

**SUPERSEDING**  
**WESTERN FREQUENCY RESPONSE SHARING GROUP**  
**IMPLEMENTATION AGREEMENT**

**Original Effective Date August 1, 2016**  
**Superseding Terms Effective May 1, 2019**

**TABLE OF CONTENTS**

**1. Purposes, Limitations, and Interpretation..... 1**

    1.1 Purposes..... 1

    1.2 No Expansion of Jurisdiction, Waiver of Defenses, Liability for Penalties, or  
    Inconsistent Obligations ..... 2

    1.3 Interpretation..... 3

**2. Defined Terms ..... 3**

**3. Term of Agreement, Admission, Withdrawal, Expulsion, and Survival..... 10**

    3.1 Term of Agreement; Automatic Renewal..... 10

    3.2 Operation of Western Frequency Response Sharing Group Within Specified  
    Operating Years ..... 11

    3.3 Compliance Periods Associated with Operating Years ..... 11

    3.4 Admission of New Participants ..... 11

    3.5 Annual Screening Assessments ..... 11

    3.6 Voluntary Participant Withdrawal ..... 12

    3.7 Participant Expulsion..... 13

    3.8 Effect of Withdrawal or Expulsion..... 13

    3.9 Lock-Out Following Withdrawal or Expulsion ..... 14

    3.10 Straw Polls ..... 14

    3.11 Survival Following Withdrawal, Expulsion, or Other Termination ..... 15

**4. General Signatory Obligations; Rules Governing Affiliates and Participants  
with Multiple Balancing Authority Areas..... 15**

    4.1 General Participant Obligations..... 15

    4.2 General NWPP Corporation Obligations..... 15

    4.3 Affiliate Rules ..... 16

    4.4 Participants with Multiple Western Interconnection Balancing Authority  
    Areas ..... 16

**5. Appointment of the NWPP Corporation as Designated Representative for Western  
Frequency Response Sharing Group; Compensation; Release..... 18**

    5.1 Appointment..... 18

    5.2 Scope of Designation, Authority, or Consent ..... 18

    5.3 NWPP Corporation Registration Responsibilities ..... 19

    5.4 Compensation to the NWPP Corporation for Services Under Agreement ..... 19

    5.5 Release of the NWPP Corporation from Liability and Covenant Not to Sue ..... 19

    5.6 Right to Specific Performance; Exception for Willful Action ..... 19

**6. General Confidentiality; Management of and Access to Frequency Response  
Data..... 20**

    6.1 Confidentiality Obligations ..... 20

    6.2 NWPP Corporation Obligation to Maintain Records..... 23

    6.3 Consent of Participants to NWPP Corporation Access and Use ..... 24

    6.4 Consent of Participants to Other Participants’ Access and Use ..... 24

6.5	Requests for the NWPP Corporation to Correct Erroneous Frequency Response Data .....	25
6.6	Notification of Enforcement Authority Request for Information Beyond Requirements for Western Frequency Response Sharing Groups Under R1 of BAL-003 .....	25
<b>7.</b>	<b>Required Reports and Compliance Support .....</b>	<b>26</b>
7.1	Periodic Reporting to Enforcement Authorities .....	26
7.2	Process to Determine Identity and Proportionate Responsibility of Identified Participants .....	26
7.3	Reports, Self-Certifications or Audit Responses Indicating Actual WFRSG Compliance Failure .....	26
7.4	Effect of NWPP Corporation’s Determination .....	27
7.5	NWPP Corporation’s Cooperation with Canadian Participants Concerning Reporting to Canadian Enforcement Authorities .....	27
<b>8.</b>	<b>Response to Enforcement Authority Allegations or Determinations of Actual WFRSG Compliance Failures .....</b>	<b>27</b>
8.1	NWPP Corporation Response .....	27
8.2	Participant Response .....	28
<b>9.</b>	<b>Responsibilities Related to Actual WFRSG Compliance Failures .....</b>	<b>28</b>
9.1	Identified Participant Obligation to Respond .....	28
9.2	Notice to Other Participants Before Alleging Responsibility .....	28
9.3	NWPP Corporation Cooperation and Provision of Frequency Response Data ..	29
9.4	Western Frequency Response Sharing Group’s Responsibility for Mitigation Plans .....	29
<b>10.</b>	<b>Enforcement Authority Effort to Impose Penalties on Participants Other Than Identified Participants .....</b>	<b>29</b>
<b>11.</b>	<b>Limitation of Liability .....</b>	<b>29</b>
<b>12.</b>	<b>WFRSG Committee .....</b>	<b>29</b>
12.1	Creation and Composition of WFRSG Committee .....	29
12.2	WFRSG Committee Powers and Responsibilities .....	30
12.3	WFRSG Committee Meetings and Votes .....	31
12.4	Participation by Telephone .....	34
12.5	Effect on Agreement of WFRSG Committee’s Votes .....	34
<b>13.</b>	<b>Miscellaneous .....</b>	<b>34</b>
13.1	Notices .....	34
13.2	Amendment .....	35
13.3	Waiver .....	35
13.4	Assignment; Successors .....	35
13.5	No Authority to Bind or Act on Behalf of Other Signatories .....	35
13.6	Section Headings .....	35
13.7	Severability and Savings Clause .....	35

13.8 Management of Disputes.....	36
13.9 Jury Waiver .....	36
13.10 Complete Agreement.....	36
13.11 Counterparts.....	36

**EXHIBIT A – CONTACT INFORMATION FOR SIGNATORIES**

**EXHIBIT B – COMPENSATION TO THE NWPP CORPORATION FOR SERVICES PROVIDED UNDER AGREEMENT**

**EXHIBIT C – PROCESS FOR ADMITTING NEW PARTICIPANTS**

**EXHIBIT D – METHODOLOGY TO BE USED BY THE NWPP CORPORATION FOR DETERMINING THE IDENTITY AND PROPORTIONATE RESPONSIBILITY OF IDENTIFIED PARTICIPANTS**

**EXHIBIT E – METHODOLOGY FOR ALLOCATING RESPONSIBILITY TO RESPOND TO DETERMINATIONS OR ALLEGATIONS OF ACTUAL WFRSG COMPLIANCE FAILURES**

**EXHIBIT F – REPRESENTATIVES ON THE WFRSG COMMITTEE**

**EXHIBIT G – PROCEDURES FOR PARTICIPANT EXPULSIONS**

**EXHIBIT H – CURRENT WFRSG OPERATING RULES**

**EXHIBIT I – LIMITATIONS AND PROCEDURES FOR CANADIAN PARTICIPANTS RELATED TO DESIGNATED REPRESENTATIVE**

**SUPERSEDING  
WESTERN FREQUENCY RESPONSE SHARING GROUP  
IMPLEMENTATION AGREEMENT**

**PREAMBLE**

This superseding Western Frequency Response Sharing Group Implementation Agreement (this “**Agreement**”) is among the Participants (as that term is defined in **Section 2**) identified in the signature pages to this Agreement and the NWPP Corporation (as that term is defined in **Section 2**). The Participants and the NWPP Corporation are referred to collectively in this Agreement as “**Signatories**.” This Agreement is effective on April 1, 2019 and for all purposes supersedes and is deemed a continuation of predecessor forms of this Agreement, beginning with the Agreement to Form and Appoint Designated Representative for Frequency Response Sharing Group effective August 1, 2016 (the “**Original Effective Date**”). In addition to the terms defined in this preamble, capitalized terms used in this Agreement (including those used in the recitals) are defined in **Section 2** below.

**AGREEMENT**

**1. Purposes, Limitations, and Interpretation.**

**1.1 Purposes.** The purposes of this Agreement are to

- (a) establish the terms to govern continued operation (including addition of new Participants and voluntary withdrawal, as well as expulsion, of existing Participants) of the Western Frequency Response Sharing Group,
- (b) appoint the NWPP Corporation as the Designated Representative for the Western Frequency Response Sharing Group for purposes of submitting Compliance Reports required for the Western Frequency Response Sharing Group to comply, and document its compliance, with R1 of BAL-003, as well as to facilitate Western Frequency Response Sharing Group compliance self-certifications and responses to compliance audits when required,
- (c) define the scope of the NWPP Corporation’s authority and related responsibilities, as well as compensation to be paid to the NWPP Corporation for its services,
- (d) provide consent for specific access to and uses of Frequency Response Data by the Signatories,
- (e) specify the manner in which the NWPP Corporation will determine, with respect to any Actual WFRSG Compliance Failure or allegation of an Actual WFRSG Compliance Failure, whether any such Actual WFRSG Compliance Failure is attributable to one or more Identified Participants and the proportionate responsibility among the Identified Participant(s) for the Actual WFRSG Compliance Failure,

- (f) assure that (i) when a Compliance Report submitted by the NWPP Corporation to an Enforcement Authority indicates an Actual WFRSG Compliance Failure, the Compliance Report specifies all Identified Participant(s) (if applicable) and (ii) when an Enforcement Authority alleges or otherwise indicates that there is an Actual WFRSG Compliance Failure, the NWPP Corporation promptly makes and provides to the Enforcement Authority and all Participants its determination of Identified Participant(s) (if applicable),
- (g) establish clear rights, roles, and responsibilities of Identified Participants to respond to or otherwise follow up on any Actual WFRSG Compliance Failure or allegation of an Actual WFRSG Compliance Failure,
- (h) prevent imposition of responsibility on Participants that are not Identified Participants to respond to or otherwise follow up on allegations of an Actual WFRSG Compliance Failures, and
- (i) assure that no Signatory incurs, concedes to, accepts, or waives sovereign immunity with respect to, any jurisdiction or authority of any Enforcement Authority, or any obligation to pay Penalties, that does not arise independently of this Agreement pursuant to applicable statute, regulation, court order, or regulatory action.

1.2 **No Expansion of Jurisdiction, Waiver of Defenses, Liability for Penalties, or Inconsistent Obligations.** Notwithstanding anything in this Agreement that might otherwise be construed to the contrary, no Signatory, by entering into this Agreement, has or will be deemed to have

- (a) created, granted, or consented to the jurisdiction of any Enforcement Authority,
- (b) conceded that any Enforcement Authority may exercise authority over it or its operations or precluded itself from contesting whether which any Enforcement Authority has jurisdiction or the extent of any jurisdiction,
- (c) waived or conceded any defense it may have, including sovereign immunity, intergovernmental immunity, or lack of subject matter jurisdiction,
- (d) accepted any liability, responsibility, or obligation to pay any Penalty to which the Signatory would not have been subject in the absence of this Agreement, or
- (e) accepted or assumed any obligation to act, or refrain from acting, in a manner that would violate, or exceed the authority conferred on it by, any applicable statute, regulation, tariff provision, or lawfully promulgated court or regulatory order.

Any term in this Agreement that would be contrary will be deemed overridden by this **Section 1.2**.

### **1.3 Interpretation.**

- (a) Certain references in this Agreement are limited in their application and do not encompass all Signatories. In particular, all provisions in this Agreement containing references to
  - (i) “BAL-003” are intended to encompass only those Participants that are obligated, by law, regulation, or other authority arising independently of this Agreement, to comply with terms set forth in R1 of BAL-003 applicable to those specific Participants,
  - (ii) “Enforcement Authority” are intended to encompass only those Signatories that are subject, by law, regulation, or other authority arising independently of this Agreement, to the jurisdiction or authority of the applicable Enforcement Authority,
  - (iii) “Penalty” are intended to encompass only those Signatories that are subject, by law, regulation, or other authority arising independently of this Agreement and not overridden by sovereign immunity, to the imposition of the applicable Penalty, or
  - (iv) provisions similar or related to the foregoing that implicate regulatory responsibilities, obligations, or liabilities applicable to any Signatory are intended to encompass only those Signatories that are subject, by law, regulation, or other authority arising independently of this Agreement and not overridden by sovereign immunity, to the applicable responsibility, obligation, or liability.
- (b) When used in this Agreement, the terms “include,” “includes,” and “including” will mean including without limitation. Any reference in the singular includes the plural and any reference to the plural includes the singular.
- (c) Unless specifically stated otherwise in the applicable passage of this Agreement, all section references are to sections of the body of this Agreement.

## **2. Defined Terms.**

- 2.1 Actual WFRSG Compliance Failure.** “Actual WFRSG Compliance Failure” means a failure of the Western Frequency Response Sharing Group, during a particular Operating Year, to meet the minimum requirements of R1 of BAL-003.

- 2.2 **Admission Vote.** “Admission Vote” has the meaning set forth in Section 5.2 of Exhibit C to this Agreement.
- 2.3 **Admission Confirmation Vote.** “Admission Confirmation Vote” has the meaning set forth in Section 8 of Exhibit C to this Agreement.
- 2.4 **Affiliate.** An “affiliate” of a Participant is any person or entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with that Participant; *provided, however*, that
- (a) two Participants will not be deemed affiliates solely because they are controlled by or operating as units, agencies, bureaus, or subdivisions of the same local, state, or provincial government or the federal government, and
  - (b) two Participants that would otherwise be deemed affiliates by operation of the introductory clause of this **Section 2.4** will not be deemed affiliates if FERC’s Cross-Subsidization Restrictions on Affiliate Transactions, as codified at 18 C.F.R. §§ 35.43 and 35.44 (or successor regulations) apply to sales of electric energy and non-power goods or services between those two Participants.

For the avoidance of doubt,

- (i) two Participants that are both federal power marketing agencies but are constituted under separate empowering statutes (such as the Bonneville Power Administration and the Western Area Power Administration) will not be affiliates for purposes this Agreement, but two Participants that are regional divisions or operating units of a single federal power marketing agency (such as the Western Area Power Administration - Upper Great Plains Region and the Western Area Power Administration - Sierra Nevada Region) will be affiliates for purposes of this Agreement,
- (ii) two Participants that are public utility districts, municipal utilities, or other governmental bodies formed under the laws of the same state will not be affiliates for purposes of this Agreement, and
- (iii) even though they are Participants with a common parent company, PacifiCorp and NV Energy will not be affiliates for purposes of this Agreement, as long as they are subject to FERC’s Cross-Subsidization Restrictions on Affiliate Transactions.

As used in this **Section 2.4**, the term “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any entity, means (1) the direct or indirect right to cast at least ten percent (10%) of the votes exercisable at an annual general meeting (or its equivalent) of that entity or, if there are no such rights,



ownership of at least ten percent (10%) of the equity or other ownership interest in such entity, (2) the right to direct the policies or operations of that entity, or (3) representation on the entity’s board of directors (or equivalent managing entity) or vice versa.

