the suspension of the use of such rates, terms or conditions or the payment of refunds of rates or compensation previously collected or received. A non-jurisdictional Member and SPP acknowledge that FERC, in the context of its jurisdiction over SPP’s rates, may review a non-jurisdictional Member’s revenue requirement and rates to the extent they comprise or affect the rates charged by SPP or other Members. In the case of a Federal Power Marketing Agency, this review shall be consistent with the Delegation Order No. 00-037.00B, as superseded or amended, from the Secretary of Energy to the Power Marketing Administrations and the FERC, including the regulations implementing this review authority. If FERC does not accept a non-jurisdictional Member’s revenue requirement or rates, the non-jurisdictional Member may terminate this Agreement pursuant to the withdrawal provisions of the Agreement. In such event, the non-jurisdictional MP and SPP agree to meet and confer prior to any termination of this Agreement. Nothing in this Agreement, or the participation of a non-jurisdictional MP in the WEIS waives any objection to otherwise constitutes a consent to, the jurisdiction by FERC that does not otherwise exist over the non-jurisdictional MP or its transmission service, facilities and rates

(i) Pricing

Market Participant shall possess the unilateral right to file with FERC, and, if the Market Participant is non-jurisdictional, the Market Participant shall have the option to file with FERC, or submit to SPP for filing with FERC, pursuant to Section 205 of the Federal Power Act and Federal statutory and regulatory requirements, including Delegation Order No. 00-37.00B, 10 CFR Part 903 and 18 CFR Part 300, as amended or superseded, modifications to change the rates or rate structure for transmission service, including filing a fixed revenue requirement and supporting data or a rate formula template for its cost of service revenue requirements.

(j) Projects

The individual hydroelectric projects from which WAPA markets power and energy are owned and controlled by the U.S. Army Corps of Engineers or the U.S.
Bureau of Reclamation. These projects are operated to satisfy multiple purposes such as irrigation, navigation, flood control, fish and wildlife, and recreation, as well as power production. Any operation of, and maintenance, modification or addition to such projects is subject to the express approval of either the U.S. Army Corps of Engineers or the U.S. Bureau of Reclamation. WAPA’s transmission systems are integrated with the Department of the Army or U.S. Bureau of Reclamation owned and operated switchyard facilities. Any operation of, and maintenance, modification, or addition to such facilities, including the funding of such activities, is subject to the requirements and express approval of the Department of the Army or U.S. Bureau of Reclamation. WAPA shall communicate and coordinate with the Department of the Army or the U.S. Bureau of Reclamation on any operation of, and maintenance, modification, or addition to the Department of the Army or the U.S. Bureau of Reclamation facilities, whichever is applicable, as requested by SPP.

(k) Liability

WAPA-UGP, WAPA-RMR, and WAPA-CRSP cannot indemnify, defend, and save harmless pursuant to any provisions of this Tariff, including any Attachments to this Tariff, due to the Anti-Deficiency Act, 31 U.S.C. § 1341, et seq, as amended or supplemented. WAPA-UGP, WAPA-RMR, and/or WAPA-CRSP’s liability is instead determined in accordance with the Federal Tort Claims Act, 28 U.S.C. § 1346(b), 2401(b), 2402, 2671, 2672, 2674-2680, as amended or supplemented.

(l) WAPA-UGP, WAPA-RMR and WAPA-CRSP Rate Review

WAPA-UGP, WAPA-RMR and/or WAPA-CRSP rates and revenue requirements shall only be reviewed in accordance with Delegation Order No. 00-037.00B from the Secretary of Energy to the Federal Power Marketing Agencies and the Commission, as superseded or amended, and in accordance with the regulations implementing the review authority found in 10 C.F.R. Part 903 and 18 C.F.R. Part 300, as superseded or amended.

(m) Inapplicability of (public power entity rate review) to a Federal Power Marketing Agency

Section 8.1 of this Tariff shall not apply to WAPA-UGP, WAPA-RMR, and WAPA-CRSP.

(n) No Expansion of Jurisdiction, Waiver of Defenses, Liability for Penalties, or Inconsistent Obligations.
Western Area Power Administration has not waived or conceded any defense, including sovereign immunity, intergovernmental immunity, or lack of subject matter jurisdiction in any action against it by an Enforcement Authority, nor has Western Area Power Administration accepted any liability, responsibility, or obligation to pay any civil monetary penalties or fines imposed by an Enforcement Authority to which it would not have been subject in the absence of this Tariff. “Enforcement Authority” means the Commission, Electric Reliability Organization (“ERO”), or Regional Entities with enforcement authority pursuant to a delegation from an ERO or Commission for the purpose of proposing and enforcing reliability standards. SPP does not concede or accept responsibility for any portion of a penalty or fine attributable to the actions or omissions of Western Area Power Administration. SPP will identify the amount of any penalty or fine that SPP allocates to Western Area Power Administration or that SPP determines is attributable to Western Area Power Administration and will identify that amount to the Commission as uncollectable and not otherwise owed by SPP.

(o) Assignment

Any Agreement in which WAPA-UGP, WAPA-RMR, and/or WAPA-CRSP is a Party shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to successors to all or substantially all of the electric properties and assets of such Party, without the written consent of the other Parties. Such written consent shall not be unreasonably withheld.
Energy Imbalance Service is provided when a difference occurs between the expected and the actual delivery of Energy within the Western Interconnection over a Dispatch Interval. The Market Participant must purchase this service, from SPP or make comparable alternate arrangements with another Market Participant who will purchase this service from SPP. All loads in the WEIS Region will be subject to settlement in the WEIS Market. SPP will obtain and provide this service and the Market Participant shall utilize this service in accordance with Attachment A to this Tariff. Charges and credits to and payments from and to Market Participants for use and provision of this service shall be calculated by SPP based upon the applicable Locational Marginal Prices pursuant to Attachment A to this Tariff.
SCHEDULE 2
JOINT DISPATCH TRANSMISSION SERVICE

This is a service provided by the Joint Dispatch Transmission Service Provider and administered by SPP, subject to the terms and conditions of this Tariff. Joint Dispatch Transmission Service is provided in real-time on an intra-hour, non-firm, as available basis having the lowest curtailment priority. For Joint Dispatch Transmission Service Customers, the rate to be assessed for Joint Dispatch Transmission Service for receipt or delivery of energy dispatched pursuant to this Tariff shall be:

(1) Hourly delivery: On-Peak Hours: the on-peak rate $0.00/MWh of Reserved Capacity. Off-Peak Hours: the off-peak rate $0.00/MWh of Reserved Capacity.
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Addendum 1 Violation Relaxation Limit Values (VRLs)
1. Introduction

This Attachment sets forth the scheduling and dispatching responsibilities of SPP and Market Participants relating to the provision of Western Energy Imbalance Service and sets forth the operation, pricing and settlement of the market for the Western Energy Imbalance Service (WEIS) Market. This Attachment addresses the three time frames that are pertinent to the administration of the WEIS Market: Day-Ahead Period, Hour-Ahead Period and Real-Time Period for Market Operations and Post-Operating Day Period for Settlement.
1.1 Defined Terms in Section I, Common Service Provisions of this Tariff
1.2 Market Participant Obligations
1.2.1 Service Agreement

Each Market Participant must execute the Service Agreement specified in Attachment E. If the Market Participant fails or refuses to execute this service agreement, SPP will file an unexecuted agreement with the Commission in accordance with Section 1.2.2 (e) of this Attachment A.
1.2.2 Application and Asset Registration

(a) Applications for a Market Participant to provide services in the WEIS Market must be submitted to SPP prior to the expected date of participation consistent with the WEIS Market Protocols. Completed applications must contain the required information specified under the application procedures specified in the WEIS Market Protocols. New Market Participants will follow the timeframe as specified in the WEIS Market Protocols in addition to the detailed model update timing requirements in the WEIS Market Protocols.

(b) As part of the application process, Market Participants must register all load and Resources, excluding Behind-The-Meter Generation less than 10 Megawatts (“MWs”), with SPP in accordance with the registration process specified in the WEIS Market Protocols.

(c) Market Participants may elect to define a single Settlement Location that aggregates multiple Meter Settlement Locations associated with their load assets. Such a Settlement Location is used for settlements purposes only and the Meter Settlement Locations being aggregated must be within a single Settlement Area.

(d) Market Participants may subsequently modify their initially registered assets once their participation in the WEIS Market has commenced in accordance with the asset registration procedures specified in the WEIS Market Protocols.

(e) In the event an entity within a participating WEIS Balancing Authority chooses not to register its load or Resources in the WEIS Market, the responsibility for registering those Assets will be with the participating host Balancing Authority. SPP will not be a party to any agreement between the host Balancing Authority and the non-participating entity. Failure or refusal to register a load or Resource will result in SPP filing an unexecuted version of the Service Agreement as specified in Attachment E to this Tariff for that Resource with the Commission under the name of the Market Participant representing the participating host Balancing Authority.

(f) In the case of a Qualifying Facility exercising its rights under PURPA to deliver all of its net output to its host utility, such registration will not require the Qualifying Facility to participate in the WEIS Market or subject the Qualifying Facility to any charges or payments related to the WEIS Market. Any WEIS Market charges or
payments associated with the output of such Qualifying Facility will be allocated to the Market Participant representing the host utility purchasing the output of the Qualifying Facility under PURPA, and the Market Participant will be provided the settlement data required to verify the settlement charges and payments.

(g) A Market Participant wishing to offer an External Resource in the WEIS Market will utilize an External Resource Pseudo-Tie. The Market Participant registering the External Resource will be responsible for registering and performing all responsibilities that are required of Resources in the WEIS Market, except as provided in this Attachment A.

(h) A Market Participant wishing to offer Demand Response Load in the form of a demand response Resource in the WEIS Market must include in its application and registration a certification that participation in the WEIS Market by its demand response Resource is not precluded under the laws or regulations of the relevant electric retail regulatory authority. Consistent with Section 1.2.10 of this Attachment A, an aggregator of retail customers (“ARC”) wishing to offer Demand Response Load in the form of a demand response Resource on behalf of one or more retail customers must also include in its application and registration a certification that participation of each retail customer is either: (1) not precluded by the laws or regulations of the relevant electric retail regulatory authority if the customer is served by a utility that distributed more than 4 million MWh in the previous fiscal year; or (2) affirmatively permitted by the laws or regulations of the relevant electric retail regulatory authority if the customer is served by a utility that distributed 4 million MWh or less in the previous fiscal year. Demand response Resources must meet all application, registration and technical requirements applicable to other resources offering Imbalance Energy in the WEIS Market. SPP is not responsible for interpreting the laws or regulations of a relevant electric retail regulatory authority and shall be required only to verify that the Market Participant has included such a certification in its application materials. SPP is not liable or responsible for Market Participants participating in the WEIS Market in violation of any law or regulation of a relevant electric retail regulatory authority including state-approved retail tariff(s).
(i) An ARC offering Demand Response Load of one or more end-use retail customers as a demand response Resource in the WEIS Market must be a Market Participant, satisfying all registration and certification requirements applicable to Market Participants as well as certification consistent with Section 1.2.10 of this Attachment A.
1.2.3 Market Manipulation

Market Participants shall not engage in any market manipulation activities. Such actions or transactions that are without a legitimate business purpose and that are intended to or foreseeably could manipulate market prices, market conditions, or market rules for electric Energy or electric products are prohibited. Such activities include but shall not be limited to the activities specified in Section 4.2 of Attachment C to this Tariff.
1.2.4 Resource Plans and Energy Schedules

Market Participants with assets in the WEIS Market Footprint that have been registered pursuant to Section 1.2.2 shall submit to SPP Resource Plans to meet all their Energy obligations in accordance with the timelines and data requirements specified in Section 2.2 of this Attachment A. Market Participants who submit an Energy Schedule to SPP shall follow the timelines and data requirements specified in Section 2.2 of this Attachment A.
1.2.5 Ancillary Service Plans

Market Participants with obligations to supply regulation service and contingency reserve service to load within the WEIS Market Footprint shall submit to SPP an Ancillary Service Plan to meet these obligations in accordance with the timelines and data requirements specified in Section 2.3 of this Attachment A.
1.2.6 Resource Offer Curves

Market Participants electing to submit Offer Curves to SPP for the provision of Imbalance Energy service shall submit such Offer Curves in accordance with the timelines and data requirements specified in Section 2.5 of this Attachment A.
1.2.7 **Scheduling and Dispatch**
Market Participants shall, where applicable:

(a) Follow SPP’s dispatch instructions where such dispatch instructions are described under Section 4.1 of this Attachment A;

(b) Incorporate SPP’s Adjusted Net Scheduled Interchange, as calculated pursuant to Section 4.1 of this Attachment A, into their respective Balancing Authority energy management systems;

(c) Report Resource Plan changes to SPP throughout the Operating Day resulting from changes in Resource availability;

(d) Report changes to Ancillary Service Plans resulting from changes in Resource availability to SPP; and

(e) Abide by the procedures set forth in the WEIS Market Protocols.
1.2.8 Meter Data Submission

Market Participants, or their designated Meter Agent, shall submit to SPP for the Operating Day meter data representing the actual generation output and actual load consumption, or where actual data is not available estimates thereof, associated with their registered load and Resources in accordance with the timelines specified in the WEIS Market Protocols. A Market Participant may designate any qualified entity to perform the Meter Agent or perform this function on its own behalf.

Any entity performing the Meter Agent function for a Market Participant must execute the Meter Agent Agreement specified in Attachment G to this Tariff prior to performing such function.
1.2.9 Calculation of Real-Time Demand Response Load from Demand Response Resources

The demand response provided by the Demand Response Load associated with a demand response Resource is sent directly to SPP. This value will represent the actual net generation.
1.2.10 **Aggregation of Demand Response Load as a Resource**

For purposes of participation in the WEIS Market, an ARC may aggregate Demand Response Load of: (1) end-use retail customers of utilities that distributed more than 4 million MWh in the previous fiscal year, unless precluded by the laws or regulations of the relevant electric retail regulatory authority including state-approved retail tariff(s); and (2) end-use retail customers of utilities that distributed 4 million MWh or less in the previous fiscal year, where the relevant electric retail regulatory authority, including any state-approved retail tariff(s), affirmatively permits such customer’s demand response to be bid into the WEIS Market by an ARC. An ARC wishing to offer Demand Response Load in the WEIS Market must execute all agreements necessary to become a Market Participant and to participate in the WEIS Market under the WEIS Tariff and this Attachment A. ARCs shall be treated comparably to other Market Participants offering Resources in the WEIS Market.

Aggregations pursuant to this section shall be subject to the following requirements:

(a) End-use customers aggregated into a single Resource must be located at the same electrically equivalent withdrawal point from the transmission system and must be served by the same retail provider; and

(b) All end-use customers in an aggregation shall be specifically identified.
1.3 SPP Obligations
1.3.1 WEIS Market Protocols

SPP shall prepare, maintain and update the WEIS Market Protocols consistent with this Tariff. The WEIS Market Protocols shall be posted on the SPP website.
### 1.3.2 Scheduling and Dispatch

SPP shall evaluate Resource Plans submitted by Market Participants during the Day-Ahead Period and the Hour-Ahead Period in accordance with Sections 2 and 3 of this Attachment A.

(a) In the Real-Time Period, SPP shall dispatch Dispatchable Resources between their Dispatchable Minimum Limit and Dispatchable Maximum Limit to provide Energy Imbalance service economically on the basis of least-cost, security-constrained economic dispatch and the prices and operating characteristics offered by Market Participants or based upon OOMEs.
1.3.3 Ancillary Service Plans

SPP shall evaluate the Ancillary Service Plan submitted by a Market Participant to ensure that the Market Participant has identified sufficient Resources or that the Market Participant has entered into bilateral transactions to meet its Ancillary Service Plan obligations for the next Operating Day.

SPP shall attempt to supply the results of a Supply Adequacy Analyses for the next Operating Hour utilizing the same methodology described under Section 2.4.2.
1.3.4 Energy Imbalance Service Pricing

SPP shall calculate a Locational Marginal Price at each Settlement Location in accordance with Section 4.4 of this Attachment A.
1.3.5 Energy Imbalance Service Settlements

SPP shall calculate Energy Imbalance Service settlement quantities at each Settlement Location, calculate charges and credits associated with the provision of Energy Imbalance Service based upon the settlement quantities and the associated Location Marginal Prices in accordance with Section 5 of this Attachment A and render invoices to Market Participants detailing net charges or credits associated with provision of Energy Imbalance Service in accordance with Section 7 of this Attachment A.
1.3.6 WEIS Market Participation Readiness

SPP shall validate each Market Participant’s ability to provide services in the WEIS Market, as applicable. Such validation shall include verification that the Market Participant has met the technical and communications requirements for WEIS Market participation specified in the WEIS Market Protocols and has met the credit requirements specified under the Credit Policy in Attachment H to this Tariff.
1.3.7 Electronic Delivery of Data to the Commission

SPP will electronically deliver to the Commission, on an ongoing basis and in a form and manner consistent with its collection of data and in a form and manner acceptable to the Commission, data related to the markets that it administers, in accordance with the Commission’s regulations.
1.3.8 **Transparency Reporting Requirements**

The following reports shall be compiled by SPP monthly and posted on a publicly-accessible portion of its website, with the time frame specified for each report.
1.3.8.1 Settlement Area Uplift Report

Within 20 days of the end of each month, a report of uplift categories, paid in dollars, and categorized by Settlement Area and uplift category shall be compiled and posted. Uplift categories reported, broken out by day, will include Real-Time Out-Of-Merit Amount. If any Settlement Area has fewer than four Resources, it may be aggregated with one or more neighboring Settlement Areas until each aggregated zone contains at least four Resources, and reported collectively.
1.3.8.2 Resource-Specific Uplift Report

Within 90 days of the end of each month, a report of the total amount of uplift paid in dollars aggregated across the month by Resource shall be compiled and posted. The report shall include the uplift category for Real-Time Out-of-Merit Amount.
2. **Day-Ahead Period Activities**

   SPP and Market Participants shall adhere to the following scheduling procedures regarding development of the next day operating plan.
2.1 SPP Forecast Information

No later than 0600 Central Prevailing Time on the day prior to the Operating Day, SPP shall develop an hourly load forecast for each Settlement Area, Balancing Authority and for the WEIS Region for the next seven days.
2.2 Resource Plan and Energy Schedule Submittal Requirements

No later than 1100 Central Prevailing Time on the day prior to the Operating Day, Market Participants must submit Resource Plans for each hour of the next Operating Day to SPP. A Market Participant must submit a Resource Plan that provides a sufficient amount of available Energy to meet all of the Market Participant’s Energy obligations, where such Energy obligations are equal to the load forecast plus third party sales minus third party purchases. Market Participants must satisfy their Energy obligations through any combination of: (1) scheduling Energy from third parties, (2) planned operating levels of self-dispatched Resources as identified in the Resource Plan or (3) by making its Resources available to SPP for dispatch with sufficient dispatchable operating range, as identified in the Resource Plan, such that in aggregate, they are capable of producing sufficient Energy to meet the Market Participant’s Energy obligations at all times. SPP shall also calculate an Energy obligation associated with each Balancing Authority for use in the analyses performed under Section 2.4 of this Attachment A that is equal to the Balancing Authority load forecast developed under Section 2.1 of this Attachment A plus third party sales minus third party purchases out of or into the Balancing Authority Area.
2.2.1 Market Participant’s Resource Plan

A Market Participant’s Resource Plan covers a rolling seven-day horizon (with hourly detail) beginning with the Operating Day and may be modified before each operating hour and is binding for that operating hour. Specifically, the Resource Plan contains entries for each Resource for each hour of the seven day horizon, and includes the following information:

- Resource ID
- Resource Type
- Planned Megawatts
- Minimum Capacity Operating Limit – Demand response Resources will submit a value of 0 MW for this field.
- Minimum Economic Capacity Operating Limit – Demand response Resources will submit a value of 0 MW for this field.
- Minimum Emergency Capacity Operating Limit – Demand response Resources will submit a value of 0 MW for this field.
- Maximum Capacity Operating Limit – For demand response Resources, Max MW will be the maximum amount of response or interruption that can be provided.
- Maximum Economic Capacity Operating Limit – For demand response Resources, this will be the maximum amount of response or interruption that can be provided under normal market operations. Must be equal to or less than the value provided for Maximum Capacity Operating Limit.
- Maximum Emergency Capacity Operating Limit – For demand response Resources, this will be the maximum amount of response or interruption that can be provided under emergency operating conditions. Must be equal to or greater than the value provided for Maximum Capacity Operating Limit.
- Ramp Rate
- Resource Status
The Resource Plan may not be the only source of Resource data required by SPP. Market Participants with registered Resources, or the Balancing Authorities within which such Resources are located, may be requested to provide to SPP additional Resource information beyond that contained in the Resource Plan.
2.2.2 Market Participant’s Energy Schedule

A Market Participant’s Energy Schedule shall be submitted according to the following:

(a) Energy Schedules shall be submitted using the data formats and procedures defined in the WEIS Market Protocols.

(b) Such hourly Energy Schedules must specify a megawatt per hour amount of Energy at the source, which may include self-provision of transmission system losses, and a megawatt per hour amount of Energy at the sink.

(c) Market Participants must associate Energy Schedules with a specified source and sink that are valid Settlement Locations in order for the Energy Schedules to be utilized in the calculation of Imbalance Energy.

(d) Market Participants that submit Energy Schedules are required to ensure that the total of the scheduled megawatt per hour injections submitted is equal to the total of the scheduled megawatt per hour withdrawals submitted.
2.3 Ancillary Service Plans

Market Participants must submit Ancillary Service Plan, to the extent that such obligations exist, to SPP no later than 1100 Central Prevailing Time on the day prior to the Operating Day. Ancillary Service Plans shall include identification of the Market Participant’s Resources providing the Services and identification of any bilateral transactions that transfer these obligations to or from the Market Participant. A Market Participant’s Ancillary Service Plan shall be submitted according with the data formats and submittal procedures specified in the WEIS Market Protocols.
2.4 Resource Plan and Ancillary Service Plan Evaluation
2.4.1 Evaluation of Ancillary Service Plan

No later than 1200 Central Prevailing Time on the day prior to the Operating Day, SPP shall complete an evaluation of the Ancillary Service Plans submitted pursuant to Section 2.3 to verify that each Market Participant has met its Ancillary Service Plan obligations. If SPP determines that a Market Participant has not met one or more of these ancillary service obligations, SPP shall notify the Market Participant.
2.4.2 Review and Assessment of Resource Plans

Prior to each Operating Day and each Operating Hour, SPP shall assess the supply adequacy of operating capacity scheduled in each Market Participant’s Resource Plan. SPP shall perform this assessment using the Supply Adequacy Analysis described below.

Supply Adequacy Analysis

SPP will perform supply adequacy analysis to ensure that each Balancing Authority participating in WEIS Market and the Market Participants within those Balancing Authority Areas have sufficient generation in their operating plan to meet the load and Ancillary Service obligations of both the Market Participant and Balancing Authority. The supply adequacy analysis will occur on both day-ahead and hour-ahead time horizons.

The supply adequacy calculations will use the Balancing Authority load forecast performed by SPP. Supply adequacy will be analyzed bi-directionally. An over-supply situation will be defined as minimum generation being greater than the load plus purchases minus sales. An under-supply situation will be defined as maximum generation being less than the load plus purchases minus sales. The Market Participant will be deemed supply inadequate in the event that either an over-supply situation or under-supply situation occurs.

SPP will notify both supply inadequate Market Participants and the associated Balancing Authority of the supply inadequacy situation existing in that area.

The Market Participant must make the appropriate modifications not later than thirty (30) minutes prior to the Operating Hour (“OH”) for any supply inadequacy revealed by the hourly study, if provided by SPP.

In all instances where the Market Participant fails to resolve an identified issue at or prior to real-time, and that failure contributes to an Emergency Condition, the instance will be reported to FERC on an after-the-fact basis.
2.5 Offer Submittal

Beginning seven (7) days prior to the Operating Day, Market Participants may begin to submit offers for use in the WRTBM. WRTBM offers may be updated thirty (30) minutes prior to each Operating Hour. Offer submittals shall conform to the following:

1. Submitted Resource offers will automatically roll forward hour to hour within each respective market only when no Resource offer has been submitted for that interval;

2. Offers may be submitted that vary for each hour of the Operating Day;

3. Offers submitted for use in the WRTBM will be used for Supply Adequacy Analysis as specified in Section 2.4.2 of this Attachment A and any analysis for timepoints past the current Operating Hour;

4. Resource offers may only be submitted at Resource Settlement Locations;

5. Resource offers are limited by the offer caps and floors specified in Section 4.1.1 of this Attachment A;

6. The Resource offer parameters that constitute a valid offer for use in either the WRTBM are submitted using the data formats, procedures, and information defined in the WEIS Market Protocols and will include the following (as further defined in the WEIS Market Protocols):

   - Resource Name
   - Resource Type
   - Energy Offer Curve (a PPR is not obligated to submit an Energy Offer Curve.)
   - Minimum Normal, Economic, and Regulation Capacity Operating Limits
   - Maximum Normal, Economic, and Regulation Capacity Operating Limits
   - Ramp-Rate-Up and Ramp-Rate-Down
   - Turn-Around Ramp Rate Factor
   - Resource Status
(7) Market Participants must specify a Resource dispatch status as part of the Resource offer using the data formats, procedures and information defined in the WEIS Market Protocols. Market Participants use the dispatch status to notify SPP whether the Resource is:

(a) eligible for Energy dispatch;
(b) carrying contingency reserves service.

If the dispatch status for a Resource does not indicate it is eligible for Energy Dispatch, then such Resource shall not be subject to charges and credits calculated under Section 5 of this Attachment A and shall not be subject to the deviation calculations under Sections 5 of this Attachment A.

(8) Resource limits submitted as part of the Resource offer must pass the validation rules defined in the WEIS Market Protocols, otherwise, the Resource offer will be rejected.
3. Hour-Ahead Period Activities
3.1 Modifying Resource Plans, Ancillary Service Plans, and Offer Curves

Following the Day-Ahead Period, Market Participants may amend the information submitted during the Day-Ahead Period as follows:

(a) Market Participants may submit new or revised Resource Plans for the next Operating Hour up to thirty minutes prior to the Operating Hour;

(b) Market Participants may submit new or revised Offer Curves up to thirty minutes prior to the Operating Hour. The last Offer Curve submitted as of thirty minutes prior to the Operating Hour shall become final and shall be utilized by SPP in determining the dispatch of Energy Imbalance Service Resources and in the calculation of Locational Imbalance Prices for the applicable Operating Hour.

(c) Market Participants may submit new or revised Ancillary Service Plans up to thirty minutes prior to the Operating Hour.
3.2 **Hour-Ahead Resource Plan and Ancillary Service Plan Evaluation**

Prior to the start of the Operating Hour, SPP shall attempt to supply the results of a Supply Adequacy Analysis for the next Operating Hour utilizing the same methodology described under Section 2.4.2.

(a) A Market Participant with an Energy Obligation Deficiency or Energy Obligation Excess in any hour during the Operating Day shall correct the deficiency or excess and resubmit revised plans and/or schedules to SPP by thirty (30) minutes prior to the applicable Operating Hour.

(b) A Market Participant shall modify its Ancillary Service Plan and/or its Resource Plan as necessary to meet its ancillary service obligations and shall submit such modifications to SPP no later than thirty (30) minutes prior to the applicable Operating Hour.

4. **Real-Time Period Activities**
4.1 Dispatch Process

(a) Throughout the Operating Day, generally every 5 minutes, SPP shall:

(i) Perform a security constrained economic dispatch (“SCED”) for the WEIS Region utilizing an optimization method to determine the least costly means of obtaining Energy to serve the next increment of load based upon submitted Offer Curves, Resource operating data submitted as part of the Resource Plan, binding transmission constraints, forecasted WEIS Region load and system conditions from the State Estimator; relaxation of operating limits (Violation Relaxation Limit or “VRL”).

(ii) Communicate to Market Participants dispatch instructions that specify the desired megawatt output of Dispatchable Resources based upon the security constrained economic dispatch solution;

(iii) Communicate OOME to Market Participants that specify the desired output of Dispatchable Resources and/or Non-Dispatchable Resources;

(iv) Calculate an Adjusted Net Scheduled Interchange for each Balancing Authority in the WEIS Market Footprint to account for the Dispatchable Resource dispatch instructions, including any OOMEs, and communicate this Adjusted Net Scheduled Interchange to the Balancing Authorities for implementation.

Procedures for communication of dispatch instructions shall be specified in the WEIS Market Protocols.

(b) In performing the security constrained economic dispatch under this Section 4.1, SPP shall ensure that the Energy dispatch of Dispatchable Resources does not conflict with any specified provision of the Ancillary Service Plan with said Dispatchable Resources. To accomplish this, SPP shall limit the dispatchable Energy range of Dispatchable Resources to between the Resource’s Economic Minimum Limit and Economic Maximum Limit.
Details of the Dispatchable Resource dispatchable Energy range adjustment shall be specified in the WEIS Market Protocols.

(c) An acceptable operating tolerance will be defined for Dispatchable and Non-Dispatchable Resources. A Resource shall be considered as following a dispatch instruction in a Dispatch Interval if the actual output of that Resource is within the acceptable operating range. Resources whose actual output falls outside this operating tolerance shall be considered as failing to follow a dispatch instruction. A Resource’s acceptable operating range shall be defined by a high and low tolerance level calculated as follows subject to a minimum range of 5 megawatts above or 5 megawatts below the expected output level and a maximum acceptable operating range of 20 megawatts above or 20 megawatts below the expected output level:

\[
R_{Hi} = \text{Max} (5, \text{Min} (\text{MaxMWi} \times \text{DBP}, 20)) + \text{REGUP}
\]

\[
R_{Li} = \text{Max} (5, \text{Min} (\text{MaxMWi} \times \text{DBP}, 20)) + \text{REGDN}
\]

Where:

\( R_H \) = Resource high operating tolerance or over generation limit (megawatt)

\( R_L \) = Resource low operating tolerance or under generation limit (megawatt)

\( i \) = Dispatch Interval within Operating Hour.

\( \text{MaxMW} \) = Maximum Capacity Operating Limit - Resource physical maximum sustainable output for each Operating Hour from Resource Plan.

\( \text{DBP} \) = Dead band percentage for all Resources is initially set to 10%.

\( \text{REGUP} \) = Regulation up service being maintained on the Resource as indicated in the Ancillary Service Plan (MW) for the Operating Hour.

\( \text{REGDN} \) = Regulation down service being maintained on the Resource as indicated in the Ancillary Service Plan (MW) for the Operating Hour.

Resources providing contingency reserve service shall be considered following dispatch instructions during any Dispatch Interval in which these Services have been deployed.
(d) To the extent that a Resource is determined by SPP to have failed to follow SPP’s dispatch instructions, such failure to follow dispatch instruction determination in accordance with the procedures set forth under Section 4.1(c) of this Attachment A, the Market Participant owner of that Resource shall be subject to an URD Charge. Resources shall not be subject to URD Charges for any URD Megawatts caused by: (1) OOME(s); (2) redeployment by the Balancing Authority; (3) instances when a Resource trips or is derated after receiving dispatch instructions from SPP; (4) Non-Dispatchable Resources during uncongested intervals; or (5) the dispatch instructions issued to a Resource were beyond the reported capabilities in the Resource Plan due to the application of a VRL. In order to receive an URD Charge exemption for a Resource under (3) above, the Market Participant must immediately report the change in its Resource Plan, in accordance with Section 1.2.7 (c) of this Attachment A, specifying the Resource trip or deration and must submit an invoice dispute utilizing the process described under Section 7.3 of this Attachment A prior to SPP determination of the exemption under the Section 7.3 process.

(e) URD Charges shall be calculated by SPP in accordance with Section 5.3 of this Attachment A.

(f) In the event of a system failure related to the WEIS Market systems or Market Participant systems providing data to SPP that impact SPP’s ability to calculate dispatch instructions for a Resource or Resources, SPP will suspend the calculation of dispatch instructions for such Resources and treat them as self-dispatched Resources until the calculations of dispatch instructions can be restored.
4.1.1 Offer Caps and Floors

Submission of Energy Offer Curves by Market Participants for use in the WRTBM shall be limited by the following Offer caps and floors:

1) Safety-net Energy Offer cap = $1,000/MWh; Energy Offers greater than $1,000/MWh are subject to additional mitigation measures outlined in Section 3.2(H) of Attachment B to this Tariff.

2) Energy Offer floor = Negative $500/MWh.
4.2 Reserved for Future Use
4.3 Coordination of Market Operations under SPP Congestion Management

SPP will incorporate the data from reliability coordinators and transmission operators for congestion management in the dispatch solution. This data includes:

(a) Out-of-Merit Dispatch instructions

(b) Binding transmission constraints

(c) Changes in import and export transactions associated with the WEIS Market.
4.4 Calculation of Locational Marginal Prices

The LMP at a PNode is the cost of delivering an incremental MW of energy at that specific PNode, while satisfying all operational constraints where such cost will include applicable VRL prices if the incremental MW of energy causes a corresponding increase in shortage conditions where such VRL prices and shortage conditions are as described under Section 4.6 of this Attachment A. The LMP at any PNode is the sum of two components: the marginal costs of Energy (“MEC”) and the marginal cost of congestion (“MCC”).

LMP components at PNode\textsubscript{i} are calculated based upon the following formula:

\[ \text{LMP}_i = \text{MEC} + \text{MCC}_i \]

Where:

1. MEC is the component of LMP\textsubscript{i} representing the marginal cost of Energy;
2. MCC\textsubscript{i} is the component of LMP\textsubscript{i} representing the marginal cost of congestion at ENode\textsubscript{i} relative to the Reference Bus; and
3. The Reference Bus represents the network distributed load bus.

4.4.1 Marginal Congestion Component Calculation

The MCC at each PNode\textsubscript{i} is defined by the following equations:

\[ \text{MCC}_i = - \left( \text{Sensi}_k \times \text{SP}_k \right) \]

\[ \text{Sensi}_k = \frac{\text{Flow}_k}{P_i} \]

Where:

1. k is the number of transmission constraints;
2. Sensi\textsubscript{k} is the linearized estimate of the change in the constraint k flow resulting from an incremental energy injection at PNode\textsubscript{i} coupled with an incremental energy withdrawal at the Reference Bus;
3. SP\textsubscript{k} = is the Shadow Price of constraint k;
4. Flow\textsubscript{k} = Calculated flow for constraint k;
5. P\textsubscript{i} = Net injection at PNode\textsubscript{i}.

4.4.2 Marginal Energy Component Calculation

The MEC is defined as the computed LMP at the Reference Bus. By definition, the MCC component is zero (0) at the Reference Bus.
4.4.3 Market System Outages

In the event of a WEIS Market systems outage that results in a loss of data required for calculation of Locational Marginal Prices, Imbalance Energy will continue to be settled financially under this Tariff based upon estimated Locational Marginal Prices. SPP shall notify Market Participants if Imbalance Energy is to be settled using estimated prices. The estimated Locational Marginal Prices shall be calculated as follows:

(i) If Locational Marginal Pricing data is missing for two hours or less, the most recently calculated Locational Marginal Prices for each affected Settlement Location shall be utilized for settlement purposes for each of the Dispatch Intervals in which Locational Marginal Pricing data is missing.