- 2.5 Aggregate Expense Estimate.** “Aggregate Expense Estimate” has the meaning set forth in Section 1.3 of Exhibit B to this Agreement.
- 2.6 Agreement.** “Agreement” has the meaning set forth in the preamble to this Agreement, and includes all exhibits attached to or referenced by this Agreement.
- 2.7 Applicant.** “Applicant” has the meaning set forth in Section 3.1 of Exhibit C to this Agreement.
- 2.8 BAL-003.** “BAL-003” means,
- (a) with respect to the Western Frequency Response Sharing Group, NERC Reliability Standard BAL-003-1.1, as it may be revised, supplemented, or superseded from time to time in accordance with NERC procedures, as well as any corresponding or substantially similar standard adopted for WECC, each of the foregoing as applicable to the Western Frequency Response Sharing Group; and
  - (b) with respect to a Participant, those provisions of the foregoing (or any substantially similar standard) applicable to the Participant by law or regulation.
- 2.9 Balancing Authority.** “Balancing Authority” has the meaning specified in the NERC Glossary.
- 2.10 Balancing Authority Area.** “Balancing Authority Area” has the meaning specified in the NERC Glossary.
- 2.11 Business Day.** “Business Day” means any day other than a Saturday, Sunday, or a United States federally recognized holiday.
- 2.12 Calendar Days.** “Calendar Days” is a measure of time that includes all days occurring within a specified period, including Saturdays, Sundays, and holidays recognized at the federal, state, or local level in the United States or at the national, provincial, or local level in Canada.
- 2.13 Canadian Enforcement Authority.** “Canadian Enforcement Authority” means the National Energy Board, Alberta Utilities Commission, or British Columbia Utilities Commission and any other agency, court, organization, or other entity or person in Alberta or British Columbia duly authorized pursuant to law or regulation to (a) adopt standards, substantially similar to those adopted by NERC, that apply to one or more Canadian Participants, (b) audit or determine a Canadian Participant’s compliance with R1 of BAL-003, or (c) impose, enforce, excuse, or rescind Penalties or

otherwise take action binding on one or more Canadian Participants with respect to a finding of failure to comply with R1 of BAL-003.

- 2.14 Canadian Participant.** “Canadian Participant” means the Independent System Operator, operating as the Alberta Electric System Operator, or any other Participant formed and operating within the Canadian portion of the Western Interconnection.
- 2.15 Change in WFRSG Composition.** A “Change in WFRSG Composition” occurs whenever (a) a Participant gives notice, under **Section 3.6(a)**, of its intent withdraw from the Western Frequency Response Sharing Group, (b) a new Participant is admitted to the Western Frequency Response Sharing Group by an Admission Vote as provided in Exhibit C, or (c) an existing Participant is expelled from the Western Frequency Response Sharing Group consistent with the terms of Exhibit G.
- 2.16 Committee Member.** “Committee Member” has the meaning set forth in **Section 12.1(b)**.
- 2.17 Compliance Measured Events.** “Compliance Measured Events” are the frequency deviation events identified and published by NERC to assess compliance with BAL-003 for a given Operating Year.
- 2.18 Compliance Period.** “Compliance Period” means the combined period encompassing a particular Operating Year together with corresponding periods before and after the Operating Year as necessary to (a) enable the Signatories to gather and evaluate Frequency Response Data (and perform a Screening Assessment) before the start of the Operating Year, (b) facilitate the NWPP Corporation’s submission of applicable Compliance Reports following the completion of the Operating Year, and (c) provide compensation to the NWPP Corporation for services provided to the Participants to carry out the activities described in clauses (a) and (b) of this **Section 2.18**. The Signatories anticipate that, in general, a Compliance Period will run from approximately August of the calendar year in which the associated Operating Year begins through March 31 of the calendar year following the close of the associated Operating Year. For example, the Compliance Period for Operating Year 2020 would extend roughly from August 1, 2019 through March 31, 2021.
- 2.19 Compliance Report.** “Compliance Report” means any periodic report or compliance information, as well as any other report or information required to be prepared or submitted to an Enforcement Authority by the Western Frequency Response Sharing Group for compliance with R1 of BAL-003 or corresponding policies adopted by an Enforcement Authority.
- 2.20 Designated Representative.** “Designated Representative” means the NWPP Corporation, in its capacity as the designated representative of the Western Frequency Response Sharing Group as described in **Section 5** of this Agreement.
- 2.21 Enforcement Authority.** “Enforcement Authority” means

- (a) with respect to the Western Frequency Response Sharing Group: FERC, NERC, WECC, and any other agency, court, organization, or other entity or person duly authorized pursuant to law or regulation to (i) audit or determine the Western Frequency Response Sharing Group’s compliance with R1 of BAL-003 or (ii) impose, enforce, excuse, or rescind Penalties or otherwise take binding action with respect to a finding of the Western Frequency Response Sharing Group’s failure to comply with R1 of BAL-003,
- (b) with respect to a Participant located in the United States: FERC, NERC, WECC, and any other agency, court, organization, or other entity or person duly authorized pursuant to law or regulation to (i) audit or determine the Western Frequency Response Sharing Group’s compliance with R1 of BAL-003 or (ii) impose, enforce, excuse, or rescind Penalties or otherwise take action binding on the Participant with respect to a finding of the Western Frequency Response Sharing Group’s failure to comply with R1 of BAL-003, and
- (c) with respect to a Canadian Participant: the applicable Canadian Enforcement Authority.

**2.22 Expected Compliance Events.** “Expected Compliance Events” means the frequency deviation events occurring within a given quarterly period (within an Operating Year) that are identified by the NWPP Corporation as likely to meet NERC’s criteria for inclusion as Compliance Measured Events.

**2.23 FERC.** “FERC” means the Federal Energy Regulatory Commission or its successor.

**2.24 Frequency Response Data.** “Frequency Response Data” means any information (a) indicating how a Participant’s system responds (or has responded) to frequency deviations within the Western Interconnection), (b) necessary for operation of the Western Frequency Response Sharing Group, (c) necessary to facilitate or determine the Western Frequency Response Sharing Group’s compliance with R1 of BAL-003, or (d) necessary to determine the identity or proportionate responsibility of any Identified Participant.

**2.25 Frequency Responsive Reserve Available:** “Frequency Responsive Reserve Available” has the meaning given to that term in the WFRSG Operating Rules.

**2.26 Identified Participant.** “Identified Participant” means a Participant that is identified, in a Compliance Report or response provided by the NWPP Corporation under **Section 7.1** or **Section 8.1**, or by an Enforcement Authority as described in **Section 8.1**, as potentially having caused or contributed to an Actual WFRSG Compliance Failure.

**2.27 Known Changes to Frequency Responsive Reserve Available:** “Known Changes to Frequency Responsive Reserve Available” means any change or collective set of changes to one or more of the assets, operations, or Transferred Frequency Response of a Participant (or an Applicant), that the Participant (or Applicant) (a) knows has

occurred or is expected to occur within the current Operating Year or before the completion of the next upcoming Operating Year (whether due to voluntary actions or other causes), and (b) anticipates will cause its Response Ratio, when next determined through a Screening Assessment, to either (i) decrease by more than 10%, or (ii) fall below 1.0. For purposes of this Agreement, the term “Known Changes to Frequency Responsive Reserve Available” (A) excludes any changes to a Participant’s (or Applicant’s) assets, operations, or Transferred Frequency Response that, in aggregate, decrease Frequency Responsive Reserve Available by less than one MW per 0.1 of a Hertz, and (B) is subject to limitations based on confidentiality as set forth in **Section 3.5(c)** of the body of this Agreement and Section 4.4 of Exhibit C.

- 2.28 Marketing Function Employee.** “Marketing Function Employee” means an employee, contractor, consultant or agent of a Participant or of an affiliate of a Participant who actively and personally engages on a day-to-day basis in functions related to marketing (other than to end-use consumers) of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights.
- 2.29 NERC.** “NERC” means the North American Electric Reliability Corporation or its successor.
- 2.30 NERC Glossary.** “NERC Glossary” means the Glossary of Terms Used in NERC Reliability Standards, as it may be updated, amended, or superseded from time to time.
- 2.31 NWPP Corporation.** “NWPP Corporation” means the Northwest Power Pool corporation, an Oregon nonprofit corporation, or its successor.
- 2.32 Operating Year.** “Operating Year” means the period running from December 1 of one calendar year through November 30 of the following calendar year, corresponding to the compliance measurement period for R1 of BAL-003. A given Operating Year will be designated by the calendar year in which it ends (for example, the period from December 1, 2016 through November 30, 2017 will be designated as “Operating Year 2017”).
- 2.33 Ordinary WFRSG Committee Vote.** “Ordinary WFRSG Committee Vote” has the meaning set forth in **Section 12.3(c)**.
- 2.34 Original Effective Date.** “Original Effective Date” has the meaning set forth in the preamble to this Agreement.
- 2.35 Participant.** “Participant” means a Balancing Authority that has become a Signatory to this Agreement for purposes of participating in the Western Frequency Response Sharing Group, subject to **Sections 4.3** and **4.4** and any eligibility requirements set forth in the WFRSG Operating Rules or elsewhere in this Agreement.
- 2.36 Participant Expulsion Vote.** “Participant Expulsion Vote” has the meaning set forth in Section 2 of Exhibit G to this Agreement.

- 2.37 Penalty.** “Penalty” means a monetary or other binding sanction imposed by an Enforcement Authority on the Western Frequency Response Sharing Group or a Participant for failure to comply with R1 of BAL-003.
- 2.38 R1:** “R1” means Requirement 1 of BAL-003.
- 2.39 Responding Participant.** “Responding Participant” has the meaning set forth in **Section 9.3.**
- 2.40 Response Ratio.** “Response Ratio” has the meaning given to that term in Attachment D to the WFRSG Operating Rules.
- 2.41 Restricted Operational Data.** “Restricted Operational Data” means (a) Frequency Response Data of an individual Participant that reflects its actual or planned operation of generation or transmission facilities in real time, or (b) any operational data, other than Frequency Response Data, that (i) is disclosed among the Participants for purposes of this Agreement, and (ii) the disclosing Participant must restrict to its own and other organizations’ operations personnel to comply with applicable law, regulations, the NERC Operating Reliability Data Agreement, the Peak Reliability “Universal Data Sharing Agreement” or comparable utility industry non-disclosure requirements to which utilities with real-time operational responsibilities are subject. Restricted Operational Data does not include information that is excluded from the definition of “WFRSG Confidential Information” by operation of **Section 6.1(f).**
- 2.42 Schedule of Charges.** “Schedule of Charges” has the meaning set forth in Section 1.1 of Exhibit B to this Agreement.
- 2.43 Screening Assessment.** “Screening Assessment” has the meaning given to that term in Attachment D to the WFRSG Operating Rules.
- 2.44 Signatory.** “Signatory” has the meaning set forth in the preamble to this Agreement.
- 2.45 Straw Poll:** “Straw Poll” means a survey, conducted informally by the NWPP Corporation, requesting that each Participant indicate its anticipated status in the Western Frequency Response Sharing Group for the next upcoming Operating Year (that is, whether it anticipates withdrawing from or remaining in the Western Frequency Response Sharing Group). A Straw Poll may include a request for Participants to describe non-confidential considerations that may influence their decisions about withdrawing from or remaining in the Western Frequency Response Sharing Group (for example, the addition of a new Participant, the departure of an existing Participant, or relevant legal, regulatory, or operational changes Participants might experience).
- 2.46 Transferred Frequency Response.** “Transferred Frequency Response” has the meaning given to that term in the WFRSG Operating Rules.

- 2.47 WECC.** “WECC” means the Western Electricity Coordinating Council or its successor.
- 2.48 Western Frequency Response Sharing Group.** “Western Frequency Response Sharing Group” means the Participants that are Signatories to this Agreement (collectively in their capacity as a frequency response sharing group as described in BAL-003).
- 2.49 Western Interconnection.** “Western Interconnection” means the geographic and electrical operations area that encompasses all or parts of 14 states in the United States from the Rocky Mountains west to the Pacific Ocean, the Canadian provinces of British Columbia and Alberta, and a portion of northern Mexico, defined by the Balancing Authorities within that area that, under normal conditions, maintain synchronous operations.
- 2.50 WFRSG Committee.** “WFRSG Committee” means the committee established under **Section 12**.
- 2.51 WFRSG Confidential Information.** “WFRSG Confidential Information” means (a) information that is deemed confidential under **Section 6.1(a)**, and (b) information that one or more Signatories designate as confidential under **Section 6.1(b)**.
- 2.52 WFRSG Operating Rules.** “WFRSG Operating Rules” means the terms set forth in the document titled “*Operating Rules of Western Frequency Response Sharing Group*” (including all attachments), which govern operation of the Western Frequency Response Sharing Group, and which may be modified from time to time by the WFRSG Committee in accordance with **Section 12.2(b)**. The WFRSG Operating Rules in effect for each applicable Operating Year under this Agreement will be as set forth in Exhibit H.
- 2.53 Willful Action.** “Willful Action” means an action taken or not taken by a Signatory that is (a) knowingly or intentionally taken or not taken with intent to cause resulting injury or damage or (b) wantonly reckless. Willful Action does not include any act or failure to act that is involuntary, accidental, negligent, or grossly negligent.
- 3. Term of Agreement, Admission, Withdrawal, Expulsion, and Survival.**
- 3.1 Term of Agreement; Automatic Renewal.** This Agreement will take effect on May 1, 2019 as a continuation of predecessor agreements governing the formation and operation of the Western Frequency Response Sharing Group, beginning with the Original Effective Date for the Agreement to Form and Appoint Designated Representative for Frequency Response Sharing Group. On May 1, 2019, this Agreement will supersede all predecessor agreements. The initial term of this Agreement will run from May 1, 2019 through March 30, 2020. At the end of the initial term, this Agreement will be automatically renewed on the first day of the Compliance Period that begins on April 1, 2020 and run through the last day of that Compliance Period (March 30, 2022), and will thereafter continue to automatically renew for each following Compliance Period until it is terminated by written

agreement of the NWPP Corporation and all Participants that are Signatories at the time of termination. This Agreement will at all times be subject to **Sections 3.4, 3.6, and 3.7** with respect to the addition, withdrawal, or expulsion of Participants. Any termination of this Agreement as a whole, or with respect to a withdrawing or expelled Participant, will also be subject to the survival provisions of **Section 3.11**.

**3.2 Operation of Western Frequency Response Sharing Group Within Specified Operating Years.** Participants’ obligations under this Agreement pertain to two distinct time intervals: Operating Years and Compliance Periods. General terms governing Compliance Periods are as set forth in **Section 3.3**. For Participants’ collective operation as a frequency response sharing group under BAL-003,

- (a) each Operating Year will run from 12:01 a.m., Mountain Time, on December 1 of that Operating Year until 12:01 a.m., Pacific Time, on December 1 of the subsequent Operating Year, and
- (b) if there is a Compliance Measured Event during the hour ending at 12:00 a.m., Pacific Time, on November 30 of any given Operating Year, the WFRSG Committee will meet to determine how to treat the Compliance Measured Event for purposes of Compliance Reports for the applicable Operating Years in which the hour ending at 12:00 a.m., Pacific Time, on November 30 occurred.

**3.3 Compliance Periods Associated with Operating Years.** For each Operating Year, there will be an associated Compliance Period, as defined in **Section 2.18**. The Signatories’ obligations under this Agreement for a given Operating Year begin at the start of the associated Compliance Period and continue until the end of the associated Compliance Period. Any Change in WFRSG Composition must be synchronized to the Compliance Period for the Operating Year to which the Change in WFRSG Composition relates.

**3.4 Admission of New Participants.** The Signatories intend that new Participants may be added to this Agreement through the process specified in Exhibit C. The addition of a Participant through the process specified in Exhibit C will not constitute an amendment to this Agreement and will not be subject to the requirements of **Section 13.2**.

**3.5 Annual Screening Assessments.** Attachment D to the WFRSG Operating Rules specifies the process (defined in Attachment D as the “Screening Assessment”) the WFRSG Committee conducts, before the end of a given Operating Year (according to timing provided in Attachment D), to assess each Participant’s performance as a member (or potential member) of the Western Frequency Response Sharing Group.

- (a) Screening Assessment Results for Existing Participants in the Western Frequency Response Sharing Group. Any existing Participant that has a Response Ratio of less than one according to the provisions set forth in

Attachment D to the WFRSG Operating Rules will be subject to **Section 3.7**.

- (b) Screening Assessment Results for Applicants Granted Conditional Admission to the Western Frequency Response Sharing Group. If an Applicant (i) has been conditionally admitted as a Participant, and (ii) according to the provisions set forth in Attachment D to the WFRSG Operating Rules, has a Response Ratio of less than one, the conditionally admitted Participant will be subject to an Admission Confirmation Vote as provided in Section 8 of Exhibit C.
- (c) Participant Obligations to Disclose Known Changes to Frequency Responsive Reserve Available. Each Participant will make commercially reasonable efforts to promptly disclose to the WFRSG Committee any Known Changes to Frequency Responsive Reserve Available, whether anticipated in conjunction with an annual Screening Assessment or otherwise. If a Participant believes in good faith that information it has about Known Changes to Frequency Responsive Reserve Available must be kept confidential, the Participant will attempt in good faith to aggregate or mask relevant confidential information so as to fulfill the purpose of this **Section 3.5(c)** as fully as possible without disclosing information it is required to keep confidential.

### **3.6 Voluntary Participant Withdrawal**

- (a) Discretionary Withdrawal. Any Participant may, by delivering written notice to all other Signatories not less than 120 Calendar Days before the end of the then-current Operating Year, exercise its discretionary right to withdraw from the Western Frequency Response Sharing Group, effective starting with the Operating Year immediately to follow. As of the date on which a Participant delivers notice of withdrawal under this **Section 3.6(a)** the Participant will be subject to **Section 3.8**, and, following withdrawal, will be subject to **Sections 3.9** and **3.11**.
- (b) Withdrawal Window Following a Change in WFRSG Composition. In addition to the discretionary withdrawal rights conferred by **Section 3.6(a)** all Participants will be entitled to withdraw from the Western Frequency Response Sharing Group following a Change in WFRSG Composition. Any Participant that wishes to withdraw from the Western Frequency Response Sharing Group following a Change in WFRSG Composition must deliver written notice of its intent to withdraw to all other Signatories not less than 10 Business Days following the Change in WFRSG Composition. Any Participant that has received notice of another Participant's intent to withdraw under this **Section 3.6(b)** will have an additional five Business Days following receipt of the notice to elect to withdraw from the Western Frequency Response Sharing Group by delivering written notice of its intent to withdraw to all other Participants. As of the date on which a Participant



delivers notice of withdrawal under this **Section 3.6(b)**, the Participant will be subject to **Section 3.8**, and, following withdrawal, will be subject to **Sections 3.9** and **3.11**.

- (c) Good-Faith Efforts to Minimize Unexpected Withdrawals. The Participants intend that unexpected notices of withdrawal under **Section 3.6(b)** will be rare. To minimize unexpected notices of withdrawal under **Section 3.6(b)**, all Participants will make good-faith efforts to convey to each other how proposed Changes in WFRSG Composition (from admitting new Participants or expelling existing Participants) may affect their willingness to remain in the Western Frequency Response Sharing Group, which may include requests for Straw Polls under **Section 3.10**.

### **3.7 Participant Expulsion**

- (a) Automatic Expulsion Following Failed Screening Assessment. An existing Participant whose Screening Assessment results indicate a Response Ratio less than one will automatically be expelled from the Western Frequency Response Sharing Group, subject to the further terms and procedures set forth in Exhibit G.
- (b) Expulsion by Participant Vote. Any Participant may, in its sole discretion, request that the WFRSG Committee consider and act on the proposed expulsion of another Participant according to the procedures set forth in Exhibit G.
- (c) Timing of Expulsion. If a Participant is automatically expelled or the WFRSG Committee acts to expel a Participant according to the procedures set forth in Exhibit G, the expulsion will take effect simultaneously with the conclusion of the Operating Year in which the automatic expulsion or the Participant Expulsion Vote occurred. An expelled Participant will be subject to **Section 3.8**, and, on the date on which expulsion takes effect, will be subject to **Sections 3.9** and **3.11**.

### **3.8 Effect of Withdrawal or Expulsion**. Any Participant that withdraws under **Section 3.6** or is expelled under **Section 3.7** will:

- (a) remain a Signatory until the end of the Compliance Period for the Operating Year in which notice of withdrawal was delivered or the Participant expulsion decision was made under Exhibit G (to allow for completion of compliance activities for that Operating Year),
- (b) be subject to **Section 3.9**, and
- (c) be subject to surviving terms of this Agreement as provided in **Section 3.11**, but, as of the date on which notice of withdrawal is delivered or the Participant expulsion decision is made under Exhibit G, the Participant will:

- (i) have no rights or obligations with respect to operation of the Western Frequency Response Sharing Group during any future Operating Year,
- (ii) have the right to continue to attend meetings of the WFRSG Committee through the end of the Compliance Period for the Operating Year in which notice of withdrawal was delivered or the Participant expulsion decision was made under Exhibit G,
- (iii) have no further right to vote on any matter thereafter acted on by the WFRSG Committee, and
- (iv) be excluded when determining the results of a WFRSG Committee vote or whether a quorum of the WFRSG Committee has been established.

**3.9 Lock-Out Following Withdrawal or Expulsion.** If a former Participant that has withdrawn under **Section 3.6** or has been expelled under **Section 3.7** applies to rejoin the Western Frequency Response Sharing Group, the earliest Operating Year for which the former Participant is eligible would be the Operating Year that immediately follows the first Operating Year during which the withdrawal or expulsion was in effect.

**3.10 Straw Polls.** To facilitate awareness and opportunities for consultation and planning in connection with anticipated Changes in WFRSG Composition, any Participant may request that the NWPP Corporation conduct a Straw Poll. A Participant's request to the NWPP Corporation must:

- (a) be in writing (which may be transmitted by electronic mail),
- (b) be transmitted by the Participant's Committee Member or other authorized representative,
- (c) specify the dates by which the Participant wishes the NWPP Corporation to initiate the Straw Poll and by which Participants should respond (which must allow, at a minimum, five Business Days following the request for the NWPP Corporation to initiate the Straw Pool and an additional five Business Days for Participants to respond to the Straw Poll, unless all Signatories consent in writing (which may be by electronic mail) to shorter time periods), and
- (d) specify whether the requesting Participant wishes responding Participants to describe non-confidential considerations that may influence their decisions about withdrawing from or remaining in the Western Frequency Response Sharing Group.

The NWPP Corporation will, whenever it receives a request that complies with the requirements set forth above in this **Section 3.10**, make good faith efforts to (i) prepare and transmit to all Committee Members a Straw Poll, and (ii) tabulate

Participant responses and transmit a summary of the Straw Poll results to all Participants, all according to the terms specified by the requesting Participant.

**3.11 Survival Following Withdrawal, Expulsion, or Other Termination.** All obligations and liabilities incurred in connection with this Agreement will survive until fully satisfied or discharged, and all limitations of liability provided in this Agreement will survive until all statutes of limitation related to claims that could be made in connection with this Agreement have run. Without limiting the generality of the foregoing, the Signatories specifically intend that:

- (a) the provisions of **Sections 1.2, 3.8, 3.9, 3.11, 5.4, 5.5, 5.6, 6, 7.4, 9.1, 9.2, 9.3, 10, 11, 13.5, 13.8, and 13.9**; **Sections 2, 3, and 4** of **Exhibit B**; **Section 3.3** of **Exhibit C**; and **Sections 4.2(b) and 5.2(a)** of **Exhibit G** will survive any termination of this Agreement and will survive with respect to any Participant that withdraws or is expelled, and
- (b) in connection with any Actual WFRSG Compliance Failure (or allegation of an Actual WFRSG Compliance Failure), all provisions of this Agreement governing Participants' rights and obligations related to Actual WFRSG Compliance Failures will continue to apply to every entity that was a Participant during the Operating Year in which the Actual WFRSG Compliance Failure occurred (or is alleged to have occurred), without regard to any Participant's subsequent withdrawal or expulsion, until (i) final, non-appealable resolution of the Actual WFRSG Compliance Failure by all Enforcement Authorities that have claimed jurisdiction over the Actual WFRSG Compliance Failure or any Identified Participants, and (ii) all Participants' rights and obligations related to the Actual WFRSG Compliance Failure have been fully satisfied, discharged, or waived.

**4. General Signatory Obligations; Rules Governing Affiliates and Participants with Multiple Balancing Authority Areas.**

**4.1 General Participant Obligations.** Each Participant agrees that, for so long as it remains a Signatory to this Agreement, it will participate in the Western Frequency Response Sharing Group in accordance with the WFRSG Operating Rules (including making commercially reasonable efforts to abide by the Operational Performance Requirements (as defined and set forth in the WFRSG Operating Rules)). The WFRSG Committee has the power to modify the WFRSG Operating Rules from time to time during the terms of this Agreement by an Ordinary WFRSG Committee Vote as provided in **Section 12.2(b)**.

**4.2 General NWPP Corporation Obligations.** In addition to fulfilling the obligations specifically assigned to it in this Agreement, the NWPP Corporation will carry out the responsibilities designated for the NWPP Corporation in the WFRSG Operating Rules.

- 4.3 Affiliate Rules.** If two Signatories to this Agreement are Affiliates, as defined in **Section 2.4**, then those two Signatories will be deemed a single Participant for all purposes related to this Agreement (including provisions governing compensation to the NWPP Corporation and WFRSG Committee participation and voting), but will be subject to the terms set forth in **Section 4.4** concerning Participants with multiple Balancing Authority Areas in the Western Interconnection.
- 4.4 Participants with Multiple Western Interconnection Balancing Authority Areas.** Participants that operate more than one Balancing Authority Area in the Western Interconnection (including Affiliated Signatories that are deemed a single Participant by operation of **Section 4.3**) will be subject to the provisions of **Sections 4.4(a)** through **(d)**.
- (a) Balancing Authority Areas Included in the Western Frequency Response Sharing Group. A Participant that operates more than one Balancing Authority Area in the Western Interconnection:
- (i) has the option to include all or fewer than all of its Western Interconnection Balancing Authority Areas in the Western Frequency Response Sharing Group (but may not include any Balancing Authority Areas outside the Western Interconnection),
  - (ii) must include in the Western Frequency Response Sharing Group at least one of its Western Interconnection Balancing Authority Areas (and, in the case of Affiliates that elect to participate in the Western Frequency Response Sharing Group, must include at least one Western Interconnection Balancing Authority Area operated by each Affiliate),
  - (iii) must provide written notice to the NWPP Corporation specifying which of its Western Interconnection Balancing Authority Areas it wishes to include in the Western Frequency Response Sharing Group,
  - (iv) will be presumed to have elected to include all of its Western Interconnection Balancing Authority Areas in the Western Frequency Response Sharing Group if it does not deliver written notice to the NWPP Corporation specifying otherwise,
  - (v) will be subject to the provisions of **Section 4.4(b)** when electing to change which of its Western Interconnection Balancing Authority Areas are included in the Western Frequency Response Sharing Group, and
  - (vi) will be presumed to have chosen to maintain its previous elections (or the presumed treatment of its Western Interconnection Balancing Authority Areas by operation of **Section 4.4(a)(iv)**) for so long as it remains a Participant unless it delivers written notice under **Section 4.4(b)** stating otherwise.

- (b) Changes to Prior Balancing Authority Area Elections. Any Participant that has elected to include more than one Western Interconnection Balancing Authority Area in the Western Frequency Response Sharing Group may modify its prior elections (or the presumed treatment of its Western Interconnection Balancing Authority Areas by operation of **Section 4.4(a)(iv)**) by providing at least five Business Days' prior written notice to the NWPP Corporation specifying the change it wishes to make, but any change under this **Section 4.4(b)** will remain subject to the requirements of **Section 4.4(a)(ii)** and will take effect at the start of the next upcoming Operating Year. A Participant's change to elections under **Section 4.4(a)** may not take effect for less than a full Operating Year.
  
- (c) Treatment of Frequency Response Measures from Separate Balancing Authority Areas for Screening Assessments and Compliance Reporting. For any Participant that has elected to include more than one Western Interconnection Balancing Authority Area in the Western Frequency Response Sharing Group,
  - (i) Compliance Reports will reflect the performance of the Participant's Balancing Authority Areas according to the then-effective requirements of the applicable Enforcement Authority,
  - (ii) the Participant may elect, for purposes of Screening Assessments, whether to have the performance of its Balancing Authority Areas consolidated or evaluated separately,
  - (iii) the Participant must provide written notice to the NWPP Corporation specifying whether, for purposes of Screening Assessments, it elects to have the performance of its Balancing Authority Areas consolidated or evaluated separately,
  - (iv) the Participant will be presumed to have elected, for purposes of Screening Assessments, to have the performance of its Balancing Authority Areas consolidated if it does not deliver written notice to the NWPP Corporation specifying otherwise,
  - (v) the Participant will be subject to the provisions of **Section 4.4(d)** when electing to change treatment of its Balancing Authority Areas for purposes of Screening Assessments, and
  - (vi) the Participant will be presumed to have chosen to maintain its previous elections (or the presumed election by operation of **Section 4.4(c)(iv)**) for so long as it remains a Participant unless it delivers written notice under **Section 4.4(d)** stating otherwise.