(ii) If more than two hours of Locational Marginal Pricing data is missing, the Locational Marginal Prices for each Dispatch Interval for which data is missing shall be calculated on a Settlement Area basis based upon the cost associated with the provision of Schedule 1 Service. The cost associated with provision of Schedule 1 Service shall be computed as the greater of (1) actual cost of the highest-cost MWh of Energy procured for the purposes of providing Schedule 1 Service, if such Energy was procured; or (2) the fuel cost and other variable costs associated with the production of the highest-cost MWh of Energy produced for the purpose of providing Schedule 1 Service, such costs not to include opportunity costs. SPP must specifically request the Schedule 1 Service cost information from affected Settlement Area suppliers and the affected Settlement Area suppliers must provide the requested cost information to SPP no later than 24 hours after the request is made.
4.5 Locational Marginal Price Corrections

(1) There may be instances in which Software Errors and/or Data Errors affect the prices in a manner that is inconsistent with economic efficiency. If such an instance occurs, price corrections in WRTBM may be performed in accordance with paragraph (2) of this Section 4.5.

Data Error is defined as:

(a) Data received by SPP from an independent source, including data produced by a system or submitted by a third party, that is inaccurately modified by SPP during the execution of a market function; or

(b) Anomalous data received by SPP from an independent source, including data produced by a system or submitted by a third party that is patently incorrect and is used by SPP during the execution of a market function; or

(c) Incorrect data produced and used by SPP during the execution of a market function.

Software Error is defined as a software execution that is inconsistent with this Attachment A.

(2) SPP, in its sole discretion, may make LMP corrections, and such corrections shall be made in accordance with this Section 4.5. Such price corrections may only be performed if the underlying causes result in a significant WRTBM impact. In the exercise of its discretion pursuant to this Section 4.5, SPP may consider all relevant facts, including, but not limited to, the degree of the economic impact to the market results in terms of production cost. For purposes of this section, "production cost" is defined as the settlement cost for the market and can be calculated as the sum of the cleared MW * LMP for all Resources.

(3) If SPP, in its sole discretion, determines that an error requiring correction has occurred, SPP shall address such errors in accordance with the following procedures:

(a) SPP shall notify Market Participants of the contemplated price correction.
(b) If SPP provides the notification described in (3)(a) later than 1700 hours CPT five (5) calendar days following the operating day in which the LMPs would be affected by the contemplated price correction, SPP shall request Commission approval prior to making the price correction.

(c) If SPP performs a price correction for the WRTBM, it shall recalculate LMPs for the WRTBM in a manner that reflects, as closely as practicable, the LMPs that would have resulted but for the relevant software or data error and shall perform any necessary resettlement using these recalculated values. Such recalculated LMPs shall be provided to Market Participants in the same manner as LMPs determined in the ordinary course of business. Compensation to Market Participants in connection with recalculated prices in the WRTBM shall be as follows:

(i) For instances where the recalculated WRTBM LMP is less than a Resource’s Energy Offer Curve price, compensation shall be as described under Section 5.4 of this Attachment A.
4.6 Violation Relaxation Limit Values

The WRTBM SCED enforces a number of operating constraints in developing the market solution. In certain situations, attempting to enforce all constraints may result in a solution that is not feasible at a Shadow Price less than an appropriately priced VRL. In such cases, the Market Operator must apply VRLs in SCED. The VRL values are listed in Addendum 1 to this Attachment A.

There are four (4) categories of constraints and associated VRLs: (1) Resource capacity constraints; (2) global power balance constraints; (3) Resource ramp constraints; and (4) operating constraints. A higher VRL value is an indication of the relative priority for enforcing the constraint type. For example, the VRL value assigned to a ramp rate limit exceeds that assigned to a flowgate limit indicating that the flowgate constraint should be relaxed before the ramp rate constraint. If the VRL with the lowest value will not allow SCED to balance the Energy obligations, a higher VRL will be applied. In the case of the operating constraint VRLs, the values limit the cost of the dispatch needed to balance system injections and withdrawals by capping the Shadow Price depending upon the level of the violation.

4.6.1 Impact of Violation Relaxation Limits on Locational Marginal Prices

The applicable VRLs impact the calculation of LMPs in the following manner:
(1) When a Resource capacity, global power balance, Resource ramp, or operating constraint is reached but not exceeded, it is referred to as “binding.” In this state, VRLs are not applicable and LMPs are calculated through the normal SCED solution; and
(2) When a Resource capacity, global power balance, Resource ramp, or operating constraint is exceeded and cannot be resolved, the applicable constraint is relaxed so that SCED can solve. The VRL values applied by SCED in this case act as a cap on the Shadow Price on the applicable constraint. LMPs are determined by the relaxed SCED solution.

4.6.2 Modifications to Violation Relaxation Limits

By August 1 of each year, SPP shall produce a report with supporting documentation that will analyze the effectiveness of VRLs and associated values on reliability and prices. If changes are warranted, SPP shall recommend changes to the appropriate stakeholder groups for consideration.
By November 1 of each year, taking into consideration the recommendations of stakeholders and staff, any changes to the VRLs or associated values must be approved by the SPP Board of Directors and then filed with the Commission. The most recent Commission-approved VRLs and associated values shall be posted on SPP’s OASIS site and also are found the Addendum 1 to this Attachment A.
4.7 Out-of-Merit Energy Dispatch

During the period of time an OOME is imposed, SPP will take the following actions:

(1) SPP will incorporate an OOME at either the fixed MW level or an OOME cap and/or OOME floor MW level the Resource is expected to produce and issue appropriate Setpoint Instructions.

(2) Resources are compensated under Section 5.4 of this Attachment A. Funding of the Resource compensation is regional under Section 5.4.1 of this Attachment A.
5. **WEIS Settlement Activities**

Post Operating Day activities begin on the day immediately following the Operating Day. SPP issues initial Settlement Statements for each Operating Day on the seventh (7) day following the Operating Day and final Settlement Statements on the one hundred twentieth (120) day following the Operating Day to both Asset Owners and Market Participants. Settlement Invoices are issued to Market Participants on a weekly basis.
5.1 Calculation of WEIS Market Settlement Quantities

SPP shall calculate each Market Participant’s Imbalance Energy per hour by Asset Owner at each Settlement Location as follows. The settlement interval for Imbalance Energy shall be a Dispatch Interval.

(a) The sum of the Reported Load within a Settlement Area must equal the Settlement Area Net Load. To the extent that SPP observes that a difference exists, SPP shall adjust each Market Participant’s Reported Load within the Settlement Area such that the sum of Reported Load within the Settlement Area is equal to the Settlement Area Net Load. The adjustments to Reported Load within the Settlement Area shall be performed by SPP utilizing interval meter data as described in the WEIS Market Protocols. To the extent that the Reported Load is associated with Statutory Obligations, the Reported Load shall not be adjusted.

To the extent that the Reported Load is associated with a Meter Data Submittal Location that includes a Demand Response Load, SPP shall adjust such Reported Load by adding all associated calculated or submitted Demand Response Resource output to such Reported Load, where the calculated Demand Response Resource output is as described under Section 1.2.9 of this Attachment A.

(b) Load obligation is calculated by Asset Owner based on energy exported out of the WEIS Market Footprint plus the Reported Load meter values adjusted for energy scheduled from other entities.

(c) Resource supply by Asset Owner is based on energy imported into the WEIS Market Footprint plus the reported Resource meter values adjusted for energy scheduled to any other entity. First, the energy imported into the WEIS Market Footprint is applied to serve the load. Second, energy from non-dispatchable Resources are applied to serve the remaining load followed by dispatchable Resources in the order of least cost submitted Resource Offers.

(d) Imbalance Energy for each Dispatch Interval is calculated as the difference between load obligation and Resource supply by Asset Owner within the WEIS Market Footprint. If the load obligation is greater than the Resource supply then a charge or credit will be calculated by multiplying the Imbalance Energy by the load LMP.
If the load obligation is less than Resource supply, a charge or credit will be calculated by multiplying the Imbalance Energy by the Resource LMP.
5.2 Energy Imbalance Service Charges/Credits

SPP shall calculate each Asset Owner’s Energy Imbalance Service Charge/Credit for each Dispatch Interval as that Asset Owner’s Imbalance Energy within the Settlement Area multiplied by the Locational Marginal Price for that Settlement Location. To calculate actual Imbalance Energy in a Dispatch Interval for Market Participants that have not directly submitted five (5) minute interval meter data, SPP allocates the submitted hourly meter data for Resources and loads into five (5) minute values using five (5) minute telemetered or State Estimator profiles for the corresponding hour. The profiling of the hourly meter data maintains the shape of the five (5) minute telemetered or State Estimator values even if there are both positive and negative values contained within the twelve (12) intervals.

The subsections that follow below describe the WEIS settlement charge types. For each charge type, the calculation is performed either at the Dispatch Interval level or hourly level for each Asset Owner at each Settlement Location. SPP shall calculate hourly summations for each Market Participant for all Asset Owners it represents and shall calculate daily summations as specified in the WEIS Market Protocols.
5.2.1 Settlement Sign Conventions

For the purposes of settlement calculation of charges and payments described under this Section 5, negative signs shall reflect payments to Market Participants and positive signs to shall reflect charges to Market Participants. Throughout the settlement calculations, multiplication by (-1) is used to attain the proper sign convention where needed. The following sign conventions for variables used in the settlement calculations are assumed as follows:

1. Cleared Resource MWh is negative value;
2. Cleared load MWh is a positive value;
3. Actual Meter values and telemetered/State Estimator values for Resource output is a negative value; and
4. Actual meter values and telemetered/State Estimator values for load consumption is a positive value.
5.3 **Uninstructed Resource Deviation Charges**

The following rules apply to the calculation of Uninstructed Resource Deviation.

(a) A generating unit Resource’s Operating Tolerance in each Dispatch Interval is equal to the Resource’s Maximum Emergency Capacity Operating Limit multiplied by five percent (5%), subject to a minimum of five (5) MW and a maximum of twenty (20) MW.

(b) A Dispatchable Demand Response Resource’s Operating Tolerance in each Dispatch Interval is equal to the Resource’s Maximum Emergency Capacity Operating Limit multiplied by five percent (5%), subject to a minimum of five (5) MW and a maximum of twenty (20) MW.

(c) The Common Bus Operating Tolerance for each Market Participant registered at a Common Bus is equal to the sum of that Market Participant’s Resources’ Maximum Emergency Capacity Operating Limits for Resources that are on-line multiplied by five percent (5%), subject to a minimum of five (5) MW and a maximum of twenty (20) MW.

For the purposes of determining URD exemptions for Resources that are part of a Common Bus as described under Section 5.3.1(a)(iv) of this Attachment A, each Asset Owner’s Resources’ combined average ramped MW Setpoint Instruction and combined actual average MW output at the Common Bus will be used to calculate URD Megawatts at the Common Bus for the Dispatch Interval for each Asset Owner.

(d) If the absolute value of a Resource’s URD is greater than the Resource’s Operating Tolerance in any Dispatch Interval, SPP shall calculate an URD Charge equal to the Resource URD Megawatt multiplied by the Locational Marginal Price for that Settlement Location.

(e) A Resource’s Operating Tolerance in each Dispatch Interval is increased by the quantity of Regulation service being maintained on the Resource as indicated in the Ancillary Service Plan (MW) for the Operating Hour.
5.3.1 Uninstructed Resource Deviation Exemptions

(a) A Resource will receive a URD exemption in a Dispatch Interval under the following situations:

(i) The Resource trips off-line or is derated after receiving Dispatch Instructions; or

(ii) There is missing or bad Resource Supervisory Control and Data Acquisition (“SCADA”) data in the Dispatch Interval; or

(iii) If a Dispatch Instruction is issued to a Resource beyond the reported capabilities due to the application of a VRL; or

(iv) If the Resource is part of a Common Bus and the URD calculated at the Common Bus is less than the Operating Tolerance calculated at the Common Bus; or

(v) If the URD results from an event of force majeure or, in the case of a Variable Energy Resource, if the URD results from extremely high wind or other extreme weather-related conditions materially and directly impacting a Variable Energy Resource’s ability to provide or reduce output of Energy. For purposes of this subsection, the term force majeure shall have the meaning described under Section 5.1 of this Tariff except that acts of curtailment shall not qualify for exemption; or

(vi) If the Resource has been issued an OOME for Energy.

In the event a Resource does not receive a URD exemption in a Dispatch Interval, SPP shall determine through the dispute process, in accordance with the invoice dispute process as provided in Section 7.3 of this Attachment A, whether an exemption to a URD will be given. The Market Participant may provide SPP with adequate documentation in order for the Market Participant to be eligible to avoid such URD. Adequate documentation may include but is not limited to an audio file documenting a call between the Market Participant and SPP.
5.4 Real-Time Out-of-Merit Energy Amount

A Setpoint Instruction from a WRTBM OOME that results in a cost at the Resource qualifies the Resource for a payment. Resources that the Market Monitor determines were selected in a discriminatory manner, and such Resources were affiliated with the issuing party are not eligible to receive a WRTBM OOME payment. The amount will be calculated on a Dispatch Interval basis as follows:

(1) Each Resource with an OOME instruction that results in an increase in Resource output that creates a sale or an increase in a sale to the WEIS Market will be paid, for its additional output attributable to its response to the OOME dispatch instruction, at the higher of the LMP determined by the security constrained economic dispatch for the Resource Settlement Location or the Resource offer curve price at the OOME dispatch point (“OOME Sale Compensation”). If such offer price exceeds the LMP, the difference between the two prices will be multiplied by the minimum of the OOME dispatch instruction and actual output minus the Resource schedule quantity in order to calculate the credit that is recoverable through the revenue neutrality uplift process (Section 5.5 of this Attachment A). The OOME Sale Compensation shall be limited to the amount necessary to compensate the resource for any under-recovery resulting from its response to the OOME dispatch instruction.

(2) Each Resource with an OOME instruction that results in a decrease in Resource output that creates a purchase or an increase in a purchase from the WEIS Market will pay, for its WEIS Market purchase attributable to its response to the OOME Dispatch Instruction, at the lower of the LMP determined by the security constrained economic dispatch for the Resource at the Settlement Location or the Resource offer curve price at the OOME dispatch point (“OOME Purchase Compensation”). If the LMP exceeds such offer price, the difference between the two prices will be multiplied by the Resource expected quantity minus the maximum of the OOME Dispatch Instruction and the actual output in order to calculate the credit that is recoverable through the revenue neutrality uplift process (Section 5.5 of this
Attachment A). The OOME Purchase Compensation shall be limited to the amount necessary to compensate the resource for any under-recovery resulting from its response to the OOME dispatch instruction.

(3) To the extent that additional costs are incurred as a direct result of an OOME that are not addressed through the compensation mechanisms described in (1) and (2) above, Market Participants may request additional compensation through submittal of actual cost documentation to SPP. SPP will review the submitted documentation and confirm that the submitted information is sufficient to document actual costs and that all or a portion of the actual costs are eligible for recovery.
5.4.1 Real-Time Out-of-Merit Energy Distribution Amount

A system-wide charge will be calculated at each Settlement Location by Asset Owner granularity for each Dispatch Interval in order to fund the payments made to Resources with an OOME instruction under Section 5.4 of this Attachment A. The system-wide amount will be determined by multiplying an Asset Owner’s System-Wide Real-Time Out-of-Merit Energy Distribution Volume by a daily System-Wide Real-Time Out-of-Merit Energy Distribution Rate as described in Section 5.4.1(A) of this Attachment A.

A. The System-Wide Real-Time Out-of-Merit Energy Distribution Amount shall be calculated as follows:

The System-Wide Real-Time Out-of-Merit Energy Distribution Amount =

\[(\text{System-Wide Real-Time Out-of-Merit Energy Distribution Rate}) \times \text{(System-Wide Real-Time Out-of-Merit Energy Distribution Volume})\]

(1) The System-Wide Real-Time Out-of-Merit Energy Distribution Rate is the sum of all Real-Time Out-of-Merit Energy payments for the Operating Day as calculated under Section 5.4 of this Attachment A, divided by the sum of Asset Owners’ System-Wide Real-Time Out-of-Merit Energy Distribution Volumes for all Settlement Locations for the entire Operating Day.

(2) An Asset Owner’s System-Wide Real-Time Out-of-Merit Energy Distribution Volume at a Settlement Location for a Dispatch Interval is equal to the sum of the following values that are calculated for each Dispatch Interval within the hour:

(a) The absolute value of actual metered generation or load in the Dispatch Interval; and

(b) The absolute value of scheduled Interchange Transactions in the Dispatch Interval.
5.5 Revenue Neutrality Uplift Distribution Amount

SPP shall perform the following calculation for each hour of the Operating Day for each Asset Owner and Settlement Location to ensure that SPP is revenue neutral over the Operating Day. SPP shall calculate hourly summations to each Market Participant for all Asset Owners it represents and shall calculate daily summations as specified in the WEIS Market Protocols. The calculations below can result in residual amounts due to rounding. SPP will sum up those residual amounts per Operating Day and include them in the WEIS Market budgeted expenses used to calculate the service cost.

Revenue Neutrality Uplift ("RNU") Distribution Amount =
Daily RNU Distribution Rate * RNU Distribution Volume * (-1)

(a) The Daily RNU Distribution Rate is equal to the Daily RNU Distribution Amount divided by the Daily RNU Distribution Volume.

(i) The Daily RNU Distribution Amount is equal to:

(1) The sum of all Asset Owners’ charges and payments calculated under Section 5.2 through 5.4 for the Operating Day; plus

(2) Any other charges and credits not accounted for under Section 5.2 through 5.4 for the Operating Day.

(ii) The Daily RNU Distribution Volume is equal to the sum of all Asset Owners’ RNU Distribution Volumes for the Operating Day.

(b) An Asset Owner’s RNU Distribution Volume at a Settlement Location for an hour is equal to the sum of:

(i) The absolute value of actual metered generation or load in the hour; and

(ii) The absolute value of scheduled Interchange Transactions in the hour.
6. **Release of Offer Curve Data**

   SPP will release the hourly Offer Curves for Dispatchable Resources ninety (90) days after the day for which the offer was submitted. Such information released by SPP will not include the identity of the Market Participant that submitted the Offer Curve.
7. Billing

SPP shall prepare a billing statement each billing cycle in accordance with this Section of Attachment A. Such billing statements shall be prepared for each Market Participant in accordance with the charges and credits specified in Section 5 of this Attachment A, and showing the net amount to be paid or received by the Market Participant. Billing statements shall provide sufficient detail, as specified in the WEIS Market Protocols, to allow verification of the billing amounts and completion of the Market Participant’s internal accounting. Unresolved billing disputes shall be settled in accordance with procedures specified in the Dispute Resolution Procedures in Section 7 of this Tariff.

For purposes of Section 7 of this Attachment A, data and invoices are “finalized” 365 days after the relevant Operating Day. Finalized data and invoices shall not be subject to further correction, including by SPP, except as ordered by the Commission or a court of competent jurisdiction; provided, however, that nothing herein shall be construed to restrict any stakeholder’s right to seek redress from the Commission in accordance with the Federal Power Act.
7.1 Settlement Statements

(a) SPP shall issue a preliminary Scheduled Settlement Statement for an Operating Day no later than seven (7) calendar days following the applicable Operating Day unless the seventh (7) day following the applicable Operating Day is not a business day, in which case, the preliminary Settlement Statement shall be issued on the first business day thereafter. This preliminary Scheduled Settlement Statement is defined as an S7 Scheduled Settlement Statement.

(b) SPP shall issue a second Scheduled Settlement Statement for an Operating Day no later than fifty-three (53) calendar days following the applicable Operating Day unless the fifty-third (53) calendar day following the applicable Operating Day is not a business day, in which case, the S53 Settlement Statement shall be issued on the first business day thereafter. This second Scheduled Settlement Statement is defined as an S53 Scheduled Settlement Statement.

(c) SPP shall issue a final Scheduled Settlement Statement for an Operating Day no later than one hundred and twenty (120) calendar days following the applicable Operating Day unless the one hundred and twentieth (120) calendar day following the applicable Operating Day is not a business day, in which case, the S120 Scheduled Settlement Statement shall be issued on the first business day thereafter. This final Scheduled Settlement Statement is defined as an S120 Scheduled Settlement Statement.

(d) SPP shall make corrections to Settlement Statements for an Operating Day for Data Errors, Software Errors, and Settlement Statement disputes in accordance with Section 7.3 of this Attachment A. Settlement associated with a specific Operating Day shall be considered final at the end of the three hundred sixty-fifth (365) calendar day following the applicable Operating Day. “Finalized” data and invoices shall not be subject to further correction, including by SPP, except as ordered by the Commission or a court of competent jurisdiction; provided, however, that nothing herein shall be construed to restrict any stakeholder’s right to seek redress from the Commission in accordance with the Federal Power Act.
(e) To the extent that a Market Participant, or its designated Meter Agent, does not submit meter data representing that Market Participant’s actual Resource output and load consumption, either on a five (5) minute basis or an hourly basis in accordance with the timelines and formats specified in the WEIS Market Protocols, SPP shall use estimated data for that Market Participant that is equal to that Market Participant’s telemetered generation and load for the applicable intervals or State Estimator values if telemetered values are not available for the purposes of calculating the preliminary statements specified under Section 7.3 of this Attachment A. To the extent a Meter Agent does not submit data representing the metering of each interconnecting tie-line between Settlement Areas, SPP will substitute State Estimator values. In the event that actual meter data is not submitted prior to the issuance of an S120 Scheduled Settlement Statement, SPP shall use the best available data, which may include estimated meter data as developed by SPP, for the purposes of calculating S120 Scheduled Settlement Statements.
7.1.1 Resettlements

Resettlements for a given Operating Day will be considered by SPP for the following reasons:

(a) Software Errors and Data Errors

   (i) SPP, in its discretion, may correct its Software Errors and/or Data Errors and resettle the relevant Operating Day(s), as closely as practicable, to the outcome that would have resulted but for the relevant Software Error or Data Error based on the following:

      (1) Software Errors and/or Data Errors that are identified by SPP or submitted through the dispute process within ninety (90) calendar days of the affected Operating Day will be considered for Resettlement.

      (2) Software Errors and/or Data Errors that result in incremental differences between any two consecutive Settlement Statements subsequent to S7 Scheduled Settlement Statement will be considered for Resettlement if identified by SPP or submitted through the dispute process within thirty (30) calendar days of the posting of the applicable Settlement Statement.

   (ii) If the correction of the relevant Software Error and/or Data Error would require WEIS Market price corrections, SPP will address such errors in accordance with the procedures in Section 4.5 of this Attachment A.

(b) Granted Disputes

   (i) SPP will resettle Operating Days for a granted dispute in accordance with the guidelines in Section 7.3 of this Attachment A.

(c) Per FERC or court order

   (i) SPP will resettle Operating Days as required by FERC or court order.
7.2 **Invoices**

(a) SPP shall issue an invoice detailing all charges and credits specified in Section 5 of this Attachment A on a weekly basis in accordance with the invoice issue dates specified in the WEIS Market Protocols.

(b) SPP shall make payments to the Market Participant for any net credit shown on the invoice and the Market Participant shall make payment to SPP for any net charge shown on the invoice, including disputed amounts. Resolution of disputed amounts shall be shown as an adjustment on future invoices.

(c) Market Participants shall make payment to SPP that is equal to the net charge shown on the invoice by no later than 1700 CPT on the 4th Business Day following the day the invoice was issued.

(d) SPP shall make payment to the Market Participant that is equal to the net credit shown on the invoice by no later than 5:00 pm Central Prevailing Time on the 6th Business Day following the day the invoice was issued subject to the procedures specified under Attachment I to this Tariff.

(e) All payments to the Market Participant and all payments to SPP shall be made by electronic funds transfer in U.S. dollars.
7.3 Invoice Disputes

In the event that a dispute arises between the Market Participant and SPP concerning any Settlement Statements contained within an invoice that cannot be resolved to the Market Participant’s satisfaction, such disputes shall be resolved as follows:

(a) Disputes relating to an S7 Scheduled Settlement Statement or S53 Scheduled Settlement Statement:

   (i) The Market Participant must notify SPP within ninety (90) calendar days of the applicable Operating Day of the items that the Market Participant wishes to dispute.

(b) Disputes relating to the S120 Scheduled Settlement Statement, or any subsequent Settlement Statement:

   (i) Must relate only to material incremental changes between issuance of the relevant consecutive Settlement Statements. Material for the purpose of this section is defined as a dispute wherein more than $2,000.00 is at issue for the Market Participant for the impacted Operating Day. The Market Participant must submit documentation supporting the materiality of the dispute for consideration.

   (ii) Must be filed within thirty (30) calendar days following the posting of the applicable Settlement Statement that the Market Participant wishes to dispute.

(c) The notice of dispute must contain the following minimum information:

   • Request Type
   • Subject
   • Full Description
   • Statement Type
   • Charge Type
   • Settlement Location
   • Operating Day
   • Start Interval
   • End Interval
   • Dispute Amount
   • Proposed Resolution
   • Market Participant
• **Asset Owner**

(d) If SPP determines that additional information is required concerning a submitted notice of dispute, SPP shall notify the Market Participant no later than thirty (30) days following the date the notice of dispute was submitted to SPP. The Market Participant must then submit additional information to SPP within thirty (30) days in order to have the notice of dispute considered valid.

(e) SPP shall use its best efforts to notify the Market Participant of approval or denial of the submitted notice of dispute within twenty (20) business days following the close of the applicable ninety (90) day or thirty (30) day window specified under this Subsection 7.3 of this Attachment A. If SPP estimates that it will take longer than the twenty (20) business day window to analyze a specific billing dispute, SPP shall notify the Market Participant and provide an estimate of the amount of time required to complete this analysis.

If SPP denies a Market Participant’s notice of dispute or the Market Participant is not satisfied that it is receiving timely consideration of the dispute, the Market Participant may initiate the dispute resolution procedures specified under the Dispute Resolution Procedures in Section 7 of the Tariff.
7.4 Interest on Unpaid Balances

Interest on any unpaid amounts shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the invoice to the date of payment.
7.5 **Customer Default**

Customer default will be handled in accordance with Attachment I to this Tariff (Distribution of Other Revenues) and Attachment H to this Tariff (Credit Policy).
8. **Confidentiality Provisions**

This Section 8 shall apply to Confidential Information disclosed by a Market Participant to SPP or by SPP to a Market Participant or its designee, the Market Monitor, the Commission, or an Authorized Requestor and shall only be applicable to Confidential Information referenced within this Attachment A as well as Attachment B and Attachment C to this Tariff.
8.1 Restrictions on Confidential Information Provided to Receiving Party

SPP or any Market Participant ("Receiving Party") may not Disclose Confidential Information received from the other ("Disclosing Party") to any person, corporation, or any other entity except as specifically permitted in this Section 8 of this Attachment A.

A Market Participant that is subject to a freedom of information or similar statute must, prior to receiving Confidential Information, provide SPP a statement identifying and forwarding copies of the particular statute, rule or regulation, protective order, or practice that will allow that Market Participant to keep Confidential Information received by it hereunder confidential and non-public, and of limited distribution within the Market Participant as described above. In the event that such Market Participant receives a request pursuant to the applicable freedom of information or similar statute for information deemed confidential pursuant to this section, the Market Participant shall promptly notify the Disclosing Party of such request.
8.1.1 Procedures for Confidential Information

Receiving Party shall adopt procedures within its organization to maintain the confidentiality of all Confidential Information. Such procedures must provide that:

(a) The Confidential Information will be Disclosed to Receiving Party's directors, officers, employees, representatives and agents only on a "need to know" basis;

(b) Receiving Party shall make its directors, officers, employees, representatives and agents aware of Receiving Party's obligations under this Section 8;

(c) Receiving Party shall cause any copies of the Confidential Information that it creates or maintains, whether in hard copy, electronic format, or other form, to identify the Confidential Information as such; and to retain such confidential marking;

(d) Before Disclosing Confidential Information to a representative or agent of Receiving Party, Receiving Party shall require a nondisclosure agreement with each such representative or agent. Such nondisclosure agreement shall contain confidentiality provisions substantially similar to the terms of this Section 8.

Any Receiving Party seeking to dispute the designation of information as confidential may challenge such designation through the SPP dispute resolution process as established in the Dispute Resolution Procedures in Section 7 of this Tariff, unless the Receiving Party has received Confidential Information in connection with a proceeding at the Commission or in connection with a state regulatory proceeding. Any challenge to the confidentiality of Confidential Information obtained in connection with an administrative or legal proceeding shall be presented for consideration to the appropriate court or tribunal.
8.1.2 Exceptions

Without violating the confidentiality provisions of this Section 8, a Receiving Party may disclose certain Confidential Information:

(a) As required by any law, regulation, or order, or expressly required or permitted by this Tariff, provided that the Receiving Party must make reasonable efforts to restrict public access to the Disclosed Confidential Information by protective order, by aggregating information, or otherwise if reasonably possible; or

(b) If the Disclosing Party that supplied the Confidential Information to the Receiving Party has given its prior written consent to the Disclosure as set forth in Subsection 8.1.4(c), which consent may be given or withheld in Disclosing Party's sole discretion; or

(c) If, before it is furnished to Receiving Party, the Confidential Information is in the public domain; or

(d) If, after it is furnished to Receiving Party, the Confidential Information enters the public domain other than through a manner inconsistent with the provisions of this Section; or

(e) If reasonably deemed by the Receiving Party to be required to be Disclosed in connection with a dispute between Receiving Party and Disclosing Party; provided that the Receiving Party must make reasonable efforts to restrict public access to the Disclosed Confidential Information by protective order, by aggregating information, or otherwise if reasonably possible; or

(f) To a vendor or prospective vendor of goods and services to SPP so long as such vendor or prospective vendor: (i) is not a Market Participant and (ii) executes a confidentiality agreement with terms substantially similar to those in this Section 8.
8.1.3 Injunctive Relief and Specific Performance

It may be impossible or very difficult to measure in terms of money the damages that would accrue due to any breach by Receiving Party of this Section 8, or any failure to perform any obligation contained in this Section 8, and, for that reason, among others, a Disclosing Party affected by a Disclosure or threatened Disclosure is entitled to injunctive relief, including specific performance, of this Section 8 (but is not hereby precluded from seeking other forms of relief). In the event that a Disclosing Party institutes any proceeding to enforce any part of this Section 8, the affected Receiving Party, by entering any agreement incorporating this Tariff, now waives any claim or defense that an adequate remedy at law exists for such a breach.
8.1.4 Market Participant Access and SPP Use of Confidential Information

(a) No Market Participant shall have a right hereunder to receive or review any documents, data, or other information of another Market Participant, including documents, data, or other information provided to SPP, to the extent such documents, data, or information have been designated as Confidential Information under this Section 8; provided, however, a Market Participant may receive and review any composite documents, data, and other information that may be developed based on such Confidential Information if the composite does not, directly or by its nature, disclose any individual Market Participant's confidential data or information.

(b) SPP shall collect and use Confidential Information only in connection with its authority under this Tariff and the retention of such information shall be in accordance with SPP's retention policies. Except as otherwise provided in Sections 8.1.2, 8.1.5, 8.2 and 8.3, SPP shall not disclose to Market Participants or to third parties, any Confidential Information of a Market Participant or a Market Participant Applicant; provided that nothing contained herein shall prohibit SPP from providing Market Participant Confidential Information to NERC or any of its Regional Reliability Councils to the extent that: (i) SPP determines, in its reasonable discretion, that the exchange of such information is required to enhance and/or maintain reliability within the WEIS Region and its neighboring Balancing Authorities; (ii) such receiving entity is bound by a written agreement to maintain such confidentiality; and (iii) SPP has notified the affected Market Participant of its intention to release such information no less than five (5) Business Days prior to the release.

(c) Nothing contained herein shall prevent SPP from releasing a Market Participant's Confidential Information to a third party provided that the Market Participant has delivered to SPP specific, written authorization for such release setting forth the data or information to be released, to whom such release is authorized, and the period of time for which such release shall be authorized. SPP shall limit the release of a Market Participant's Confidential Information to that specific authorization received from the Market Participant. Nothing herein shall prohibit a Market
Participant from withdrawing such authorization upon written notice to SPP who shall cease such release as soon as practicable after receipt of such withdrawal notice.

(d) Nothing contained herein shall prevent SPP from releasing a Market Participant's Confidential Information to a Joint Dispatch Transmission Service Provider for purposes of transmission operations provided that: (i) SPP determines, in its reasonable discretion, that the exchange of such information is required to enhance and/or maintain reliability within the WEIS Region and its neighboring Balancing Authorities; (ii) such receiving entity is bound by a written agreement to maintain such confidentiality; and (iii) SPP has notified the affected Market Participant of its intention to release such information no less than five (5) Business Days prior to the release.
8.1.5 Required Disclosure

(a) Notwithstanding anything in this Section 8 to the contrary except Section 8.2, Section 8.3 and Section 8.4, if a Receiving Party is required by applicable law, or in the course of administrative or judicial proceedings, other than Commission or state regulatory proceedings or investigations, to Disclose to third parties, other than to the Commission or its staff, Confidential Information that is otherwise required to be maintained in confidence pursuant to this Tariff, the Receiving Party subject to such Disclosure requirement may Disclose such information; provided, however, that the Receiving Party shall not release the data until the affected Disclosing Party(ies) provide written consent or until the affected Disclosing Party's(ies') legal avenues to prevent the disclosure are exhausted.

As soon as the Receiving Party learns of the Disclosure requirement and prior to making Disclosure, it shall notify the affected Disclosing Party(ies) of the requirement and the terms thereof and the date on which it may be required to Disclose the information. The affected Disclosing Party(ies) may direct, at their sole discretion and cost, any challenge to or defense against the Disclosure requirement. The Receiving Party shall cooperate with such affected Disclosing Party(ies) to the maximum extent practicable to minimize the Disclosure of the Confidential Information consistent with applicable law. To the extent reasonably possible, the confidentiality of Confidential Information subject to this Section 8.1.5 will be maintained with (a) a protective order, (b) other procedures available for protecting confidential data or (c) by aggregating data to prevent Disclosure of Confidential Information.

Each Receiving Party shall cooperate with the affected Disclosing Party(ies) to obtain proprietary or confidential treatment of such Confidential Information by the person to whom such information is Disclosed prior to any such Disclosure.

(b) Section 8.1.5(a) does not apply to Disclosure of information to the Commission or its staff or to a state regulator or its staff.
8.1.6 Limitations

Nothing contained in Section 8.1 through and including 8.1.5 shall require any Receiving Party to violate any law or file a lawsuit in order to prevent disclosure of Confidential Information.
8.2 Confidentiality Provisions Applicable to the Market Monitor Reporting to the Board of Directors

For the purposes of this Section 8.2, references to Market Monitor shall mean the Market Monitor as defined under Section 3.1 of Attachment C to this Tariff.

(a) Notwithstanding anything in this Section 8 to the contrary, in order to enable the Market Monitor to discharge its duties, SPP is authorized to provide Market Participant Confidential Information and any other information, data or materials that constitutes Confidential Information under this Tariff to the Market Monitor. For purposes of Confidential Information provided by SPP to the Market Monitor, SPP will be considered to be a Disclosing Party, and for purposes of this Section 8.2, the Market Monitor will treat both SPP and, if known to the Market Monitor, the Market Participant originally providing specific Confidential Information as Disclosing Parties in the event the Market Monitor receives a request for Confidential Information under this Section 8.2.

(b) The Market Monitor shall use all reasonable procedures necessary to protect and preserve the confidentiality of all Confidential Information as defined in Section 8.1 received by it in connection with the discharge of its duties.