- (d) Changes to Prior Screening Assessment Elections. Any Participant that has elected to include more than one Western Interconnection Balancing Authority Area in the Western Frequency Response Sharing Group may modify its prior elections (or its presumed elections by operation of **Section 4.4(c)(iv)**) for purposes of Screening Assessments by providing at least five Business Days’ prior written notice to the NWPP Corporation specifying the change it wishes to make, but any change under this **Section 4.4(d)** will not take effect until the next upcoming Screening Assessment. A Participant’s change to elections under **Section 4.4(c)** will apply to all quarterly periods used for purposes of Screening Assessments.

**5. Appointment of the NWPP Corporation as Designated Representative for Western Frequency Response Sharing Group; Compensation; Release.**

**5.1 Appointment.** Subject to **Section 5.2**, the Western Frequency Response Sharing Group hereby appoints the NWPP Corporation, and the NWPP Corporation accepts appointment, as the Designated Representative of the Western Frequency Response Sharing Group for purposes of

- (a) submitting Compliance Reports required to be submitted to Enforcement Authorities by the Western Frequency Response Sharing Group under R1 of BAL-003 or corresponding policies adopted by the applicable Enforcement Authority,
- (b) providing any compliance self-certifications required to be submitted to the Enforcement Authorities by the Western Frequency Response Sharing Group under R1 of BAL-003 or corresponding policies adopted by the applicable Enforcement Authority,
- (c) responding to any Enforcement Authority notice, audit, or investigation related to the Western Frequency Response Sharing Group’s compliance (or potential noncompliance) with R1 of BAL-003,
- (d) making good-faith determinations as provided in **Section 7.3**, and
- (e) taking any other actions that in the good faith judgment of the NWPP Corporation are reasonably necessary to carry out the intent of **Sections 5.1(a)** through **(e)** above.

**5.2 Scope of Designation, Authority, or Consent.** The scope of the authority conferred upon the NWPP Corporation under **Section 5.1**, as well as any other authority conferred upon or consent granted to the NWPP Corporation under this Agreement, is limited to that necessary to enable the NWPP Corporation to act on behalf of Western Frequency Response Sharing Group as a whole, but not any Participant individually. Furthermore, with respect to Canadian Participants, the authority conferred by **Section 5.1** is subject to the additional limitations and procedures set forth in Exhibit I.

- 5.3 NWPP Corporation Registration Responsibilities.** Promptly following any Change in WFRSG Composition, the NWPP Corporation will (in consultation with WECC and the Participants) take such actions as it deems necessary or reasonable to (a) cause the Western Frequency Response Sharing Group to be recognized by WECC and NERC as the “Responsible Entity” for R1 of BAL-003 (including, as applicable, informing WECC’s Compliance Division and NERC’s Compliance Division that the NWPP Corporation has been appointed as the Designated Representative for the Western Frequency Response Sharing Group in accordance with **Section 5.1** above), or (b) update WECC’s and NERC’s information concerning the composition of the Western Frequency Response Sharing Group, as applicable. Each Participant (i) specifically consents to the NWPP Corporation’s actions on behalf of the Western Frequency Response Sharing Group as provided in this **Section 5.3**, and (ii) will cooperate with the NWPP Corporation (for example, by providing supporting documentation or evidence of its concurrence if needed) to facilitate the WECC Compliance Division’s recognition and accurate records concerning the composition of the Western Frequency Response Sharing Group. The Participants will also work cooperatively together to determine whether it may be necessary or helpful to submit informational or other filings to one or more Enforcement Authorities in connection with the formation of the Western Frequency Response Sharing Group, and (assisted by the NWPP Corporation if requested) will coordinate the development, authorization, and submittal of any such filings that are made.
- 5.4 Compensation to the NWPP Corporation for Services Under Agreement.** Each Participant will provide compensation to the NWPP Corporation for its services under this Agreement in accordance with the terms set forth in Exhibit B to this Agreement.
- 5.5 Release of the NWPP Corporation from Liability and Covenant Not to Sue.** Except as specifically provided otherwise in **Section 5.6**, each Participant irrevocably releases the NWPP Corporation from, and covenants not to sue the NWPP Corporation with respect to, any damages, losses, liability, claims, demands, remedies, and causes of action of any kind whatsoever (collectively, “Claims”) arising from any action or failure to act by the NWPP Corporation in connection with this Agreement or the Western Frequency Response Sharing Group. The foregoing release and covenant not to sue includes all Claims based on corporate law, tort, tortious course of conduct, contract, obligations of “good faith,” public policy, common law, equity, or any other legal theory and applies to all actual, direct, special, punitive, exemplary, consequential, incidental, and indirect losses and damages, including those based on lost or prospective profits, inaccurate, damaged, lost, or incomplete data, expenses, fines, Penalties, interest, assessments, judgments, attorneys’ and investigative fees and costs, and all other equitable, compensatory, or punitive relief.
- 5.6 Right to Specific Performance; Exception for Willful Action.** The NWPP Corporation acknowledges that in the event of a breach of this Agreement by the NWPP Corporation, the Participants’ release of the NWPP Corporation from liability

and covenant not to sue for damages eliminates the primary recourse for each of the Participants. Accordingly, the NWPP Corporation agrees and acknowledges that each Participant will be individually entitled to injunctive relief to prevent a breach by the NWPP Corporation and to compel specific performance of the NWPP Corporation's obligations under this Agreement, without the posting of any bond and without proof of any actual damages. The NWPP Corporation will not oppose the granting of injunctive relief in accordance with this **Section 5.6**. The release and covenant not to sue in **Section 5.5** does not apply to (a) any action against the NWPP Corporation seeking specific performance of this Agreement, or (b) Claims based on the NWPP Corporation's Willful Action.

## **6. General Confidentiality; Management of and Access to Frequency Response Data.**

### **6.1 Confidentiality Obligations.**

- (a) Frequency Response Data Deemed Confidential. Except with respect to any Frequency Response Data (including Restricted Operational Data) that is excluded from the definition of "WFRSG Confidential Information" by operation of **Section 6.1(f)**, all Frequency Response Data will be deemed to be WFRSG Confidential Information under this Agreement, whether supplied by Participants, developed by the Western Frequency Response Sharing Group, or prepared by the NWPP Corporation; *provided, however*, that Frequency Response Data the NWPP Corporation is required or authorized to disclose under **Section 6.3** will not constitute WFRSG Confidential Information.
- (b) Designation of Additional WFRSG Confidential Information. Each Signatory has the right to designate as "**WFRSG Confidential Information**" any information or other materials (not already deemed confidential under **Section 6.1(a)**) it may provide to another Signatory in connection with this Agreement. A Signatory may identify as WFRSG Confidential Information any tangible or electronic information and other materials by labeling them with the words "WFRSG Confidential Information" or other words of similar meaning, or by transmitting to the other Signatories a written or electronic notice including a description of any information and other materials that are to be treated as WFRSG Confidential Information under this Agreement. Information communicated verbally may be designated as WFRSG Confidential Information if the Signatory informs the other Signatories at the time of disclosure that the information is WFRSG Confidential Information and provides prompt written confirmation following verbal communication.
- (c) Intention to Share WFRSG Confidential Information Among Participants. The Signatories intend to exchange WFRSG Confidential Information among themselves to facilitate operation of the Western Frequency Response Sharing Group and performance monitoring of the Participants with respect to the WFRSG Operating Rules. Accordingly, no Participant



will be deemed to have waived its right to maintain the confidentiality of its WFRSG Confidential Information (as to third parties) on account of disclosure of WFRSG Confidential Information to other Participants under the terms of this Agreement.

(d) Nondisclosure and Protection of WFRSG Confidential Information (Including Restricted Operational Data).

- (i) *General Nondisclosure.* Except as permitted by **Section 6.1(g)** below, no Signatory will disclose WFRSG Confidential Information of another Signatory to any third party without the express written consent of the Signatory that provided the WFRSG Confidential Information; *provided, however,* that, subject to **Section 6.1(d)(ii)**, a Participant may share WFRSG Confidential Information with its consultants and affiliates, so long as the individuals who are given access to WFRSG Confidential Information (A) need access to WFRSG Confidential Information to carry out their responsibilities, and (B) are informed of and agree to abide by the confidentiality provisions of this Agreement.
- (ii) *Treatment of Restricted Operational Data.* In addition to the provisions set forth in **Section 6.1(d)(i)**, each Signatory agrees that Restricted Operational Data may be shared only among operations personnel employed by Signatories, *provided, however,* that, the following individuals will be deemed to be operations personnel for purposes of this **Section 6.1(d)(ii)**: (A) employees of a Participant that perform legal or compliance functions or have management-level responsibility for operations personnel, and (B) employees and consultants of the NWPP Corporation (provided they are obligated to honor confidentiality obligations of the NWPP Corporation). In no case may a Signatory share Restricted Operational Data of another Signatory with any of its Marketing Function Employees (other than Restricted Operational Data that has been excluded from the definition of “WFRSG Confidential Information” by operation of **Section 6.1(f)**).
- (iii) *Protection.* Each Signatory will at all times exercise reasonable care to protect the confidentiality of all WFRSG Confidential Information in its possession or control (and to limit access to Restricted Operational Data in accordance with **Section 6.1(d)(ii)**), and will use at least the same degree of care it uses to protect its own confidential and restricted information; *provided, however,* that (A) nothing in this Agreement will limit a Signatory’s right to voluntarily disclose its own WFRSG Confidential Information, and (B) each Participant acknowledges that an Identified Participant receiving WFRSG Confidential Information pursuant to **Section 6.4** may be subject to United States, Canadian, state, provincial, or local public disclosure

laws or regulations (such as the United States Freedom of Information Act, 5 U.S.C. § 552) that may limit the Identified Participant's procedures and ability to protect information in its possession or control from disclosure.

- (e) General Use Restrictions. No Signatory will use the WFRSG Confidential Information of another Signatory for any purposes other than (i) to exercise its rights and carry out its obligations under this Agreement, and (ii) as necessary (and subject to **Section 6.1(g)**) to comply with applicable laws and regulations.
- (f) Exclusions from Definition of "WFRSG Confidential Information." For purposes of this Agreement, "WFRSG Confidential Information" does not include information that (i) is in, as of the Original Effective Date, or subsequently enters, the public domain without any act or omission by any recipient Signatory, (ii) is already known to a Signatory (on a non-confidential basis) as documented by written records that predate the execution of this Agreement, (iii) a Signatory rightfully obtains a from third party without any obligation of confidentiality, or (iv) the Signatory owning the information discloses to a third party after the Original Effective Date without requiring the third party to keep the information confidential.
- (g) Compelled Disclosure.
  - (i) *Right to Disclose.* Notwithstanding the provisions of **Section 6.1(b)(ii)**, **Section 6.1(d)**, and **Section 6.1(e)**, a Signatory may, subject to the requirements of **Section 6.1(g)(ii)** below, disclose WFRSG Confidential Information to the extent the disclosing Signatory is required to disclose it by law, regulation, subpoena, oral deposition, interrogatory, request for production of documents, court or administrative order, or other nonconsensual, legally binding requirement, and will not be liable to any providing Signatory for subsequent release of the providing Signatory's WFRSG Confidential Information if the disclosing Signatory has complied with the requirements of **Section 6.1(g)(ii)** and the providing Signatory has taken no action to minimize or eliminate the disclosure or to obtain proprietary or confidential treatment.
  - (ii) *Notice and Cooperation in Cases of Compelled Disclosure.* If a Signatory is requested or required, by law, regulation, subpoena, oral deposition, interrogatory, request for production of documents, court or administrative order, or other nonconsensual, legally binding requirement, to disclose any WFRSG Confidential Information of one or more other Signatories, the Signatory subject to compelled disclosure will promptly notify all providing Signatories of any such request(s) so that any providing Signatory may, at its expense, challenge the disclosure, or seek an appropriate

protective order. The Signatory subject to compelled disclosure will reasonably cooperate with the providing Signatories, at the providing Signatories' expense, to minimize or eliminate any such disclosure requirement consistent with applicable law, and to obtain proprietary or confidential treatment of any WFRSG Confidential Information that is ultimately required to be disclosed. As used in this **Section 6.1(g)(ii)**, the term "expense" includes any damages, attorneys' fees, or costs awarded due to failure to disclose.

- (h) Return of WFRSG Confidential Information. Upon any expiration or termination of this Agreement, if requested by a providing Signatory, each other Signatory will return or destroy any originals and all copies of the providing Signatory's WFRSG Confidential Information within five Calendar Days of the providing Signatory's request; *provided, however*, that with respect to any WFRSG Confidential Information that exists in electronic form on Signatory computer systems or associated backups, the applicable Signatories will be deemed to have complied with the providing Signatory's request to destroy or return all originals and copies of its WFRSG Confidential Information to the extent they make commercially reasonable efforts to delete all files containing the providing Signatory's WFRSG Confidential Information from their computer systems through ordinary user interfaces (without the need to overwrite or otherwise attempt to render irretrievable data on computer hard drives or computer system backup records).
- (i) Injunctive Relief. All Signatories acknowledge that a breach of any of their obligations under **Section 6.1** of this Agreement will result in irreparable harm to the business of the other Signatories and that the aggrieved Signatory's remedy at law will be inadequate. Accordingly, each Signatory agrees that the other Signatories will be entitled, to the extent permitted by law, to both preliminary and permanent injunctions to prevent or halt a breach or threatened breach of any obligation under **Section 6.1** of this Agreement.
- (j) Expiration of Confidentiality Obligations. Any Signatory obligation under **Section 6.1** to protect WFRSG Confidential Information will expire two years from the date of initial disclosure.

**6.2 NWPP Corporation Obligation to Maintain Records.** During the term of this Agreement, and for any additional periods following its termination specifically required by this Section 6.2, the NWPP Corporation will maintain Frequency Response Data that comes into its possession or control for the minimum period necessary to

- (a) comply with the reporting and data retention requirements relating to R1 of BAL-003 and any applicable data retention policies adopted by NERC or WECC,

- (b) facilitate the completion of any compliance audit to which the Western Frequency Response Sharing Group may be subject with respect to R1 of BAL-003,
- (c) allow six months to elapse following the completion of any investigation or other proceeding before or action by an Enforcement Authority concerning an Actual WFRSG Compliance Failure (or allegation of an Actual WFRSG Compliance Failure) that has been initiated within the periods covered by **Sections 6.2(a) and (b)** above, and
- (d) enable those Participants that have legally mandated public records retention obligations to comply with those obligations, provided that (i) any Participant requesting that the NWPP Corporation accept supplemental records retention obligations under this **Section 6.2(d)** has provided written instructions to the NWPP Corporation describing the action(s) the requesting Participant asks the NWPP Corporation to take to enable the requesting Participant to fulfill its records retention obligations, and (ii) the requesting Participant agrees in writing to reimburse the NWPP Corporation if complying with its request under this **Section 6.2(d)** will impose significant additional costs on the NWPP Corporation.

**6.3 Consent of Participants to NWPP Corporation Access and Use.** Each Participant specifically grants its consent for the NWPP Corporation to receive, access, use, review, and retain its Frequency Response Data to the extent necessary to enable the NWPP Corporation to carry out its obligations under this Agreement and the responsibilities designated for the NWPP Corporation in the WFRSG Operating Rules. Each Participant specifically grants its further consent for the NWPP Corporation to disclose its Frequency Response Data to Enforcement Authorities to the extent necessary to enable the Western Frequency Response Sharing Group to comply with reporting and auditing requirements applicable to the Western Frequency Response Sharing Group under R1 of BAL-003 and corresponding policies adopted by an Enforcement Authority.

**6.4 Consent of Participants to Other Participants' Access and Use.** Each Participant specifically grants its consent for the NWPP Corporation to disclose to an Identified Participant, and for the Identified Participant to receive, access, use, review, retain, and disclose, its Frequency Response Data as reasonably required to respond to or defend an investigation or other proceeding before or action by an Enforcement Authority concerning an Actual WFRSG Compliance Failure (or allegation of an Actual WFRSG Compliance Failure) in which an action or omission of the Identified Participant may be at issue; provided, however, that the consent granted by this **Section 6.4** is subject to **Section 6.1(g)** and is limited to those specific Frequency Response Data and their receipt, access, use, review, retention, and disclosure reasonably necessary to enable the Identified Participant to respond to or defend itself in an investigation or other proceeding before or action by an Enforcement Authority concerning an Actual WFRSG Compliance Failure (or allegation of an Actual WFRSG Compliance Failure) in which an action or omission of the Identified

Participant may be at issue, and is subject to applicable obligations set forth in this Agreement (including **Section 9.2**).

**6.5 Requests for the NWPP Corporation to Correct Erroneous Frequency Response Data.**

If a Participant has received a Compliance Report delivered to it by the NWPP Corporation under this Agreement, and the receiving Participant believes that the Compliance Report contains inaccurate data or determinations, the receiving Participant may, at any time within 30 Calendar Days following receipt, provide written notice to the NWPP Corporation (a) identifying the Compliance Report the Participant believes contains inaccuracies, (b) explaining the basis for the Participant's belief that the Compliance Report contains inaccurate data or determinations, including specific identification of the relevant portions of the Compliance Report, and (c) requesting that the NWPP Corporation review the Compliance Report. Promptly after receiving a request from a Participant under this **Section 6.5** (and in any case within not more than 10 Business Days), the NWPP Corporation will review the applicable Compliance Report and any relevant Frequency Response Data used to prepare the Compliance Report.

- (i) If following its review the NWPP Corporation concurs that the Compliance Report contains inaccurate data or determinations, the NWPP Corporation will, within five Business Days following completion of its review, (A) notify all Participants of its determination, and (B) transmit to any Enforcement Authority to which the original Compliance Report was delivered a corrected Compliance Report, together with a description of the corrections made and the reasons for the inaccuracies in the original Compliance Report.
- (ii) If following its review the NWPP Corporation believes that the Compliance Report as originally prepared does not contain inaccurate data or determinations, (A) the NWPP Corporation will, within five Business Days following completion of its review, notify all Participants of its determination, and (B) the rights, roles, and responsibilities of the Participants under this Agreement with respect to the any Actual WFRSG Compliance Failure (or allegation of an Actual WFRSG Compliance Failure) arising from the Compliance Report will be determined on the basis of the information contained in the Compliance Report as originally prepared.

**6.6 Notification of Enforcement Authority Request for Information Beyond Requirements for Western Frequency Response Sharing Groups Under R1 of BAL-003.**

If the NWPP Corporation receives a request or an order from an Enforcement Authority to submit a Compliance Report or other response that the NWPP Corporation believes in good faith (a) reaches beyond the obligations applicable to the Western Frequency Response Sharing Group under R1 of BAL-003 and corresponding policies adopted by an Enforcement Authority, or (b) is otherwise inconsistent with the terms of this Agreement, the NWPP Corporation will, to the extent not prohibited by applicable laws or regulations, provide prompt written notice to all Participants identifying the applicable Enforcement Authority and the information that has been requested or required.

**7. Required Reports and Compliance Support.**

**7.1 Periodic Reporting to Enforcement Authorities.** Subject to **Section 7.3**, the NWPP Corporation will prepare and submit to the appropriate Enforcement Authorities Compliance Reports as required by R1 of BAL-003 and corresponding policies adopted by an Enforcement Authority. Provided the NWPP Corporation has timely received all necessary information from the Participants, NWPP Corporation will (a) submit Compliance Reports on or before the applicable deadline established for R1 of BAL-003 or corresponding policies adopted by an Enforcement Authority; (b) deliver to each Participant’s WFRSG Committee Member by electronic mail a contemporaneous copy of each Compliance Report.

**7.2 Process to Determine Identity and Proportionate Responsibility of Identified Participants.** With respect to any Actual WFRSG Compliance Failure (or allegation of an Actual WFRSG Compliance Failure), the NWPP Corporation will review relevant Frequency Response Data and implement the methodology set forth in Exhibit D to determine the identity and proportionate responsibility of the Identified Participants that caused or contributed to the Actual WFRSG Compliance Failure (or the frequency deviation events on which any allegation of an Actual WFRSG Compliance Failure is based).

**7.3 Reports, Self-Certifications or Audit Responses Indicating Actual WFRSG Compliance Failure.** If the NWPP Corporation anticipates that any Compliance Report, self-certification, or audit response submitted by the NWPP Corporation to an Enforcement Authority in accordance with this Agreement will indicate that there has been or will be an Actual WFRSG Compliance Failure, the NWPP Corporation will, before submitting the Compliance Report, self-certification, or audit response to the applicable Enforcement Authority,

- (a) make a good-faith determination of the identity and proportionate responsibility of the Identified Participant(s) that caused or contributed to the Actual WFRSG Compliance Failure consistent with **Section 7.2**,
- (b) specify in the Compliance Report, self-certification, or audit response the identity and proportionate responsibility of the Identified Participant(s) that caused or contributed to the Actual WFRSG Compliance Failure as determined by the NWPP Corporation in good faith,
- (c) with respect to any Participant that has (i) informed the NWPP Corporation that it believes it is not subject to the jurisdiction of or Penalties imposed by a given Enforcement Authority to which the Compliance Report, self-certification, or audit response is to be submitted, and (ii) requested that the NWPP Corporation include a statement to that effect, include a statement indicating that the requesting Participant has informed the NWPP Corporation that it is not subject to the jurisdiction of or Penalties imposed by that Enforcement Authority, and

- (d) include a statement in accordance with the provisions of **Section 7.4** below.

The NWPP Corporation will deliver to each Participant a copy of the Compliance Report, self-certification, or audit response before it is delivered to the applicable Enforcement Authority if feasible. If advance delivery is not feasible, the NWPP Corporation will deliver to each Participant a copy of the Compliance Report, self-certification, or audit response at the time it is delivered to the applicable Enforcement Authority or as soon thereafter as feasible.

- 7.4 Effect of NWPP Corporation’s Determination.** No determination of the NWPP Corporation under this Agreement with respect to the identity or proportionate responsibility of any Identified Participant that is believed to have caused or contributed to an Actual WFRSG Compliance Failure will (a) waive or limit any Identified Participant’s right to dispute the NWPP Corporation’s determination in any communication to or proceeding or other action before any Enforcement Authority, or (b) give rise to any presumption or have any conclusive effect in any proceeding or other action before any Enforcement Authority related to the Actual WFRSG Compliance Failure.

- 7.5 NWPP Corporation’s Cooperation with Canadian Participants Concerning Reporting to Canadian Enforcement Authorities.** If any Canadian Participant is required to separately submit reports or other information concerning Western Frequency Response Sharing Group compliance with R1 of BAL-003 to a Canadian Enforcement Authority, the applicable Canadian Participant may request by written notice that the NWPP Corporation provide information and services to facilitate compliance with the requirements of the applicable Canadian Enforcement Authority; provided, however, that the NWPP Corporation will have no obligation to independently determine what information is required to be submitted or what actions are required to be taken and may fully rely on any representations, interpretations, and instructions provided by the requesting Canadian Participant.

**8. Response to Enforcement Authority Allegations or Determinations of Actual WFRSG Compliance Failures.**

- 8.1 NWPP Corporation Response.** If the NWPP Corporation receives a notice or other communication from an Enforcement Authority alleging or stating that there has been an Actual WFRSG Compliance Failure not previously identified in any Compliance Report, self-certification, or audit response submitted to an Enforcement Authority by the NWPP Corporation, or if the NWPP Corporation receives notice from a Participant under **Section 8.2**, the NWPP Corporation will promptly

- (a) carry out the steps described in **Sections 7.3(a)** and **7.3(b)** with respect to the Actual WFRSG Compliance Failure alleged or stated in the communication from the Enforcement Authority,
- (b) deliver notice to each Participant

- (i) identifying the Enforcement Authority alleging or stating that there has been an Actual WFRSG Compliance Failure and any other relevant information provided by the Enforcement Authority,
  - (ii) specifying the NWPP Corporation’s good-faith determination of the identity and proportionate responsibility of the Identified Participants that caused or contributed to the Actual WFRSG Compliance Failure,
- (c) respond to the Enforcement Authority on behalf of the Western Frequency Response Sharing Group in writing providing the information described in **Section 8.1(b)(ii)** above, with a copy of the response to be delivered to all Participants concurrently or as promptly as feasible,
  - (d) if applicable, include in the response to the Enforcement Authority a statement as provided in **Section 7.3(c)**, and
  - (e) include in the response to the Enforcement Authority a statement as provided in **Section 7.3(d)**.

**8.2 Participant Response.** If a Participant receives a notice or other communication from an Enforcement Authority alleging or stating that there has been an Actual WFRSG Compliance Failure not previously identified in any Compliance Report, self-certification, or audit response submitted to an Enforcement Authority by the NWPP Corporation, the Participant will, to the extent not prohibited by applicable laws or regulations, promptly provide written notice to all other Signatories identifying the Enforcement Authority alleging or stating that there has been an Actual WFRSG Compliance Failure and any other relevant information provided by the Enforcement Authority.

## **9. Responsibilities Related to Actual WFRSG Compliance Failures.**

**9.1 Identified Participant Obligation to Respond.** Once the NWPP Corporation has determined the identity and proportionate responsibility of one or more Identified Participants that are believed to have caused or contributed to an Actual WFRSG Compliance Failure, it will be the sole responsibility of the Identified Participant(s) to take any actions that are required or that the Identified Participant(s) may deem appropriate to respond to or otherwise follow up on the Actual WFRSG Compliance Failure, and to bear their own resulting defense and internal costs; provided, however, that in the case of an anticipated or alleged Actual WFRSG Compliance Failure for which there are no Participants that, with respect to the applicable Operating Year, would have failed R1 of BAL-003 on a stand-alone basis, the Western Frequency Response Sharing Group will implement the provisions of Section 1 of Exhibit E.

**9.2 Notice to Other Participants Before Alleging Responsibility.** Any Participant that has been designated as an Identified Participant by the NWPP Corporation in accordance with **Section 7.3** or **8.1(b)(ii)** will promptly deliver written notice to any other Participant (other than those already notified by the NWPP Corporation under **Section 7.3** or **8.1(b)(ii)**) that the notifying Participant believes has caused or



contributed to the applicable Actual WFRSG Compliance Failure. No Participant may allege to an Enforcement Authority that another Participant has caused or contributed to an Actual WFRSG Compliance Failure unless the NWPP Corporation or the alleging Participant has delivered prior written notice to the other Participant under **Section 7.3, 8.1(b)(ii), or 9.2** of this Agreement.

**9.3 NWPP Corporation Cooperation and Provision of Frequency Response Data.**

At the request of any Participant that is responding to or otherwise taking follow-up action with respect to an Actual WFRSG Compliance Failure (the “Responding Participant”), the NWPP Corporation will provide to the Responding Participant (subject to any applicable confidentiality obligations) any Frequency Response Data in the NWPP Corporation’s possession or control to the extent reasonably necessary to enable the Responding Participant to respond to or otherwise follow up on the Actual WFRSG Compliance Failure. At the expense of the Responding Participant, the NWPP Corporation will take any additional actions reasonably requested by the Responding Participant to cooperate with the Responding Participant’s efforts to respond to or otherwise follow up on the Actual WFRSG Compliance Failure.

**9.4 Western Frequency Response Sharing Group’s Responsibility for Mitigation Plans.**

Although the procedures for determining identity and proportionate responsibility of Identified Participants will be as set forth in **Section 8.1**, and Identified Participants’ obligations to respond will be as set forth in **Section 9.1**, it will nevertheless be the responsibility of the Western Frequency Response Sharing Group (as a whole) to develop and manage implementation of any mitigation plan(s) that may be required by one or more Enforcement Authorities following a final determination of an Actual WFRSG Compliance Failure.

**10. Enforcement Authority Effort to Impose Penalties on Participants Other Than Identified Participants.**

If for any reason an Enforcement Authority refuses to recognize the Western Frequency Response Sharing Group’s intention that responsibility for Penalties imposed for Actual WFRSG Compliance Failures will be limited to those Participants that have been designated by the NWPP Corporation as Identified Participants and that no Participant will accept liability for Penalties to which it would not have been subject absent this Agreement, the Participants will work cooperatively to take commercially reasonable steps to cause the actions taken by Enforcement Authorities with respect the Actual WFRSG Compliance Failure to accord with the terms of this Agreement (including **Section 1.2**).

**11. Limitation of Liability.** No Signatory will be liable to any other Signatory in connection with this Agreement (or breach of this Agreement) for any special, punitive, exemplary, consequential, incidental, or indirect losses or damages, including those based on lost or prospective profits, or inaccurate, damaged, lost, or incomplete data.