(c) Except as may be required by subpoena or other compulsory process or as set forth in Sections 8.4(a) and 8.4(b), the Market Monitor shall not Disclose Confidential Information to any person or entity except to the Commission or its staff or without prior written consent. Upon receipt of a subpoena or other compulsory process for the Disclosure of Confidential Information, the Market Monitor shall promptly notify the affected Disclosing Party(ies) that originally provided the data and shall provide all reasonable assistance requested by the affected Disclosing Party(ies) to prevent Disclosure, and if possible under the terms of the subpoena or other compulsory process shall not release the data until the affected Disclosing Party(ies) provide written consent or until the affected Disclosing Party(ies’) legal avenues to prevent disclosure are exhausted. To the extent reasonably possible, the confidentiality of a Confidential Information subject to this Subsection 8.2(b) will be maintained with (i) a protective order, (ii) other procedures available or
protecting confidential data or (iii) by aggregating data to prevent Disclosure of Confidential Information.
8.3 Disclosure to Commission

(a) Notwithstanding any provisions of this Section 8 to the contrary, if the Commission or its staff, during the course of an investigation or otherwise, requests Confidential Information from SPP and/or the Market Monitor that is otherwise required to be maintained in confidence pursuant to this Tariff, SPP and/or the Market Monitor, as applicable shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. Should SPP and/or the Market Monitor require additional time to provide the information requested due to logistical matters such as the volume of information requested or technical complexity involved, SPP and/or the Market Monitor will promptly communicate that need to the individual requesting the information and they shall establish the time for production of the requested information.

(b) In providing the information to the Commission or its staff, SPP and the Market Monitor shall, consistent with 18 C.F.R. §§ 1b.20 and/or 388.112, request that the Confidential Information be treated as confidential and non-public by the Commission and its staff and that the Confidential Information be withheld from public disclosure. SPP and/or the Market Monitor shall promptly notify the affected Disclosing Party(ies) that originally submitted the requested Confidential Information when it receives from the Commission or its staff a request for Disclosure of Confidential Information.
8.4 Disclosure to Authorized Agencies
8.4.1 Basic Requirements for Disclosure

For the purposes of this Section 8.4 Authorized Agency is a state regulatory commission which is authorized (or will be authorized upon satisfaction of the requirements herein) to receive confidential information pursuant to this section. The term Authorized Agency also includes state commissions acting jointly either through a regional state committee or otherwise. An Authorized Requestor is a representative of an Authorized Agency.

SPP and/or Market Monitor shall only disclose Confidential Information, otherwise required to be maintained in confidence pursuant to Attachment A to this Tariff, to an Authorized Requestor solely under the following conditions:

(a) The Authorized Requestor has executed a non-disclosure agreement with SPP, stating:
   i. the position he or she holds within or the relationship he or she has with the Authorized Agency for which he or she will be an Authorized Requestor;
   ii. that he or she is authorized to enter into and perform the obligations of the non-disclosure agreement;
   iii. that the relevant Authorized Agency has practices or procedures adequate to protect against the unauthorized release of any Confidential Information received pursuant to the non-disclosure agreement;
   iv. that he or she is familiar with, and will comply with, any applicable practices or procedures of the Authorized Agency which the Authorized Requestor represents; and
   v. that he or she is not in breach of any non-disclosure agreement entered into with SPP.

(b) SPP is able to verify that the Authorized Agency employing or retaining the Authorized Requestor has provided SPP with the following information pursuant to Attachment F (Form of Non-Disclosure Agreement for Authorized Requestors) to this Tariff:
   i. a list of authority (including statutory) specifying the particular Authorized Agency’s duty, responsibility or authority in fulfillment of which it will make requests to SPP or the Market Monitor under this Section for information, including, but not limited to, that enumerated and described as
available to the Market Monitor in Attachment C to this Tariff; or, in the
case of regional state committee, an order of the Commission prohibiting
the release of Confidential Information by the regional state committee,
extcept in accordance with the terms of the non-disclosure agreement;

ii. a statement notifying and identifying to SPP that the Authorized Agency
has practices or procedures in place adequate to protect against the
unauthorized release of Confidential Information; and

iii. confirmation in writing that the Authorized Requestor is authorized by the
Authorized Agency to enter into the non-disclosure agreement and to
receive Confidential Information under Attachment A to this Tariff.

(c) The Authorized Agency has provided either an order or a certification from
counsel to such Authorized Agency or some other means acceptable to SPP,
confirming that:

(i) the Authorized Agency has statutory authority (or in the case of regional
state committee is in receipt of and bound by a Commission Order referred
to in Subsection (b)(i) above) to protect the confidentiality of any
Confidential Information received pursuant to the non-disclosure agreement
from public release or disclosure and from release or disclosure to any other
entity, including other agencies of state government, except to the extent
that such disclosure is required or permitted by state law;

(ii) except as provided in Subsection (d) below, the Authorizing Agency will
defend against any disclosure of Confidential Information pursuant to any
third party request through all available legal process, including, but not
limited to, obtaining any necessary protective orders;

(iii) the Authorizing Agency will provide SPP with prompt notice of any such
third party request or legal proceedings and will consult and cooperate with
SPP and/or any affected Market Participant in its efforts to deny the third
party request or defend against such legal process;

(iv) in the event a protective order or other remedy is denied, the Authorizing
Agency will direct Authorized Requestors authorized by it to furnish only
that portion of the Confidential Information that its legal counsel advises SPP in writing is legally required to be furnished;

(v) the Authorizing Agency will exercise its best efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information;

(vi) the Authorizing Agency has adequate practices or procedures in place to protect against the release of such Confidential Information; and

(vii) the Authorizing Agency has authorized the Authorized Requestor to enter into the non-disclosure agreement and to receive Confidential Information pursuant to this Attachment A to this Tariff and under the non-disclosure agreement, and can provide a written copy of such authorization.

(d) The certification from counsel for the Authorized Agency referred to in Subsection (c)(ii) above must affirmatively disclose any state law that will prohibit or prevent the Authorized Agency from defending against any disclosure of Confidential Information pursuant to any third party request as otherwise required by Subsection (c)(ii). In an instance where there is such a state law disclosed, such certification shall confirm that SPP would have notice of the third party request and standing to pursue legal processes, including the obtaining of a protective order, before the forum in which state law prohibits or prevents the Authorized Agency from taking such actions itself.
8.4.2 Schedule of Authorized Requestors

SPP shall maintain a schedule of all Authorized Requestors and the Authorized Agencies they represent, which shall be made available on its website or by written request. The schedule shall include phone numbers and e-mail addresses. Such schedule shall be compiled by SPP, based on information provided by any Authorized Requestor and/or Authorized Agency. SPP shall update the schedule promptly upon receipt of information from an Authorized Requestor or Authorized Agency, but shall have no obligation to verify or corroborate any such information, and shall not be liable or otherwise responsible for any inaccuracies in the schedule due to incomplete or erroneous information conveyed to and relied upon by SPP in the compilation and/or maintenance of the schedule.
8.4.3 Use of Confidential Information

The Authorized Requestor shall use the Confidential Information solely for the purpose of assisting an Authorized Agency in discharging its duty, responsibility or authority in fulfillment of which it authorizes Authorized Requestors to make requests for Confidential Information and for no other purpose. Any and all Authorized Requestors sponsored by the same Authorized Agency may have access to the Confidential Information that is provided to the sponsoring Authorized Agency pursuant to an information request described in Section 8.4.5.
8.4.4 **Limited Oral Disclosures**

(a) SPP or the Market Monitor may, in the course of discussions with an Authorized Requestor or Authorized Requestors in meetings or teleconferences, orally disclose information otherwise required to be maintained in confidence, without the need for a prior information request. Such oral disclosures shall provide enough information to enable the Authorized Requestors or their Authorized Agency to determine whether additional information requests are appropriate. SPP or the Market Monitor will not make any written or electronic disclosures of Confidential Information to the Authorized Requestor pursuant to this section. In any such discussions, SPP or the Market Monitor shall ensure that the individual or individuals receiving such Confidential Information are Authorized Requestors, orally designate Confidential Information that is disclosed, and refrain from identifying any specific affected Market Participant whose information is disclosed. SPP or Market Monitor shall also be authorized to assist Authorized Requestors in interpreting Confidential Information that is disclosed.

(b) SPP or the Market Monitor shall provide any affected Market Participant with oral notice of any oral disclosure promptly, but not later than one (1) business day after the oral disclosure. Such oral notice to the affected Market Participant shall include the substance of the oral disclosure, but shall not reveal any Confidential Information of any other entity and must be received by the affected Market Participant before the name of the affected Market Participant is released to the Authorized Requestor; provided, however, the identity of the affected Market Participant must be made available to the Authorized Requestor within two (2) business days of the initial oral disclosure.
8.4.5 Information Requests

(a) Form: Information requests to SPP or the Market Monitor shall be in writing, and shall include electronic communications addressed to SPP or to the Market Monitor as appropriate.

(b) Content: Each information request shall describe, in as much detail as possible, the particular information sought, including the time period for the requested information; provide a description of the purpose for which the information is being sought and state the time period for which it is expected that the information will need to be retained by the Authorized Requestor.

(c) Notice:

i. SPP or the Market Monitor shall provide an affected Market Participant with notice of and a copy of an information request by an Authorized Requestor as soon as possible, but not later than two (2) business days after the receipt of the information request.

ii. SPP shall maintain all information requests of a general nature in an electronic form accessible by Market Participants and Authorized Requestors. Such list shall not include those information requests that sought information of or about a named Market Participant or that would, in SPP’s view, otherwise be readily ascertainable as being directed toward Confidential Information from or about an individual Market Participant. On at least an annual basis SPP shall delete from the list all information requests for which the Confidential Information has been returned or destroyed by the Authorized Requestor.

(d) Disclosure: Subject to the provisions of Section 8.4.5(f) and (g) below, SPP or the Market Monitor shall supply the information sought to the Authorized Requestor in response to any information request within five (5) business days after the receipt of the information request, or within such longer period as may be specified by the information request, unless a timely objection has been made to the information request, or unless the requested information can only reasonably be made available within an extended time period.
To the extent that SPP or the Market Monitor cannot reasonably prepare and deliver the requested information within the five (5) business day period or any longer period specified in the information request, it shall, within such period, hold discussions with the Authorized Requestor and provide the Authorized Requestor with a mutually agreed upon written schedule for the provision of such remaining information. Upon providing the requested information to the Authorized Requestor, SPP or the Market Monitor shall provide a copy of the disclosed information to the Affected Participant(s), or provide a listing of the Confidential Information disclosed; provided, however, that SPP or the Market Monitor shall not reveal any affected Market Participant’s Confidential Information to any other Market Participant.

(e) Objection and Clarification: Notwithstanding Section 8.4.5(d) above, should SPP, the Market Monitor or an affected Market Participant object to an information request or any portion thereof, any of them or the Authorized Requestor may, within four (4) business days following SPP’s or the Market Monitor’s receipt of the information request, request, in writing, a conference with the Authorized Agency, or the Authorized Agency’s Authorized Requestor, to resolve differences concerning the scope or time period covered by the information request; provided, however, nothing herein shall require the Authorized Agency to participate in any conference.

Any party to the conference may seek assistance from FERC staff in resolution of the dispute. Should such conference be refused by any participant, or not resolve the dispute, then SPP, the affected Market Participant or the Authorized Agency may initiate appropriate legal action at FERC within three (3) business days following receipt of written notice from any participant refusing or terminating such conference. Any complaints filed at FERC objecting to a particular information request shall be designated by the party as a “fast track” complaint and each party shall bear its own costs in connection with such FERC proceeding.
If no FERC proceeding regarding the information request is commenced within such three-day period, SPP or the Market Monitor shall respond to the Information Request within five (5) business days or any longer period that may be specified by the information request, counted from the expiration of such three-day period.

When an information request pertains to a Market Participant, the affected Market Participant may request that clarifying information be included in the response.

(f) Opportunity to Respond to Confidentiality Claims: If the affected Market Participant, SPP or the Market Monitor considers the information sought by the information request as Confidential Information, the Authorized Requestor shall be provided an opportunity to challenge the designation or classification of the requested information as Confidential Information.

(g) Response to Tailored Request for Information from State Commissions: Market Monitor may respond to tailored requests for information from state commissions regarding general market trends and the performance of the wholesale market, but not for information designed to aid state enforcement actions. Granting or refusing such requests will be at the Market Monitor’s discretion, based on agreements worked out between SPP and the states, or otherwise based on time and resource availability.

(h) Limitation On Disclosure Obligation: SPP or the Market Monitor shall not be required to make disclosure in response to an information request: (i) in circumstances where an electronic data link, dedicated communication circuit or other hardware or third party services would be necessary to effectuate the disclosure; (ii) that is of a scope or extent materially similar to the flow of data from Market Participants to SPP or from SPP to the Market Monitor; (iii) that is unduly burdensome; or (iv) that is not pertaining to general market trends or the performance of SPP.
8.4.6 Limited Discussion of Confidential Information Among Authorized Requestors Sponsored By Different Authorized Agencies

Authorized Requestors who are parties to non-disclosure agreements but who are sponsored by different Authorized Agencies may discuss Confidential Information with each other, provided that:

(a) They have each requested and received from SPP or the Market Monitor such Confidential Information;

(b) At least one of such Authorized Requestors notifies SPP in advance of the identity of the other Authorized Requestor(s) with whom such Confidential Information will be discussed; and

(c) SPP confirms that the Authorized Requestors who will participate in the discussion received the Confidential Information as provided in Subsection (a) above. SPP shall respond to a notification under Subsection (b) above within two (2) business days from receipt of the notification.

SPP shall provide an affected Market Participant with notice of the planned discussion within two (2) business days from receipt of notification of the planned discussion. Such discussion among Authorized Requestors shall not change the status of the Confidential Information. It shall remain Confidential Information.
8.4.7 Breach of Non-Disclosure Obligations

In the event of any breach of a non-disclosure agreement:

(a) The Authorized Requestors and/or their respective Authorized Agency shall promptly notify SPP or the Market Monitor, who shall, in turn, promptly notify any affected Market Participant of any unauthorized release of Confidential Information provided pursuant to any non-disclosure agreement.

Upon notification, SPP will cease disclosure to the Authorized Requestor pursuant to any information requests and will make no disclosure pursuant to any information request pending from the Authorized Requestor until it can be determined after consultation with the Authorized Requestor, his or her Authorized Agency and the affected Market Participant that an appropriate combination of the following factors justifies resumption of the Authorized Requestor’s access to Confidential Information: (i) the unauthorized disclosure was not due to the intentional, reckless or negligent action or omission of the Authorized Requestor; (ii) there was no harm or economic damage suffered by the Affected Participant; (iii) there are now practices or procedures in place adequate to prevent a recurrence of the unauthorized disclosure; and/or (iv) similar good cause shown.

(b) If SPP or the Market Monitor receives from an Authorized Requestor or Authorized Agency a written notice that a breach has occurred, or FERC has made a ruling that a breach has occurred, SPP and/or, the Market Monitor shall terminate the non-disclosure agreement and require either the immediate return of all Confidential Information obtained by the Authorized Requestor pursuant to the non-disclosure agreement or a certification of its destruction.

SPP shall verify the breach in consultation with the Authorized Agency. If it is subsequently determined that there was no breach, or if otherwise justified by circumstances described in Subsection (b) above, SPP shall restore the status of the Authorized Requestor. Any other rights and remedies shall be pursuant to the terms of the non-disclosure agreement.
(c) No Authorized Requestor, who is an employee of an Authorized Agency, shall have responsibility or liability whatsoever under the non-disclosure agreement or Attachment A to this Tariff for any and all liabilities, losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with the release of Confidential Information to persons not authorized to receive it.

However, nothing in this Section 8.4.7.c is intended to limit the liability of any person who is not an employee of or a member of an Authorized Agency, to the degree not granted limitations as to liability under applicable state law of the Authorized Agency’s state, when such a person is under contract to perform services for the Authorized Agency, for any and all economic losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with such unauthorized release.
8.5 Preservation of Rights

Notwithstanding any provision in this Section 8, a Disclosing Party shall have the right to pursue all appropriate actions to prevent or contest any attempt to remove the confidential status or any order removing such confidential status of its Confidential Information.
8.6 Notice

Notwithstanding any provision in this Section 8 (except as detailed in Section 8.4), SPP shall provide at least five business days notice to the Disclosing Party of its intent to provide Confidential Information to any other entity. SPP shall not be required to provide such notice if such disclosure is prohibited by law or Order or required by law or Order prior to five business days.
Addendum 1 to Attachment A

Violation Relaxation Limit Values (VRLs)

This Addendum 1 to Attachment A sets forth the Violation Relaxation Limit Values (VRLs) to be used in conjunction with the operation of the WEIS Market.

<table>
<thead>
<tr>
<th>Constraint Type</th>
<th>Description</th>
<th>VRL [$/MW]</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Resource Capacity</td>
<td>The minimum and maximum MW dispatchable output of a resource as indicated in a Resource Offer.</td>
<td>100,000</td>
</tr>
<tr>
<td>(2) Global Power Balance</td>
<td>Energy needed to balance resources and load.</td>
<td>50,000</td>
</tr>
<tr>
<td>(3) Resource Ramp</td>
<td>The ramp capability of a resource as indicated in the resource plan.</td>
<td>5,000</td>
</tr>
<tr>
<td>(4) Operating Constraint</td>
<td>A MW limit that can be imposed on SPP related to MW flow across a market node, a manually-identified transmission constraint, a Watch List transmission constraint, a flowgate constraint, or a transmission constraint identified by SPP’s real-time contingency analysis.</td>
<td>$750 when the loading is greater than 100% and less than or equal to 101% at each network constraint at each Operating Constraint.</td>
</tr>
</tbody>
</table>
ATTACHMENT B
MARKET POWER MITIGATION PLAN
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1. Purpose and Objective

The Market Mitigation Measures (the “Measures”) contained within this Market Power Mitigation Plan provide for mitigation of the exercise of horizontal and vertical market power by Market Participants in certain specified circumstances. SPP shall implement the Market Power Mitigation Plan as defined in this Attachment B.
2. Definitions

For purposes of this Plan, capitalized terms shall have the meanings specified below:

2.1 Frequently Constrained Areas

As defined in Section 3.1.1 of this Attachment B.

2.2 Measures

Market Mitigation Measures for the WEIS Market as set forth in this document.

2.3 Performance Factor

The calculated ratio of actual fuel burn to either theoretical fuel use (design heat input) or the most recent heat rate performance test, consistent with the WEIS Market Protocols.

2.4 Plan

The Market Power Mitigation Plan for the WEIS Market as set forth in this document.

2.5 Resource-to-Load Distribution Factor (RLDF)

The simulated impact of incremental power output from a specific Resource ("source") on the loading of a specific flowgate based on delivery to a representation of the locational weighting of all loads within all Settlement Locations ("sink").

2.6 Transmission/Generation Owners

Any Market Participant owning or controlling both transmission and generation assets in the WEIS Region.

This section sets forth the market power mitigation measures that are applied in the WEIS Market.

3.1 Local Market Power Test

A Resource satisfying at least one of the following conditions is determined to have local market power:

(1) The Resource is located in a Frequently Constrained Area, as described in Section 3.1.1, and one or more of the transmission constraints that define the Frequently Constrained Area is binding.

(2) The Resource is not in a Frequently Constrained Area has a Resource-to-Load-Distribution Factor less than or equal to negative five percent (-5%) relative to a binding transmission constraint.

3.1.1 Frequently Constrained Areas

A Frequently Constrained Area is an electrical area identified by the Market Monitor that is defined by one or more binding transmission constraints that are expected to be binding for at least five-hundred (500) hours during a given twelve (12)-month period and within which one (1) or more suppliers are pivotal. All Frequently Constrained Area designations along with supporting analysis shall be posted on SPP’s website.

3.1.1.1 Pivotal Supplier Test

A supplier is pivotal when the energy output by any or some of its Resources jointly must be increased or decreased to resolve the binding transmission constraint during some or all hours. This will be determined utilizing transmission load flow cases or WRTBM market cases reflecting a variety of market conditions.

These load flow or market cases will be used to estimate: (i) the generation shift factors for all relevant Resources and relevant resources outside the WEIS Region relative to each potentially
constrained flowgate; (ii) the base loadings of Resources; and (iii) the base flows on each flowgate. A supplier is pivotal when a binding transmission constraint cannot be relieved by changing the base loadings for other suppliers’ Resources.

3.1.1.2 Initial Designation of Frequently Constrained Areas

The Market Monitor will define and recommend the Frequently Constrained Areas to the SPP Board of Directors prior to the start of the WEIS Market.

3.1.1.3 Changes to Frequently Constrained Area Designation

The Market Monitor shall reevaluate the Frequently Constrained Areas at least annually. A reevaluation may be performed more frequently if the Market Monitor believes that conditions have changed with respect to the binding transmission constraints that define a Frequently Constrained Area, or if congestion on constraints that are not designated as a Frequently Constrained Area warrant a new analysis. SPP may also propose an area be designated or undesignated as a Frequently Constrained Area to the Market Monitor. The Market Monitor will post the updated Frequently Constrained Area information along with the associated analysis on SPP’s website at least 14 calendar days prior to the Frequently Constrained Area updates becoming effective and will notify Market Participants of the posting. Market Participants may contact the Market Monitor within the 14 day posting period if there are concerns with the Market Monitor’s proposed updates. The Market Monitor will consider and respond to Market Participant concerns and will make updates if needed. The Market Monitor will notify Market Participant when updates become effective.

3.2 Mitigation Measures for Energy Offer Curves
Mitigated Energy Offer Curves shall be submitted on a daily basis by the Market Participant in accordance with the mitigated offer development guidelines in the WEIS Market Protocols. PPRs are not obligated to submit mitigated Energy Offer Curves. The mitigated Energy Offer Curve may be updated by the same schedule as the real-time Energy Offer.

A. The Energy Offer Curve conduct thresholds are as follows:

(1) For Resources located in a Frequently Constrained Area, the conduct threshold is a 17.5% increase above the mitigated Energy Offer Curve;

(2) For all other Resources the conduct threshold is a 25% increase above the mitigated Energy Offer Curve.

B. SPP shall apply mitigation measures by replacing the Energy Offer Curve with the mitigated Energy Offer Curve if:

(1) The Resource’s Energy Offer Curve exceeds the mitigated Energy Offer Curve by the applicable conduct threshold; and

(2) The Resource has local market power as determined in Section 3.1; and

(3) The Resource fails the Market Impact Test as described in Section 3.7

An Energy Offer Curve below $25/MWh will not be subject to mitigation measures for economic withholding.

C. The mitigated energy offer shall be the Resource’s short-run marginal cost of producing energy as determined by the unit’s heat rate, where applicable; fuel costs and the costs related to fuel usage, such as transportation and emissions costs (“total fuel related costs”); and Energy Offer Curve (“EOC”) variable operations and maintenance costs (“VOM”) as detailed in the WEIS Market Protocols.
D. Opportunity cost shall be an estimate of the Energy revenues net of short run marginal costs for the marginal forgone run time during the timeframe when the Resource experiences the run-time restrictions as detailed in the WEIS Market Protocols. The run-time restrictions shall be updated as specified in the WEIS Market Protocols, with more frequent updating to occur the fewer hours that remain available, consistent with the WEIS Market Protocols. The Market Participant may include in the calculation of its mitigated Energy Offer Curve an amount reflecting the resource-specific opportunity costs expected to be incurred under the following circumstances:

(1) Externally imposed environmental run-hour restrictions; or

(2) Physical equipment limitations on the number of starts or run-hours, as verified by the Market Monitoring Unit and determined by reference to the manufacturer’s recommendation or bulletin, or a documented restriction imposed by the applicable insurance carrier; or

(3) Fuel Supply Limitations.

Resource specific opportunity costs are calculated by forecasting Locational Marginal Prices based on futures contract prices for natural gas and the historical relationship between the SPP system marginal Energy component of LMP and the price of natural gas, as determined by the Market Monitoring Unit. The formulas and instructions in the price forecast model shall be determined by the Market Monitoring Unit and published in the WEIS Market Protocols as part of the Mitigated Energy Offer Development Guidelines, updated, as needed, by the Market Monitoring Unit. Such forecasts of LMPs shall take into account historical variability, and basis differentials affecting the Settlement Location at which the Resource is located for the three-year period immediately preceding the period of time in which the Resource is bound by the referenced restrictions, and shall
subtract therefrom the forecasted costs to generate energy at the Settlement Location at which the Resource is located, as specified in more detail in Appendix E of the WEIS Market Protocols. If the difference between the forecasted Locational Marginal Prices and forecasted costs to generate energy is negative, the resulting opportunity cost shall be zero. The Market Monitoring Unit will verify all Market Participants’ opportunity cost calculations for consistency and accuracy. When the Market Monitoring Unit determines that the market price for any period was not competitive, it will adjust the LMP forecasting process used in the opportunity cost calculations to ensure that forecasted LMPs do not reflect non-competitive market conditions.

The following formula shall apply to all mitigated Energy Offer Curves, where HeatRate = 1 for Resources for which heat rate is not applicable:

\[
\text{Mitigated Energy Offer (}/MWh) = \text{HeatRate (mmBtu/MWh)} \times \\
\text{Performance Factor} \times \text{Total Fuel Related Costs (}/mmBtu) + \text{EOC VOM (}/MWh) \\
+ \text{Opportunity Costs (}/MWh)
\]

E. The Market Participant shall submit heat rate curves, where applicable, descriptions of how spot fuel prices and/or contract prices are used to calculate fuel costs, variable fuel transportation and handling costs, emissions costs, and VOM to the Market Monitoring Unit. All cost data and cost calculation descriptions are subject to the review and approval of the Market Monitoring Unit to ensure reasonableness and consistency across Market Participants. The information will be sufficient for replication of the mitigated Energy Offer Curve and shall include, among other data, the following information:

(1) For fuel costs, Market Participants shall provide the Market Monitoring Unit with an explanation of the Market Participants’ fuel cost policy, indicating whether fuel purchases are subject to a fixed contract price and/or spot pricing and specifying the contract price
and/or referenced spot market prices. Any included fuel transportation and handling costs must be short-run marginal costs only, exclusive of fixed costs.

(2) For emissions costs, Market Participants shall report the emissions rate of each of their units and indicate the applicable emissions allowance cost.

(3) For VOM costs, Market Participants shall submit VOM costs, calculated in adherence with the Appendix E of the WEIS Market Protocols, reflecting short-run marginal costs, exclusive of fixed costs.

Further details associated with the development, validation, and updating of these costs are included in Appendix E of the WEIS Market Protocols.

F. For Demand Response Resources utilizing Behind-The-Meter Generation, the mitigated Energy Offer Curve shall be developed in the same manner as any other generating Resource as described above. For Demand Response Resources utilizing load reduction, the mitigated Energy Offer Curve shall reflect the quantifiable opportunity costs associated with the reduction, net of related offsetting increases in usage.

G. For Dispatchable Variable Energy Resources, the mitigated Energy Offer Curve may include, but shall not exceed, any quantifiable costs that vary by MWh output, including short-run incremental VOM. Mitigation will not apply to Non-Dispatchable Variable Energy Resources in the Western Real-Time Balancing Market; monitoring of Energy offers for Non-Dispatchable Variable Energy Resources will occur. Foregone opportunity revenue, such as Production Tax Credits, grossed-up for current marginal tax rates, and tradable emissions credits, may lead to a negative mitigated Energy Offer Curve.

H. A Market Participant that has a Resource with short-run marginal costs greater than the Safety-net Energy Offer Cap specified in Section 4.1.1 of
Attachment A to this Tariff may submit an Energy Offer Curve using the same guidelines for development of the Resource’s Mitigated Energy Offer Curve established in Appendix E of the WEIS Market Protocols. The Energy Offer Curve above $1,000/MWh must be equal to the Mitigated Energy Offer Curve and may include an adder with a maximum of $100/MWh due to the uncertainty of expected costs. For purposes of LMP calculation, the Energy Offer Curve will be limited to a maximum of $2,000/MWh and will have to be verified by the Market Monitor prior to the start of the applicable market clearing process. If the Energy Offer Curve cannot be verified prior to the start of the applicable market clearing process, then the Resource may be eligible to receive Real-Time Out-of-Merit payments for its actual costs after verification by the Market Monitor. The default value is $1,000/MWh for any offer above $1,000/MWh until the offer can be verified. If the verified Energy Offer Curve is greater than $2,000/MWh, the Energy Offer Curve will be capped at $2,000/MWh in the applicable market clearing process, and the Resource may be eligible for Real-Time Out-of-Merit Energy payments for actual costs exceeding $2,000/MWh. Market Participants must submit evidence of actual costs to the Market Monitor. The Market Monitor shall verify the actual costs for use in Real-Time Out-of-Merit Energy payments. In order to include the costs in the Real-Time Out-of-Merit Energy payments of the S120 Scheduled Settlement Statement, the submission must occur within 105 calendar days after the Operating Day and the verification must be complete no later than noon on the business day prior to 115 calendar days after the Operating Day.

I. In all cases under this Section 3.2, cost data submitted for the development of mitigated offers, including opportunity cost data, shall be subject to the confidentiality provisions set forth in Section 8 of Attachment A to this Tariff.

3.3 Validation of Mitigated Resource Offer Parameters
The Market Monitor shall review the costs included in each mitigated Resource Offer on an *ex-post* basis relative to the relevant Operating Day in order to ensure that the Market Participant has correctly applied the formulas and definitions in Section 3.2 of this Attachment B and in the WEIS Market Protocols and that the level of the mitigated offer is otherwise acceptable. If the mitigated offer determined by the Market Monitor and the Market Participant differ, Market Participant shall use the mitigated offer calculated by the Market Monitor going forward. If a Market Participant submits a dispute over its mitigated offer, the previously approved mitigated offer shall be used from the time the dispute is submitted until the dispute is resolved. The procedures for submitting and processing disputes related to mitigated energy offers shall be those specified in the WEIS Market Protocols. SPP shall remedy mitigated offer disputes resolved in favor of the Market Participant by providing payments through a miscellaneous adjustment, as necessary, to the Market Participant whose mitigated offer was improperly determined by the Market Monitor.

Each Market Participant is obligated to provide to the Market Monitor any cost data necessary to allow the Market Monitor to validate its mitigated Resource Offer.

The Market Monitor shall keep such data confidential, and all cost data submitted under this Section 3.3, including any opportunity cost data, shall be subject to the confidentiality provisions set forth in Section 11 of Attachment A to this Tariff. The Market Monitor shall develop and maintain on SPP’s website the mechanism and procedures to allow Market Participants to submit such cost data.

### 3.4 Additional Mitigation Measures for Resource Offer Parameters

The mitigation measures in this section apply to all Resource Offer parameters expressed in units other than dollars. A reference level for each applicable Resource Offer parameter that reflects the physical capability of the Resource shall be determined prior to the start of the WEIS Market by one or both of the following methods: (i) the reference levels will be determined through consultation between the Market Participant and the Market Monitor; and/or (ii) the reference levels will be based on averages of Resource Offer parameters from similar Resources. This methodology for setting reference levels for Offer parameters shall apply to all Resources at the start of the WEIS Market and to all
Resources that register subsequent to the start of the WEIS Market. SPP’s output forecast for a wind-powered Variable Energy Resource shall be used as the reference maximum output limit for the wind-powered Variable Energy Resource.

The following thresholds shall be used by SPP to identify Resource offers that may warrant mitigation and shall be determined with respect to the corresponding reference level:

Time-based Resource Offer parameters: An increase of three (3) hours, or an increase of six (6) hours in total for multiple time-based Resource Offer parameters.

Resource Offer parameters expressed in units other than time or dollars: One hundred percent (100%) increase for Resource Offer parameters that are minimum values, or a fifty percent (50%) decrease for Resource Offer parameters that are maximum values.

In the case that a Resource Offer fails the thresholds described above, the Market Monitor shall determine the impact on prices. If an impact exceeds the LMP thresholds in Section 3.7, the Market Monitor will initiate a discussion with the Market Participant concerning an explanation of the parameter changes. The Market Monitor will inform SPP of any potential issue. If SPP, in consultation with the Market Monitor, concludes that the Market Participant has demonstrated the validity of the submitted Resource Offer parameter, no further action will be taken. If not, SPP shall replace the Resource Offer parameter with the corresponding reference level. Mitigation measures will remain in place until such time that the Market Participant demonstrates the validity of the Resource Offer parameter or the Market Participant notifies the Market Monitor that the Resource Offer parameter has been changed to a value that is within the tolerance range as described above, and the Market Monitor has verified that this change has occurred. In the event that the Market Participant submits a dispute, the mitigation measure will remain in place until the resolution of the dispute.

In all cases under this Section 3.4, cost data submitted for the development of mitigated offers, including opportunity cost data, shall be subject to the confidentiality provisions set forth in Section 8 of Attachment A to this Tariff.
3.5 Market Impact Test

SPP will apply the following market impact test in the WEIS Market in the event the conditions described in Section 3.1 or 3.4 are satisfied:

After an initial market solution is computed with no mitigation measures in place, a second market solution, called the mitigated market solution, will be computed with the appropriate mitigation measures applied. If an LMP at a Settlement Location from the initial market solution exceeds the corresponding price from the mitigated market solution by the applicable impact test threshold then the mitigated market solution will be used for dispatch, commitment, and settlement purposes.

The LMP impact threshold is twenty-five dollars ($25) per megawatt hour.

4.1 Rights and Remedies

The Plan does not restrict SPP and Market Participants from asserting any rights they may have under state and federal regulation and laws, including initiating proceedings before the FERC regarding any matter which is subject to this Plan. Except as otherwise stated in this Plan, disputes as to the implementation of, or compliance with, this Plan shall be subject to the Dispute Resolution Procedures in Section 7 of this Tariff or may be raised with FERC.
ATTACHMENT C
MARKET MONITORING PLAN
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1. Purpose and Objective

1.1 Purpose of the Plan
This Market Monitoring Plan (the “Plan”) is intended to provide for the monitoring of the WEIS Market and submissions of recommendations to the FERC and the SPP Board of Directors.

1.2 Market Monitoring Plan
The Plan shall be developed, implemented and maintained by the Market Monitor. The Market Monitor has the responsibility for implementing the Plan by (a) continuously monitoring the WEIS Market, (b) recommending compliance and corrective actions per this Tariff, (c) collecting and retaining the data and information necessary for the performance of the Plan, (d) recommending updates to the monitoring plan contained within Attachment C to this Tariff, and (e) periodically reporting on the WEIS Market.

1.3 Mission Statement and Objectives of the Market Monitor
1.3.1 Mission Statement
The mission of the Market Monitor is to (a) monitor and report on possible abuses of horizontal and vertical market power and gaming in the WEIS Market by any Market Participant (b) identify market design flaws and recommend any changes in design to improve the operation of the WEIS Market for the benefit of consumers and Market Participants and (c) monitor Market Participants’ compliance with market rules.

1.3.2 Objectives
The Market Monitor will work to ensure that its functions and activities are implemented fairly and consistently, and that it protects and fosters competition while minimizing interference with open and competitive markets. Making recommendations to improve the operation of markets and preventing the exercise of market power in advance rather than punishing offenders afterward shall be the preferred approach.

The Market Monitor will evaluate existing and proposed market rules, Tariff provisions, and market design elements and recommend proposed rules and Tariff changes to SPP, the Commission’s Office of Energy Market Regulation (or its
successor organization) staff, and other interested entities such as state commissions and Market Participants. The Market Monitor will limit distribution of its identifications and recommendations to SPP and the Commission’s Office of Energy Market Regulation (or its successor organization) staff in the event that the Market Monitor believes that broader dissemination could lead to exploitation, with an explanation of why further dissemination should be avoided. The Market Monitor will review the performance of the WEIS Market and provide an annual report on the state of the market as provided in Section 7 of this Attachment C.