**12. WFRSG Committee.**

**12.1 Creation and Composition of WFRSG Committee.**

- (a) Creation of WFRSG Committee. As of the Original Effective Date, there will be a committee composed of representatives of each Signatory, to be called the “WFRSG Committee,” as further provided in **Sections 12.1 (b) and (c)** below.
- (b) Participants’ Rights to Appoint Committee Members. Each Participant has the right, but not the obligation, to appoint one primary representative and one alternate representative (referred to collectively in this Agreement as a Participant’s “**Committee Members**”) to the WFRSG Committee. A Participant may not appoint a Committee Member who is a “Merchant Function Employee,” as that term is defined by the Federal Energy Regulatory Commission. All Committee Members must abide by any policies and procedures adopted by the WFRSG Committee under **Section 12.2(d)**.
- (c) NWPP Corporation Participant Right to Appoint One Non-Voting WFRSG Committee Representative. The NWPP Corporation has the right, but not the obligation, to appoint one non-voting representative to the WFRSG Committee. Any NWPP Corporation representatives participating in WFRSG Committee activities must abide by any policies and procedures adopted by the WFRSG Committee under **Section 12.2(d)**.
- (d) List of Current Committee Members and Changes to Committee Members. Exhibit F reflects the Committee Members appointed by the Participants and the non-voting representative appointed by the NWPP Corporation. Any Participant may, subject to the requirements of **Section 12.1(b)**, change either or both of its Committee Members by providing written notice to the other Signatories in accordance with **Section 13.1**. The notice must have an effective date that is on or after the date on which notice is delivered. The NWPP Corporation may likewise change its non-voting representative. The NWPP Corporation may update and circulate revised forms of Exhibit F from time to time to reflect Participants’ changes to their Committee Members and the NWPP Corporation’s changes to its non-voting representative.
- (e) WFRSG Committee Chair and Other Officials. The WFRSG Committee must have a Chair, who will preside at meetings of the WFRSG Committee. The Chair of the WFRSG Committee will be appointed, from time to time, at meetings of the WFRSG Committee held as provided in **Section 12.3(a)**. The WFRSG Committee may appoint other officers, form work groups or task forces, and assign additional responsibilities to designated individuals from time to time as it deems necessary or convenient to carry out its responsibilities.

## **12.2 WFRSG Committee Powers and Responsibilities.**

- (a) General Oversight. Working in cooperation with the NWPP Corporation, the WFRSG Committee will be responsible for overseeing the implementation of this Agreement.
- (b) WFRSG Operating Rules. The WFRSG Committee will have the exclusive right and responsibility to modify the WFRSG Operating Rules. Any proposed modification to the WFRSG Operating Rules may be approved by an Ordinary WFRSG Committee Vote as provided in **Section 12.3(c)(ii)**. Changes to the WFRSG Operating Rules will not constitute amendments to this Agreement and will not be subject to the requirements of **Section 13.2**.
- (c) WFRSG Committee Work Plans. The WFRSG Committee may, by an Ordinary WFRSG Committee Vote as provided in **Section 12.3(c)(ii)**, adopt a WFRSG Committee work plan when it establishes its schedule of meetings for an upcoming Operating Year under **Section 12.3(a)**, or at any time thereafter, and may likewise modify or rescind any WFRSG Committee work plan previously adopted.
- (d) Policies Governing Conduct of Meetings, Etc. The WFRSG Committee may, by an Ordinary WFRSG Committee Vote as provided in **Section 12.3(c)(ii)**, adopt such policies and procedures as it deems necessary or useful to regulate its meetings and other activities. This may include, for example, (i) attendance at and participation in WFRSG Committee meetings by individuals other than Committee Members or NWPP Corporation representatives appointed under **Section 12.1(b)** or (c), and (ii) compliance with any legal or regulatory requirements to which one or more of the Signatories may be subject.
- (e) Other Tasks. The WFRSG Committee may establish for itself additional tasks or processes as it deems necessary or beneficial to the operation of the Western Frequency Response Sharing Group, provided the tasks or processes are not inconsistent with the provisions of this Agreement or the WFRSG Operating Rules as then in effect.

### **12.3 WFRSG Committee Meetings and Votes.**

- (a) Periodic Meetings. Promptly following the Original Effective Date, and thereafter as the end of each subsequent Operating Year approaches, the WFRSG Committee must set a schedule of meetings for the Operating Year immediately to follow. In addition, the WFRSG Committee will convene a meeting to discuss one or more of the matters specified in **Section 12.3(f)** or for any other proper purpose (i) if called by the WFRSG Committee Chair, (ii) at the request to the WFRSG Committee Chair by three or more Participants, or (iii) at the request to the WFRSG Committee Chair by the NWPP Corporation. Unless all Signatories consent in writing (which may be by electronic mail) to a shorter notice period, any meeting of the WFRSG Committee that is not part of the meeting schedule established by the WFRSG

Committee ahead of the Operating Year will require at least 10 Business Days’ prior written notice (which may be by electronic mail) to at least one Committee Member for each Participant.

- (b) Participant Voting Power. Each Participant will have one vote on any matter submitted to the WFRSG Committee for a vote, regardless of which of the Participant’s Committee Members exercises that vote. For the avoidance of doubt, a Participant that operates more than one Balancing Authority Area will nevertheless be entitled to only one vote on the WFRSG Committee.
- (c) WFRSG Committee Quorum and Voting Procedures.
  - (i) *Quorum Requirement*. The presence of Committee Members representing at least 50% of the Participants that have appointed Committee Members will be necessary and sufficient to establish a quorum for action at any meeting of the WFRSG Committee. The WFRSG Committee may not take action at any time during a meeting when a quorum is not present for the vote.
  - (ii) *Ordinary WFRSG Committee Vote*. Unless another provision of this Agreement (including any provision set forth in an exhibit) or prior action of the WFRSG Committee requires a higher voting threshold, any action by the WFRSG Committee will require the affirmative vote of not less than two-thirds of votes cast at a duly convened meeting of the WFRSG Committee (an “**Ordinary WFRSG Committee Vote**”).
  - (iii) *Manner of Tabulating Votes for Ordinary WFRSG Committee Action*. In determining the results of an Ordinary WFRSG Committee Vote as defined in **Section 12.3(c)(ii)**, (A) those Committee Members that are present but abstain from a vote will be included for purposes of determining whether a quorum exists, but will be excluded for purposes of determining the proportion of affirmative votes compared to the total votes cast, and (B) in determining the existence of a quorum or tabulating a vote, two Committee Members present for the same Participant will be deemed a single Participant and have only a single vote between them.
  - (iv) *WFRSG Committee Action to Admit New Participants and Expel Existing Participants*. WFRSG Committee action to conditionally admit a new Participant will require an Admission Vote as defined in Exhibit C (and, if the Applicant granted conditional admission fails the Screening Assessment, will be subject to an Admission Confirmation Vote as defined in Exhibit C). WFRSG Committee action to expel or rescind automatic expulsion of an existing Participant will be subject to the voting requirement set forth in Exhibit G.

- (d) Voting by Proxy. A Participant whose Committee Members are unable to attend a meeting of the WFRSG Committee may grant a proxy to another Participant, which may then exercise the granting Participant's voting rights, provided that:
- (i) the proxy is in a written instrument (which may be delivered by electronic mail) signed by at least one of the Committee Members of the Participant granting the proxy,
  - (ii) the proxy specifies the date on which it takes effect and the period during which it will remain in effect,
  - (iii) the proxy is delivered to the NWPP Corporation's WFRSG Committee representative at least two Business Days before the date of any meeting of the WFRSG Committee during which the proxy is intended to be exercised (unless, at the applicable meeting, the WFRSG Committee consents, by an Ordinary WFRSG Committee Vote, to recognize a proxy granted less than two Business Days before the meeting), and
  - (iv) the proxy may be exercised only by a Committee Member representing the Participant to which the proxy was granted.
- (e) Other Voting Processes. From time to time, at any meeting of the WFRSG Committee, the WFRSG Committee may, by an Ordinary WFRSG Committee Vote, establish other voting procedures for WFRSG Committee action (such as by electronic mail or by written consent), and may subsequently rescind additional voting procedures by the same process. WFRSG Committee voting procedures established under this **Section 12.3(e)** may not conflict with or override any provision in this Agreement (including any provision set forth in an exhibit) requiring a particular manner or threshold for voting.
- (f) Specific Meeting Agenda Items. At any meeting of the WFRSG Committee, any of the matters specified below may be included on the meeting agenda and will be included on the meeting agenda if requested by any Participant or the NWPP Corporation before or during the meeting:
- (i) whether the scope of authority granted to and accepted by the NWPP Corporation under this Agreement continues to be appropriate in the circumstances as they then exist,
  - (ii) the allocation of responsibility for Actual WFRSG Compliance in accordance with Exhibit E,
  - (iii) the allocation under Section 2 of Exhibit B of costs for services provided by the NWPP Corporation under this Agreement,

- (iv) whether there have been any changes to the provisions, interpretation, or enforcement of R1 of BAL-003, and
- (v) whether it is necessary or would be beneficial to the Participants to make any changes to the WFRSG Operating Rules.

(g) **Request for Vote.** If any Committee Member or the NWPP Corporation requests that an Ordinary WFRSG Committee Vote be taken on any of the matters listed in **Section 12.3(f)** at a WFRSG Committee meeting, then the WFRSG Committee will vote on the matter at the meeting, unless the WFRSG Committee Chair determines (in his or her discretion or at the request of a Committee Member or the NWPP Corporation) that the vote should be delayed to allow for further consideration, action, or consultation before the vote; *provided, however*, that any requested vote that is delayed by determination of the WFRSG Committee Chair as provided in this **Section 12.3(g)** may be delayed only until the next meeting of the WFRSG Committee. This **Section 12.3(g)** does not apply to any Admission Vote, Admission Confirmation Vote, or Participate Expulsion Vote.

**12.4 Participation by Telephone.** Any Committee Member or NWPP Corporation representative may attend any meeting of the WFRSG Committee by telephone conference or any other means by which all those attending the meeting may hear each other simultaneously.

**12.5 Effect on Agreement of WFRSG Committee's Votes.** No vote of the WFRSG Committee may have the effect of amending or waiving any provision of this Agreement. All amendments must be in accordance with **Section 13.2** and all waivers must be in accordance with **Section 13.3**.

### **13. Miscellaneous.**

#### **13.1 Notices.**

- (a) Any notice or other communication required or permitted under this Agreement will be deemed properly given if submitted in writing and delivered in person, delivered to an express courier service of acknowledged reputation properly addressed and with delivery charges prepaid, delivered to the United States or Canadian Postal Service properly addressed and with proper postage prepaid, or by electronic mail except as otherwise provided in **Section 13.1(b)**. All notices and communications related to this Agreement are to be directed to the Signatories at the contact addresses specified in Exhibit A to this Agreement.
- (b) The Signatories must deliver notices and other communications under this Agreement by means other than electronic mail for any Signatory that has provided written notice to the other Signatories that it will not accept notices and other communications under this Agreement by electronic mail.

- (c) Any Signatory may change its contact information in Exhibit A by providing written notice to all other Signatories in accordance with **Section 13.1(a)**.

- 13.2 Amendment.** Neither the body of this Agreement nor any part of Exhibit C, Exhibit D, Exhibit E, or Exhibit G may be amended except by a written instrument signed by authorized representatives of all Signatories. Exhibit A may be amended as provided in **Section 13.1(c)** of this Agreement. Exhibit B may be amended as provided in Section 1.2 of Exhibit B. Exhibit F may be amended as provided in **Section 12.1(d)** of this Agreement. The WFRSG Operating Rules (Exhibit H) may be modified as provided in **Section 12.2(b)**. Exhibit I may be amended only by a written instrument signed by authorized representatives of the NWPP Corporation and each Canadian Participant to which it applies.
- 13.3 Waiver.** The failure of any Signatory to insist upon or enforce any other Signatory's strict performance of any provision of this Agreement or to exercise any right conferred by this Agreement will not be construed as a waiver or relinquishment to any extent of a Signatory's right to assert or rely upon that provision or right on any future occasion. No waiver of any provision of this Agreement will be effective unless stated in writing and signed by an authorized representative of the Signatory granting the waiver.
- 13.4 Assignment; Successors.** No Signatory may assign or otherwise transfer this Agreement or any rights under this Agreement, in whole or in part; provided, however, that any Signatory may assign or transfer this Agreement and its rights under this Agreement to any lawful successor entity upon (a) advance written notice to the other Signatories, (b) the other Signatories' written concurrence, which may not be unreasonably delayed or withheld; and provided further that such successor entity agrees in advance, in writing, to the terms and conditions of this Agreement and agrees to become a Signatory.
- 13.5 No Authority to Bind or Act on Behalf of Other Signatories.** Except for the authority specifically conferred on the NWPP Corporation by this Agreement, nothing in this Agreement grants any authority to any Signatory to bind or act on behalf of any other Signatory in any respect.
- 13.6 Section Headings.** The section headings and titles contained in this Agreement and in any exhibit are for the convenience of the Signatories and are not intended to affect the meaning or scope of this Agreement or to be used in its interpretation.
- 13.7 Severability and Savings Clause.** If any provision of this Agreement, or its application to any person, entity, or circumstance, is held by a court or regulatory authority of competent jurisdiction to be invalid, void, or unenforceable, or if a modification or condition to this Agreement is imposed by a court or regulatory authority validly exercising jurisdiction over this Agreement, the Signatories will endeavor in good faith to negotiate an amendment or amendments to this Agreement that will restore the relative benefits and obligations of the Signatories under this Agreement absent the holding, modification, or condition. The

Signatories agree that all Signatories have comparably participated in the preparation and negotiation of this Agreement such that no Signatory will be deemed the drafter of any term that may subsequently be found to be ambiguous or vague.

- 13.8 Management of Disputes.** Whenever any Signatory believes that a dispute has arisen out of or in connection with this Agreement, that Signatory will promptly provide written notice to the other Signatories describing the matter(s) in dispute. Unless the dispute is resolved sooner, senior management for all Signatories involved in the dispute will meet at least three times within a period of two months following delivery of a dispute notice to attempt in good faith to resolve the dispute. If the Signatories' senior management does not resolve the dispute within two months following delivery of a dispute notice, the Signatories will be entitled to pursue whatever remedies are available to them by law or in equity, unless all disputing Signatories agree to continue efforts to resolve the dispute through meetings of the Signatories' senior management. Any applicable statutes of limitation will be tolled for any period during which the Signatories are attempting to resolve a dispute under this **Section 13.8**.
- 13.9 Jury Waiver.** To the fullest extent permitted by law, each of the Signatories waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under, or in connection with this Agreement. Each Signatory further waives any right to consolidate, or to request the consolidation of, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. Notwithstanding the foregoing, if a federal agency is a party to the dispute then no waiver of trial by jury will apply.
- 13.10 Complete Agreement.** This Agreement (including all referenced exhibits, which are part of this Agreement and are incorporated by this reference) constitutes the complete agreement among the Signatories concerning its subject matter and supersedes all previous communications, negotiation, and agreements, whether oral or written, with respect to this Agreement.
- 13.11 Counterparts; Identification of Applicable Balancing Authority Areas.** This Agreement may be executed in any number of counterparts, each of which will constitute an original instrument and all of which together will constitute a single agreement. Any Participant that is the NERC-registered Balancing Authority for more than one Balancing Authority Area within the Northwest Power Pool area must indicate, on the signature page it executes for this Agreement, which of its Balancing Authority Areas are to be included in the Western Frequency Response Sharing Group.