The Market Monitor will recognize that entities otherwise identified as having market power may engage in conduct giving the impression of market power but, after analysis by the Market Monitor, may prove to be pro-competitive and efficient. In making this distinction, the Market Monitor will generally focus on an analysis of the identified conduct and associated market impacts, rather than seeking to determine the intent of the Market Participant (e.g., conducting profitability analyses that would require comprehensive information on all the physical and final positions of a participant).

1.4 Independence of the Market Monitor

The Market Monitor shall be independent from Market Participants to perform those activities necessary to provide impartial and effective market monitoring within the scope of the Plan. Notwithstanding the foregoing, in the normal course the Market Monitor shall verify information with affected Market Participants prior to making recommendations or reports.

1.5 Resolution of Conflicts

In the event there is a conflict between this Attachment C and any other provision of this Tariff, this Attachment C will control.
2. Definitions

For purposes of this Plan, capitalized terms shall have the meanings specified below:

2.1 Confidential Information

The term defined under Attachment A to this Tariff.

2.2 Data and Information

Writings, documents and records of every type, including audio recordings and electronic files.

2.3 FERC Staff

The responsible office within FERC designated to receive reports submitted by market monitors.

2.4 Interested Government Agencies

The FERC and any state regulatory commission or agency with regulatory oversight responsibilities for the WEIS Region.

2.5 Western Energy Imbalance Service Market (“WEIS Market”)

The market as defined in Attachment A to this Tariff.

2.6 Plan

The Market Monitoring Plan set forth in this Attachment C.
3. **Market Monitor**

The Market Monitor is responsible for implementing the Market Monitoring Plan as defined in this Tariff.

### 3.1 Staffing and Resources

The Market Monitor shall be an organization within SPP reporting to the Board of Directors, excluding any SPP management representatives serving on the Board of Directors. The Market Monitor shall be comprised of employees of SPP with the necessary experience and qualifications to perform the duties of the Market Monitor. The duties and responsibilities of the Market Monitor shall be assigned by the Board of Directors. However, the Market Monitor’s duties and responsibilities will not include purely administrative matters (e.g., enforcement of late fees and the untimely submission of outage reports and meter data). SPP management representatives on the Board of Directors will be excluded from the Board of Directors’ oversight of the Market Monitor. SPP shall establish and provide appropriate staffing and/or resources for the Market Monitor and shall ensure that the Market Monitor has such adequate employees, funding and/or other resources, access to required information, and the full cooperation of SPP Staff, Organizational Groups, and other persons, as necessary, for the effective functioning of the Market Monitor and implementation of this Plan. The Market Monitor shall have full responsibility for implementing Attachment C.

### 3.2 Relationships and Notifications

As a general principle, the Market Monitor may obtain input from SPP, FERC Staff, SPP Staff, the RSC, and affected state regulatory authorities for the purpose of executing its duties. However, in accordance with this Tariff, the Market Monitor shall at any time bring any instances of market behavior that may require investigation (including, but not limited to, suspected Tariff violations, suspected violations of Commission-approved rules and regulations, suspected market manipulation, and inappropriate dispatch) to the attention of FERC’s Office of Enforcement (or its successor organization) staff. After any initial investigation of market design/policies, the Market Monitor shall also provide notification to the Board of Directors, the President of SPP, and FERC’s Office of Enforcement (or
its successor organization) staff, and other interested entities such as relevant state regulatory commissions and Market Participants, as soon as practicable in the event it identifies a significant market problem that may require (a) further investigation, (b) a change to this Tariff, or (c) referral to FERC. In the event the Market Monitor believes broader dissemination could lead to exploitation, it may limit distribution of its identifications and recommendations to the Board of Directors, the President of SPP, and FERC Staff with an explanation of why further dissemination should be avoided at that time.

The Market Monitor shall also interface with FERC Staff and other RTO and ISO market monitors in adjacent regions as needed for the purpose of addressing electricity market issues in a comprehensive manner. The Market Monitor shall promptly notify the President of SPP of all such notifications, communications or reports.

3.3 **Independence and Ethics Standards**

The Market Monitor and its employees shall abide by SPP’s Standards of Conduct, which shall be appropriate for establishing the professional and financial independence of the Market Monitor.

Consistent with this requirement, the Market Monitor and its employees shall:

(a) have no material affiliation with any Market Participant or any affiliate of a Market Participant;

(b) not serve as an officer, employee, or partner of a Market Participant;

(c) have no material financial interest in any Market Participant or any affiliate of a Market Participant (allowing for such potential exceptions as mutual funds and non-directed investments);

(d) not engage in any market transactions other than the performance of their duties under this Tariff;

(e) not be compensated, other than by SPP, for any expert witness testimony or other commercial services to SPP or to any other party in connection with
any legal or regulatory proceeding or commercial transaction relating to SPP;

(f) not accept anything of value from a Market Participant in excess of a *de minimis* amount;

(g) advise their relevant supervisor (or, in the case of the Market Monitoring management, SPP’s Board of Directors) in the event they seek employment with a Market Participant, and must disqualify themselves from participating in any matter that would have an effect on the financial interest of such Market Participant.

These restrictions are not exclusive of the other requirements specified in SPP’s Standards of Conduct. In the event there is a conflict between this Attachment C and SPP’s Standards of Conduct, this Attachment C will control.

The Market Monitor shall certify compliance with such policies to the President of SPP. The Market Monitor shall require any external consultants or experts to certify compliance with these policies.
4. **Market Monitoring**

4.1 **Markets to be Monitored**

The Market Monitor will monitor the WEIS Market. The Market Monitor will not monitor bilateral energy, transmission or capacity markets and services not administered, coordinated or facilitated by SPP, except to assess the effect of these markets and services on the WEIS Market, or the effects of the WEIS Market on these unmonitored markets. Similarly, the Market Monitor will not monitor the energy, transmission or capacity markets and services in regions adjacent to the WEIS Region except to assess the effect of these markets and services on the WEIS Market, or the effects of the WEIS Market on these adjacent markets.

4.2 **Market Monitoring Scope**

The Market Monitor will implement the Plan. The markets will require continuous monitoring by the Market Monitor. The Market Monitor will monitor the WEIS Market by reviewing and analyzing market data and information including, but not limited to:

(a) Resource registration data;
(b) Resource Offer data including non-price related offer parameters required for use in the WEIS Market;
(c) Export Interchange Transaction Bids and Import Interchange Transaction offers for the purchase and sale of Energy Imbalance in WEIS Market;
(d) Actual commitment and dispatch of Resources, including but not limited to Resource MW capability and output, MVAR capability and output, status, and outages;
(e) Locational Marginal Prices at all Settlement Locations in or affecting any of the WEIS Market;
(h) Data, including but not limited to demand, area control error, Net Scheduled Interchange, actual total net interchange, and forecasts of operating reserves and peak demand;
(i) Conditions or events affecting the supply and demand for, and the quantity and price of, products or services sold or to be sold in the WEIS Market;
(j) Information regarding transmission services and rights, including the estimating and posting of Available Transfer Capability (“ATC”) or Available Flowgate Capability (“AFC”), administration of this Tariff, the operation and maintenance of the transmission system, any auctions or other markets for transmission rights, and the reservation and scheduling of transmission service;

(k) Information regarding the nature and extent of transmission congestion in the region and, to the extent practicable, transmission congestion on any other system that affects the WEIS Market, including but not limited to causes of, costs of and charges for transmission congestion, transmission facility loading, MVA capability, line status and outages;

(l) Settlement data for the WEIS Market;

(m) Any information regarding collusive or other anticompetitive or inefficient behavior in or affecting the WEIS Market;

(n) Generation resource operating cost data for estimating resource incremental cost, including fuel input costs, heat rates where applicable, start-up fuel requirements, environmental costs and variable operating and maintenance expenses;

(o) Logs of transmission service requests and Generation Interconnection Requests along with the disposition of each request and the explanation of any refused requests; and

(p) Any additional Resource and transmission facility outage data not otherwise provided for in this Section 4.2.

4.2.1 Additional Market Monitor Duties

(a) In addition to the monitoring of market Data and Information, the Market Monitor may communicate with SPP Staff and Market Participants at any time for the purpose of monitoring and assessing market conditions.

(b) The Market Monitor shall evaluate the effectiveness of the WEIS Market in signaling the need for investment in new generation,
transmission or demand response infrastructure and report on its findings at least annually.

4.3 Referrals to the Commission
(a) The Market Monitor shall report suspected market violations, as defined in 18 CFR 35.28(b)(8), to FERC’s Office of Enforcement (or its successor organization) staff in accordance with the FERC’s reporting protocols for referrals by market monitors as specified in 18 C.F.R. § 35.28(g)(3)(iv) in a timely manner. Any such reports by the Market Monitor to FERC Staff shall be on a confidential basis, and all information and documents included in such reports will not be released to any other party except to the extent FERC directs or authorizes such release, unless such information and documents are already in the public domain.

4.4 WEIS Manipulation
The Market Monitor will monitor for potential instances of market manipulation in the WEIS. Such actions or transactions that are without a legitimate business purpose and that foreseeably could manipulate market prices, market conditions, or market rules for electric energy or electric products are prohibited. As listed by the FERC, prohibited behavior includes, but is not limited to (a) wash trades, (b) submission of false data, (c) actions to cause artificial congestion and (d) collusive acts. The Market Monitor will report any market manipulation in the WEIS Market in a timely manner.

4.5 Prohibited Exercise of Transmission Market Power
The Market Monitor shall monitor the WEIS Market for the exercise of transmission market power by reviewing and analyzing data and information related to the availability of transmission facilities that impact access to services under this Tariff. The Market Monitor will monitor for prohibited activities particularly with respect to the withholding of transmission facilities or transmission capacity, including activities such as but not limited to, the following:
(a) Physical withholding by Joint Dispatch Transmission Service Provider(s) by providing improper information related to the availability of transmission,
such as information related to the capability or other modeling data used by SPP for use in system operations;

(b) Economic withholding by Joint Dispatch Transmission Service Provider(s) through the use of methods and data for estimating costs of interconnection and system upgrades that is not comparable for affiliates and non-affiliates;

(c) Unavailability of transmission facilities through planned and unplanned maintenance outages that routinely exceed historical baselines; and

(d) Withholding of transmission capacity through excess reservations that are not actually used.

The Market Monitor shall refer any perceived market design flaws and recommended Tariff language changes to the Commission’s Office of Energy Market Regulation (or its successor office/organization). In addition, the Market Monitor shall refer any instance(s) of the suspected exercise of transmission market power directly to the Commission’s Office of Enforcement (or its successor organization) utilizing the protocols for referrals to the Commission for suspected instances of the exercise of market power that may be part of a suspected market violation, such as manipulation, in accordance with 18 C.F.R. § 35.28(g)(3)(iv). Where appropriate, the Market Monitor shall also provide the FERC with an estimate of damages equal to (i) the effect on prices multiplied by (ii) the affected energy produced by the Transmission/Generation Owner. The Market Monitor may also request the FERC to impose additional sanctions and penalties, which may consist of a fixed dollar amount based on each instance, or an amount up to (i) the effect on prices multiplied by (ii) the affected energy produced by Market Participants other than the Transmission/Generation Owner. All such referrals by the Market Monitor to FERC will be on a confidential basis, and all information and documents included in such reports will not be released to any other party except to the extent FERC directs or authorizes such release.
4.6 Prohibited Market Participant Behavior

The Market Monitor shall monitor the WEIS Market for potential abuse associated with the following categories of prohibited Market Participant behavior: (1) economic withholding; (2) uneconomic production; and (3) physical withholding. The mitigation measure for each of the behaviors identified in item (1) of this paragraph is described in Attachment B. When the Market Monitor determines that there is sufficient credible information about a specific abusive practice, the issue will be referred to the Commission’s Office of Enforcement (or its successor organization). Nothing in this section shall limit the Market Monitor’s obligation to refer other suspected market violations to the Commission’s Office of Enforcement, even where suspected behavior does not fall explicitly within the abovementioned categories or descriptions.

4.6.1 Uneconomic Production

The Market Monitor will monitor for cases where uneconomic production by a Resource causes congestion on transmission facilities that is not justified by reliability concerns. The provisions of this Section 4.6.1 shall not apply to Demand Response Resources.

(a) Potential uneconomic production will be indicated, and subject to further analysis as described in (b) of this Section 4.6.1, when the Resource has a positive Resource-to-Load Distribution Factor and any of the following conditions are met:

(1) a Resource is identified with an incremental energy offer price less than 50 percent of the applicable reference level; or

(2) a Resource is determined to be generating outside of its Operating Tolerance; or

(3) a Resource is subject to a time-based or other resource offer parameter (non-time and non-dollar based) that appears to facilitate production that is otherwise uneconomic.
(b) For any Resource meeting the conditions described in (a) of this Section 4.6.1, the Market Monitor shall determine whether: (i) the MW impact from uneconomic production associated with such Resource is exacerbating the transmission congestion; and (ii) the uneconomic production is not obviously justified by reliability or other operational concerns.

The Market Monitor will conduct evaluations as specified above and other related assessments to determine if there is sufficient credible information to justify referral to the Commission.

### 4.6.2 Physical Withholding

The Market Monitor will monitor for physical withholding of capacity from the WEIS, and unavailability of facilities. Physical withholding and unavailability of facilities may include:

(a) Declaring that a Resource has been derated, forced out of service or otherwise been made unavailable for technical reasons that are untrue or that cannot be verified;

(b) Refusing to provide offers or schedules for a Resource when it would otherwise have been in the economic interest to do so without market power;

(c) Operating a Resource in real-time to produce an output level that is less than the Dispatch Instruction minus the Resource’s Operating Tolerance defined in Section 4.1 of Attachment A to this Tariff and the Resource is not exempt from URD under Section 4.1 of Attachment A to this Tariff;

(d) Derating a transmission facility for technical reasons that are not true or verifiable;

(e) Operating a transmission facility in a manner that is not economic and that causes a binding transmission constraint or local reliability issue; and
(f) Declaring that the capability of Resources to provide Energy is reduced for reasons that are not true or verifiable.

Market Participants will not be deemed to be physically withholding if they are following the directions of SPP or the reliability coordinator, or applicable reliability standards. In addition, Market Participants will not be determined to have physically withheld if they are selling into another market at a higher price.

4.6.2.1 Thresholds for Identifying Physical Withholding of Resource Capacity

4.6.2.1.1 A Market Participant is deemed to be physically withholding capacity in a Frequently Constrained Area if all of the following conditions exist:

(a) One or more of the transmission constraints that define the Frequently Constrained Area are binding; and

(b) The Market Participant controls or owns a Resource that satisfies condition 4.6.2(a), 4.6.2(b), 4.6.2(c), or 4.6.2(f) of this Attachment C and is located in the Frequently Constrained Area identified in (a).

4.6.2.1.2 A Market Participant is deemed to be physically withholding capacity in an area not designated as a Frequently Constrained Area if all of the following conditions exist:

(a) One or more transmission constraints are binding; and

(b) The Market Participant owns or controls one of more Resources that have local market power as defined in Section 3.1 of Attachment B to this Tariff; and

(c) One of the following conditions apply:

(1) Such Resource(s) satisfy one of the conditions in Sections 4.6.2(a), 4.6.2(b), or
4.6.2(f) of this Attachment C and the total withheld capacity exceeds the lower of 5 percent of the total capability owned or controlled by the Market Participant or 200 MW; or

(2) Where the real-time output of each such Resource is less than the Dispatch Instruction minus the Resource’s Operating Tolerance defined in Attachment A, Section 4.1 of this Tariff and the Resource is not exempt from URD under Attachment A, Section 4.1 of this Tariff.

### 4.6.2.2 Thresholds for Screening of Potential Physical Withholding of Transmission Facilities

A transmission facility fails the physical withholding screen if either of the following conditions is met:

(a) The transmission facility satisfies a condition in Section 4.6.2(d) or 4.6.2(e) of this Attachment C; or

(b) The Market Monitor identifies a pattern of scheduling outages resulting in increased market costs compared to an alternative and lower cost impact outage schedule.

### 4.6.4.3 Sanctions

The Market Monitor will record instances where Market Participants have failed the screens in Sections 4.6.2.1 and 4.6.2.2 of this Attachment C. The Market Monitor will notify the Commission’s Office of Enforcement, or successor organization, of suspected physical withholding behavior. In the event the Market Monitor determines there is credible
evidence of a market violation, the Market Monitor shall make a referral to the Commission as described in Section 4.3 of this Attachment C.
5. **Review of Market Activity**

5.1 **Requests**

Any Market Participant or Interested Government Agency may raise any issue with the Market Monitor and request that the Market Monitor consider the issue in its monitoring and reporting. The Market Monitor may include this issue in its monitoring or reporting if it determines it is appropriate to do so. The Market Monitor should not monitor or report on any complaint pertaining to issues not related to the WEIS Market or activities not monitored and overseen by the Market Monitor.

Any requests by Market Participants and Interested Government Agencies to the Market Monitor may be made confidentially. The Market Monitor shall maintain the confidentiality to the extent practicable.
6. Compliance and Corrective Actions

6.1 Compliance

The Market Monitor shall administer the Market Monitoring Plan as described in this Attachment C and report any actual or potential abuse of market power or market design inefficiencies as part of its monitoring process. However, the Market Monitor’s activities are limited to matters that (i) are expressly set forth in this Tariff; (ii) involve objectively-identifiable behavior; and (iii) do not subject the Market Participant to sanctions or other consequences other than those expressly approved by the Commission and set forth in this Tariff.

As part of the monitoring process, the Market Monitor may issue a demand letter requesting Market Participants causing the issue to arise to change actions as the Market Monitor deems proper to achieve compliance and the Market Monitor may also engage in discussions with persons or entities other than Market Participants as necessary as part of any investigatory or compliance process.

6.2 Corrective Actions for Market Design

If the Market Monitor discerns any weaknesses or failures in market design and market rules, including the determination that the WEIS Market are not resulting in just and reasonable prices or providing appropriate incentives for investment in needed infrastructure, the Market Monitor shall advise the appropriate Organizational Group of SPP, the President of SPP, the RSC, appropriate state authorities, FERC Staff, and relevant Market Participants. In the event the Market Monitor believes providing such information could lead to exploitation, it will restrict such notification to the President of SPP, the Chairman of the SPP Oversight Committee, and FERC Staff, and will provide a justification for such limited notification.

Should SPP not respond within 60 days, the Market Monitor may recommend changes in market design and market rules to the Board of Directors, FERC and the RSC as needed. If SPP responds, but does not recommend changes to market design and market rules that are acceptable to the Market Monitor, the Market Monitor shall report to the Board of Directors and the appropriate regulatory body or bodies as needed, and then SPP may file a petition or submission seeking
appropriate action from FERC or any other appropriate enforcement agency. The Market Monitor shall make recommendations for changes to this Tariff as necessary to correct weaknesses or failures in the WEIS Market.

In the event that any weaknesses or failures in market design require immediate corrective action to ensure just and reasonable prices, the Market Monitor may request the President of SPP to authorize an immediate FERC filing requesting implementation of a corrective action while the appropriate Organizational Group of SPP responds to the Market Monitor’s notification as described above. The requested immediate corrective action should be the method least intrusive or disruptive to the WEIS Market necessary to resolve the market weakness or failure as determined by the Market Monitor. Prior to making such a request to the President of SPP, the Market Monitor will make reasonable efforts to discuss with affected Market Participants and the staff of affected Interested Government Agencies the market weakness or failure potentially requiring immediate corrective action, unless the Market Monitor determines that such discussions would lead to exploitation.
7. Periodic Reports and Updates to SPP, Government Agencies, and Market Participants

7.1 Reports and Updates to the Board of Directors

The Market Monitor shall prepare and submit to the Board of Directors periodic reports on an annual basis (and any other reports required by the Board of Directors) relating to its activities. In such reports, the Market Monitor may make recommendations regarding any matter within its purview. The reports to the Board of Directors shall include recommendations as to whether changes are necessary to the Market Monitor, this Plan, this Tariff, agreements between SPP and its Members, or any other policies, procedures, and standards under the Market Monitor’s purview. Any such reports may be subject to confidentiality provisions consistent with Section 8.1 of this Attachment C.

7.1.1 The Market Monitor shall also prepare and submit to the Board of Directors updates of the reports, at least quarterly, which will emphasize any issues of concern to the Market Monitor.

7.2 Reports to Government Agencies, SPP, and Market Participants

After an annual review of the performance of the wholesale markets as discussed in Section 1.3.2 of this Attachment C, the Market Monitor shall provide its annual State of the Market Report to the Commission, the SPP Board of Directors, SPP, state commissions, Market Participants, and other interested entities. The Market Monitor shall also make available, as described below, the reports provided to the Board of Directors and other such reports as may be requested by the FERC Staff or such authorities subject to protection of confidential, proprietary and commercially sensitive information and the protection of the confidentiality of ongoing monitoring activities.

7.2.1 The Market Monitor shall submit such reports to the FERC Staff and other affected regulatory authorities.

7.2.2 The Market Monitor reports shall be made available on the SPP Website.
7.2.3 Conference calls related to the Market Monitor reports may be attended by SPP, the Board of Directors, FERC Staff and other affected regulatory authorities, Regional State Committee, and Market Participants regardless of which party initiates the conference call. The Market Monitor shall make one or more of its staff members available for regular conference calls.
8. Data Access, Collection and Retention

The Market Monitor shall regularly collect and maintain Data and Information necessary for monitoring the WEIS Market and implementing mitigation protocols.

8.1 Confidentiality

SPP and Market Participants may designate Data and Information as Confidential Information consistent with the terms of Section 8 of Attachment A to this Tariff. If the designation of Confidential Information appears to be unreasonable, the Market Monitor may challenge such designation of Confidential Information consistent with Section 8 of Attachment A to this Tariff.

The Market Monitor shall provide Confidential Information to Interested Government Agencies consistent with the terms of Section 8 of Attachment A to this Tariff.

8.2 Access to SPP Data and Information

The Market Monitor shall have access to all Data and Information gathered or generated by SPP in the course of its operations. This Data and Information shall include, but not be limited to, that listed in Section 4 of this Plan. All Data and Information listed in Section 4 of this Plan shall be retained by SPP for a minimum period of three years.

8.3 Access to Market Participant Data and Information

Market Participants shall retain all Data and Information listed below, and in Section 4 of this Plan as applicable, that is in the custody and control of Market Participants, for a minimum of three years and will promptly provide any such Data and Information to the Market Monitor upon request.

Market Participants shall be capable of providing the Data and Information to the Market Monitor, upon request, in the Market Participant’s native format along with a description of the native data format used. If necessary, due to proprietary format restrictions, the Market Participant shall be capable of providing the data to the Market Monitor in a non-proprietary format, such as CSV or XML format along with a description of the data format used. Any such request will be accompanied
by an explanation of the need for such Data and Information. Market Participants may designate such Data and Information as Confidential Information, but such Data and Information may not be redacted or modified in any manner prior to delivery to the Market Monitor by the Market Participant.

Data and Information to be retained by Market Participants and provided to the Market Monitor upon request:

(a) All Data and Information relating to the costs of operating a generating unit, including but not limited to, heat rates, start-up fuel requirements, fuel purchase costs, environmental costs, and operating and maintenance expenses;

(b) All Data and Information regarding opportunity costs of a generating unit, including but not limited to, regulatory, environmental, technical, or other restrictions that limit the run-time or other generating unit operating characteristics;

(c) All Data and Information relating to the operating status of a generating facility, including generator logs showing the generating status of a specified unit, including information relating to a forced outage, planned outage or derating of a generating unit;

(d) All Data and Information relating to the operating status of a transmission facility, a contingency, or other operating consideration, including forced outages, planned outages or derating of a transmission system component;

(e) All Data and Information relating to transmission system planning, including studies, reports, plans, models, analyses, and filings with FERC or any state regulatory commission;

(f) All Data and Information relating to the ability of a Market Participant or its Affiliate to determine the pricing or output level of generating capacity owned by another entity, including but not limited to any document setting forth the terms or conditions of such ability.

If any additional Data and Information not listed above or in Section 4 of this Plan is required from Market Participants by the Market Monitor for the purpose of
fulfilling its responsibilities, the Market Monitor may request such Data and Information from Market Participants. Such Data and Information shall be provided in a timely manner by Market Participants. Any such request shall be accompanied by an explanation of the need for such data or other information, a specification of the form or format in which the data is to be produced, and an acknowledgement of the obligation of the Market Monitor to maintain the confidentiality of the data. If a Market Participant receiving a request for Data and Information not listed above or in Section 4 of this Plan believes that production of the requested Data and Information would impose a substantial burden or expense, or would require the party to produce information that is not relevant to achieving the purposes or objectives of this Plan, the Market Participant receiving the request shall promptly so notify the Market Monitor. The Market Monitor shall review the request with the receiving Market Participant to determine whether, without unduly compromising the objectives of this Plan, the request can be narrowed or otherwise modified to reduce the burden or expense of compliance, and if so shall so modify the request. No party that is the subject of a data request shall be required to produce any summaries, analyses or reports of the data that do not exist at the time of the data request.

If the Market Monitor determines that the requested Data and Information has not or will not be provided in a timely manner, the Market Monitor may utilize (a) the dispute resolution procedures under this Tariff or (b) a filing with the appropriate regulatory or enforcement agency to compel the production of the requested information.

8.4 Data Created by Market Monitor

Any data created by the Market Monitor, including any reconfiguration of Data and Information obtained from SPP or Market Participants, will remain within the Market Monitor’s exclusive control. Such data may be shared with SPP and Market Participants at the Market Monitor’s sole discretion and on a non-discriminatory basis, subject to the confidentiality provisions specified in this Attachment C and Section 8 of Attachment A to this Tariff.

9.1 Rights and Remedies

This Plan does not restrict SPP and Market Participants from asserting any rights they may have under state and federal regulation and laws, including initiating proceedings before the FERC regarding any matter which is subject to this Plan.

9.2 Disputes

Disputes as to the implementation of, or compliance with, this Plan shall be subject to the dispute resolution procedures under this Tariff or subject to review by FERC.
10. **Review of Market Monitor**

    The activities of the Market Monitor shall be reviewed from time to time by the Board of Directors.
ATTACHMENT D
JOINT DISPATCH TRANSMISSION SERVICE

Service pursuant to Attachment D to this Tariff shall be applicable to i) Joint Dispatch Transmission Service Providers that have provided within their open access transmission tariff, a transmission service schedule for energy dispatched at the rate specified in Schedule 2 of this Tariff for Joint Dispatch Transmission Service on an intra-hour non-firm, as-available basis with the lowest curtailment priority and ii) Joint Dispatch Transmission Service Customers receiving Energy Imbalance Service pursuant to Schedule 1 to this Tariff.

Limited Joint Dispatch Transmission Service Provider Responsibilities. The Joint Dispatch Transmission Service Provider shall have the obligation to operate its transmission system in accordance with Good Utility Practice. For purposes of Joint Dispatch Transmission Service, the Joint Dispatch Transmission Service Provider shall have no obligation to plan, construct, or maintain its transmission system for the benefit of any Joint Dispatch Transmission Service Customer.

Restrictions on Use of Service. The Joint Dispatch Transmission Service Customer shall not use Joint Dispatch Transmission Service for (i) off-system sales of capacity or energy or (ii) direct or indirect provision of transmission service by the Joint Dispatch Transmission Service Customer to any third party. Joint Dispatch Transmission Service may be used only for receipt or delivery of energy dispatched within a Balancing Authority Area in the WEIS Market on an intra-hour, non-firm basis to serve wholesale or retail native load. Energy produced within a Resource’s Operating Tolerance and in response to WEIS Market dispatch instruction is considered delivered utilizing Joint Dispatch Transmission Service.

Conditions Precedent for Receiving Service. Subject to the terms and conditions of this Attachment D of the Tariff, and related schedules and attachments, the Joint Dispatch Transmission Service Provider will provide Joint Dispatch Transmission Service to any Joint Dispatch Transmission Service Customer. Joint Dispatch Transmission Service is provided commensurate with energy dispatched within the WEIS Market pursuant to the provisions of this
Tariff. As such, the Joint Dispatch Transmission Customer is not required to separately request or make application for Joint Dispatch Transmission Service. A Joint Dispatch Transmission Service Provider that also takes Joint Dispatch Transmission Service under a tariff agrees to provide comparable service that it is capable of providing to all Joint Dispatch Transmission Service Providers on similar terms and conditions over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by Joint Dispatch Transmission Service Providers.
ATTACHMENT E
MARKET PARTICIPANT SERVICE AGREEMENT
FOR MARKET PARTICIPANTS IN THE WESTERN ENERGY IMBALANCE
SERVICE MARKET

1. This Service Agreement dated as of _______________ is entered into by and between Southwest Power Pool, Inc. (SPP) and ______________________ (Market Participant).

2. The Market Participant has submitted an application for participation in the Western Energy Imbalance Service Market (“WEIS Market”) and desires to register as a Market Participant in accordance with the market application and registration procedures specified in the WEIS Market Protocols and has provided the information specified in Appendix 1 to this Service Agreement.

3. The Market Participant understands that the WEIS Market will use registered Resources and loads, existing transmission service and then, Joint Dispatch Transmission Service in the performance of its activities.

4. The Market Participant represents and warrants that it has met all applicable requirements set forth in the WEIS Market Tariff and has complied with all applicable procedures under the WEIS Market Tariff.

5. SPP agrees to provide and the Market Participant agrees to take and pay for, or to supply to SPP, any or all of the products defined in the WEIS Market Tariff in accordance with its provisions and to satisfy all obligations under the terms and conditions of the WEIS Market Tariff, as may be amended from time-to-time, filed with the Commission.

6. SPP and the Market Participant agree that this Service Agreement shall be subject to, and shall incorporate by reference, all of the terms and conditions of the WEIS Market Tariff.

7. It is understood that, in accordance with the WEIS Market Tariff, SPP may amend the terms and conditions of this Service Agreement by notifying the Market Participant in writing and making the appropriate filing with the Commission.

8. The Market Participant represents and warrants that:

   (a) At any time it has registered one or more Resources that the Market Participant intends to offer for sale into the WEIS Market in accordance with procedures specified in the WEIS Market Protocols, the participation of its Resource(s) in the WEIS Market is not precluded under the laws or regulations of the relevant electric retail regulatory authority, including state-approved retail tariff(s), and it either (a)
has on file with the Commission for each of such Resources market-based rate authority and/or other Commission-approved basis for setting prices in the WEIS Market, or (b) is exempt from the requirement to have rates for services on file with the Commission;

(b) This Service Agreement, or any transaction entered into pursuant to the Service Agreement, as applicable, has been duly authorized;

(c) This Service Agreement is the legal, valid, and binding obligation of the Market Participant enforceable in accordance with its terms, except as it may be rendered unenforceable by reason of bankruptcy or other similar laws affecting creditors' rights, or general principles of equity.

9. The Market Participant warrants and covenants that, during the term of the Service Agreement, the Market Participant shall be in compliance with all federal, state, and local laws, rules, and regulations related to the Market Participant's performance under the agreement.

10. Service under this Service Agreement shall commence on the later of the date of execution of the Service Agreement, or such other date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate in accordance with Section 13 below.

11. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below:

SPP: ________________________________

Market Participant: ________________________________

12. Cancellation Rights:
If the Commission or any regulatory agency having authority over this Service Agreement determines that any part of this Service Agreement must be changed SPP shall offer to the Market Participant within fifteen (15) days of such determination an amended Service Agreement reflecting such changes. In the event that the Market Participant does not execute such an amendment within thirty (30) days, or longer if the Parties mutually agree
to an extension, after the Commission's action, this Service Agreement and the amended Service Agreement shall be void.

13. Termination:

(a) The Market Participant may terminate service under this Service Agreement no earlier than ninety (90) Calendar Days after providing SPP with written notice of the Market Participant's intention to terminate. The Market Participant's provision of notice to terminate service under this Service Agreement shall not relieve the Market Participant of its obligation to pay any rates, charges, or fees due under this Service Agreement, and which are owed as of the date of termination.

(b) SPP may terminate service under this Service Agreement if the Market Participant is in default, such default condition as defined under Section 8 of the WEIS Market Tariff Credit Policy in Attachment H to this Tariff, in accordance with the procedures specified under Attachment I to this Tariff and Section 7.5 of Attachment A to this Tariff, as applicable.

14. The Market Participant hereby appoints SPP as its agent for the limited purpose of effectively transacting on the Market Participant's behalf in accordance with the terms and conditions of the WEIS Market Tariff. The Market Participant agrees to pay all amounts due and chargeable to the Market Participant and SPP agrees to pay all amounts creditable to the Market Participant in accordance with the terms of the WEIS Market Tariff.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

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<th>SPP:</th>
<th>Market Participant:</th>
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## Appendix 1 to Attachment E

### MARKET PARTICIPANT INFORMATION:

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<th>Requested Change Type ¹ (Add, Modify, Terminate)</th>
<th>Market Participant Name ²</th>
<th>Market Participant Acronym ³ (4 characters)</th>
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<th>Credit Customer Name ⁵</th>
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### ASSET OWNER INFORMATION:

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<th>Resource Owner ⁹ (yes/no)</th>
<th>Load Serving Entity ¹⁰ (yes/no)</th>
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### METER AGENT INFORMATION:

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<th>Meter Agent Acronym ¹² (4 characters)</th>
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### CONTACT INFORMATION:

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<th>Contact Last Name</th>
<th>Contact First Name</th>
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<th>Phone Number (nnn) nnnn</th>
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PROPOSED EFFECTIVE DATE\textsuperscript{15}: ____________________________
1 **Requested Change Type** – Indication of the type of change for each record. For adding an entity or relationship this will be Add. To terminate an entity or relationship from the WEIS Market, enter Terminate. For requesting a modification or name change of an entity, enter Modify. When requesting a name change to an entity, enter the existing name followed by a forward slash “/” and then the new name.

2 **Market Participant Name** - Full name of the Market Participant.

3 **Market Participant Acronym** - The NAESB Electric Industry Registry ("EIR") acronym that will be used for the Market Participant. If the entity is not registered in the EIR, the acronym should conform to the EIR format of no more than four (4) alpha numeric characters. Any acronym for an entity that is not registered in EIR must also be unique from any abbreviation that is registered in EIR by another party.

4 **Registered in EIR** – Enter “yes” if the entity is registered at EIR.

5 **Credit Customer Name** - The name of the entity that will be providing secured and unsecured credit for the Market Participant's activities in the WEIS Market in accordance with Attachment H of this WEIS Tariff.

6 **Asset Owner Name** - The name of the Asset Owner that is represented by the Market Participant.

7 **Asset Owner Acronym** - The Asset Owner acronym abbreviation that will be used for this Asset Owner will be the same as the acronym in the EIR if the entity is registered in the EIR. If the entity is not registered in the EIR, the abbreviated name should conform to the EIR format of no more than four (4) alpha numeric characters. Any abbreviation for an entity not registered in the EIR must also be unique from any abbreviation that is registered in the EIR by another party.

8 **Registered in EIR?** - This field is used to identify if the entity is registered at EIR. For Asset Owners not registered at EIR, SPP will validate the acronym used is not registered at
EIR by another party currently. To ensure uniqueness against EIR in the future, SPP will also append “_X” to the Asset Owner Acronym supplied for those that are not registered.

9 **Resource Owner** - This is a Yes or No answer indicating whether or not the Asset Owner is a Resource owner and will be registering Resources to participate in the WEIS Market.

10 **Load Serving Entity** - This is a Yes or No answer indicating whether or not the Asset Owner is a Load Serving Entity and will be registering Load Assets to be supplied in the WEIS Market.

11 **Meter Agent Name** - Any Market Participant with load and/or Resources will either be a Meter Agent or have a relationship with at least one Meter Agent (MA). Identify the Meter Agent(s) registered with SPP that will be responsible for the acquisition of end-use meter data, aggregation of meter data, application of data to Settlement Intervals, and transfer of meter data to SPP on behalf of this Market Participant. This entity can be a traditional utility entity or other competitive entity. Show the Meter Agent as the Entity’s name as it is registered on the Meter Agent Agreement form in Attachment G of the WEIS Tariff.

12 **Meter Agent Acronym** - The applicable abbreviation that will be used for this Meter Agent which agrees with EIR if the Entity is registered in the EIR. If the entity is not registered in the EIR, the abbreviated name should conform to the EIR format of no more than four (4) alpha numeric characters. Any abbreviation for an entity not registered in EIR must be unique from any abbreviation that is registered in TSIN by another party.

13 **Registered in EIR** - This field is used to identify if the entity is registered at EIR. For Meter Agents not registered at EIR, SPP will validate the acronym used is not registered at EIR by another party currently. To ensure uniqueness against EIR in the future, SPP will also append “_X” to the MA Acronym supplied for those that are not registered.
14 **Contact Type** - Specific points of contact for each Market Participant for questions regarding the Network and Commercial Models as well as a Primary Market Operations contact for the Market Participant.

*Type A* - Primary Market Operations and Commercial Model Point of Contact - required

*Type B* - EMS and ICCP contacts - required for MPs with physical assets.

*Type C* - Secondary Market Operations Contacts - optional.

15 **Proposed Effective Date:** The date on which the Market Participant would like these changes to be effective in SPP’s models and systems.
ATTACHMENT F
FORM OF NON-DISCLOSURE AGREEMENT FOR AUTHORIZED REQUESTORS

THIS NON-DISCLOSURE AGREEMENT (the “Agreement”) is made this ___ day of ___ by and between, ______________________, an Authorized Requestor employed or retained by an Authorized Agency with offices at _____________________, and Southwest Power Pool, Inc., an Arkansas not for profit corporation, with offices at 201 Worthen Drive, Little Rock, Arkansas 72223-4936 (“SPP”). The Authorized Requestor and SPP shall be referred to herein individually as a “Party,” or collectively as the “Parties.” Unless otherwise stated herein, capitalized terms shall have the same meaning as set forth in Attachment A to SPP’s Tariff on file with the Federal Energy Regulatory Commission.

RECITALS
Whereas, SPP operates and oversees certain wholesale markets for electricity pursuant to the requirements of this Tariff; and

Whereas, SPP’s Market Monitor serves as the monitor for certain wholesale markets for electricity in SPP’s region as specified in SPP’s Tariff; and

Whereas, Attachment A to SPP’s Tariff requires that SPP and the Market Monitor maintain the confidentiality of Confidential Information; and

Whereas, Section 8 of Attachment A to SPP’s Tariff requires SPP and the Market Monitor to disclose Confidential Information to Authorized Requestors upon satisfaction of conditions stated in Attachment A to SPP’s Tariff, including the execution of this Agreement by the Authorized Requestor; and

Whereas, SPP desires to provide Authorized Requestors with the broadest possible access to Confidential Information, consistent with SPP’s and the Market Monitor’s obligations and duties under SPP’s Tariff and applicable FERC Orders; and
WHEREAS, this Agreement is a statement of the conditions and requirements, consistent with the requirements of Attachment A to SPP’s Tariff, whereby SPP or the Market Monitor shall provide Confidential Information to the Authorized Requestor.

NOW, THEREFORE, agreeing to be legally bound, the Parties hereby agree as follows:

1. DEFINITIONS.

1.1 Information Request. A written request in accordance with the terms of this Agreement for disclosure of Confidential Information pursuant to Section 8 of Attachment A to SPP’s Tariff.

1.2 Third Party Request. Any request or demand by any entity upon an Authorized Requestor or an Authorized Agency for release or disclosure of Confidential Information. A Third Party Request shall include, but shall not be limited to, any subpoena, discovery request, request pursuant to state freedom of information or public records access statutes or regulations, or other request for Confidential Information made by any: (i) federal, state or local government subdivision, department, official, agency or court, or (ii) arbitration panel, business, company, entity or individual. This provision is subject to any applicable exception under Attachment A to SPP’s Tariff.

2. Protection of Confidentiality.

2.1 Representation as to Status and Acceptance of Duty to Not Disclose. The Authorized Requestor states that: (a) he or she is an Authorized Requestor as defined herein; (b) he or she is employed or retained by ______ [name of Authorized agency] as __________; (c) he or she is authorized by the ______ [name of Authorized Agency] to enter into and perform the obligations of this Non-Disclosure Agreement; (d) the Authorized Agency identified in Subsections (b) and (c) above has practices or procedures adequate to protect against the unauthorized release of Confidential Information received; (e) he or she is familiar with, and will comply with, all such applicable Authorized Agency practices or procedures; (f) he or she is authorized to represent and warrant and does so represent and warrant that
the Authorized Agency identified in Subsections (b) and (c) above will deny Third Party Requests and defend, consistent with the terms of Section 2.4.6 below, against any legal process that seeks the release of any Confidential Information in contravention of the terms of the Non-Disclosure Agreement; and (g) he or she is not in breach of any Non-Disclosure Agreement entered into with SPP. The Authorized Requestor also states that he or she will act consistently with the representations and confirmations made to SPP under Section 8 of Attachment A of SPP’s Tariff.

2.2. **Conditions Precedent.**
The Authorized Requestor agrees that as a condition of the execution, delivery and effectiveness of this Agreement by SPP and the continued provision of Confidential Information pursuant to the terms of this Agreement, the Authorized Agency shall, prior to the initial Information Request for Confidential Information by an Authorized Requestor on its behalf, provide SPP with information, documents and certifications required of the Authorized Agency and its Authorized Requestor under SPP’s Tariff. The Authorized Agency and its Authorized Requestor also agree that as a condition of the execution, delivery and effectiveness of this Agreement that they will fully comply with any other terms of Section 8 of Attachment A of SPP’s Tariff.

2.3 **Care and Use of Confidential Information.**

2.3.1 **Control of Confidential Information.** The Authorized Requestor shall be the custodian of any and all Confidential Information received pursuant to the terms of this Agreement from SPP or the Market Monitor.

2.3.2 **Access to Confidential Information.** Except when inconsistent with state or federal law, the Authorized Requestor shall ensure that Confidential Information received by that Authorized Requestor is disclosed, only as allowed under Section 8 of Attachment A of SPP’s Tariff.
2.3.3 **Notice of Change in Status.** The Authorized Requestor or Authorized Agency shall promptly notify SPP of any change that would affect the Authorized Requestor’s status as an Authorized Requestor.

2.3.4 **Use of Confidential Information.** The Authorized Requestor shall use the Confidential Information only as provided in the Section 8 of Attachment A of SPP’s Tariff.

2.3.5 **Return of Confidential Information.** When the Authorized Agency determines that it no longer needs the Confidential Information that was disclosed to the Authorized Requestor (e.g., if for any reason the Authorized Requestor is not, or will no longer be an Authorized Requestor, and the Confidential Information he or she received is no longer needed by the Authorized Agency), the Authorized Agency or Authorized Requestor shall: (a) return the Confidential Information and all copies thereof to SPP or the Market Monitor, or (b) certify to SPP or the Market Monitor that all paper copies have been destroyed and all electronic copies of the Confidential Information have been deleted, or identify the time by which it will comply with either (a) or (b) above consistent with state document retention laws. SPP or the Market Monitor shall waive this condition in writing if such Confidential Information has become publicly available or non-confidential in the course of business or pursuant to the Attachment A to SPP’s Tariff or applicable rule or order of the FERC. Upon the request of the affected Market Participant, but in any event no later than one year from the date of disclosure, SPP shall inquire of the Authorized Requestor as to when the need for the information as originally specified in the Information Request will be concluded. The Authorized Requestor shall respond to SPP within 30 days.

2.4 **Ownership and Privilege.** Nothing in this Agreement, or incident to the provision of Confidential Information to the Authorized Requestor pursuant to any Information Request, is intended, nor shall it be deemed, to be a waiver or abandonment of any legal privilege that may be asserted against subsequent
disclosure or discovery in any formal proceeding or investigation. Moreover, no transfer or creation of ownership rights in any intellectual property comprising Confidential Information is intended or shall be inferred by the disclosure of Confidential Information by SPP or by the Market Monitor, and any and all intellectual property comprising Confidential Information disclosed and any derivations thereof shall continue to be the exclusive intellectual property of SPP, Market Monitor, the affected Market Participant, and/or other owner(s) thereof.


3.1 Notification of Unauthorized Disclosure to Third Parties. As provided in SPP’s Tariff, the Authorized Requestors and/or their respective Authorized Agency shall promptly notify SPP or the Market Monitor, who shall, in turn, promptly notify any affected Market Participant of any unauthorized release of Confidential Information provided pursuant to any Non-Disclosure Agreement. The Authorized Requestor shall take steps to minimize any further release of Confidential Information, and shall take reasonable steps to attempt to retrieve any Confidential Information that may have been released.

3.2 Breach. The Authorized Requestor agrees that its release of Confidential Information to persons not authorized under this Agreement to receive it constitutes a breach of this Agreement, unless the Authorized Requestor is required under state or federal law to release such information. If SPP or the Market Monitor determines on its own, or agrees with an Authorized Agency, or receives from an Authorized Requestor or Authorized Agency a written notice, that a breach has occurred, or FERC has made a ruling that a breach has occurred, SPP and/or the Market Monitor shall terminate the Non-Disclosure Agreement and require either the immediate return of all Confidential Information obtained by the Authorized Requestor pursuant to the Non-Disclosure Agreement or a certification of its destruction. SPP shall verify the breach in consultation with the Authorized Agency. If it is subsequently determined that there was no breach, SPP shall restore the status of
the Authorized Requestor, and may also restore such status if otherwise justified by circumstances described in Subsection (b) above.

3.3 **Post Employment or Post Retention Duties.** If an Authorized Requestor who has received Confidential Information pursuant to this Agreement terminates his or her employment with the sponsoring Authorized Agency or is otherwise no longer employed by the Authorized Agency, he or she shall:

(a) Notify the Authorized Agency, SPP and the Market Monitor of the change in status; and

(b) Certify to SPP that he or she has transferred control of the Confidential Information to another Authorized Requestor at the same Agency, has retained no personal copies of the Confidential Information and that any Confidential Information not transferred has been destroyed.

If these steps have been taken, then the limitations as to liability in Section 3.3 shall apply to the former employee.

4. **Notices.** All notices required pursuant to the terms of this Agreement shall be in writing, and served upon the following individuals in person, or at the following addresses or email addresses:

If to the Authorized Requestor:

_____________________
_____________________
_____________________
_____________________  (email address)

with a copy to

_____________________  ___________________
If to SPP:

Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR  72223-4936
(email address)
with a copy to

(email address)

If to the Market Monitor:

Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR  72223-4936
(email address)
with a copy to

(email address)
5. **Severability and Survival.** In the event any provision of this Agreement is determined to be unenforceable as a matter of law (including state Freedom of Information Act statutes), the Parties intend that all other provisions of this Agreement remain in full force and effect in accordance with their terms. In the event of conflicts between the terms of this Agreement and SPP’s Tariff, the terms of SPP’s Tariff shall in all events be controlling. The Authorized Requestor acknowledges that any and all obligations of the Authorized Requestor hereunder shall survive the severance or termination of any employment or retention relationship between the Authorized Requestor and its respective Authorized Agency.

6. **Representations.** The undersigned is able to perform all of the obligations and duties contained herein.

7. **Counterparts.** This Agreement may be executed in counterparts and all such counterparts together shall be deemed to constitute a single executed original.

8. **Amendment.** This Agreement may not be amended except by written agreement executed by authorized representatives of the Parties.

9. **Assignment.** This Agreement is not assignable without the written agreement of both Parties.

Southwest Power Pool, Inc.                        AUTHORIZED REQUESTOR

By:                                         By:

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ATTACHMENT G

METER AGENT SERVICES AGREEMENT

FOR

SPP MARKET

BETWEEN

MARKET PARTICIPANT

AND

METER AGENT

(DATE)
This Agreement made and entered this __ day of ____, ____ is between ______ (“Market Participant”) and ______ (“Meter Agent”). Market Participant and Meter Agent are each sometimes referred to in the Agreement as a “Party” and collectively as the “Parties.”

WITNESSETH:

WHEREAS, Market Participant and Meter Agent are registered entities of the Western Energy Imbalance Service Market (“WEIS Market”).

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements hereinafter set forth, the parties hereto mutually agree as follows:
ARTICLE I

Responsibilities of the Parties

1.1 **Market Participant Responsibilities:**

1. **Governing Documents:** In addition to this Agreement, Market Participant agrees that it will comply with the provisions of the WEIS Market Tariff and WEIS Market Protocols as they may be amended from time to time which relate to implementation of this Agreement. In the event there is a conflict between this agreement and the WEIS Market Tariff, the WEIS Market Tariff shall govern.

2. **Data Communications:** Market Participant shall provide or arrange for communication of meter data in a mutually acceptable format to the Meter Agent.

3. **Meter Data Submittal Location:** Market Participant shall provide in Exhibit A the meter(s) and calculations used to calculate the Meter Data Submittal Location value.

4. **Notice of Meter Changes:** Market Participant shall inform the Meter Agent of any additions, deletions, and modifications of metering that will impact the market data.

   The Market Participant may designate, by contract or agreement, a co-owner, Metering Parties or Meter Agent (“Designated Party”) to inform the Market Participant of any additions, deletions, and modifications of metering that will impact the market data.

   a. Market Participant or Designated Party shall provide full details of the meter information to the Meter Agent and/or Market Participant a minimum of sixty (60) days prior to the implementation of the change, except when the meter equipment is changed or replaced due to equipment failure in which case notice of change will be provided as soon as possible. This information to be provided shall include the following:

      1. Information relating to retrieval of the meter data from the data source. This includes the method of doing so, communications, and full description of the meter.
      2. Information relating to the data and the processing of such data that will be applied for the new or modified Meter Data Submittal Location and the impact to other existing Meter Data Submittal Location or tie-line flow between Settlement Areas.
      3. Completing the WEIS Market registration required, which includes real-time data exchange and modeling coordination with SPP.
      4. Updating of Exhibit A.

   b. In addition, Market Participant shall be responsible for developing and testing a complete system for submission of data under this Agreement.
c. Market Participant shall notify Meter Agent of any significant metering issues related to the data provided to the Meter Agent within twenty four (24) hours after the issue is identified. This includes change out of a meter, meter failures, real-time data failures, etc.

1. The Designated Party will notify the Market Participant of any significant metering issues related to the data provided to the Market Participant within twenty-four (24) hours after the issue is identified. This includes change out of a meter, meter failures, real-time data failures, etc.

5. **Meter Data Submittal Location Notification:** Market Participant shall notify any other Market Participant affected by the change in the Meter Data Submittal Location at least seven (7) days prior to the change.

6. **Data Exchange and Data Quality:** Market Participant shall provide meter data for each Meter identified in Exhibit A to the Meter Agent in a timely manner.
   a. Data shall be provided to the Meter Agent at least one (1) full business day prior to SPP’s deadline for submission of meter data, as specified in Appendix B of the WEIS Market Protocols.
   b. Upon notification to or upon discovery by the Market Participant that the data exchange has failed or data quality is questionable, the Market Participant will resolve the issue at its source.
   c. In the absence of actual values for data required for settlement, it is the Market Participant’s responsibility to provide estimated values for such data to the Meter Agent; however, if the Market Participant fails to provide the actual or estimated meter data in a timely manner, the Meter Agent will estimate the data for submission to SPP by the appropriate deadline. The Meter Agent will be held harmless as set forth in section 3.2.

7. **Submission Failures:** If the Meter Agent fails to submit the meter data, including Settlement Area tie-line meter data by S120 Scheduled Settlement Statement data cutoff, the Market Participant is responsible for initiating and pursuing the WEIS Tariff Dispute process. The Meter Agent must provide to SPP any data it has available to help resolve the dispute.

1.2 **Meter Agent Responsibilities:**

1. **Governing Documents:** In addition to complying with this Agreement, Meter Agent shall provide services on behalf of the Market Participant in accordance with the WEIS Tariff and WEIS Market Protocols as they may be amended from time to time related to implementation of this Agreement. In the event there is a conflict between this agreement and the WEIS Tariff, the WEIS Tariff shall govern.
2. **Meter Agent Registration:** Meter Agent shall be a registered Meter Agent with the WEIS Market.

3. **Meter Data Submittal Location Development:** Meter Agent shall provide all settlement data required for the Meter Data Submittal Locations designated by the Market Participant in Exhibit A.

4. **Data Communications:** Meter Agent and the Market Participant shall mutually agree upon a format and method of exchange of settlement data required to be provided by the Market Participant.

5. **Meter Data Submittal Location Values**

   Meter Agent shall determine the Meter Value for each of the Meter Data Submittal Location identified in Exhibit A by applying all parameters as identified therein.

6. **Data Issue Notifications:**

   a. Meter Agent will notify the Market Participant, as soon as practicable, of any data exchange issues with the meter data source.

   b. Upon failure to receive meter data from the Market Participant by the data submission deadline, the Meter Agent will notify the Market Participant as soon as practicable and, if necessary, the Meter Agent will estimate the data pursuant to 1.1 6. c. of this agreement.

7. **Data Submission:** Meter Agent shall submit Meter Data Submittal Location Meter Values to SPP by the deadlines outlined in Section 4.5.8 of the WEIS Market Protocols.
ARTICLE II
Term and Termination

2.1 Initial Term: This Agreement shall become effective on ______________, _____ and shall continue until ____________, _____.

2.2 Extended Term: This Agreement shall continue on a year to year basis at the conclusion of its Initial Term, unless terminated as specified in the Agreement.

2.3 Termination: This Agreement may be terminated at any time by mutual agreement of the Market Participant and Meter Agent. Either the Market Participant or the Meter Agent may terminate the Agreement after the Initial Term, upon giving sixty (60) calendar days written notice to the other Party.
ARTICLE III

Miscellaneous

3.1 **Force Majeure:** An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, terrorism, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Party will not be considered in default as to any obligation under this Agreement to the extent such Party is prevented or delayed from fulfilling such obligation due to the effect of Force Majeure. A Party whose performance under this Agreement is prevented or delayed by Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement, and shall take all reasonable steps to eliminate the cause; however, neither Party shall be required to settle or resolve labor disturbances or strikes, or to accept or agree to governmental or regulatory orders or conditions without objection or contest except on any basis agreeable to such Party in its sole discretion. The affected Party, as soon as reasonably possible, shall give notice of Force Majeure.

3.2 **Indemnification:** Each Party hereto shall indemnify and hold harmless the other Party (in such case, the “Indemnified Party”), its officers, directors, agents and employees from and against any and all claims for death or injury to persons or destruction of or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorneys fees, and all other obligations by or to third parties (collectively “liabilities”), arising out of or resulting directly or indirectly from the Indemnified Party’s performance of its obligations under this Agreement on behalf of the Indemnifying Party, except to the extent any such liability arises, directly or indirectly, from the Indemnified Party’s gross negligence or intentional wrongdoing. For example, the provisions of this section 3.2 could apply in circumstances where equipment malfunction (or other inadvertent error not involving gross negligence or intentional wrongdoing) causes imbalance information to be inaccurately reported, resulting in billing errors.

3.3 **Successors and Assignment:** This Agreement shall be binding upon the Parties and their respective successors and assigns. This Agreement shall not be assignable by either Party except with the prior written consent of the other Party which shall not be unreasonably withheld.

3.4 **Good Utility Practices:** The Parties shall conduct their affairs under this Agreement in accordance with Good Utility Practices. Good Utility Practices shall mean 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 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, safety, and expedition. Good Utility Practices 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 by the region.

3.5 **No third party beneficiaries.** There shall be no third party beneficiaries to this Agreement.

3.6 **Participation by Western Area Power Administration Subject to Federal Laws and Regulations.** To the extent Western Area Power Administration is a party to a Meter Agent Services Agreement, the Sections 8.3(a) through 8.3(o) of the WEIS Tariff are incorporated by reference into the Meter Agent Agreement.

3.7 **Amendment:** The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by each of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.

3.8 **Modification by the Parties:** The Parties may by mutual agreement amend Exhibit A of this Agreement by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.

3.9 **Notification to SPP:** The initial Agreement and any amendments thereto shall be provided to SPP upon execution.
ARTICLE IV

Notices

4.1 Agreement Notices: Any notice, demand or request required or authorized by this Agreement shall be deemed properly made, given to, or served on the party to whom it is directed when sent by written notification addressed as follows:

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<tr>
<th>Market Participant:</th>
<th>Meter Agent:</th>
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<tr>
<td>Title</td>
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<tr>
<td>Company</td>
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<td>City, State, Zip</td>
<td>City, State, Zip</td>
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<td>Email</td>
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Notice of change in the above addresses shall be given in the manner specified above.
ARTICLE V

Complete Agreement

5.1 Complete Agreement: This Agreement represents the Parties’ final and mutual understanding concerning its subject matter. It replaces and supersedes any prior agreements or understandings, whether written or oral. No representations, inducements, promises, or agreements, oral or otherwise, have been relied upon or made by either Party, or anyone on behalf of a Party, that are not fully expressed in this Agreement. IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and attested by their duly authorized officers as of the day and year first above stated.

Market Participant:  
Company

By: ___________________________  
Printed Name: _____________________  
Title: ___________________________

Meter Agent:  
Company

By: ___________________________  
Printed Name: _____________________  
Title: ___________________________
## Exhibit A

### Market Participant Meter Data Submittal Location Definitions

#### Resource Meter Locations:

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<tr>
<th>#</th>
<th>Meter Data Submittal Location Name</th>
<th>Meter</th>
<th>Physical Location</th>
<th>Voltage Level</th>
<th>Losses</th>
<th>Operand</th>
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Gross Generation output is negative, auxiliary use is positive. MWh received by the Transmission System is negative.

#### Load Meter Data Submittal Locations: (Name of Location)

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<th>#</th>
<th>Meter Data Submittal Location Name</th>
<th>Meter</th>
<th>Physical Location</th>
<th>Voltage Level</th>
<th>Distrib. Losses</th>
<th>*</th>
<th>Operand</th>
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* Engineered Adjustment with Assumption – reference WEIS Market Protocols Appendices A and B

#### Residual Load Meter Data Submittal Locations:

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<th>#</th>
<th>Meter Data Submittal Location Name</th>
<th>Meter</th>
<th>Operand</th>
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Assumes sign of other Meter Data Submittal Location data used is in polarity required for submission to SPP Market.

#### Tie-Line Meter data between Settlement Areas:

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<th>#</th>
<th>Tie-Line Meter Name</th>
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ARTICLE ONE
General Provisions

1.1 Policy Statement. In furtherance of competition and the orderly administration of the Tariff, Southwest Power Pool (“SPP”) shall administer, implement and enforce this Credit Policy. This Credit Policy is intended to encourage the maximum participation of large and small participants in all market sectors while minimizing the likelihood of losses due to default and to establish eligibility requirements for market participation.

1.2 Applicability of Credit Policy and Overview.

1.2.1 This Credit Policy is applicable to each Credit Customer. It applies to each Credit Customer regardless of whether SPP previously extended credit to, or established a Total Credit Limit for, the Credit Customer.

1.2.2 As a condition to taking any service subject to this Credit Policy, SPP must determine that the Credit Customer satisfies SPP’s credit requirements and minimum criteria for market participation under this Credit Policy and the terms and conditions for an extension of credit. SPP’s determination is a Credit Assessment. The Credit Assessment is based upon quantitative and qualitative credit scoring under the formulae and procedures set forth in this Credit Policy. This Credit Policy provides for initial and ongoing Credit Assessments. In order to facilitate continuous evaluation of credit, it requires the submission of Credit Information to SPP periodically and, additionally, upon the occurrence of certain events. Based upon the ongoing Credit Assessment, SPP is authorized, at any time, to revise a Credit Customer’s Total Credit Limit and the terms and conditions for the extension of credit.

1.2.3 SPP shall conduct initial and ongoing Credit Assessments for each Credit Customer, based, as applicable, upon the Credit Application, Credit Information, and Credit Ratings. Credit Information includes: (a) the information contained in and submitted with the Credit Customer’s duly executed Credit Application; and (b) updated and additional information the Credit Customer is required to submit from time to time under this Credit Policy. Credit Information and Credit Ratings, if any, shall be sufficient to enable SPP to determine under this Credit Policy whether to approve an extension of credit, and the amount, terms, and conditions thereof, including the extent and nature of any Guaranty or Financial Security.

1.2.4 Based upon its Credit Assessment, SPP will: (a) determine the Credit Customer’s Total Potential Exposure; (b) determine the amount of credit the Credit Customer requires; (c) determine whether to grant, and the amount of, any Unsecured Credit Allowance; (d) evaluate any Guaranty the Credit Customer offers to provide, including a Credit Assessment for the proposed Guarantor; (e) determine the amount of any required Financial Security; and (f) determine if the Credit Customer meets the minimum criteria for market participation under Sections 3.1.1.8 and 3.1.1.9. Based on these determinations, which shall include consideration of the
Credit Customer’s ability to fulfill SPP’s requirements to obtain credit, SPP will set the Total Credit Limit for the Credit Customer.

1.2.5 To facilitate the Credit Assessment, each Credit Customer shall submit a duly executed Credit Application in the form attached as Appendix “A,” and the Credit Information required under this Credit Policy. If SPP determines that an extension of credit to a Credit Customer must be supported by Financial Security, the Credit Customer shall, upon SPP’s request, duly execute the Credit and Security Agreement in the form attached as Appendix “B,” without variation. Any Letter of Credit shall be substantially in the form attached as Appendix “C,” and any Guaranty shall be substantially in the form attached as Appendix “D.” Any variations in the forms of Letter of Credit and Guaranty must be reasonably acceptable to SPP.

1.3 Components of Credit Policy. This Credit Policy includes the following elements:

1.3.1 Requirements for the establishment and maintenance of credit applicable to Credit Customers.

1.3.2 The basis for establishing a Total Credit Limit for a Credit Customer in order to extend credit, but diminish the possibility of failure of payment under the Tariff and Agreements.

1.3.3 Forms of Guaranty and Financial Security acceptable to SPP, to be provided if SPP does not approve an Unsecured Credit Allowance sufficient to cover the Credit Customer’s Total Potential Exposure.

1.3.4 Requirements to facilitate ongoing Credit Assessments.

1.3.5 Specification of Defaults under this Credit Policy and remedies.

1.3.6 Minimum criteria for market participation.

1.4 Fairness, Objectivity, and Non-Discrimination. SPP will seek and receive information and explanation from a Credit Customer as appropriate to help ensure that the Credit Assessment is fair and thorough. SPP will base each Credit Assessment upon SPP’s evaluation of the Credit Information, Credit Ratings, and other pertinent indicators of financial strength identified under this Credit Policy. SPP shall make each Credit Assessment objectively and without undue discrimination in favor of or against any market sector. Whenever this Credit Policy permits SPP to exercise discretion in the implementation of the provisions of this Credit Policy, SPP shall exercise that discretion in a fair and impartial manner that treats all Credit Customers in a non-discriminatory manner.
1.5 Construction and Interpretation.

1.5.1 The word “including” shall be understood to mean “including without limitation.” The singular form of a word shall be understood to include the plural form, and vice versa, as appropriate to implement the applicable term or condition.

1.5.2 Except as otherwise stated, the words “Section” and “Article” refer to sections and articles of this Credit Policy. A Section reference includes all subsections and subparts of the Section.

1.5.3 All references to amounts of cash, cash deposits, and to monies paid, provided, due or otherwise, shall be construed to refer to United States dollars.

1.6 Disputes. Any disputes arising under this Credit Policy will be subject to the dispute resolution procedures set forth in Section 7 of the Tariff.
ARTICLE TWO

Definitions

2.1 Definitions. The following definitions apply in this Credit Policy. Capitalized terms used herein and not defined herein shall be given the meaning assigned to them under the Tariff.

Affiliate
A business concern, organization, or individual is an affiliate of another business concern, organization, or individual, including a Credit Customer, that directly or indirectly: (a) has the power to control or is controlled by it; or (b) is under common control of a third party. Elements of control include interlocking management or ownership, shared facilities and equipment, and common use of employees.

Affiliated Credit Customers
Credit Customers that are Affiliates.

Agreements
The Tariff, including this Credit Policy, any and all agreements entered into by the Credit Customer under, pursuant to or in connection with the Tariff and/or this Credit Policy, and any and all other Agreements to which SPP and the Credit Customer are parties.

Business Day
As defined in Section 1 of this Tariff.

Cash Deposit
Cash collateral provided to SPP to secure a Credit Customer’s performance under the Tariff, this Credit Policy, and/or any other Agreements, and any other cash to which the Credit Customer has title or rights in the possession of SPP (cash SPP has applied to payment of an obligation under the Tariff or Agreements is not cash to which a Credit Customer has title or rights).

Central Prevailing Time
As defined in Section 1 of this Tariff.

Composite Credit Score or Credit Score
This term shall have the meaning given in Section 4.2.

Credit and Security Agreement
A legal document, outlining certain terms pursuant to which a security interest in certain collateral is granted to SPP, in the form incorporated herein as Appendix “B”.

Credit Application
The completed, executed, and submitted Credit Application in the form attached as Appendix “A” hereto, together with the Credit Information required under this Credit Policy.

Credit Assessment
This term shall have the meaning given in Article Three.

**Credit Contact**  
This term shall have the meaning given in Section 9.1.

**Credit Customer**  
Any person that takes or seeks to take service under the WEIS Tariff.

**Credit Information**  
This term shall have the meaning given in Section 1.2.3.

**Credit Ratings**  
Rating assigned by a Rating Agency based on an obligor’s creditworthiness to pay financial obligations.

**Default or Event of Default**  
Any default under Article Eight or otherwise under this Credit Policy.

**FERC**  

**Financial Security**  
A Cash Deposit, Irrevocable Letter of Credit, or Federal Power Marketing Agency Letter in amount and in forms as described in Article Seven of this Credit Policy, provided by a Credit Customer to SPP as security.

**Financial Statements**  
This term shall have the meaning given in Section 3.1.1.1.

**Guarantor**  
An entity that guarantees the obligation of another entity under a Guaranty.

**Guaranty**  
A legal document used by an Affiliate of a Credit Customer pursuant to Article Six to guarantee the obligations of such Credit Customer for the benefit of SPP.

**Irrevocable Letter of Credit**  
An irrevocable standby letter of credit, with SPP as beneficiary, substantially in the form attached as Appendix “C” to this Credit Policy and reasonably acceptable to SPP.

**Large Company Credit Customers or Large Company**  
This term shall have the meaning given in Section 4.2.1.

**Locational Marginal Price**  
As defined in Section 1 of this Tariff.
Market Exposure
This term has the meaning given in Section 5.2.1.

Material
The lesser of (i) the materiality standard established by the certified public accounting firm performing the Credit Customer’s annual audit, (ii) an amount that equals or exceeds five percent (5%) of the Credit Customer’s Tangible Net Worth using the last audited financial statements, calculated in accordance with generally acceptable accounting principles; and (iii) a change, event, proceeding, or other occurrence, that results (or if adversely determined could result) in a change of five percent (5%) or more in the Credit Customer’s Tangible Net Worth compared to the Tangible Net Worth of the Credit Customer using the last audited financial statements, calculated in accordance with generally acceptable accounting principles.

Material Adverse Change
This term shall have the meaning given in Section 3.2.7.

Not-For Profit Credit Customers or Not-For-Profit
This term shall have the meaning given in Section 4.2.3.

Operating Day
As defined in Section 1 of this Tariff.

Operating Hour
As defined in Section 1 of this Tariff.

Peak Market Activity Day
The day in which a Credit Customer’s calculated charges owed to SPP are the greatest, over a specified period.

Potential Exposure Window
The number of days of credit exposure for a Credit Customer equal to the sum of days of service that have been invoiced but not paid, days of service that have been calculated but not invoiced, days of service in the cure period, and days before service can be terminated.

Qualitative Score
This term has the meanings applicable under Article Four.

Quantitative Score
This term has the meanings applicable under Article Four.

Rating Agency(ies)
SEC
The Securities and Exchange Commission.

Settlement Statement
As defined in Section 1 of this Tariff.

Small Company Credit Customers or Small Company
This term shall have the meaning given in Section 4.2.2.

Tangible Net Worth
This term shall have the meaning given in Section 4.3.

Total Credit Limit
This term shall have the meaning given in Section 4.5.

Total Potential Exposure or TPE
SPP’s estimate of the Credit Customer’s current or anticipated transaction activity and resulting obligations for all services under the Tariff.

Total Potential Exposure Violation
This term shall have the meaning given in Section 5.3.

Unsecured Credit Allowance
This term shall have the meaning given in Section 4.3.

Western Real-Time Balancing Market
As defined in Section 1 of this Tariff.
ARTICLE THREE
Credit Assessment

3.1 Minimum Criteria for Market Participation and Initial Credit Assessment.

3.1.1 Credit Application and Credit Information. A Credit Customer must submit a completed and duly executed Credit Application. A completed Credit Application includes submission of the Credit Application form (Appendix “A”), all information required under Section 3.1.1, and additional information that SPP may request. The Credit Customer must submit the following information with its Credit Application.

3.1.1.1 Audited Financial Statements and Related Information. All annual Financial Statements submitted must be audited. Financial Statements are the following.

a. If the Credit Customer is subject to SEC reporting requirements, Financial Statements are:

i. Annual Reports on Form 10-K for the three fiscal years most recently ended, together with any amendments thereto;

ii. Quarterly Reports on Form 10-Q for each completed fiscal quarter of the then current fiscal year, together with any amendments thereto; and

iii. Form 8-K reports, if any, filed after the most recent Form 10-K.

b. If the Credit Customer is not subject to SEC reporting requirements, Financial Statements are:

i. For each of the three fiscal years most recently ended, the Report of Independent Accountants (for each of the three fiscal years most recently ended); and audited financial statements, including balance
sheet, income statement, statement of cash flow, and statement of stockholder’s equity;

ii. For each completed fiscal quarter of the then current fiscal year; financial statements as described in (i) above. Unaudited quarterly financial statements are acceptable.

iii. Notes to financial statements; and

iv. Management’s discussion and analysis, if any.

c. The Credit Customer may submit Financial Statements by informing SPP, in writing, where the Financial Statements can be retrieved through the internet. Successful retrieval by SPP will satisfy the Financial Statements submission requirements of this Section. If SPP is not satisfied with the retrieval through the internet, it may require the Credit Customer to submit Financial Statements in hard copy form.

d. In the event any parts of the Financial Statements required under this Section are inapplicable to the Credit Customer, SPP may specify alternate requirements. SPP may request additional Financial Statements and related information at its sole discretion.

e. For Not-For-Profit Credit Customers, some of the above financial submittals may not be applicable, and alternate requirements may be specified by SPP.

f. In the credit evaluation of Not-For-Profit Credit Customers, SPP may request additional information as part of the overall financial review process and will consider other relevant factors in determining financial strength and creditworthiness.