**SIGNATURES**

**Northwest Power Pool Corporation:**

by /s/ Frank Afranji  
Title: President  
Date: April 24, 2019

**Independent System Operator, operating as  
Alberta Electric System Operator:**

by /s/ Greg Retzer  
Title: Vice President, Operations  
Date: March 26, 2019

by /s/ Todd Fior  
Title: Vice-President, Finance and CFO  
Date: March 25, 2019

**Avista Corporation:**

by /s/ Michael A. Magruder  
Title: Director, System Operations & Planning  
Date: March 30, 2019

**Balancing Authority of Northern  
California:**

by /s/ James R. Shetler  
Title: General Manager  
Date: March 25, 2019

**Bonneville Power Administration:**

by /s/ Michelle Cathcart  
Title: VP, System Operations  
Date: April 9, 2019

**Public Utility District No. 1 of Chelan  
County:**

by /s/ Kirk W. Hudson  
Title: Managing Director, Generation &  
Transmission  
Date: April 9, 2019

**P.U.D. No 1 of Douglas County:**

by /s/ Gary R. Ivory  
Title: General Manager  
Date: April 22, 2019

**Public Utility District No. 2 of Grant  
County:**

by /s/ Richard N Flanigan  
Title: Sr. Manager of Wholesale Marketing  
Date: April 16, 2019

**Gridforce Energy Management, LLC:**

by /s/ CJ Ingersoll  
Title: President  
Date: April 17, 2019

**Idaho Power Company:**

by /s/ Kathy Anderson  
Title: Transmission and Balancing Operations  
Manager  
Date: April 17, 2019

**NaturEner Power Watch, LLC, for itself  
and its affiliate NaturEner Wind Watch,  
LLC, by its Manager, NatureEner USA,  
LLC:**

by /s/ Walter H. Kamp III  
Title: Chief Executive Officer  
Date: April 16, 2019

by /s/ James F. Kutey  
Title: President  
Date: April 16, 2019

**Northwestern Energy:**

by /s/ Michael R. Cashell  
Title: Vice President - Transmission  
Date: March 25, 2019

**Portland General Electric Company:**

by /s/ Robert W. Frost  
Title: Manager, Grid Engineering  
Date: April 18, 2019

**City of Tacoma, Department of Public  
Utilities, Light Division  
DBA Tacoma Power:**

by /s/ Chris Robinson  
Title: Superintendent/ COO  
Date: May 1, 2019

**Western Area Power Administration -  
UGPR:**

by /s/ Lloyd A. Linke  
Title: VP of Operations for UGPR  
Date: April 10, 2019

**Nevada Power Company  
DBA NV Energy:**

by /s/ Christiaan Hofmann  
Title: Director, Grid Reliability & System  
Operations  
Date: March 21, 2019

**PacifiCorp:**

by /s/ Erik Brookhouse  
Title: Vice President System Operations  
Date: April 26, 2019

**Puget Sound Energy, Inc:**

by /s/ Shauna Tran  
Title: Director Load Serving Operations  
Date: April 4, 2019

**Turlock Irrigation District:**

by /s/ Casey Hashimoto  
Title: General Manager  
Date: April 5, 2019

**EXHIBIT A**

**CONTACT INFORMATION FOR SIGNATORIES**

***CONFIDENTIAL INFORMATION***

**EXHIBIT B**  
**COMPENSATION TO THE NWPP CORPORATION**  
**FOR SERVICES PROVIDED UNDER AGREEMENT**

**1. Tracking and Allocation of Expenses.** The NWPP Corporation will separately track, in accordance with generally accepted accounting practices, the use of staff resources and incurrence of expenses related to the services provided by the NWPP Corporation to the Western Frequency Response Sharing Group under this Agreement. The resulting charges assessed to Participants will be limited to those specifically incurred by the NWPP Corporation to carry out its obligations under this Agreement.

**1.1 Schedule of Charges.** The charges for the services provided by the NWPP Corporation to the Western Frequency Response Sharing Group under this Agreement will be as set forth in the following “Schedule of Charges”:

NWPP Corporation employee labor	\$128/hour
Postage	\$100/month
Office equipment usage	\$50/month
Retention and storage of Frequency Response Data	\$250/month
Travel (airfare, lodging, meals, etc.; to be in accordance with NWPP Corporation travel policies)	actual costs incurred
General office expenses (printing, office supplies, etc.)	actual costs incurred
Use of facilities (meetings, training, etc.)	actual costs incurred
Infrastructure (capital equipment) and information technology requirements	actual costs incurred
Other	actual costs incurred

**1.2 Revisions to Schedule of Charges.** The NWPP Corporation may revise the Schedule of Charges from time to time during the term of this Agreement, provided that (a) the NWPP Corporation may revise the Schedule of Charges only to the extent necessary to reflect changes to its costs of operations and on a basis comparable to charges billed under the Northwest Power Pool Agreement; (b) the NWPP Corporation must provide not less than 90 Calendar Days’ prior written notice to all Participants of the revisions to be made before revising the Schedule of Charges; and (c) the NWPP Corporation may not revise the Schedule of Charges more than once in any Operating Year.

**1.3 Annual Estimates.** At least 30 Calendar Days before the start of each Operating Year (beginning with Operating Year 2018), the NWPP Corporation will prepare and deliver to all of the Participants the NWPP Corporation’s good-faith estimate of

aggregate expenses the NWPP Corporation reasonably expects to incur in the performance of its obligations under this Agreement for the upcoming Operating Year (the “**Aggregate Expense Estimate**”). The sole purposes of each Aggregate Expense Estimate will be to assist Participants in their planning and budgeting processes. No Aggregate Expense Estimate will be binding on any Signatory for any purpose.

2. **Allocation of Costs.** For each month during the term of this Agreement, the costs of the services provided by the NWPP Corporation will be divided equally among all Participants that were Signatories to this Agreement during any part of that month. The foregoing provision, expressed as a formula, is as follows:

$$P = 1/N * C, \text{ where}$$

“P” portion of costs to be paid by each Participant for services provided by the NWPP Corporation under this Agreement during the applicable month;

“N” is the number of Participants that were Signatories during any part of the applicable month; and

“C” total costs of the services provided by the NWPP Corporation under this Agreement during the applicable month.

3. **Invoicing and Payment.** The NWPP Corporation will prepare a detailed invoice of charges to be paid by each Participant for each month during the term of this Agreement. Within 15 Calendar Days following the end of each month during the term of this Agreement, the NWPP Corporation will prepare and deliver to each Participant a detailed invoice of charges to be paid by the applicable Participant for that month. The invoice will include a calculation of the total charges incurred during the applicable month with respect to each of the categories specified in Schedule of Charges (with a specific description of any costs categorized as “Other”), together with the specific portion of the charges due from the Participant to which the invoice is delivered, calculated in accordance with Section 2 of this **Exhibit B**. Payments are to be directed to the address specified for the NWPP Corporation in **Exhibit A**. Each Participant will remit payment in full to the NWPP Corporation within 30 Calendar Days following receipt of the NWPP Corporation’s invoice. Any amount remaining unpaid following the date on which payment is due in accordance with this Section 3 of **Exhibit B** will accrue interest at the rate of one percent (1%) per month (or, if lower, the highest rate of interest permitted by law) from the due date until the date of payment.
4. **Records and Audit.** The NWPP Corporation will maintain books and accounts of charges invoiced and received under this Agreement in accordance with generally accepted accounting practices. During the term of this Agreement and for a period of two years following its expiration or termination, each Participant will have the right to have a duly authorized representative review, during the NWPP Corporation’s normal business hours, the NWPP Corporation’s books and accounts to the extent necessary to verify any portion of the charges invoiced to it under this Agreement.

**EXHIBIT C**

**PROCESS FOR ADMITTING NEW PARTICIPANTS**

1. **Applicable Defined Terms.** Any capitalized term used in this Exhibit C that is not otherwise defined in this Exhibit C will have the meaning specified in **Section 2** of the body of the Agreement.
2. **Eligibility.** Any Balancing Authority that operates (or is preparing to operate) at least one Balancing Authority Area in the Western Interconnection may apply to become a Participant for those of its Balancing Authority Areas that are within the Western Interconnection.
3. **Application Letter; Obligation to Seek Timely Authorization.**
  - 3.1 **Application Letter Begins Application Process.** Any entity eligible to apply to join the Western Frequency Response Sharing Group as provided in Section 2 of this Exhibit C (an “**Applicant**”) may begin the application process by delivering to the NWPP Corporation a letter, signed by a duly authorized representative of the Applicant (an “**Application Letter**”). An Applicant must deliver its Application Letter to the NWPP Corporation no later than April 1 of the Operating Year preceding the first Operating Year during which the Applicant wishes to be a member of the Western Frequency Response Sharing Group. The date on which an Applicant delivers its Application Letter to the NWPP Corporation will be its “**Application Date.**”
  - 3.2 **Required Contents of Application Letter.** An Applicant’s Application Letter must state, as a minimum, that the Applicant:
    - (a) requests admission to the Western Frequency Response Sharing Group as a Participant,
    - (b) will cooperate in good faith with the WFRSG Committee to complete the application process in accordance with this Exhibit C,
    - (c) is willing to sign and abide by the short-form confidentiality agreement required by Section 3.3 of this Exhibit C,
    - (d) acknowledges and agrees that it has no legal or contractual right to become a Participant in the Western Frequency Response Sharing Group,
    - (e) recognizes the obligations stated in Section 3.4 of this Exhibit C, and, if granted conditional admission, would have the requisite power and necessary authorization, and would be willing, to become a Signatory to the Agreement and abide by its terms without the need to amend any portion of the Agreement (including its exhibits), and

- (f) acknowledges and agrees that, if granted conditional admission, the Applicant will be subject to the further requirements and terms set forth in Sections 6, 7, and 8 this Exhibit C.

**3.3 Confidentiality Obligations.** An Applicant must, before receiving any WFRSG Confidential Information from one or more Signatories or submitting analogous information concerning its existing or proposed Balancing Authority Area(s), sign a short-form confidentiality agreement providing that (a) the Applicant will abide by the provisions set forth in **Section 6** of the body of the Agreement with respect to any WFRSG Confidential Information its receives during the application process, (b) if the Applicant becomes a Participant, the provisions set forth in **Section 6** of the body of the Agreement will apply to any WFRSG Confidential Information received (before becoming a Signatory) for purposes of applying to join the Western Frequency Response Sharing Group, and (c) if the Applicant does not become a Participant, the provisions set forth in **Section 6** of the body of the Agreement will apply indefinitely to all WFRSG Confidential Information received by the Applicant during its application process. All Signatories agree that any information provided by an Applicant that would constitute WFRSG Confidential Information if provided by a Signatory will be treated for all purposes under the Agreement as WFRSG Confidential Information and will be subject indefinitely to the provisions set forth in **Section 6** of the body of the Agreement.

**3.4 Obligation to Seek Timely Authorization.** As provided in **Sections 3.2 and 3.3** of the body of the Agreement, operational participation in the Western Frequency Response Sharing Group must be synchronized to the timing of Operating Years, and other activities and obligations are governed by the associated Compliance Period. Accordingly, if an Applicant’s authority to become a Signatory and join the Western Frequency Response Sharing Group is subject to formal authorization or ratification through legislation or action by a commission or other governing body, it is the Applicant’s responsibility to manage the process of seeking any necessary formal authorization or ratification with sufficient lead-time to enable the Applicant, if admitted to the Western Frequency Response Sharing Group, to be fully bound by the terms of the Agreement on or before the start of the Compliance Period for the first Operating Year during which the Applicant intends to participate in the Western Frequency Response Sharing Group.

**4. Submittal of Information; Disclosure Obligations.**

**4.1 Compliance Data.** An Applicant that operates an existing Balancing Authority in the Western Interconnection must, within 10 Business Days following its Application Date, submit to the NWPP Corporation complete compliance data for BAL-003, as reported by the Applicant to its Enforcement Authority, for the two Operating Years most recently completed before the Application Date. For example, an Applicant with an Application Date of March 31, 2020 must submit its BAL-003 compliance data for Operating Years 2018 and 2019.

- 4.2 Applicant Without Prior Operating Year Compliance Data.** An Applicant that does not currently operate a Balancing Authority in the Western Interconnection must provide information to show how any Balancing Authority Area(s) it plans to operate in the Western Interconnection will, upon formation, be able to meet the WFRSG’s Operational Performance Requirements, as stated in Part B.1 of Attachment A to the WFRSG’s Operating Rules (as in effect on the Application Date). Information described in this preceding sentence (a) must be submitted to the NWPP Corporation within 10 Business Days following the Applicant’s Application Date, and (b) may present evidence of Frequency Responsive Reserve Available from assets the Applicant will have available to it within its Balancing Authority Area(s) or arrangements for Transferred Frequency Response purchases or both.
- 4.3 Response to Inquiries and Requests for Additional Information.** During the period between the Application Date and the date the WFRSG Committee acts on the Applicant’s request to join the Western Frequency Response Sharing Group, the Applicant must promptly respond to WFRSG Committee inquiries and provide any further information requested by the WFRSG Committee to support the application process.
- 4.4 Disclosure of Known Changes to Frequency Responsive Reserve Available.** In addition to any information required by Sections 4.1, 4.2, or 4.3 of this Exhibit C, an Applicant must promptly disclose to the WFRSG Committee all Known Changes to Frequency Responsive Reserve Available of which it is aware on the Applicable Date and all Known Changes to Frequency Responsive Reserve Available of which it becomes aware between the Application Date and date the WFRSG Committee acts on the Applicant’s request to join the Western Frequency Response Sharing Group. If an Applicant believes in good faith that information it has about Known Changes to Frequency Responsive Reserve Available must be kept confidential, the Applicant will attempt in good faith to aggregate or mask relevant confidential information so as to fulfill the purpose of this Section 4.4 as fully as possible without disclosing information it is required to keep confidential.