3.1.1.2 References. The Credit Customer must provide at least one bank reference and at least three references from entities that have significant commercial relationships with the Credit Customer.
3.1.3 **Loss Contingencies.** The Credit Customer must fully and accurately identify and describe each of the following, or state that there are no such matters applicable to the Credit Customer:

a. known pending or, to the Credit Customer’s knowledge, threatened, court actions, arbitration proceeding, investigations, commitments, claims, contingencies, or existing or potential liabilities that are or would be Material if determined adversely to the Credit Customer;

b. ongoing investigations by the SEC, the FERC, or of any other governing, regulatory, or standards body that is Material or would be Material if determined adversely to the Credit Customer;

c. prior bankruptcy declarations or petitions, voluntary or involuntary, by or against the Credit Customer, its predecessors, subsidiaries or Affiliates; and

d. Material defalcations or fraud by or involving the Credit Customer, its predecessors, subsidiaries or Affiliates, or any of their respective assets.

3.1.4 **Affiliates.** The Credit Customer must identify all Affiliates that are Credit Customers.

3.1.5 **Total Potential Exposure Information.** The Credit Customer shall provide an estimate of its current or anticipated transaction activity for all services under the Tariff or otherwise over the succeeding twelve months sufficient to permit SPP to determine the Credit Customer’s Total Potential Exposure.

3.1.6 **Attestation Minimum Criteria for Market Participation and of Risk Management Capabilities.** Each applying Market Participant shall submit to SPP a notarized statement signed by an authorized
officer in the form attached as “Appendix E” to this Attachment H, attesting that:

a. The officer has signature authority to make the statement;

b. Employees or agents transacting in markets and services provided pursuant to the Tariff on behalf of the applying Market Participant have received, or will receive, applicable training with regard to their participation under this Tariff as a condition of being authorized to transact on behalf of the Market Participant;

c. The applying Market Participant will maintain current written risk management policies and procedures that address those risks that could materially affect the applying Market Participant’s ability to pay its SPP invoices when due;

d. The applying Market Participant has available appropriate personnel resources, operating procedures, and technical abilities to promptly and effectively respond to SPP communications and directions related to, but not limited to, settlements, billing, credit requirements and other financial matters;

e. The applying Market Participant will maintain the minimum capitalization or alternate capitalization requirements set forth in Section 3.1.1.8 of this Attachment H; and

f. Certifying that the Market Participant meets the minimum criteria for market participation set forth in Section 3.1.1.8 of this Attachment H.

Such attestation shall be renewed and updated for each successive year of market participation, and shall be submitted to SPP no later than April 30 of each year.

The applying Market Participant shall be declined participation in all SPP markets if: (i) the risk management capabilities of the applying Market Participant are deemed insufficient by SPP for the type of service that will be undertaken, (ii) SPP determines that the applying Market Participant does not meet the minimum criteria for market participation, (iii) the attestation is deemed insufficient by SPP to determine the risk management capabilities of the applying Market Participant, or (iv) the attestation is deemed insufficient by SPP to determine whether the applying Market Participant meets the minimum criteria for market participation. An applying Market Participant will have two (2) Business Days from receipt of notice from SPP that its attestation was deemed insufficient to cure any deficiency identified by SPP prior to being declined participation in SPP markets.
3.1.1.7 **Additional Information.** At any time and from time to time, SPP may request such additional information as SPP determines is necessary and appropriate for the Credit Assessment and the Credit Customer shall timely provide such additional information. At any time, the Credit Customer may provide SPP with additional information that the Credit Customer considers relevant to the Credit Assessment.

3.1.1.8 **Minimum Criteria for Market Participation.**

3.1.1.8.1 **Minimum Eligibility Requirements**

In order to be eligible to transact in the Western Energy Imbalance Service Market, each Market Participant must demonstrate to SPP that it qualifies as one of the following:

- An “appropriate person,” as defined under Section 4(c)(3)(A) through (J) of the Commodity Exchange Act (7 U.S.C. § 6(c)(3)(A) through (J)). A Market Participant may qualify as an “appropriate person” by providing: (i) an unlimited Corporate Guaranty in a form acceptable to SPP as described in Article 6 of this Attachment H and Appendix D of this Attachment H from an entity that demonstrates to SPP that it has in excess of $1 million of total net worth or in excess of $5 million of total assets per Market Participant for which that guarantor has issued an unlimited Corporate Guaranty, or (ii) a letter of credit in excess of $5 million in a form acceptable to SPP that the Market Participant acknowledges is separate from, and cannot be applied to meet, its credit requirements under this Attachment H.

b. An “eligible contract participant,” as defined in Section 1a(18) of the Commodity Exchange Act (7 U.S.C. § 1a(18)) and in the Commodity Futures Trading Commission’s regulation 1.3(m) (17 C.F.R. § 1.3(m))

c. A person or entity that is in the business of: (1) generating, transmitting or distributing electric
energy or (2) providing electric services that are necessary to support the reliable operation of the transmission system (78 Fed. Reg. 19880, page 19914).

For purposes of meeting the minimum criteria for market participation under this Credit Policy, SPP shall accept annual audited Financial Statements prepared according to either United States Generally Accepted Accounting Principles (US GAAP) or International Financial Reporting Standards (IFRS).

If a Market Participant is unable to meet the minimum eligibility requirements for market participation set forth in this Section 3.1.1.8.1, the Market Participant shall immediately notify SPP and immediately cease conducting transactions in the Western Energy Imbalance Service Market. When SPP receives such notification from a Market Participant or determines that a Market Participant does not meet the minimum eligibility requirements set forth in this Section 3.1.1.8.1, SPP shall immediately terminate that Market Participant’s transaction rights in the Western Energy Imbalance Service Market.

In the event that a Market Participant is no longer able to demonstrate that it meets the minimum eligibility requirements set forth in this Section 3.1.1.8.1, and possesses, obtains, or has rights to possess or obtain any open or forward position in the Western Energy Imbalance Service Market, SPP may take any action it deems necessary with respect to such open or forward positions. Such action may include but is not limited to, liquidation, transfer, assignment, or sale. The Market Participant will be entitled to any positive market value of such positions, net of any obligations due to SPP, notwithstanding its ineligibility to participate in the Western Energy Imbalance Service Market. Nothing in this paragraph shall restrict SPP's ability to enforce SPP's rights to pursue and collect any amounts Market Participants may owe to SPP.

3.1.1.8.2 Minimum Capitalization Requirements

Each Market Participant that meets the minimum eligibility requirements in Section 3.1.1.8.1 shall also, at a minimum, possess:
a. A Tangible Net Worth of One Million Dollars ($1,000,000) as shown in the most recent fiscal year end audited financial statements as described in Section 3.1.1.1; or
b. Ten Million Dollars ($10,000,000) in assets as shown in the most recent fiscal year end audited financial statement as described in Section 3.1.1.1; or
c. A Credit Rating of, or equivalent to, BBB-; or
d. A Guaranty as described in Article Six of this Attachment H, and approved by SPP, through which the audited financials or Credit Rating of the Guarantor is used to meet at least one of the alternatives specified in (a) through (c) above; or
e. In the event a Market Participant cannot meet at least one of the alternatives specified in (a) through (d) above, the Market Participant shall, at a minimum, deposit with SPP Two Hundred Thousand Dollars ($200,000) in Financial Security to be segregated and unavailable to secure any market activity. Pursuant to election of this alternative, if the anticipated activity at time of application or actual market activity as determined in Article Five, of the Market Participant exceeds One Hundred Thousand Dollars ($100,000) in Market Exposure, the Market Participant shall provide SPP twice the amount of Financial Security that would otherwise be required of the Market Participant pursuant to Section 4.4.

If the applying Market Participant is unable to meet the minimum capitalization requirements in this Section 3.1.1.8.2, the applying Market Participant shall be declined participation in all SPP markets.

Failure at any time of a Market Participant to continue to satisfy these minimum capitalization requirements in this Section 3.1.1.8.2 shall be deemed a Material Adverse Change pursuant to Section 3.2.7.

3.1.9 Minimum Criteria and Risk Management Verification Process

Through a periodic compliance verification process, SPP shall review and verify Market Participants’ eligibility for market participation based upon SPP’s minimum criteria for market participation, risk management policies, practices, and procedures pertaining to the Market Participants’ activities in the Western Energy Imbalance Service Market. Such review shall include verification that:
1. The risk management framework is documented in a risk policy addressing market, credit, and liquidity risks;
2. The Market Participant maintains an organizational structure with clearly defined roles and responsibilities that clearly segregates trading and risk management functions;
3. There is clarity of authority specifying the types of transactions into which traders are allowed to enter;
4. The Market Participant has requirements that traders have adequate training or expertise relative to their authority in the systems and Western Energy Imbalance Service Market in which they transact;
5. As appropriate, risk limits are in place to control risk exposures;
6. Reporting is in place to ensure that risks and exceptions are adequately communicated throughout the organization;
7. Processes are in place for qualified independent review of trading activities; and
8. As appropriate, there is periodic valuation or mark-to-market of risk positions.
9. The Market Participant meets the minimum participation criteria, including capitalization requirements, set forth in Section 3.1.1.8.

SPP may select Market Participants for review on a random basis and/or based on identified risk factors such as, but not limited to, the SPP markets in which the Market Participant is transacting, the magnitude of the Market Participant’s transactions, or the volume of the Market Participant’s open positions. Those Market Participants notified by SPP that they have been selected for review shall, upon fourteen (14) calendar days notice, provide a copy of their current governing risk control policies, procedures, and controls applicable to their SPP market activities and shall also provide such further information or documentation pertaining to the Market Participants’ activities in the SPP markets as SPP may reasonably request. Market Participants selected for risk management verification through a random process and satisfactorily verified by SPP shall be excluded from such verification process based on a random selection for the subsequent two years. SPP shall annually randomly select for review no more than twenty percent (20%) of the Market Participants.

Each selected Market Participant’s continued eligibility to participate in the SPP markets is conditioned upon SPP notifying the Market Participant of successful completion of SPP’s verification, provided, however, that if SPP notifies the Market Participant in
writing that it could not successfully complete the verification process, SPP shall allow such Market Participant fourteen (14) calendar days to provide sufficient evidence for verification prior to declaring the Market Participant as ineligible to continue to participate in SPP’s markets, which declaration shall be in writing with an explanation of why SPP could not complete the verification. If, prior to the expiration of such fourteen (14) calendar days, the Market Participant demonstrates to SPP that it has filed with the Federal Energy Regulatory Commission an appeal of SPP’s risk management verification determination, then the Market Participant shall retain its transaction rights, pending the Commission’s determination on the Market Participant’s appeal. SPP may retain outside expertise to perform the review and verification function described in this section. SPP and any third party it may retain will treat as confidential the documentation provided by a Market Participant under this section, consistent with the applicable provisions of the Tariff.

3.1.2 Rating Agency Information. In the initial Credit Assessment and in subsequent and ongoing assessments, SPP will consider Rating Agency reports applicable to the Credit Customer. This review will be focused on the Credit Customer’s unsecured, senior long-term debt ratings. If these ratings are not available, SPP will consider issuer ratings.

3.1.3 Power Supply Agent Disclosure Requirements. A Not-For-Profit Credit Customer may request that its suggested Unsecured Credit Allowance calculation reflect as equity the outstanding balance of revenue bonds issued by the Not-For-Profit Credit Customer when such revenue bonds are issued solely in support of the Not-For-Profit Credit Customer’s role as power supply agent for not-for-profit electric distribution utilities. In support of such request, the Not-For-Profit Credit Customer must provide SPP with the following information:

(a) Management representation letter stating:

(i) Principal amount, in dollars, of revenue bonds outstanding;

(ii) Prior to default and after default, debt service on the revenue bonds is payable only after operating expenses are paid;

(iii) Amounts payable to SPP under this Tariff are operating expenses for purposes of the revenue bonds; and
(iv)  The trustee for the revenue bonds has a valid and binding security interest in the revenues or net revenues from the power supply contracts to secure payment of the revenue bonds and the Not-For-Profit Customer has not granted any lien thereon prior to the lien of the bond resolution.

(b)  Opinion of counsel stating:

(i)  The power supply contracts are binding obligations of the Not-For-Profit Credit Customer enforceable in accordance with their terms;

(ii) The trustee of the revenue bonds has a valid and binding security interest in, or assignment and pledge of, the revenues or net revenues from the power supply contracts to secure payment of the revenue bonds;

(iii) The resolution or other document creating the security interest or pledge and providing for the priority of payment is enforceable in accordance with its terms;

(iv) Prior to default and after default, debt service on the revenue bonds is payable only after operating expenses are paid; and

(v)  All amounts payable to SPP arising from transactions under this Tariff are operating expenses for purposes of the revenue bonds.

(c)  All Rating Agency ratings on revenue bond(s).

The opinion of counsel referenced above shall be provided to SPP together with copies of the most recent written opinions of counsel, if any, for each member of the Not-For-Profit Credit Customer that relate to the enforceability of the power supply contract(s).

3.1.4  Guaranties. If the Credit Customer proposes a Guaranty to establish, contribute to, or maintain an Unsecured Credit Allowance, Credit Information required under Section 3.1.1 must be submitted with respect to both the Credit Customer and the proposed Guarantor.

3.2.  Annual and Other Ongoing Credit Assessments.
3.2.1 **Purpose of Annual and Other Ongoing Credit Assessments.** At least once annually, SPP will review and update its Credit Assessment for each Credit Customer. This will include a review of the Credit Customer’s creditworthiness and consideration of revisions of the Credit Customer’s (a) Unsecured Credit Allowance; (b) Financial Security requirements; and (c) Total Credit Limit. In its sole discretion, SPP may conduct additional reviews and updates, including reviews in response to new facts or occurrences that may bear upon the Credit Customer’s creditworthiness. Unless otherwise stated, all annual information required under Section 3.2 shall be provided to SPP no later than 120 days after the end of the Credit Customer’s fiscal year.

3.2.2 **Procedures for Posting Additional Financial Security or Taking Other Corrective Measures.** In the event a Credit Customer experiences a Material Adverse Change, SPP may invoke its right to require the Credit Customer to post additional Financial Security, cease one or more transactions, or take other measures to restore confidence in the Credit Customer’s ability to transact safely. In addition, based upon the annual or other Credit Assessment, SPP may, at any time, revise any (a) Unsecured Credit Allowance; (b) Financial Security requirements; and (c) Total Credit Limit, applicable to the Credit Customer. If SPP has upwardly revised the required amount of Financial Security, the Credit Customer will have two (2) Business Days from receipt of the notice from SPP to provide the required Financial Security, in an amount and form acceptable to SPP. Failure to provide additional required Financial Security shall be a Default under this Credit Policy and a default under the Tariff.

3.2.3 **Rating Agency Information.** The Credit Customer will give notice to SPP of any changes to its Credit Ratings within five (5) Business Days of the announcement of the change.

3.2.4 **Financial Statements.** On an annual basis, and except as otherwise stated with respect to quarterly reports, each Credit Customer must provide SPP with updated Financial Statements within ten (10) days after they become available, and in no event later than 120 days after the end of the Credit Customer’s fiscal year. Quarterly reports must be provided quarterly, within ten (10) days after they become available. Financial Statements may be submitted in the manner provided under Section 3.1.1.1.

3.2.5 **Power Supply Agent Disclosure Requirements.** A Not-For-Profit Credit Customer that initially qualified to have its suggested Unsecured Credit Allowance calculation reflect as equity the outstanding balance of revenue bonds issued by the Not-For-Profit Credit Customer, and is requesting to continue to have its suggested
Unsecured Credit Allowance calculation reflect as equity the outstanding balance of revenue bonds issued by the Not-For-Profit Credit Customer when such revenue bonds are issued solely in support of the Not-For-Profit Credit Customer’s role as power supply agent for not-for-profit electric distribution utilities, must at all times comply with the following information reporting requirements:

(a) The Not-For-Profit Credit Customer must advise SPP of the principal amount of revenue bonds outstanding on an annual basis;

(b) The Not-For-Profit Credit Customer must advise SPP within ten (10) days if the principal amount of the revenue bonds outstanding is reduced by more than twenty percent (20%) from the amount last certified by the Not-For-Profit Credit Customer;

(c) The Not-For-Profit Credit Customer must advise SPP immediately if the security interest of the trustee is released or the Not-For-Profit Credit Customer grants any lien prior to the lien of the bond resolution; and

(d) The Not-For-Profit Credit Customer must advise SPP within ten (10) days of any downgrade of any of the Not-For-Profit Credit Customer’s revenue bond ratings issued by a Rating Agency.

3.2.6 Other Credit Information. On an annual basis, each Credit Customer must provide SPP with the information specified in Section 3.1.1.3 (Loss Contingencies), 3.1.1.4 (Affiliates), and 3.1.1.7 (Additional Information).

3.2.7 Material Adverse Changes. Each Credit Customer must give SPP notice of any Material Adverse Change in its financial condition (and, as applicable, the financial condition of its Guarantor) within two (2) Business Days of the occurrence of the Material Adverse Change. If a Credit Customer or Guarantor files a Form 10-K, Form 10-Q, or Form 8-K with the SEC, notice of such filing, timely delivered to SPP in accordance herewith, will suffice on the condition that such notice states that the filing addresses a Material Adverse Change.

A Material Adverse Change in financial condition includes any Material change in operations or financial condition that a reasonable examiner of creditworthiness would deem material to decisions concerning the extension of credit, including but not limited to, any of the following (“Material Adverse Change”):
a. A downgrade of any debt rating or issuer rating, or change in the outlook of
any Credit Rating, including debt rating or issuer rating;

b. Any placement on a credit watch with negative implication by a Rating
Agency;

c. The filing of a lawsuit or initiation of an arbitration, investigation or other
proceeding (including regulatory proceeding) which if decided adversely
could have a Material effect on any current or future financial results or
financial condition;

d. The merger, acquisition or any other form of business combination
involving the credit customer.

e. Any adverse changes in financial condition which, individually, or in the
aggregate, are Material;

f. Any adverse changes, events or occurrences which, individually or in the
aggregate, could affect the ability of the Credit Customer to pay its debts as
they become due or could have a Material adverse effect on any current or
future financial results or financial condition;

g. Discovery or disclosure of conflict of interest issues;

h. Resignation or removal of a key officer or director;

i. Any action requiring the filing of a Form 8-K;

j. Any report of a quarterly or annual loss or a decline in earnings of ten (10)
percent or greater compared to the prior period;

k. Any restatement of prior financial statements; and

l. Failure of a Market Participant to continue to satisfy the minimum
capitalization criteria for market participation specified in 3.1.1.8.2.

3.2.7.1 Notification of a Material Adverse Change by SPP to a Credit
Customer. Upon the occurrence of a Material Adverse Change and prior
to SPP compelling a Credit Customer to post additional Financial Security,
seize one or more transactions, or take other measures to restore confidence
in the Credit Customer’s ability to transact business safely as a result of any
Material Adverse Change, SPP shall provide, when feasible, reasonable
advance notice in writing, by fax, electronic mail, hand delivery, reputable
overnight courier, or first-class mail, to the Credit Contact designated by the
Credit Customer pursuant to Section 9.1 of this Credit Policy. If delivery
to the Credit Contact fails, then SPP may effect delivery to any officer, executive, or manager of the Credit Customer. Such notice shall identify the reasoning behind the invocation of the Material Adverse Change clause and be signed by an authorized representative of SPP.

3.2.8 Affiliates. Each Credit Customer must identify all Affiliates that are Credit Customers.

3.2.9 Additional Information. At any time and from time to time, SPP may request such additional information as SPP determines is necessary and appropriate for the Credit Assessment and the Credit Customer shall timely provide such additional information. At any time, the Credit Customer may provide SPP with additional information that the Credit Customer considers relevant to the Credit Assessment.

3.2.10 Guaranties. If the Credit Customer relies upon a Guaranty to maintain an Unsecured Credit Allowance, Credit Information required under Section 3.2 must be submitted with respect to both the Credit Customer and the Guarantor.

3.2.11 Alternate Requirements. For Not-For-Profit Credit Customers, some of the above financial submittals may not be applicable, and alternate requirements may be specified by SPP.

3.2.12 In the credit evaluation of Not-For-Profit Credit Customers, SPP may request additional information as part of the overall financial review process and will consider other relevant factors in determining financial strength and creditworthiness.

3.3 SPP Rights to Use Other Information. Notwithstanding any provision of this Credit Policy, SPP shall have the right to utilize, in a Credit Assessment, any information of which it is aware concerning the Credit Customer.

3.4 Positive Material Change in Financial Condition of the Credit Customer. If there is a positive Material change in the financial condition of the Credit Customer, a significant reduction in the Total Potential Exposure of the Credit Customer, or any other change that the Credit Customer believes may warrant an increase in the Credit Customer’s Unsecured Credit Allowance and/or a reduction in the Financial Security required of the Credit Customer, the Credit Customer may make a written request to SPP to update the Credit Assessment and include or refer to any supporting information. SPP may request any
Credit Information described in Section 3.2 to evaluate the merit of the Credit Customer’s request. SPP anticipates that it will respond to the Credit Customer’s request within a reasonable period of time, generally within ten (10) Business Days after receiving all information that is required for an ongoing review as required in this Article.
ARTICLE FOUR
Creditworthiness and Total Credit Limit

4.1 Creditworthiness Overview. SPP will establish a Total Potential Exposure for each Credit Customer based on the Credit Customer’s estimated cumulative financial obligation arising under the Tariff or otherwise to SPP as provided in Article 5. The Total Potential Exposure is the amount that the Credit Customer must support with credit. The credit will consist of a combination of the Unsecured Credit Allowance and Financial Security, or either of them. SPP will determine the Credit Customer’s Unsecured Credit Allowance based upon the Composite Credit Score. The Composite Credit Score, as defined herein, is a determination of financial strength and creditworthiness, based upon the Credit Assessment. Where Credit Customers are Affiliates of each other, an aggregate Unsecured Credit Allowance will be established for the Affiliates, as provided below. Financial Security is an Irrevocable Letter of Credit or other collateral in accordance with this Credit Policy. If the Credit Customer’s Unsecured Credit Allowance is less than its Total Potential Exposure, the Credit Customer will be required either to establish additional credit in the amount of the difference by posting Financial Security or to decrease its Total Potential Exposure. A Credit Customer’s total credit with SPP, consisting of the Unsecured Credit Allowance and any Financial Security, is the Credit Customer’s Total Credit Limit. A Credit Customer may provide additional Financial Security at any time to increase or maintain its Total Credit Limit, for example, in order to increase its Total Potential Exposure or to compensate for a reduction in its Unsecured Credit Allowance.

4.2 Composite Credit Score. The “Composite Credit Score” is the numerical result of SPP’s scoring process based upon various quantitative and qualitative predictors of creditworthiness as set forth in this Section. The results are scaled from one (1) to six (6) with one (1) being the strongest score and six (6) being the weakest. Key factors in the scoring process include financial ratios, years in business, and Credit Ratings. SPP will apply all measures used to determine Composite Credit Scores in a consistent manner. The respective models SPP will use to determine the Composite Credit Score for Large Company Credit Customers, Small Company Credit Customers, and Not-For-Profit Credit Customers are set forth in this Section.

4.2.1 Large Company Credit Scoring. The Large Company Credit Customer model will be utilized for Credit Customers with net fixed assets equal to or in excess of $250 million (“Large Company Credit Customers” or “Large Company”). The Large Company Credit Score will be comprised of a Quantitative Score and a Qualitative Score. Each score is then weighted as shown below to build a Composite Credit Score.

<table>
<thead>
<tr>
<th>Large Company Analysis</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantitative Score</td>
<td>70%</td>
</tr>
<tr>
<td>Qualitative Score</td>
<td>30%</td>
</tr>
</tbody>
</table>
4.2.1.1 **Quantitative Score.** The Quantitative Score is based on the financial ratios below. These measures will be calculated for each Large-Company Credit Customer and compared with benchmarks to assign a score of one (1) to six (6) for each measure. A score of one (1) indicates that the Credit Customer has a strong financial health with regard to the measure, while a score of six (6) indicates poor financial health with regard to the measure. The following measures are used:

a. **Current Ratio**—Current Assets/Current Liabilities

b. **EBIT Interest Coverage**—(Interest Expense + Income Taxes + Net Income) / Interest Expense

c. **Total Debt to Total Capitalization ("TD/TC")**—(Long Term Debt + Current Portion + Other Short Term Borrowings) / (Total Debt + Preferred Equity + Common Equity)

d. **Funds from Operations ("FFO") to Total Debt**—(Cash from Operating Activities - Changes in Operating Assets and Liabilities) / (Long Term Debt + Current Portion + Other Short Term Borrowings)

The measures are then assessed as follows to calculate the total Quantitative Score:

<table>
<thead>
<tr>
<th>Scale</th>
<th>Current</th>
<th>EBIT Interest</th>
<th>TD/TC</th>
<th>FFO to Total Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>&gt;1.34</td>
<td>&gt;4.99</td>
<td>&lt;.30</td>
<td>&gt;.350</td>
</tr>
<tr>
<td>2</td>
<td>1.15 – 1.34</td>
<td>3.50 – 4.99</td>
<td>.30 - .39</td>
<td>.271 - .350</td>
</tr>
<tr>
<td>3</td>
<td>1.00 – 1.14</td>
<td>2.50 – 3.49</td>
<td>.40 - .49</td>
<td>.181 - .270</td>
</tr>
<tr>
<td>4</td>
<td>0.85 – 0.99</td>
<td>2.00 – 2.49</td>
<td>.50 - .59</td>
<td>.120 - .180</td>
</tr>
<tr>
<td>5</td>
<td>0.70 – 0.84</td>
<td>1.25 – 1.99</td>
<td>.60 - .69</td>
<td>.070 - .119</td>
</tr>
<tr>
<td>6</td>
<td>&lt;0.70</td>
<td>&lt;1.25</td>
<td>&gt;.69</td>
<td>&lt;.070</td>
</tr>
</tbody>
</table>

The measures are weighted as follows:

<table>
<thead>
<tr>
<th>Large Company Financial Ratios</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>10%</td>
</tr>
<tr>
<td>EBIT Interest Coverage</td>
<td>25%</td>
</tr>
<tr>
<td>Total Debt to Total Capitalization</td>
<td>25%</td>
</tr>
<tr>
<td>FFO to Total Debt</td>
<td>40%</td>
</tr>
</tbody>
</table>

If one or more ratios cannot be calculated due to insufficient data to calculate the ratio, the weight that would have been assigned to that ratio or ratios will be allocated equally among the remaining ratios.
4.2.1.2 **Qualitative Score.** The Qualitative Score, also on a scale of one (1) to six (6), will assess non-financial measure information about a Credit Customer’s creditworthiness. A score of one (1) indicates that the Credit Customer has strong qualitative measures, while a score of six (6) indicates poor qualitative measures. The qualitative analysis will take into account a variety of information, but at a minimum will include the assessment of the following characteristics:

- Management
- Regional / Commodity Diversity
- Physical Liquidity
- Financial Liquidity
- Quality of Equity
- Volatility of Earnings
- Regulation/Rates
- Senior Unsecured Debt Rating
- SPP Payment Record
- Risk Procedures

4.2.1.3 **Composite Credit Score.** The Composite Credit Score is the weighted average of the Quantitative Score and the Qualitative Score. To illustrate, assume the following:

Large Company Qualitative Score = 4.0

Large Company Financial Measures:

<table>
<thead>
<tr>
<th>Financial Measure</th>
<th>Value</th>
<th>Score</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>.82</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>EBIT Interest Coverage</td>
<td>2.08</td>
<td>4</td>
<td>25%</td>
</tr>
<tr>
<td>Total Debt to Total Capitalization</td>
<td>.63</td>
<td>5</td>
<td>25%</td>
</tr>
<tr>
<td>FFO to Total Debt</td>
<td>.17</td>
<td>4</td>
<td>40%</td>
</tr>
</tbody>
</table>

Large Company Quantitative Score = 
(5 x 10%) + (4 x 25%) + (5 x 25%) + (4 x 40%) = 4.35

Large Company Credit Score = (4.35 x 70%) + (4 x 30%) = 4.25

4.2.2 **Small Company Credit Scoring.** The Small Company model will be utilized for Credit Customers with net fixed assets less than $250 million (“Small Company Credit Customers” or “Small Company”). The Small Company Composite Credit Score will be comprised of a Quantitative Score and a Qualitative Score. Each score is then weighted as shown below to build a Composite Credit Score.
Small Company Analysis

<table>
<thead>
<tr>
<th></th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantitative Score</td>
<td>70%</td>
</tr>
<tr>
<td>Qualitative Score</td>
<td>30%</td>
</tr>
</tbody>
</table>

4.2.2.1 **Quantitative Score.** The Quantitative Score is based on the financial ratios below. These measures will be calculated for each Small Company Credit Customer and compared with benchmarks to assign a score of one (1) to six (6) for each measure. A score of one (1) indicates that the Credit Customer has a strong financial health with regard to the measure, while a score of six (6) indicates poor financial health with regard to the measure. The following measures are used:

a. Current Ratio—Current Assets/Current Liabilities

b. EBIT Interest Coverage—(Interest Expense + Income Taxes + Net Income) / Interest Expense

c. Total Liabilities to Total Net Worth (“TL/TNW”)—(Total Liabilities) / (Total Equity-Intangibles-Treasury Stock)

d. Funds from Operations (“FFO”) to Total Debt—(Cash from Operating Activities - Changes in Operating Assets and Liabilities) / (Long Term Debt + Current Portion + Other Short Term Borrowings)

e. Return on Assets (“ROA”)—Net Income / Total Assets

The values are then assessed as follows to calculate the total Quantitative Score:

<table>
<thead>
<tr>
<th>Scale</th>
<th>Current</th>
<th>EBIT Interest</th>
<th>TL/TNW</th>
<th>FFO to Total Debt</th>
<th>ROA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>&gt;2.50</td>
<td>&gt;4.99</td>
<td>&lt;0.40</td>
<td>&gt;.350</td>
<td>&gt;.120</td>
</tr>
<tr>
<td>2</td>
<td>1.75 – 2.50</td>
<td>3.50 – 4.99</td>
<td>0.40 - 0.70</td>
<td>.271-.350</td>
<td>.100 -.120</td>
</tr>
<tr>
<td>3</td>
<td>1.40 – 1.74</td>
<td>2.50 – 3.49</td>
<td>0.71 – 1.49</td>
<td>.181 -.270</td>
<td>.075 -.099</td>
</tr>
<tr>
<td>4</td>
<td>1.15 – 1.39</td>
<td>2.00 – 2.49</td>
<td>1.50 – 2.25</td>
<td>.120 -.18</td>
<td>.045 -.074</td>
</tr>
<tr>
<td>5</td>
<td>1.00 – 1.14</td>
<td>1.25 – 1.99</td>
<td>2.26 – 4.00</td>
<td>.070 -.119</td>
<td>.015 -.044</td>
</tr>
<tr>
<td>6</td>
<td>&lt;1.00</td>
<td>&lt;1.25</td>
<td>&gt;4.00</td>
<td>&lt;.070</td>
<td>&lt;.015</td>
</tr>
</tbody>
</table>

The measures are weighted as follows:

<table>
<thead>
<tr>
<th>Small Company Financial Ratios</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>25%</td>
</tr>
<tr>
<td>EBIT Interest Coverage</td>
<td>10%</td>
</tr>
<tr>
<td>Total Liabilities / Total Net Worth</td>
<td>25%</td>
</tr>
<tr>
<td>FFO to Total Debt</td>
<td>15%</td>
</tr>
<tr>
<td>ROA</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>
If one or more ratios cannot be calculated due to insufficient data to calculate the ratio, the weight that would have been assigned to that ratio or ratios will be allocated equally among the remaining ratios.

4.2.2.2 Qualitative Score. The Qualitative Score, also on a scale of one (1) to six (6), will assess non-financial measure information about a Credit Customer’s creditworthiness. A score of one (1) indicates that the Credit Customer has strong qualitative measures, while a score of six (6) indicates poor qualitative measures. The qualitative analysis will take into account a variety of information, but at a minimum will include the assessment of the following characteristics:

- Management
- Regional / Commodity Diversity
- Physical Liquidity
- Financial Liquidity
- Quality of Equity
- Volatility of Earnings
- Regulation/Rates
- Peer Comparison using SIC codes
- Senior Unsecured Debt Rating
- SPP Payment Record

4.2.2.3 Composite Credit Score. The Composite Credit Score is the weighted average of the Quantitative Score and the Qualitative Score. To illustrate, assume the following:

Small Company Qualitative Score = 4

Small Company Financial Measures:

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Score</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>1.10</td>
<td>5</td>
<td>25%</td>
</tr>
<tr>
<td>EBIT Interest Coverage</td>
<td>1855.00</td>
<td>1</td>
<td>10%</td>
</tr>
<tr>
<td>Total Liabilities / Total Net Worth</td>
<td>2.47</td>
<td>5</td>
<td>25%</td>
</tr>
<tr>
<td>FFO to Total Debt</td>
<td>0.03</td>
<td>6</td>
<td>15%</td>
</tr>
<tr>
<td>ROA</td>
<td>0.02</td>
<td>5</td>
<td>25%</td>
</tr>
</tbody>
</table>

Small Company Quantitative Score =
(5 x 25%) + (1 x 10%) + (5 x 25%) + (6 x 15%) + (5 x 25%) = 4.75

Small Company Credit Score =
(4.75 x 70%) + (4 x 30%) = 4.53
4.2.3 **Not-For-Profit Credit Scoring.** The Not-For-Profit model will be utilized for Credit Customers who are not structured to generate profits for investors (“Not-For-Profit Credit Customers” or “Not-For-Profit”), including electric cooperatives, municipalities, and government agencies. The Not-For-Profit Composite Credit Score will be comprised of a Quantitative Score and a Qualitative Score. The lower of the Composite Credit Score calculated using two alternative weights for the Quantitative Score and the Qualitative Score as shown below shall be used in determining the allocation of the Not-For-Profit Credit Customer’s Unsecured Credit Allowance.

<table>
<thead>
<tr>
<th>Not For Profit Credit Customer Analysis</th>
<th>Weight Alternative 1</th>
<th>Weight Alternative 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantitative Score</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>Qualitative Score</td>
<td>60%</td>
<td>50%</td>
</tr>
</tbody>
</table>

4.2.3.1 **Quantitative Score.** The Quantitative Score is based on the financial ratios below. These measures will be calculated for each Not-For-Profit Credit Customer and compared with benchmarks to assign a score of one (1) to six (6) for each measure. A score of one (1) indicates that the Credit Customer has a strong financial health with regard to the measure, while a score of six (6) indicates poor financial health with regard to the measure. The following measures, or their substantive equivalents for not-for-profit entities, are used:


b. Debt Service Coverage (“DSC”)—(Operating Income + Interest Expense + Depreciation + Interest Income + Cash Portion of Capital Credits - Onetime Charges)/(Interest Expense + Debt Amortization)

c. Times Interest Earned Ratio (“TIER”)—(Interest Expense + Patronage Capital or Margins or Changes in Net Assets) / (Interest Expense)

d. Total Debt to Total Capitalization (“TD/TC”)—(Long Term Debt + Current Portion + Other Short Term Borrowings) / (Total Debt + Preferred Equity + Common Equity). Members’ Equity could also be called Net Assets or Patronage Capital.

The values are then assessed as follows to calculate the total Quantitative Score:
Not-For-Profit Credit Customer Model Ratio Scales

<table>
<thead>
<tr>
<th>Scale</th>
<th>CR</th>
<th>DSC</th>
<th>TIER</th>
<th>TD/TC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>&gt;1.34</td>
<td>&gt;1.99</td>
<td>&gt;2.00</td>
<td>&lt;.50</td>
</tr>
<tr>
<td>2</td>
<td>1.15 – 1.34</td>
<td>1.50 – 1.99</td>
<td>1.50 – 2.00</td>
<td>.51 - .74</td>
</tr>
<tr>
<td>3</td>
<td>1.00 – 1.14</td>
<td>1.00 – 1.49</td>
<td>1.00 – 1.49</td>
<td>.75 - .85</td>
</tr>
<tr>
<td>4</td>
<td>0.85 – 0.99</td>
<td>0.80 – 0.99</td>
<td>0.80 – 0.99</td>
<td>.86 - .93</td>
</tr>
<tr>
<td>5</td>
<td>0.70 – 0.84</td>
<td>0.60 – 0.79</td>
<td>0.50 – 0.79</td>
<td>.94 - .99</td>
</tr>
<tr>
<td>6</td>
<td>&lt;0.70</td>
<td>&lt;0.60</td>
<td>&lt;0.50</td>
<td>&gt;.99</td>
</tr>
</tbody>
</table>

The measures are weighted as follows:

Not-For-Profit Credit Customer Financial Ratios

<table>
<thead>
<tr>
<th>Ratios</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>15%</td>
</tr>
<tr>
<td>Debt Service Coverage</td>
<td>35%</td>
</tr>
<tr>
<td>Times Interest Earned Ratio</td>
<td>20%</td>
</tr>
<tr>
<td>Total Debt / Total Capitalization</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

If one or more ratios cannot be calculated due to insufficient data to calculate the ratio, the weight that would have been assigned to that ratio or ratios will be allocated equally among the remaining ratios.

4.2.3.2 Qualitative Score. The Qualitative Score, also on a scale of one (1) to six (6), will assess non-financial measure information about a Credit Customer’s creditworthiness. A score of one (1) indicates that the Credit Customer has strong qualitative measures, while a score of six (6) indicates poor qualitative measures. The qualitative analysis will take into account a variety of information, but at a minimum will include the assessment of the following characteristics:

- Regulation/Rates
- Terms of wholesale power contracts
- Customer count served
- Power supply portfolio (e.g., contracts, assets, etc)
- Management
- Ability to access short-term capital
- Senior Unsecured Debt Rating
- SPP Payment Record

4.2.3.3 Composite Credit Score. The Composite Credit Score is the weighted average of the Quantitative Score and the Qualitative Score. To illustrate, assume the following:

Not-For-Profit Qualitative Score = 2
Not-For-Profit Financial Measures:

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Score</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>1.42</td>
<td>1</td>
<td>15%</td>
</tr>
<tr>
<td>Debt Service Coverage</td>
<td>1.17</td>
<td>3</td>
<td>35%</td>
</tr>
<tr>
<td>Times Interest Earned Ratio</td>
<td>0.73</td>
<td>5</td>
<td>20%</td>
</tr>
<tr>
<td>Total Debt / Total Capitalization</td>
<td>1.50</td>
<td>6</td>
<td>30%</td>
</tr>
</tbody>
</table>

Not-For-Profit Quantitative Score =  
\[(1 \times 15\%) + (3 \times 35\%) + (5 \times 20\%) + (6 \times 30\%) = 4.00\]  

Not-For-Profit Credit Score =  
\[(4.00 \times 40\%) + (2.0 \times 60\%) = 2.80\] using Alternative 1, or;  
\[(4.00 \times 50\%) + (2.0 \times 50\%) = 3.00\] using Alternative 2.

The lower Composite Credit Score resulting from utilizing the two alternatives is 2.80, so it will be the Composite Credit Score used in allocating this Not-For-Profit Credit Customer’s Unsecured Credit Allowance as described in Section 4.3 below.

4.3 Unsecured Credit Allowance.

The Composite Credit Score is converted into an “Unsecured Credit Allowance,” which is a percentage of Tangible Net Worth. (Tangible Net Worth = Total Equity – Intangibles – Treasury Stock). The Composite Credit Score is a numeric value on a scale of one (1) to six (6) with one (1) indicating stronger creditworthiness and six (6) indicating weaker creditworthiness. The conversion into an Unsecured Credit Allowance is based on the percentage values stated in Table 1.

<table>
<thead>
<tr>
<th>Composite Credit Score</th>
<th>% Tangible Net Worth Small Company Model</th>
<th>% Tangible Net Worth Large Company Model</th>
<th>% Tangible Net Worth Not For Profit Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00 - 1.99</td>
<td>5.00%</td>
<td>5.00%</td>
<td>7.500%</td>
</tr>
<tr>
<td>2.00 - 2.99</td>
<td>3.00%</td>
<td>3.00%</td>
<td>4.500%</td>
</tr>
<tr>
<td>3.00 - 3.59</td>
<td>2.00%</td>
<td>2.00%</td>
<td>3.000%</td>
</tr>
<tr>
<td>3.60 - 4.39</td>
<td>0.75%</td>
<td>0.75%</td>
<td>1.125%</td>
</tr>
<tr>
<td>4.40 - 4.99</td>
<td>0.25%</td>
<td>0.25%</td>
<td>0.375%</td>
</tr>
<tr>
<td>5.00 - 6.00</td>
<td>0%</td>
<td>0%</td>
<td>0.000%</td>
</tr>
</tbody>
</table>

To illustrate, a Large Company Credit Customer with a Composite Credit Score of 4.36 and Tangible Net Worth of $501,468,000 would have a suggested Unsecured Credit Allowance calculated as follows:

\[
\text{Unsecured Credit Allowance} = \text{Table 1 Percentage} \times \text{Tangible Net Worth} \\
= 0.75\% \times 501,468,000
\]
4.3.1 Revenue Bond Adjustment to Tangible Net Worth Value for Power Supply Agents. For Not-For-Profit Credit Customers that issue revenue bonds solely in support of their role as power supply agent for not-for-profit electric distribution utilities and meet: (a) the disclosure requirements in: (i) Section 3.1.3 of this Credit Policy and (ii) Section 3.2.5 of this Credit Policy; and (b) have a revenue bond rating or revenue bond ratings equal to or better than Baa1 issued by Moody’s Investor Services or BBB+ issued by Standard & Poor’s, the calculation of the suggested Unsecured Credit Allowance shall be based on an adjusted value for Tangible Net Worth. The adjusted value for Tangible Net Worth shall include the outstanding balance of revenue bonds as of the date of the calculation.

To illustrate, if the Not-For-Profit Credit Customer met all of the disclosure requirements for power supply agents, had a Tangible Net Worth of $2,000,000, and had $8,000,000 principal amount of revenue bonds outstanding, the adjusted Tangible Net Worth to be used in computing the suggested Unsecured Credit Allowance would be $10,000,000 (the sum of the adjusted Tangible Net Worth and the principal amount of revenue bonds outstanding as of the date of the calculation).

4.3.2 Maximum and Minimum Unsecured Credit Allowances. Notwithstanding the calculation under Section 4.3:

4.3.2.1 No Credit Customer shall have an Unsecured Credit Allowance in excess of $50 million; and

4.3.2.2 On the condition that a Not-For-Profit provides all required Credit Information and executes all documents required under this Credit Policy, and subject to the Default provisions of this Credit Policy, a Not-For-Profit Credit Customer shall have a minimum Unsecured Credit Allowance in the amount of $250 thousand.

4.3.3 Guaranty. In the event that the Credit Customer has a Guaranty, the Unsecured Credit Allowance will be based on the Credit Assessments of the Credit Customer and the Guarantor.

4.3.4 Unsecured Credit Allowance for Affiliates.

4.3.4.1 Determination of Creditworthiness of Combined Affiliates. If two or more Credit Customers are Affiliates, and each is granted an Unsecured Credit Allowance and a corresponding Total Credit Limit, SPP will consider the overall creditworthiness of the Affiliated Credit Customers when determining the Unsecured Credit Allowances in order not to grant more unsecured credit than the overall group of affiliated entities could support. SPP will work with Affiliated Credit Customers to allocate the total Unsecured
Credit Allowance among the Affiliates while assuring that no individual Credit Customer, nor common guarantor, exceeds the Unsecured Credit Allowance appropriate for its credit strength. A $50 million maximum Unsecured Credit Allowance shall apply to all Affiliates as though the Affiliates are a single Credit Customer.

**Example:** Credit Customers A and B each have a $10.0 million Guaranty from their common parent, a holding company with an Unsecured Credit Allowance calculation of $12.0 million. SPP may limit the Unsecured Credit Allowance for each Credit Customer to $6.0 million, so the total Unsecured Credit Allowance does not exceed the corporate total of $12.0 million.

4.3.4.2 **Guaranty.** If the Guaranty is applicable to Affiliates (i.e., more than one Credit Customer), then the Unsecured Credit Allowance of the Guarantor shall be allocated among such Affiliates and the applicable allocation shall be utilized in determining each Affiliated Credit Customer’s Unsecured Credit Allowance.

4.3.5 **Continuous Right to Modify.** SPP has the right at any time to modify any Unsecured Credit Allowance and/or require additional Financial Security as may be reasonably necessary to support the Credit Customer’s ability to pay for any market services SPP may provide. If the modification results in a reduction or revocation of Unsecured Credit Allowance and the reduction or revocation results in the need to provide Financial Security, then the rights and duties of SPP and the Credit Customer shall be as set forth in Section 3.2.2.

4.4 **Financial Security Requirement.** If a Credit Customer (i) is denied an Unsecured Credit Allowance, or (ii) is granted an Unsecured Credit Allowance that is below its Total Potential Exposure calculated pursuant to Article 5, then the Credit Customer may submit Financial Security to cover or exceed the difference in the amount of the Unsecured Credit Allowance granted to the Credit Customer and the amount of its Total Potential Exposure. A Credit Customer electing to satisfy the alternative criteria for market participation specified in Section 3.1.1.8.2(e) and whose anticipated or actual market activity exceeds One Hundred Thousand Dollars ($100,000) in Market Exposure shall provide Financial Security that is twice the amount calculated to satisfy its Financial Security Requirement pursuant to this Section 4.4. Any Credit Customer may provide Financial Security in lieu of or in addition to the Unsecured Credit Allowance it was granted. Upon the Credit Customer’s request, SPP shall provide a written explanation of how it determined the amount of required Financial Security for that Credit Customer.

4.5 **Total Credit Limit.** The “Total Credit Limit” is the amount of any Unsecured Credit Allowance approved by SPP for the Credit Customer, plus the amount of any Financial Security the Credit Customer has provided to SPP. SPP shall determine the Total Credit Limit for each Credit Customer. Upon the Credit Customer’s request, SPP shall provide a written explanation of how it determined the Unsecured Credit Allowance and the amount
of required Financial Security for that Credit Customer. SPP will respond to the Credit Customer’s request within five (5) Business Days.
ARTICLE FIVE

Calculation of Total Potential Exposure

5.1 Overview. The Total Potential Exposure is a calculated value applied to assure that the Credit Customer engages in activities within its Total Credit Limit. The Total Potential Exposure is based on the Credit Customer’s estimated cumulative financial obligation under the Tariff or otherwise to SPP. Potential Exposure to non-payment is calculated separately for each applicable category of service and then summed together to obtain the amount of Total Potential Exposure. This Article addresses the calculation and use of the value for Total Potential Exposure.

5.2 Calculation of Total Potential Exposure for a Credit Customer. A Credit Customer’s Total Potential Exposure shall be the sum of the potential exposure to non-payment for market transactions billed pursuant to the Tariff.

5.2.1 Market Exposure (“ME”). Potential exposure to non-payment associated with market transactions in the Western Energy Imbalance Service Market is calculated under the following formula:

\[ ME = IMSC + CMSC + MEMERT \]

\[ IMSC = \text{Invoiced Market Settlement Charges (all Western Real-Time Balancing Market, charges or credits that have been invoiced but not yet paid).} \]

\[ CMSC = \text{Calculated Market Settlement Charges (all Western Real-Time Balancing Market, daily settlement activity, including charges or credits, that has been calculated but not yet invoiced).} \]

\[ MEMERT = \text{Maximum Estimated Market Exposure for Western Real-Time Balancing Market activity shall be the greater of:} \]

(a) The average of the last three hundred sixty five (365) days of daily Western Real Time Balancing Market settlement activity (or if settlement activity occurred for a lesser period, the average settlement activity during such lesser period), or

(b) The average of the last seven (7) days of daily Western Real-Time Balancing Market settlement activity (or if settlement activity occurred for a lesser period, the average settlement activity during such lesser period).

Once the greater value is determined that value is multiplied by the number of days remaining in the Potential Exposure Window. Inasmuch as the Potential Exposure Window refers to “days before service can be terminated,” the time period for
purposes of calculating the MEMERT does not include additional time for service termination.

5.2.2 Total Potential Exposure Calculation. A Credit Customer’s Total Potential Exposure (“TPE”) shall be the sum of the potential exposure to non-payment for market transactions.

\[ \text{TPE} = \text{ME} \]

5.3 Total Potential Exposure Violations.

5.3.1 Transaction Limits. At all times, the Credit Customer shall maintain its Total Potential Exposure to a value equal to or less than its Total Credit Limit. A “Total Potential Exposure Violation” occurs when a Credit Customer’s Total Potential Exposure equals or exceeds its Total Credit Limit. SPP will regularly monitor each Credit Customer’s use of services and associated financial obligations. If a Credit Customer’s Total Potential Exposure equals or exceeds ninety percent (90%) of its Total Credit Limit, SPP shall promptly give notice to the Credit Customer. Failure by SPP to give this notice shall not relieve the Credit Customer of its duties under this Section.

5.3.2 Cure of Total Potential Exposure Violation. A Credit Customer shall cure a Total Potential Exposure Violation by: (i) payment to SPP of invoiced amounts to reduce the Credit Customer’s Total Potential Exposure, and/or (ii) provision of Financial Security in an amount sufficient to increase the Credit Customer’s Total Credit Limit, such that after making such payments of invoiced amounts and/or providing such Financial Security, the Credit Customer’s Total Potential Exposure will not exceed its Total Credit Limit. The Credit Customer shall have two (2) Business Days from receipt of notice from SPP to cure the violation. SPP, in its sole discretion, may determine to treat any amount tendered under (i) as an increase of Financial Security under (ii) and not as a payment to SPP.

5.3.3 Failure to Cure Total Potential Exposure Violation. A failure to cure a Total Potential Exposure Violation as required under Section 5.3.2 is a Default. In the event of such a Default, SPP has all rights under Section 7.5 of Attachment A to this Tariff and under Attachment I to this Tariff and all other rights and remedies in accordance with applicable law. Without prejudice to other remedies, a Credit Customer that fails timely to cure a Total Potential Exposure Violation shall be suspended from requesting any future services, including all market services SPP may provide, unless and until the Credit Customer’s Total Potential Exposure Violation is cured.

5.4 Excess Financial Security. In the event a Credit Customer has provided additional Financial Security under Section 5.3.2 to address a Total Potential Exposure Violation, and the Credit Customer’s outstanding invoiced amounts subsequently return to levels preceding that violation such that the total amount of Financial Security exceeds the
amount required under this Credit Policy, the Credit Customer may request return of the excess Financial Security and SPP shall comply with the request within two (2) Business Days; provided, that if SPP determines to review the Credit Assessment for the Credit Customer due to the violation, it shall not be required to respond to the request, including return of any excess Financial Security, until two (2) Business Days after completing the new Credit Assessment.
ARTICLE SIX

Guarantees

6.1 **Guaranty.** A Guaranty approved by SPP transfers to the Credit Customer a portion of the Guarantor’s creditworthiness and thereby increases the Credit Customer’s Total Credit Limit. Unlike a bank guaranty or Irrevocable Letter of Credit, a Guaranty is not Financial Security. A Guaranty that is backed by Financial Security will have the same impact upon the Total Credit Limit as Financial Security. A Guaranty that is not backed by Financial Security is unsecured and will be considered unsecured credit in the determination of the Unsecured Credit Allowance.

6.2 **Approval Process.** SPP will determine whether to approve a Guaranty based upon the creditworthiness of the proposed Guarantor as though it were a Credit Customer under this Credit Policy. All Credit Information required under this Credit Policy with respect to a Credit Customer must be submitted initially for the proposed Guarantor and regularly thereafter. SPP will evaluate the Credit Information and determine any Unsecured Credit Allowance and the Total Credit Limit for the Credit Customer beneficiary of the proposed Guaranty. SPP shall have the right to revise the Unsecured Credit Allowance and Total Credit Limit from time to time based upon continued assessment of the Credit Information of the Guarantor.

6.3 **Requirements for Guaranty.** A Credit Customer can utilize a Guaranty if all of the following conditions are satisfied:

6.3.1 **Guarantor’s Satisfaction of Financial Standards under this Credit Policy.** A Guarantor is subject to the same financial review procedures as a Credit Customer. A Guarantor will be eligible to provide a Guaranty to the extent, if any, of the Guarantor’s creditworthiness under this Credit Policy.

6.3.2 **The Form and Substance of the Guaranty Acceptable to SPP.** Appendix “D” of this Credit Policy is a form of Guaranty. The Guaranty must:

6.3.2.1 Be duly authorized by the Guarantor and signed by an officer of the Guarantor

6.3.2.2 State an effective period, or provide for automatic renewal or other basis for periodicity subject to cancellation on no less than sixty (60) days notice and provided that in all events the Guaranty is effective for all obligations of the Credit Customer undertaken prior to cancellation.

6.3.2.3 Include certification of the corporate secretary that the execution, delivery, and performance of the Guaranty have been duly authorized;
6.3.2.4 Certify that the Corporate Guaranty is not in violation of other undertakings or requirements applicable to the Guarantor, and enforceable against the Guarantor in accordance with its terms;

6.3.2.5 Obligate the Guarantor to submit Credit Information on an ongoing basis as required under this Credit Policy;

6.3.2.6 Incorporate default provisions, including default provisions referred to in Section 6.3.4;

6.3.2.7 Secure, in combination with other forms of financial security, all obligations of the Credit Customer under or in connection with this Tariff and/or other Agreements; and

6.3.2.8 Be supported by adequate consideration and be otherwise binding as a matter of law.

6.3.2.9 Include as an attachment thereto the resolution(s) of the board of directors or other governing body of the Guarantor authorizing the Corporate Guaranty.

6.3.3 Reserved for Future Use

6.3.4 Default. Any breach of the Guaranty by the Guarantor or the requirements of the Guarantor under this Credit Policy shall be deemed a Default of this Credit Policy and a default under the Tariff by the Guarantor and the Affiliates whose obligations are supported by the Guaranty. The following also shall be a Default of this Credit Policy and a default under the Tariff: (i) the Guaranty expires or terminates (other than in accordance with its terms or upon the written consent of SPP); (ii) the Guarantor disaffirms, disclaims, repudiates, rejects or challenges the validity of all or any part of the Guaranty; or (iii) the Guaranty or any material provision of the Guaranty ceases to be in full force and effect (other than in accordance with its terms or upon the written consent of SPP).

6.4 Guaranty for Affiliates. A single Guaranty may support the Total Credit Limits of Affiliates. With respect to such a Guaranty, the sum value of the Unsecured Credit Allowance of all such Affiliates and the Guarantor shall not exceed the lesser of:

(i) the approved Unsecured Credit Allowance for the Guarantor based on SPP’s financial review of Guarantor; or

(ii) $50 million.

If a Guaranty is utilized to establish an Unsecured Credit Allowance for a Credit Customer, the value of the Guaranty shall be no greater than the lesser of:

(i) The credit limit imposed in the Guaranty; or
(ii) The portion of the Unsecured Credit Allowance calculated for the Guarantor that is allocated to such Credit Customer in SPP’s sole discretion; provided that the Unsecured Credit Allowance calculated for the Guarantor may not exceed $50 million; or

(iii) $50 million.

6.5 Guarantees for Not for Profit Credit Customers. SPP shall allow other guarantees for Not for Profit Credit Customers so long as any guarantees for such customer satisfy the requirements of Section 6.3. The form in Attachment D shall be used (subject to modifications to reflect the not for profit nature of the customer and the structure of the guarantee). An example of a permissible guarantee would be individual cities guaranteeing the payments by a municipal energy entity.

6.6 Costs. The Credit Customer shall bear all costs of obtaining and maintaining the Guaranty.

6.7 Withdrawal. A Credit Customer or the Guarantor may request the withdrawal of the Guaranty by written request to SPP. A Guaranty may be withdrawn and/or terminated only upon SPP’s written approval. SPP will not approve withdrawal or termination of a Guaranty unless and until:

(i) alternate Financial Security acceptable to SPP has been provided; or

(ii) all financial obligations of a Credit Customer under the Agreements have been irrevocably satisfied in full, all Service Agreements have been terminated, and the Credit Customer is no longer a Credit Customer.
ARTICLE SEVEN

Financial Security

7.1 Acceptable Forms of Financial Security. Financial Security may be a Cash Deposit or Irrevocable Letter of Credit or, for a Credit Customer that is a Federal Power Marketing Agency, a letter as specified in Section 7.1.4 of this Article. These forms of Financial Security may be submitted separately or in combination to equal the full amount of any required or provided Financial Security. In addition, SPP requires the execution of a Credit and Security Agreement (with respect to Cash Deposit and/or Irrevocable Letter of Credit).

7.1.2 Cash Deposits. A Cash Deposit will be Financial Security in accordance with this Section.

7.1.2.1 Deposit and Related Agreements. The initial Cash Deposit must be accompanied by execution and delivery of a Credit and Security Agreement in the form attached to this Credit Policy as Appendix “B.” Under the Credit and Security Agreement, the Credit Customer shall grant to SPP a first priority security interest in and to any and all Cash Deposits, cash collateral, and deposit accounts held or controlled by SPP then existing or thereafter opened, and any and all proceeds of such collateral, including, without limitation, the cash and interest deposited therein. This security interest secures the prompt payment when due of any and all obligations of the Credit Customer under or in connection with the Tariff, and/or any and all other Agreements. SPP may amend the Credit and Security Agreement from time to time, either for general applicability or on an individual basis. The Credit Customer will accept such amendment and, upon request, execute an amendatory document.

7.1.2.2 Segregated Account. The Cash Deposit will be placed in a segregated, interest bearing account in SPP’s name and held within the sole control of SPP solely to secure the payment of the Credit Customer’s obligations to SPP and subject to the terms and conditions of the Credit and Security Agreement. All interest earned will accrue to the benefit of the Credit Customer, will be added to the segregated account, and will be deemed additional Cash Deposit; provided, that all such accrued and unpaid interest that has not been applied to satisfy the Credit Customer’s obligations will be released and paid to the Credit Customer quarterly, and further provided, that SPP shall not be obligated to pay any interest to the Credit Customer or release any amount from the segregated account during any uncured Default. Interest will be calculated from the date of the receipt of deposit until the date that the deposit is returned or converted into another form of Financial Security.
7.1.2.3 **Use of Cash Deposit.** In the event a Credit Customer fails to make a payment timely to SPP, SPP may apply the Cash Deposit as necessary to satisfy the deficit. In such event, within three (3) Business Days, the Credit Customer must replenish the Cash Deposit in an amount equal to SPP’s draw or in such other amount as SPP may require under this Credit Policy and failure to replenish shall be a Default under this Credit Policy. SPP’s application of the Cash Deposit hereunder shall not cure the Default due to the Credit Customer’s failure to make timely payment until and unless the Cash Deposit is timely replenished or other Financial Security is provided under Section 7.1.2.4.

7.1.2.4 **Replacement of Cash Deposit.** A Credit Customer may replace any part of a Cash Deposit with other Financial Security acceptable to SPP under this Credit Policy.

7.1.3 **Irrevocable Letter of Credit.** An Irrevocable Letter of Credit will be Financial Security in accordance with this Section.

7.1.3.1 **Form, Requirements, and Related Agreement.** Appendix “C” of this Credit Policy is an acceptable form of an Irrevocable Letter of Credit. SPP may amend the form of Irrevocable Letter of Credit from time to time, either for general applicability or on a case-by-case basis, and the Credit Customer will accept such amendment and, upon request, execute an amendatory document. SPP may accept an Irrevocable Letter of Credit, in its sole discretion, in revised form. Upon the Credit Customer’s request, SPP shall provide a written explanation of why SPP did not accept that Credit Customer’s proposed variation to the form of Irrevocable Letter of Credit set forth in Appendix “C” of this Credit Policy. The Credit Customer must execute the Credit and Security Agreement with respect to the Irrevocable Letter of Credit. Under the Credit and Security Agreement, the Credit Customer grants SPP a first priority security interest in and to any and all proceeds of any and all Irrevocable Letters of Credit then existing or thereafter issued with SPP as Beneficiary and the Credit Customer as Account Party under the Irrevocable Letter of Credit, including, without limitation, the cash issued upon a draw thereon. This security interest secures the prompt payment when due of any and all obligations of the Credit Customer to SPP, provided that the grant of a security interest shall not diminish SPP’s rights to apply draws on the Irrevocable Letter of Credit to pay any and all amounts due. SPP may amend the Credit and Security Agreement from time to time, either for general applicability or on an individual basis. The Credit Customer will accept such amendment and, upon request, execute an amendatory document.
7.1.3.2 **Ratings of Issuing Financial Institution.** At the time of issuance and at all times the Irrevocable Letter of Credit is outstanding, the issuer must be a financial institution organized under the laws of the United States or any state of the United States or the District of Columbia or a branch or agency of a foreign commercial bank located in the United States, with a minimum corporate debt rating of an “A-” by S&P, “A3” by Moody’s, “A-” by Fitch or an equivalent short-term debt rating by any of these agencies. SPP may accept an Irrevocable Letter of Credit from a financial institution that does not meet the debt rating requirements, provided that the Irrevocable Letter of Credit has a confirmation of third-party support (as governed by the Uniform Customs and Practice for Documentary Credits – International Chamber of Commerce Publication No. 500, Effective January 1, 1994 “UCP500” as stated in Article 9 Section B), in a form acceptable to SPP, from a financial institution that does meet or exceed the debt rating requirements stated in this Section. If after the Irrevocable Letter of Credit has been issued, the rating for the corporate debt of the financial institution is less than “A-” by S&P, “A3” by Moody’s or “A-” by Fitch, SPP may give the Credit Customer notice to submit substitute Financial Security no later than three (3) Business Days after the notice.

7.1.3.3 **Costs.** The applicable Credit Customer shall bear all costs of providing and maintaining the Irrevocable Letter of Credit.

7.1.3.4 **Substitution of Irrevocable Letter of Credit.** The Credit Customer may replace an Irrevocable Letter of Credit with a substitute Irrevocable Letter of Credit in form and amount acceptable to SPP. SPP will return the initial Irrevocable Letter of Credit upon receipt of an effective and acceptable substitute.

7.1.3.5 **Term and Renewal.** The Irrevocable Letter of Credit must automatically renew unless the issuing financial institution provides a notice to SPP at least ninety (90) days prior to its expiration date stating its decision not to renew the Irrevocable Letter of Credit. If the Irrevocable Letter of Credit is not renewed, at least ninety (90) days prior to its stated expiration date (a “Non-Renewal Event”), the Credit Customer must submit substitute Financial Security acceptable to SPP, in SPP’s sole discretion, no later than eighty-seven (87) days prior to the stated expiration date.

7.1.3.6 **Use of Irrevocable Letter of Credit.** In the event a Credit Customer fails to make any timely payment to SPP, SPP may draw upon the Irrevocable Letter of Credit as necessary to satisfy any and
all amounts due from the Credit Customer pursuant to the Agreements. In such event, within three (3) Business Days, the Credit Customer must replenish the Irrevocable Letter of Credit or provide SPP with other Financial Security in an amount equal to the draw or in such other amount as SPP may require under this Credit Policy, and failure to satisfy this requirement shall be a Default under this Credit Policy. In the event of such failure to make timely payment, and in addition to any other remedies available to SPP, SPP may draw down the entire Irrevocable Letter of Credit and hold the proceeds in an unsegregated account and apply such proceeds to amounts owed by the Credit Customer to SPP pursuant to the Agreements. The foregoing sentence notwithstanding, upon the Credit Customer’s written notice of request, SPP will treat as a Cash Deposit the proceeds of a draw over and above amounts currently due and unpaid and transfer same to a segregated account in accordance with such treatment, provided that the Credit Customer has executed a Credit and Security Agreement.

7.1.4 Federal Power Marketing Agency Letter. A form of letter as described in this Section will be Financial Security for a Federal Power Marketing Agency as that type of entity is defined in Article Two of this Attachment H.

Credit Customers that are Federal Power Marketing Agencies may provide Financial Security in the form of a letter, executed by an officer of the Federal Power Marketing Agency, that: (1) attests that the Federal Power Marketing Agency is lawfully authorized to participate in the WEIS Market and that any debt the Federal Power Marketing Agency incurs due to its participation in the WEIS Market is a debt of the United States; (2) identifies the current year’s appropriations for the Federal Power Marketing Agency from the United States Congress; and (3) verifies that the amount of the current year’s appropriations for the Federal Power Marketing Agency from the United States Congress meets or exceeds the amount required to satisfy the credit requirements set forth in this Credit Policy.

7.2 Financial Security Defaults. In addition to the breaches with respect to Financial Security identified in Section 7.1.2.3 (failure to replenish Cash Deposit) and 7.1.3.6 (failure to replenish Irrevocable Letter of Credit), any failure by an issuer of an Irrevocable Letter of Credit, or any breach of a Credit and Security Agreement shall be a Default under this Credit Policy and a default under the Tariff. A Default under this Credit Policy and a default under the Tariff shall also occur if: (i) the Financial Security expires or terminates (other than in accordance with its terms or upon the written consent of SPP); (ii) the person issuing the Financial Security disaffirms, disclaims, repudiates or rejects or challenges the validity of all or any part of the Financial Security; or (iii) the Financial Security or any material provision of the Financial Security ceases to be in full force and effect (other than in accordance with its terms or upon the written consent of SPP).
ARTICLE EIGHT

Default and Remedies

8.1 Default. Any of the following shall constitute an “Event of Default” under this Credit Policy by a Credit Customer:

8.1.1 Failure to post any required Financial Security required under this Credit Policy in the time period specified;

8.1.2 Reserved for Future Use;

8.1.3 Failure to pay in full any amount payable under the Tariff, unless cured in accordance with Section 8.3 of this Credit Policy;

8.1.4 A Credit Customer’s involvement in financial difficulties as evidenced by: (i) its commencement of a voluntary case under Title 11 of the United States Code as from time to time in effect, or by its authorizing, by appropriate proceedings of its board of directors, general partners or other governing body, the commencement of such a voluntary case; (ii) its filing an answer or other pleading admitting or failing to deny the material allegations of a petition filed against it commencing an involuntary case under said Title 11, or seeking, consenting to or acquiescing in the relief therein provided, or by its failing to controvert timely the material allegations of any such petition; (iii) the entry of an order for relief in any involuntary case commenced under said Title 11; (iv) its seeking relief as a debtor under any applicable law, other than said Title 11, of any jurisdiction relating to the liquidation or reorganization of debtors or to modification or alteration of the rights of creditors, or by its consenting to or acquiescing in such relief; (v) the entry of an order by a court of competent jurisdiction (a) finding it to be bankrupt or insolvent, (b) ordering or approving its liquidation, reorganization or any modification or alteration of the rights of its creditors, or (c) assuming custody of, or appointing a receiver or other custodian for all or a substantial part of its property, and such entry or order shall not be vacated or stayed within ninety (90) days; (vi) the filing of a petition under Title 11 which shall not be vacated within ninety (90) days; or (vii) its making an assignment for the benefit of, or entering into a composition with, its creditors, or appointing or consenting to the appointment of a receiver or other custodian for all or a substantial part of its property.

8.1.5 Commission of any other Default specified under this Credit Policy, including Defaults specified in Sections 3.2.2, 5.3.3, 6.3.4, 7.1.2.3., 7.1.3.6, and 7.2.

8.1.6 Except with respect to an event described in Sections 8.1.1 through 8.1.5, the failure to provide any of the Credit Information required under this Credit Policy in the time periods specified, and the failure to observe or perform any of the material terms or conditions or provisions set forth in this Agreement, and such failure is not cured within two (2) Business Days after notice thereof from SPP. If such failure
is a failure to provide any of the Credit Information required under this Credit Policy in the time periods specified, and the failure cannot reasonably be cured within such period, and if the Credit Customer has commenced and is diligently pursuing such cure and provides SPP with adequate assurance of due performance to protect SPP against loss arising from the failure to perform, the Credit Customer may request in writing stating the reasons for the delay and obtain an additional five (5) Business Days if the Credit Customer is a Large Company or a Small Company and ten (10) Business Days if the Credit Customer is a Not-For-Profit after the written notice of Default, as shall be necessary for the Credit Customer to cure the failure with all due diligence.

8.2 Notice of Financial Difficulties. Immediately upon the occurrence of an Event of Default as set forth in Section 8.1.4, the Credit Customer shall provide notice to SPP and a copy of any pleadings, orders, petitions, agreements or other document initiating or filed in connection with such Event of Default.

8.3 Remedies for Default. Upon the first occurrence of a customer default as described in Section 7.4 of the Tariff or an Event of Default (except as defined in Section 8.1.4 of this Credit Policy) within a twelve month period, SPP will take no action to suspend any Unsecured Credit Allowance as long as the default is remedied within the specified cure period. Should the first occurrence not be remedied within the specified cure period SPP will suspend any Unsecured Credit Allowance for ninety (90) calendar days. Upon the second customer default or Event of Default within a twelve (12) month period, SPP will suspend any Unsecured Credit Allowance for ninety (90) calendar days. The suspension will occur even if one or both occurrences were remedied within the specified cure period.

SPP may, except to the extent such remedy is limited in this Credit Policy, exercise any rights or remedies it may have at law or in equity, including but not limited to bringing suit or otherwise initiating proceedings for monetary damages, injunctive relief, specific performance, and relief available under the Federal Power Act. If the Event of Default has not been cured by the Credit Customer within two (2) Business Days or as otherwise outlined under Section 8.1.6 after the Credit Customer’s receipt of notice thereof, or, in the case of failure to pay in full amounts payable under Section 7 of the Tariff, within two (2) Business Days after the Credit Customer’s receipt of notice thereof, except as may be precluded under applicable law, SPP may terminate all of the Credit Customer’s rights under this Credit Policy. Such termination shall not affect any liability of the Credit Customer incurred before and existing as of such termination. In addition, and without prejudice to any other remedies, SPP reserves all rights to terminate service in accordance with the Tariff and applicable law.

Upon the first occurrence of an Event of Default as defined in Section 8.1.4 of this Credit Policy, SPP will immediately suspend the Credit Customer’s Unsecured Credit Allowance and may, at SPP’s sole discretion, terminate all of the Credit Customer’s rights under this Credit Policy and/or terminate service in accordance with the Tariff and applicable law. Any such termination shall not affect any liability that the Credit Customer incurred prior to and as of such termination. Upon the first occurrence of an Event of Default as defined in Section 8.1.4 of this Credit Policy, SPP also may order the Credit Customer to post additional collateral, cease one or more market transactions, or take other measures to protect SPP and other Market Participants from the Credit Customer’s Default.
ARTICLE NINE

Notice

9.1 Designation of Credit Contact. Each Credit Customer shall in writing designate a management level official as the person responsible for the Credit Customer’s credit-related matters under this Credit Policy (“Credit Contact”), which designation may be changed from time to time in writing, together with contact information including fax, e-mail, and courier delivery address. SPP will seek to effect delivery of notices under the Credit Policy to the Credit Contact in the first instance; however, if delivery to the Credit Contact fails, then SPP may effect delivery to any officer, executive, or manager of the Credit Customer.

9.2 Notices to SPP. Any notice or request made by SPP shall be given in writing, by fax, email, hand delivery, reputable overnight courier, or first-class mail, to the Credit Customer’s Credit Contact. Notice to SPP shall be addressed to:

Southwest Power Pool, Inc.
Credit and Risk Management Department
201 Worthen Drive
Little Rock, AR 72223-4936
GENERAL CREDIT INFORMATION FORM

Customer Information

Customer Name: _____________________________________________________________

Street Address: __________________________________________________________________________

City: ____________________________________________ State: ____________ Zip Code: ____________

Contact Person: ____________________________ Phone: _____________ E-mail: ______________________

NERC Acronym:________________  SIC Code:___________ Dun & Bradstreet no.:______________

Attach Financial Statements as described in Section 3.1.1.1 of the WEIS Credit Policy or give web address where they may be obtained: _____________________________________________________________

Credit Customers anticipated peak monthly transmission activity: $____

Credit Customers anticipated peak weekly market activity: $____

Bank Reference

Bank Name: ____________________________ Account No(s): ____________________________

Street Address: __________________________________________________________________________

City: ____________________________________________ State: ____________ Zip Code: ____________

Contact Person: ____________________________ Phone: _____________ E-mail: ______________________

SIGNIFICANT COMMERCIAL REFERENCES

1. Company Name: _____________________________________________________________________

Contact: ____________________________ Phone: _____________ E-mail: ______________________

Contract Date: __________________________ Contract Amount: ____________________________
2. Company Name:________________________________________________________________________

Contact: ____________________________ Phone: _____________    E-mail: _______________________
Contract Date: __________________________    Contract Amount: ____________________________

3. Company Name:________________________________________________________________________

Contact: ____________________________ Phone: _____________    E-mail: _______________________
Contract Date: __________________________    Contract Amount: ____________________________
Identify or describe any loss contingencies that require disclosure under Section 3.1.1.3 of the SPP Credit Policy. Attach documents as necessary: ________________________________

Identify all Affiliates that are Credit Customers. Give NERC Acronym, SIC Code, and Dun and Bradstreet number for each: ________________________________

__________________________________________

__________________________________________

__________________________________________
Credit Support

Intended form(s) of credit support if known at this time:

a) Cash (See Section 7.1.2 and Appendix B) ____________
b) Irrevocable Letter of Credit (See Section 7.1.3 and Appendices B and C) ____________
c) Guaranty (See Section 3.1.3, Article Six, and Appendix D) ____________

Not-For-Profit Companies, as defined in Section 4.2.3, should also answer the Additional Not-For-Profit Questions to help SPP have a better understanding of your organization. If your organization will not be considered a Not-For-Profit company, it is not necessary that you answer the additional questions.

Authorized Signature: ____________________________________________ Date: ________________

Print Name: _____________________________________________
Title: ________________________________
Additional Not-For-Profit Questions
Additional sheets may be added to fully answer the following questions.

1. Does your company have the ability to set its own rates? If yes, please attach any documentation that will show that ability.

2. What are the terms and expiration dates of your company’s wholesale power contracts?

3. How many customers do you serve directly? When considering your five largest customers that you directly serve, what percentage of your load do they represent?

4. Please describe your power supply portfolio and how it is used to meet your load. What percent of your load is secured by asset ownership or purchase power contracts? Are these assets or contracts long-term in nature? What are the expiration dates of your contracts? What is the fuel mix of your power supply portfolio? Do you engage in risk management activities? If so, please provide a brief summary of such activities.

5. How long has the present management team been in place? Please discuss their experience with the present firm and any previous experience.

6. Discuss your ability to access lines of credit from financial institutions.

7. Please discuss any other factors you want to have considered by SPP when assessing creditworthiness. If there are items concerning your financials that need explanation, please provide the explanation here. If your company receives capital credits, please provide the associated cash portion of such capital credits, as well as the information needed to compute such an amount from your most recent audited financials.
Appendix “B” Credit and Security Agreement

This Credit and Security Agreement is effective as of the _____ day of ________________, 20__,
by and between _______________________ (“Company”) and Southwest Power Pool, Inc.
(“SPP”).

Recitals

WHEREAS, SPP offers certain services, including certain transmission services, market services
and other services as set out in the _________________ Tariff of SPP, as may be amended and
supplemented from time to time and together with all replacements and substitutes thereto
(collectively, the “Tariff”);

WHEREAS, SPP maintains a Credit Policy (which is Attachment H to the Tariff, as the same may
be amended from time to time) in order to determine, on a case by case basis, the level of unsecured
credit available to each customer who takes services under the Tariff and the form and amount of
financial assurance to be required by each customer, if any;

WHEREAS, in the event Company provides financial assurance to SPP in the form of cash
collateral or a letter of credit, or, for a Credit Customer that is a Federal Power Marketing Agency,
a letter as specified in Section 7.1.4 of Attachment H, SPP requires Company, in accordance with
the terms of its Credit Policy as filed and accepted by FERC, to execute this Credit and Security
Agreement in order to assure the strength of SPP’s security interest in such cash collateral or letter
of credit;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is
hereby acknowledged by each of the parties hereto, Company and SPP hereby agree as follows:

(1) The “Liabilities” as used in this Credit and Security Agreement means all of the financial
obligations of the Company under the Tariff and/or any and all agreements entered into, under,
pursuant to, or in connection with the Tariff (including, without limitation, the SPP Credit Policy)
and any and all other agreements to which SPP and the Company are parties (collectively, the
“Agreements”).
(2) As security for the payment and performance of the Liabilities, SPP shall have, and the Company hereby grants to SPP, a continuing security interest in the following collateral (as indicated below) (the “Collateral”): all of the Company’s right, title, and interest in any and all cash, cash collateral, cash deposits and deposit accounts of the Company held or controlled by SPP, including accounts designated “for the benefit of” Company, that either (i) are or contain proceeds from any draw upon any Letters of Credit naming SPP as beneficiary to the extent that SPP determines in its sole discretion to treat such payments as cash collateral, and without prejudice to SPP’s right to treat draws as payments to SPP of any and all amounts due to SPP from the Company, or (ii) are or contain cash submitted by the Company as collateral or security, however created or evidenced, whether now existing or hereafter owned, acquired, created, used or arising, including all products and proceeds of the foregoing, any and all renewals, extensions, replacements, modifications, additions, and substitutions of the foregoing and all rights, remedies, claims and demands under or in connection with each of the foregoing.

(3) All Collateral held or controlled by SPP after the date of this Credit and Security Agreement shall be free of any lien, security interest or encumbrance, except for liens, security interests or encumbrances in favor of SPP, and the Company agrees not to grant any security interest or permit any lien or encumbrance to arise in any of the Collateral except for security interests, liens and encumbrances in favor of SPP without the prior written consent of SPP.

(4) The Company agrees to do such reasonable acts and things and deliver or cause to be delivered such other documents as SPP may reasonably deem necessary to establish and maintain a valid perfected security interest in the Collateral (free of all other liens and claims except those of SPP) to secure the payment and performance of the Liabilities and to defend title to the Collateral against any person claiming any interest therein adverse to SPP. The Company authorizes SPP to file a financing statement or statements on its behalf in those public offices deemed advisable or necessary by SPP to protect the security interest of the Company herein granted. If permitted by law, the Company agrees that a carbon, photographic or other reproduction of this Credit and Security Agreement or of a financing statement may be filed as a financing statement.
(5) Subject to the Tariff, upon the occurrence of any Default and at any time thereafter, SPP shall have all rights and remedies available at law or in equity including, without limitation, the rights and remedies of a secured party under the Arkansas Uniform Commercial Code, as in effect from time to time, including, without limitation, the right to retain and/or take possession of the Collateral. SPP may in its discretion transfer any property constituting Collateral into its own name or that of its nominee and receive the income thereon and hold the same as security for the Liabilities or apply it on amounts due on Liabilities.

(6) Until such time as SPP exercises its remedies upon a Default, all income, earnings and profits with respect to the Collateral shall be reported for state and federal income tax purposes as attributable to the Company and not SPP. Company hereby instructs SPP (and any other person authorized to report taxable income distributions) to issue, or cause to be issued, IRS Form 1099 indicating the Company as the recipient of such income, earnings and profits.

(7) Whenever possible each provision of this Credit and Security Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Credit and Security Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition without invalidating the remainder of such provision or the remaining provisions of this Credit and Security Agreement. The Company recognizes that SPP has relied on this Credit and Security Agreement in extending credit to the Company and agrees that such reliance by SPP shall be sufficient consideration for this Credit and Security Agreement.
(8) The Company maintains any and all rights under Section 206 of the Federal Power Act it may have with regard to this Credit and Security Agreement or its implementation.

This Credit and Security Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Arkansas (without giving effect to the principles of conflicts of laws thereof).

_____________________________________
Company Name

_____________________________________
Authorized Signature

_____________________________________
Print Name

_____________________________________
Title

SOUTHWEST POWER POOL, INC.
By:

_____________________________________
Authorized Signature

_____________________________________
Print Name

_____________________________________
Title
Appendix “C” Form of Irrevocable Standby Letter of Credit

Irrevocable Standby Letter of Credit No. ________  
Issued: [Date]  
Expires at our counter (unless evergreen): [Date]

Ladies and Gentlemen:

We do hereby issue this Irrevocable Non-Transferable Standby Letter of Credit No. ________ by order of, for the account of and on behalf of _____________________ (“Account Party”) and in favor of Southwest Power Pool, Inc. (“Beneficiary” or “SPP”) (“Letter of Credit”).

This Letter of Credit is irrevocable and is issued, presentable and payable and we guaranty to the Beneficiary of this Letter of Credit that drafts drawn under and in compliance with the terms of this Letter of Credit will be honored on presentation and surrender of certain documents pursuant to the terms of this Letter of Credit.

This Letter of Credit is available in one or more drafts and may be drawn hereunder for the account of Account Party up to an aggregate amount not exceeding $ _______________.00 (United States Dollars _________ and 00/100).

This Letter of Credit is drawn against by presentation to us at our office located at the following address:

_____________________________

of a drawing certificate: (i) Signed by an officer or authorized agent of the Beneficiary; (ii) dated the date of presentation; and (iii) containing one (1) of the following statements:

1. “The undersigned hereby certifies to _____________________ (“Issuer”), with reference to its Irrevocable Non-Transferable Standby Letter of Credit No. ________________, dated ________________, issued on behalf of _____________________ (“Account Party”) and in favor of Southwest Power Pool, Inc. (“Beneficiary”) that said Account Party has failed to make a payment in accordance with the terms and provisions of one or more of the following, as applicable: SPP’s Tariff, as may be amended and supplemented from time to time, together with all replacements and substitutes (the “Tariff”), any and all agreements
entered into by Account Party under, pursuant to, or in connection with the Tariff and any and all agreements to which Account Party and SPP are parties, as such agreements may be amended and supplemented from time to time, whether now or hereafter executed, and any replacements or substitutions thereof, (collectively, the “Agreements”). The Beneficiary hereby draws upon the Letter of Credit in an amount equal to $ _______________ (United States Dollars _______________ and 00/100)”;

or

2. “As of the close of business on ______________, 20__ (fill in date which is less than eighty-seven (87) days before the expiration date of the Letter of Credit), Account Party has failed to renew, replace or amend the Letter of Credit in a manner acceptable to Beneficiary.” The Beneficiary hereby draws upon the Letter of Credit in an amount equal to $______________ (United States Dollars _______________ and 00/100)”;

or

3. “As of the close of business on ______________, 20__ (fill in date which is more than three (3) Business Days after the Beneficiary has requested that Account Party replace the Letter of Credit because the Issuer’s corporate debt is rated less than “A-” by S&P, “A3” by Moody’s, “A-” by Duff & Phelps, or “A-” by Fitch), Account Party has failed to replace the Letter of Credit in a manner acceptable to Beneficiary.” The Beneficiary hereby draws upon the Letter of Credit in an amount equal to $______________ (United States Dollars _______________ and 00/100)”.

Beneficiary shall have the right, in the event of a draw pursuant to subparagraph (2) or (3) of the immediately preceding paragraph, to draw down the entire face value of the Letter of Credit.

If presentation of any drawing certificate is made on a business day and such presentations made on or before 10:00 a.m. _______ Time, (“Issuer”) shall satisfy such drawing request on the same business day. If the drawing certificate is received after 10:00 a.m. _______ Time, (“Issuer”) will satisfy such drawing request on the next business day.

It is a condition of this Letter of Credit that it will be automatically extended without amendment for one year from the expiration date hereof, or any future expiration date, unless at least 90 days prior to any expiration date we notify you by registered mail or overnight courier that we elect not to consider this Letter of Credit extended for any such period.

This Letter of Credit may be terminated upon Beneficiary’s receipt of full payment from the Account Party and Issuer’s receipt of a written release from the Beneficiary releasing the Issuer from its obligations under this Letter of Credit.
Disbursements under the Letter of Credit shall be in accordance with the following terms and conditions:

1. The amount, which may be drawn by the Beneficiary under this Letter of Credit, shall be automatically reduced by the amount of any drawings hereunder.

2. All commissions and charges will be borne by the Account Party.

3. This Letter of Credit may not be transferred or assigned by the Issuer.

4. This Letter of Credit is irrevocable.

5. Except when the amount of this Letter of Credit is increased this Letter of Credit may not be amended, changed or modified without the express written consent of the Beneficiary and the Issuer. Such consent may be delivered by electronic means including electronic mail to -

6. This Letter of Credit shall be governed by the International Standby Practices Publication No. 590 of the International Chamber of Commerce, including any amendments, modifications or revisions thereof (the “ISP”), except to the extent that terms hereof are inconsistent with the provisions of the ISP, in which case the terms of the Letter of Credit shall govern. This Letter of Credit shall be governed by the internal laws of the state of Arkansas to the extent that the terms of the ISP are not applicable; provided that, in the event of any conflict between the ISP and such Arkansas laws, the ISP shall control.

[Authorized Signature]  [Date]

Name: _____________________________

Title: _____________________________
Appendix “D” Guaranty Form

GUARANTY AGREEMENT

This Guaranty Agreement (the “Guaranty”) is made by ____________________ (“Guarantor”), a ______________ corporation, in favor of Southwest Power Pool, Inc. (“Creditor”), an Arkansas nonprofit corporation.

WHEREAS, one or more direct or indirect subsidiaries of the Guarantor (each referred to individually as “Debtor” and collectively as “Debtors”) and the Creditor are parties to certain agreements pursuant to, or in connection with, the Creditor’s Western Energy Imbalance Service Tariff, whether now existing or hereafter arising in accordance with their respective terms (each referred to individually as “Agreement” and collectively as “Agreements”);

WHEREAS, Guarantor is the direct or indirect parent of the Debtor, will receive substantial and direct benefits from the extensions of credit contemplated by the Agreements and has agreed to enter into this Guaranty to provide assurance for the performance of Debtor’s obligations in connection with the Agreements and to induce the Creditor to enter into the Agreements; and

WHEREAS, the execution and delivery of this Guaranty is a condition to Creditor’s further performance of its obligations under the terms of the Agreements;

NOW, THEREFORE, in consideration of the promises and other good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. **Guaranty.** Guarantor hereby unconditionally and absolutely guarantees the punctual payment as and when due of Debtor’s payment obligations arising under any Agreement, as such Agreement may be amended or modified from time to time, together with any interest thereon (collectively, the “Guaranteed Obligations”). Guarantor’s obligations and liability under this Guaranty shall be limited to payment obligations only and Guarantor shall have no obligation otherwise to perform under any Agreement, including, without limitation, to sell, deliver, purchase, receive, or transmit any electrical energy product or service.

2. **Guaranty Absolute.** The liability of Guarantor under this Guaranty shall be absolute and unconditional irrespective of:

   (a) any lack of validity or enforceability of or defect or deficiency in any Agreement or any other documents executed in connection with any Agreement;

   (b) any modification, extension or waiver of any of the terms of any Agreement;

   (c) any change in the time, manner, terms or place of payment of or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of
or any consent to departure from any Agreement or any other agreement or instrument executed in connection therewith;

(d) any sale, exchange, release or non-perfection of any property standing as security for the liabilities hereby guaranteed, or any liabilities incurred directly or indirectly hereunder or any setoff against any of said liabilities, or any release or amendment or waiver of or consent to departure from this Guaranty or any other guaranty, for all or any of the Guaranteed Obligations;

(e) except as to applicable statutes of limitation, failure, omission, delay, waiver or refusal by Creditor to exercise, in whole or in part, any right or remedy held by Creditor with respect to any Agreement or any transaction under any Agreement;

(f) any change in the existence, structure or ownership of Guarantor or any Debtor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Debtor or its assets; or

(g) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Debtor or any other individual, partnership, joint venture, corporation, association, trust or other enterprise that is a party to any Agreement, or any other agreement or instrument (including any guarantor) in respect of the Guaranteed Obligations, other than payment in full of the Guaranteed Obligations.

The obligations of the Guarantor hereunder are several from any Debtor or any other person, and are primary obligations concerning which the Guarantor is the principal obligor. There are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein. It shall not be necessary for Creditor, in order to enforce payment by Guarantor under this Guaranty, to show any proof of any Debtor's default, to exhaust its remedies against any Debtor, any other guarantor, or any other person liable for the payment or performance of the Guaranteed Obligations. Creditor shall not be required to mitigate damages or take any other action to reduce, collect, or enforced the Guaranteed Obligations.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by Creditor upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Debtor or any other guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Debtor or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

3. **Waiver.** This is a guaranty of payment and not of collection. Guarantor hereby waives:
(a) notice of acceptance of this Guaranty, of the creation or existence of any of the Guaranteed Obligations and of any action by Creditor in reliance hereon or in connection herewith;

(b) notice of the entry into any Agreement between any Debtor and the Creditor and of any amendments, supplements or modifications thereto; or any waiver of consent under any Agreement, including waivers of the payment and performance of the obligations thereunder;

(c) notice of any increase, reduction or rearrangement of any Debtor’s obligations under any Agreement or any extension of time for the payment of any sums due and payable to the Creditor under any Agreement;

(d) except as expressly set forth herein, presentment, demand for payment, notice of dishonor or nonpayment, protest and notice of protest or any other notice of any other kind with respect to the Guaranteed Obligations; and

(e) any requirement that suit be brought against, or any other action by Creditor be taken against, or any notice of default or other notice be given to, or any demand be made on, Debtor or any other person, or that any other action be taken or not taken as a condition to Guarantor’s liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against Guarantor.

4. **Expenses.** Notwithstanding and in addition to the limit on Guarantor’s liability hereunder set forth in Section 1, Guarantor agrees to pay on demand any and all costs, including reasonable legal fees and expenses, and other expenses incurred by Creditor in enforcing Guarantor’s payment obligations under this Guaranty; provided that the Guarantor shall not be liable for any expenses of Creditor if no payment under this Guaranty is due.

5. **Subrogation.** Guarantor shall be subrogated to all rights of Creditor against the Debtors in respect of any amounts paid by Guarantor pursuant to this Guaranty, provided that Guarantor waives any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise (including, without limitation, any statutory rights of subrogation under Section 509 of the Bankruptcy Code, 11 U.S.C. § 509, or otherwise), reimbursement, exoneration, contribution, indemnification, or any right to participate in any claim or remedy of the Creditor against any Debtor or any collateral which the Creditor now has or acquires, until all of the Guaranteed Obligations shall have been irrevocably paid to Creditor in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of Creditor and shall forthwith be paid to Creditor to be applied to the Guaranteed Obligations. If (a) the Guarantor shall perform and shall make payment to Creditor of all or any part of the Guaranteed Obligations and (b) all the Guaranteed Obligations shall have been paid in full, Creditor shall, at the Guarantor’s request, execute and deliver to the Guarantor appropriate
documents necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor.

6. **Setoff.** The Creditor is hereby authorized at any time, to the fullest extent permitted by law, to set off and apply any deposits (general or special, time or demand, provisional or final) and other indebtedness owing by the Creditor to or for the account of Guarantor against any and all of the obligations of Guarantor under this Guaranty, irrespective of whether or not the Creditor shall have made any demand under this Guaranty or such Agreement and although such obligations may be contingent and unmatured. The Creditor agrees promptly to notify Guarantor after any such set-off and application made by the Creditor provided that the failure to give such notice shall not affect the validity of such set-off and application.

7. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon delivery, when mailed by U.S. mail, registered or certified, return receipt requested, postage prepaid, by express courier with traceable receipt, by facsimile, or personally delivered. Notices shall be sent to the following addresses:

If to Creditor:
Southwest Power Pool, Inc.
201 Worthen Drive
Little Rock, AR  72223-4936
Attention: Credit and Risk Management Department

If to Guarantor:
____________________
____________________
____________________
____________________

8. **Demand and Payment.** Any demand by Creditor for payment hereunder shall be in writing, signed by a duly authorized officer of Creditor and delivered to the Guarantor pursuant to Section 7 hereof, and shall (a) reference this Guaranty, (b) specifically identify the Debtor, the Guaranteed Obligations to be paid and the amount of such Guaranteed Obligations, and (c) set forth payment instructions. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within two (2) business days of receipt of such demand.

9. **No Waiver; Remedies.** Except as to applicable statutes of limitation, no failure on the part of Creditor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.
10. **Term; Termination.** This Guaranty shall continue in full force and effect for the term of the Agreements. Notwithstanding the foregoing, this Guaranty may be terminated at any time by the Guarantor by providing at least sixty (60) days’ prior written notice to Creditor; provided, however, upon termination hereof, Guarantor agrees that the obligations and liabilities hereunder shall continue in full force and effect with respect to any obligations incurred prior to the termination date, and any fees and costs of enforcement in connection herewith.

11. **Assignment; Successors and Assigns.** Creditor may, upon notice to Guarantor, assign its rights hereunder without the consent of Guarantor. Guarantor may assign its rights hereunder with the prior written consent of Creditor, which consent shall not be unreasonably withheld. Subject to the foregoing, this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, and legal representatives.

12. **Amendments, Etc.** A written amendment executed by the Guarantor only may (a) increase the guaranty limit specified in Section 1 and/or (b) extend the termination date of this Guaranty. No other amendment of this Guaranty shall be effective unless in writing and signed by Guarantor and Creditor. No waiver of any provision of this Guaranty nor consent to any departure by Guarantor therefrom shall in any event be effective unless such waiver shall be in writing and signed by Creditor. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

13. **Captions.** The captions in this Guaranty have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Guaranty.

14. **Representation and Warranties.**

   The Guarantor represents and warrants as follows:

   (a) the Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty. This representation is evidenced by a copy of the resolution(s) of the board of directors or other governing body of the Guarantor authorizing this Guaranty, which is attached to and made a part of this Guaranty;

   (b) the execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene the Guarantor’s constitutional documents or any contractual restriction binding on the Guarantor or its assets;

   (c) this Guaranty is not in violation of other undertakings or requirements applicable to Guarantor, and is enforceable against the Guarantor in accordance with these terms;
(d) this Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting Creditor’s rights and to general equity principles; and

(e) the audited financial statements of Guarantor for the most recent fiscal year and the unaudited financial statements of Guarantor for the most recent quarter (the “Financial Statements”), heretofore delivered to Creditor or filed with the United States Securities Exchange Commission by Guarantor present fairly the financial condition and results of operations of Guarantor and its consolidated subsidiaries as of the dates and for the period specified therein in conformity with United States generally accepted accounting principles, and, except as otherwise expressly stated therein, consistently applied. Except as expressly stated to Creditor in writing, there has been no Material Adverse Change in the financial condition of Guarantor and its consolidated subsidiaries since the dates of the Financial Statements.

15. **Limitation by Law.** All rights, remedies and powers provided in this Guaranty may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Guaranty are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guaranty invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

16. **GOVERNING LAW; SUBMISSION TO EXCLUSIVE JURISDICTION.** THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ARKANSAS AND ANY APPLICABLE FEDERAL LAW. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HERETO HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY ARKANSAS STATE COURT SITTING IN PULASKI COUNTY, ARKANSAS, OR THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF ARKANSAS, FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE PARTIES HEREBY WAIVE ANY OBJECTION TO VENUE IN PULASKI COUNTY, ARKANSAS, AND ANY OBJECTION TO ANY ACTION OR PROCEEDING ON THE BASIS OF FORUM NON CONVENIENS.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer effective as of this ___ day of __________, ______ (“Effective Date”).

[GUARANTOR]
By:___________________________
Name:_________________________
Title:_________________________
I, _____________________________, a duly authorized officer of ____________________________________ (“Market Participant”), understanding that Southwest Power Pool, Inc. (“SPP”) is relying on this certification as evidence supporting SPP’s determination that Market Participant meets the risk management and minimum market participation requirements as set forth in Attachment H to SPP’s Western Energy Imbalance Service Market Tariff (“Tariff”), hereby certify that I have full authority to certify and represent on behalf of Market Participant and further certify and represent as follows:

a. Training. Employees or agents transacting in markets or services provided pursuant to the Tariff on behalf of the Market Participant have received, or will receive, applicable training with regard to their participation under the Tariff as a condition of being authorized to transact on behalf of Market Participant. As used in this representation, training is deemed ‘applicable’ where it is commensurate and proportional in sophistication, scope and frequency to the volume of transactions and the nature and extent of the risk taken by the Market Participant.

b. Risk Management. Market Participant maintains current written risk management policies and procedures that address those risks that could materially affect Market Participant’s ability to pay its SPP invoices when due, including, but not limited to, credit risks, liquidity risks and market risks.

c. Operational Capabilities. Market Participant has available appropriate personnel resources, operating procedures, and technical abilities to promptly and effectively respond to SPP communications and directions related to, but not limited to, settlements, billing, credit requirements and other financial matters.

d. Minimum Participation Criteria. Market Participant meets or exceeds the minimum market participation criteria, including capitalization requirements, as specified in Section 3.1.1.8 of Attachment H of the Tariff. The Market Participant shall submit audited financial statements for the most recent fiscal year to demonstrate minimum Tangible Net Worth or minimum total assets, or provide a report produced by a Rating Agency to establish its Credit Rating as specified in Section 3.1.1.8.2. In the event the Market Participant is unable to meet at least one of these minimum financial requirements, the Market Participant shall maintain with SPP the amount of Financial Security required by Section 3.1.1.8.2(e) of Attachment H to the Tariff.
Date: __________________________

__________________________________________
(Signature)

Print Name: __________________________

Title: __________________________

Subscribed and sworn before me __________, a notary public of the State of ________, in and for the County of ____________, this __ day of __________, 20__.

__________________________________________
(Notary Public Signature)

My commission expires: _______ / _______ / _______
I. Adjustments To Revenue Allocations in the Event of Market Participant Non-Payments

If the amounts collected by SPP for Market Services are insufficient to fully pay the providers of Market Services, then the following procedures apply:

A. Definitions

The following definitions apply in this Section I of Attachment I. Capitalized terms used in this Attachment I and not defined herein shall be given the meaning assigned to them under the Tariff.

1. **Credit Support Documents:** Any agreement or instrument in any way guaranteeing or securing any or all of a Market Participant’s obligations under the Tariff (including, without limitation, the Credit Policy in Attachment H to this Tariff), any agreement entered into under, pursuant to, or in connection with the Tariff or any agreement entered into under, pursuant to, or in connection with the Tariff or the Credit Policy, and/or any other agreement to which SPP and Market Participant are parties, including, without limitation, any Guaranty, Letter of Credit, Credit and Security Agreement (Attachment B to the Credit Policy in Attachment H to this Tariff) or agreement granting a security interest.

2. **Default:** Any default under Article 8 or otherwise under the Credit Policy.

3. **Defaulting Market Participant:** A Market Participant that defaults under Section 8 of the Credit Policy.

4. **FERC:** The Federal Energy Regulatory Commission.

5. **Market Services:** Services taken and/or provided pursuant to the Tariff.

6. **Non-Defaulting Market Participants:** Market Participants, other than the Defaulting Market Participant, who conducted business in the market during the time covered by the invoice(s) containing the Unpaid Obligation.

7. **Unpaid Obligation:** An unpaid past due amount of an invoice for Market Services for which SPP does not reasonably expect payment in full and which SPP has declared to be an Unpaid Obligation.

8. **Uncollectible Obligation:** An Unpaid Obligation that has not been paid within ninety (90) days after SPP declared an invoice an Unpaid Obligation, or sooner, should by any means the Market Participant’s Service Agreement be terminated.
B. General

SPP shall only be required to remit to providers of Market Services the revenues that it has collected, without dispute, under SPP Tariff for Market Services, as applicable.

C. Procedures for Non-Payment of Amounts Invoiced for Market Services

1. The following procedures apply to defaults in payment of amounts invoiced for Market Services. At such time as SPP concludes that SPP does not reasonably expect payment in full of an unpaid past due amount, which SPP may conclude as early as within 1 day after the due date, then SPP shall declare such unpaid past due amount to be an Unpaid Obligation. SPP will notify Market Participants of the declaration of an Unpaid Obligation by posting a notice to the OASIS. Such notification will identify the Defaulting Market Participant, the amount of the Unpaid Obligation, the applicable week(s) of service for which the Defaulting Market Participant was initially invoiced the Unpaid Obligation, and the future billing week(s) in which SPP will, because of the Unpaid Obligation, reduce the revenues to be paid to all Non-Defaulting Market Participants who conducted business in the market during the time covered by the invoice applicable to the Unpaid Obligation. SPP will then make reduced payments on the corresponding payout date to the Non-Defaulting Market Participants receiving revenues for Market Services associated with the Unpaid Obligation. A payment to a Non-Defaulting Market Participant will be reduced in amount equal to such Non-Defaulting Market Participant’s pro rata share of the Unpaid Obligation.

Upon the earliest feasible date after declaring an Unpaid Obligation, SPP will take the following additional steps: (i) identify and segregate all funds held by SPP with respect to the Defaulting Market Participant; (ii) recover the Unpaid Obligation by drawing upon the entire amount of collateral provided by the Defaulting Market Participant, provided that any amount of the Unpaid Obligation not paid by such draw shall continue to be an Unpaid Obligation; (iii) seek to recover the Unpaid Obligation from any guarantor of the Defaulting Market Participant’s obligations; (iv) seek to exercise other remedies under the Credit Support Documents provided by the Defaulting Market Participant; and (v) pursue other available remedies for Defaults, including, without limitation, initiating a filing with FERC to terminate the Service Agreement of the Defaulting Market Participant. SPP may deviate from steps (i) through (v), including omission of steps and use of other measures
as SPP may determine, in its discretion, are appropriate to maximize collection, minimize collection costs, and produce cost effective collection efforts relative to, for example, the likelihood of collection of the Unpaid Obligation.

Any amounts received by SPP pursuant to this Section I.C.1. of this Attachment I shall be applied to reduce the amount of the Unpaid Obligation if those amounts are received prior to the issuance of a notice to cure the Default. After the notice to cure is issued, Section I.C.2. of this Attachment I will apply.

2. Payments by Defaulting Market Participants of Unpaid Obligations. This Section I.C.2 applies to amounts invoiced to Market Participants for Market Services only. After SPP has declared an Unpaid Obligation, SPP will send the Defaulting Market Participant a notice to cure the Default as specified in Section 8 of the SPP Credit Policy. The Defaulting Market Participant must take the following steps to cure its Default: (i) pay all unpaid obligations to SPP, including, without limitation, the amount of the Unpaid Obligation, interest, and enforcement and collection costs; and (ii) meet the creditworthiness requirements of SPP, including, without limitation, any additional financial assurances that may be required by SPP given the Defaulting Market Participant’s prior Default.

In the event the Defaulting Market Participant attempts to cure its Default by making partial payment of the Unpaid Obligation, the partial payment shall not be applied to reduce the Unpaid Obligation but shall instead be segregated from other SPP funds. Such segregated partial payments shall accumulate until the full amount of the Unpaid Obligation is cured by a series of two or more partial payments. In the event SPP determines that the Unpaid Obligation is uncollectible pursuant to Section I.C.2. of this Attachment I and is an Uncollectible Obligation, the segregated partial payments along with any interest shall be applied using the formula set forth in Section I.C.3.b. of this Attachment I, and the funds will be distributed as described in Section I.C.3.c. of this Attachment I.

In the event the full amount of the Unpaid Obligation is paid by the Defaulting Market Participant prior to SPP declaring the Uncollectible Obligation, those revenues will be distributed to Market Participants in the same percentages as the previous reduction of revenues associated with the Unpaid Obligation.
3. **Uplift.** This Section I.C.3 of this Attachment I applies to amounts invoiced to Market Participants for Market Services only. Ninety (90) days after declaring an invoice an Unpaid Obligation or sooner, should by any means the Market Participant’s Service Agreement be terminated, SPP will declare that Unpaid Obligation an Uncollectible Obligation. SPP shall proceed to recover the Uncollectible Obligation from all Market Participants who conducted business in the market during the period covered by the invoice(s) associated with the Uncollectible Obligation(s) on a pro rata basis, with the amount of the Uncollectible Obligation adjusted by the amount of the Unpaid Obligation recovered pursuant to Section I.C.1. of this Attachment I and partial payments pursuant to Sections I.C.2. of this Attachment I.

a. **Eligibility for Share of Uncollectible Obligation.**
The Uncollectible Obligation shall be allocated by SPP to all Non-Defaulting Market Participants that had been invoiced by SPP during the same period of time as the unpaid invoice(s) of the Market Participant whose Unpaid Obligation has been declared an Uncollectible Obligation.

b. **Uncollectible Obligation Allocation Methodology.**
The formula below is the basis for allocating the Uncollectible Obligation to all Non-Defaulting Market Participants who conducted business in the market during the time covered by the invoice(s) containing the Uncollectible Obligation(s).

\[
\% \text{ Loss for } MP_A = \frac{MP_A \text{ Market Charges} + \text{Market Credits in weekly invoicing cycle}}{MP_{ALL} (\text{Market Charges} + \text{Market Credits}) \text{ in weekly invoicing cycle}}.
\]

Loss Obligation of \( MP_A \) = (\( \% \text{ Loss for } MP_A \) x $ Amt of Uncollectible Obligation) minus (-) (Reduction of Payments + Pro rata share of partial payment(s))

Where:

\( MP = \) Market Participant

Market Charges = The absolute value of all charge amounts associated with invoices for Market Services.
Market Credits = The absolute value of all credit amounts associated with invoices for Market Services.

\[ MP_{\text{ALL}} = \text{All Market Participants other than Market Participants with Uncollectible Obligations.} \]

Reduction of Payment = The amount of the Unpaid Obligation originally assessed to Market Participant as described in Section I.C.1. above.

Pro rata share of partial payment(s) = Any partial payments received during cure period as described in Section I.C.2.

All individual charge amounts and all individual credit amounts invoiced for Market Services shall be included in the calculation of Market Charges and Market Credits. The Market Charges and Market Credits of Market Participants with Uncollectible Obligations will not be included in the calculation of the percentage of the loss to be allocated to all Non-Defaulting Market Participants that had been invoiced by SPP during the same period of time as the unpaid invoice(s) of the Defaulting Market Participant whose Unpaid Obligation has been declared an Uncollectible Obligation.

c. Application of Recovered Uncollectible Obligation.

Any funds that are attributable to an Uncollectible Obligation that are recovered by SPP (other than amounts recovered by the uplift of the Uncollectible Obligations) after the Uncollectible Obligation has been uplifted pursuant to Section I.C.3.b. of this Attachment I, shall first be applied to satisfy outstanding costs of enforcement and collection of the Unpaid Obligation or Uncollectible Obligation, and any other amount due to SPP under the Tariff or any other agreements. Any remaining funds attributable to an uplifted Uncollectible Obligation, together with any remaining interest and late charges collected with respect to the uplifted Uncollectible Obligation, shall be distributed pro rata to the Non-Defaulting Market Participants, using the same formula specified under Section I.C.3.b. of this Attachment I to whom the Uncollectible Obligation was uplifted and who satisfied their obligation to pay the uplifted Uncollectible Obligation.