**5. WFRSG Committee Review, Deliberation, and Admission Vote.**

- 5.1 WFRSG Committee Review of Request to Join and Associated Information.** In general, when the WFRSG Committee receives an Application Letter, it will make good-faith efforts to manage the application process so that the WFRSG Committee will have an opportunity to receive and review all information provided by the Applicant as required by Section 4.1, 4.2, 4.3 or 4.4 of this Exhibit C and be ready to deliberate and act on the Applicant’s request to join the Western Frequency Response Sharing Group on or before the last Calendar Day of the June that follows the Application Date.
- 5.2 Admission Vote.** The admission of a new Participant into the Western Frequency Response Sharing Group will require the affirmative votes of Committee Members representing not less than 80% of the then-existing Participants, cast at a duly



convened meeting of the WFRSG Committee for which prior notice was given (in accordance with **Section 12.3** of the body of the Agreement) regarding potential admission of the Applicant to the Western Frequency Response Sharing Group (an “**Admission Vote**”). For the avoidance of doubt, in determining whether the WFRSG Committee’s action on an Applicant’s request to join the Western Frequency Response Sharing Group constitutes an Admission Vote, (a) two Committee Members present for the same Participant will be deemed a single Participant and have only a single vote between them, and (b) the failure of a Participant’s Committee Members to vote on the proposed admission of the Applicant will operate as a “no” vote on behalf of that Participant.

- 5.3 Effect of Admission Vote – Conditional Admission.** An Admission Vote as described in Section 5.2 of this Exhibit C will grant to the Applicant conditional status as a Participant, subject to (a) the Applicant’s completion of the actions specified in Section 6 of this Exhibit C, and (b) the further provisions set forth in Sections 7 and 8 of this Exhibit C. If a conditionally admitted Participant fails either to (i) complete the actions specified in Section 6 of this Exhibit C, or (ii) participate in the Screening Assessment as provided in Sections 7, the Participant’s conditional status as a Participant will automatically terminate. Thereafter, the formerly conditional Participant will have no further rights or obligations under the Agreement but will remain indefinitely subject to the obligations set forth in short-form confidentiality agreement required by Section 3.3 of this Exhibit C.
- 5.4 WFRSG Committee Discretion – No Third-Party Rights to Join.** Nothing in the Agreement (including this Exhibit C) (a) confers on any Applicant (or other third party) any right to join the Western Frequency Response Sharing Group or become a Signatory to the Agreement, or (b) obligates the WFRSG Committee or any Committee Member to vote in favor of admitting any Applicant to the Western Frequency Response Sharing Group.
- 6. Required Actions by Applicant Following Admission Vote.** If the WFRSG Committee has granted conditional admission to an Applicant through an Admission Vote, the Applicant must, (a) within 20 Business Days following the Admission Vote, deliver to the NWPP Corporation an additional signature page to the Agreement, signed by a duly authorized representative of the Applicant with an effective date no later than August 1 following the Admission Vote, and (b) participate in the Screening Assessment in accordance with Section 7 of this Exhibit C and subject to Section 8 of this Exhibit C.
- 7. Screening Assessment for Conditionally Admitted Participant.** A Participant conditionally admitted as described in Section 5.3 of this Exhibit C must participate in the Screening Assessment process according to the provisions of Attachment D to the WFRSG Operating Rules.
- 7.1 Successful Screening Assessment.** If, based on the Screening Assessment, a conditionally admitted Participant has a Response Ratio equal to or greater than one, then, provided the Participant has complied with clause (a) of Section 6 of this Exhibit C, Participant’s admission to the Western Frequency Response Sharing

Group will no longer be conditional, and the rights and obligations of the newly admitted Participant will be the same as for all existing Participants (retroactive to the date on which the newly admitted Participant became a Signatory).

- 7.2 Failed Screening Assessment.** If, based on the Screening Assessment, a conditionally admitted Participant has a Response Ratio less than one, then, the Participant may remain a member of the Western Frequency Response Sharing Group only if the results of an Admission Confirmation Vote are as described in Section 8.1 of this Exhibit C.
- 8. Admission Confirmation Vote.** If the Screening Assessment for a conditionally admitted Participant results in a Response Ratio of less than one, then, as promptly as feasible following the Screening Assessment, the WFRSG Committee will convene a meeting to vote on whether to permit the Participant to continue as a Signatory and participate in the Western Frequency Response Sharing Group during the upcoming Operating Year (an “**Admission Confirmation Vote**”).
- 8.1 Positive Admission Confirmation Vote.** If the Admission Confirmation Vote for a conditionally admitted Participant gains the affirmative votes of Committee Members representing not less than 80% of the then-existing Participants, then the Participant’s admission to the Western Frequency Response Sharing Group will no longer be conditional, and the rights and obligations of the newly admitted Participant will be the same as for all existing Participants (retroactive to the date on which the newly admitted Participant became a Signatory).
- 8.2 Negative Admission Confirmation Vote.** If the Admission Confirmation Vote for a conditionally admitted Participant gains the affirmative votes of Committee Members representing fewer than 80% of the then-existing Participants, then the Participant’s admission to the Western Frequency Response Sharing Group will be withdrawn, and the entity that had been conditionally admitted as a Participant will, as of the date of the Admission Confirmation Vote, have no further rights or obligations under the Agreement other than those set forth in the short-form confidentiality obligation required by Section 3.3 of this Exhibit C.

**EXHIBIT D**  
**METHODOLOGY TO BE USED BY THE NWPP CORPORATION**  
**FOR DETERMINING THE IDENTITY AND PROPORTIONATE RESPONSIBILITY**  
**OF IDENTIFIED PARTICIPANTS**

The NWPP Corporation will apply the formula set forth below to determine the identity and proportionate responsibility of Identified Participants for purposes of implementing the Agreement to which this Exhibit D is attached. The occurrence of an Actual WFRSG Compliance Failure will be based on determinations of the compliance performance of the Western Frequency Response Sharing Group as a whole, as provided in the WFRSG Operating Rules, and will be subject to the reporting provisions of Exhibit E.

$$\text{ShareIPResp} = (\text{Deficit}_{\text{IP}} / \text{Deficit}_{\text{ALLIPS}}) \times 100$$

Where,

ShareIPResp = an Identified Participant’s proportionate share (expressed as a percentage) of responsibility for an Actual WFRSG Compliance Failure

Deficit<sub>IP</sub> = the amount (measured in MW/0.1 Hz) by which MedianEventFRM<sub>IP</sub> was less than FRO<sub>IP</sub>, stated as an absolute value

Deficit<sub>ALLIPS</sub> = the sum (stated in MW/0.1 Hz) of all Identified Participants’ Deficit<sub>IPS</sub>

and

MedianEventFRM<sub>IP</sub> = the Identified Participant’s “Frequency Response Measure,” calculated as provided in Attachment A to BAL-003, for the Compliance Measured Event that was the median Compliance Measured Event for the Identified Participant for the applicable Operating Year

FRO<sub>IP</sub> = the Identified Participant’s “Frequency Response Obligation” for the applicable Operating Year, calculated as provided in Attachment A to BAL-003.

[See example calculation table on next page.]

Illustrative calculation example:

Example of allocation among Identified Participants of responsibility for an Actual WFRSG Compliance Failure				
(1)	(2)	(3)	(4)	(5)
(Identified Participants)	(MedianEventFRM <sub>IP</sub> )	(FRO <sub>IP</sub> )	(Deficit <sub>IP</sub> )	(ShareIPResp)
Participants that failed to meet BAL-003 on a stand-alone basis	Identified Participant's FRM at its median Compliance Measured Event	Identified Participant's FRO for applicable Operating Year	Amount of FR to enable Identified Participant to meet BAL-003 on a stand-alone basis	Allocation of responsibility For Actual WFRSG Compliance Failure (Deficit <sub>IP</sub> / Deficit <sub>ALLIPS</sub> ) * 100
BAA#1	-12.05	-20.05	8.00	7.9208%
BAA#2	-49.45	-55.45	6.00	5.9406%
BAA#3	0.00	-1.00	1.00	0.9901%
BAA#4	-67.45	-99.45	32.00	31.6832%
BAA#5	-73.67	-88.67	10.00	9.9010%
BAA#6	23.10	-20.10	43.00	42.5743%
BAA#7	-5.25	-6.25	1.00	0.9901%
Total			(Deficit <sub>ALLIPS</sub> ) 101.00	100.00%

**EXHIBIT E**

**METHODOLOGY FOR ALLOCATING RESPONSIBILITY TO RESPOND TO DETERMINATIONS OR ALLEGATIONS OF ACTUAL WFRSG COMPLIANCE FAILURES**

If one or more Enforcement Authorities determine or allege that the Western Frequency Response Sharing Group has experienced an Actual WFRSG Compliance Failure, the Western Frequency Response Sharing Group will implement the following procedures:

1. If the Western Frequency Response Sharing Group is determined or alleged to have had an Actual WFRSG Compliance Failure, but there are no Participants that, with respect to the applicable Operating Year, would have failed R1 of BAL-003 on a stand-alone basis, then the Western Frequency Response Sharing Group will self-report the Actual WFRSG Compliance Failure to the applicable Enforcement Authority (or Authorities), but will (a) include with the self-report an explanation of the circumstances that resulted in the anomalous outcome, and (b) request that, based on the absence of negative reliability impacts, the Enforcement Authority (or Authorities) grant a compliance exception or otherwise refrain from imposing Penalties or taking enforcement action against the Western Frequency Response Sharing Group or the Participants.
2. If the Western Frequency Response Sharing Group is determined or alleged to have had an Actual WFRSG Compliance Failure, and there are one or more Participants that, with respect to the applicable Operating Year, would have failed R1 of BAL-003 on a stand-alone basis, then responsibility to respond to the allegation or determination of the Actual WFRSG Compliance Failure will be allocated among the Identified Participants according to the methodology set forth in Exhibit D.
3. Consistent with the terms of **Section 7.4** of the Agreement to which this Exhibit E is attached, no determination of the NWPP Corporation under the Agreement with respect to the identity or proportionate responsibility of any Identified Participant believed to have caused or contributed to an Actual WFRSG Compliance Failure will (a) waive or limit any Identified Participant's right to dispute the NWPP Corporation's determination in any communication to or proceeding or other action before any Enforcement Authority, or (b) give rise to any presumption or have any conclusive effect in any proceeding or other action before any Enforcement Authority related to the Actual WFRSG Compliance Failure.

**EXHIBIT F**

**REPRESENTATIVES AND ALTERNATES ON THE WFRSG COMMITTEE**

***CONFIDENTIAL INFORMATION***

***CONFIDENTIAL INFORMATION***

## **EXHIBIT G**

### **PROCEDURES FOR PARTICIPANT EXPULSIONS**

1. **Applicable Defined Terms.** Any capitalized term used in this Exhibit G that is not otherwise defined in this Exhibit G will have the meaning specified in **Section 2** of the body of the Agreement.
2. **Triggers for Expulsion Decision Meeting.** This Section 2 of Exhibit G specifies the conditions that will require the WFRSG Committee to convene a meeting (an “**Expulsion Decision Meeting**”) to act on matters related to Participant expulsion. Any Participant that is automatically expelled as described in Section 2.1 of this Exhibit G or that is designated for a Participant Expulsion Vote under Section 2.2 of this Exhibit G will be a “**Notified Participant.**”
  - 2.1 **Failed Screening Assessment.** Whenever the results of a Screening Assessment indicate that a Participant has a Response Ratio of less than one, that Participant (the Notified Participant) will automatically be expelled from the Western Frequency Response Sharing Group, but (a) the Notified Participant will have the right, as provided in Section 3.3 of this Exhibit G, to present to the WFRSG Committee information to persuade the WFRSG Committee to rescind the automatic expulsion, and (b) the WFRSG Committee will have the obligation to convene an Expulsion Decision Meeting at which it must (i) review and consider the information presented by the Notified Participant and (ii) conduct a vote (an “**Expulsion Rescission Vote**”) to determine whether to rescind the automatic expulsion. Section 4 of this Exhibit G will govern the results of the Expulsion Rescission Vote.
  - 2.2 **Participant Request.** A Committee Member that wishes to request that the WFRSG Committee convene an Expulsion Decision Meeting to vote on whether to expel a Participant (a “**Participant Expulsion Vote**”) must deliver formal written notice (which may be by electronic mail) to the WFRSG Committee and to the contact for notices (as specified in Exhibit A to the Agreement) for the Notified Participant. A notice under this Section 2.2 must:
    - (a) identify the Notified Participant, together with a brief statement of the reasons for the proposed Participant Expulsion Vote, and
    - (b) specify a proposed date for the Participant Expulsion Vote (which must comply with the notice requirements specified in Section 3.2 of this Exhibit G).
3. **Expulsion Decision Meeting.**
  - 3.1 **Duly Convened Meeting of WFRSG Committee.** Any Expulsion Decision Meeting must be a duly convened meeting for which prior notice was given (as



described in Section 3.2 of this Exhibit G) regarding the automatic or proposed expulsion of the Notified Participant.

**3.2 Minimum and Maximum Notice Periods for Expulsion Decision Meeting.**

Unless all Participants (including the Notified Participant) agree in writing (which may be by electronic mail) to waive or shorten the notice period, the WFRSG Committee may not convene an Expulsion Decision Meeting without providing at least 20 Business Days' prior written notice. In the case of an Expulsion Decision Meeting convened to conduct an Expulsion Rescission Vote, the notice period may not exceed 30 Business Days. Any notice under this Section 3.2 must be delivered to at least one Committee Member for each Participant, as well as the contact for notices (as specified in Exhibit A to the Agreement) for the Notified Participant. The NWPP Corporation's delivery to all Participants of the results of a Screening Assessment indicating a Participant has a Response Ratio of less than one as described in Section 2.1 of this Exhibit G or a requesting Participant's delivery of a notice under Section 2.2 of this Exhibit G will constitute notice for purposes of this Section 3.2.

**3.3 Opportunity for Notified Participant to Present Relevant Information.**

At any time after receiving notice under Section 2.1 or 2.2 of this Exhibit G, up to and including the date on which the WFRSG Committee convenes its Expulsion Decision Meeting, the Notified Participant will have the right to present to the WFRSG Committee information the Notified Participant considers relevant to the question of whether the Notified Participant should be expelled from the Western Frequency Response Sharing Group. This may include, as applicable, any one or more of the following:

- (a) information about the Notified Participant's past performance as a member of Western Frequency Response Sharing Group,
- (b) identification or explanation of any unusual circumstances or other important considerations that bear on the reasons for the Notified Participant's failed Screening Assessment,
- (c) calculations showing the amount by which the Notified Participant's Response Ratio was less than one,
- (d) information about whether the Notified Participant has (or, by no later than the start of the upcoming Operating Year will have) arranged for or adjusted existing transactions for Transferred Frequency Response, as well as the nature and magnitude of those arrangements or adjustments,
- (e) information about any steps (other than Transferred Frequency Response) the Notified Participant may have taken to improve the Notified Participant's future Response Ratio, and
- (f) any other relevant information the Notified Participant wishes the WFRSG Committee to consider at or before the Expulsion Decision Meeting.

**3.4 Required Consideration; Committee Members’ Sole Discretion Regarding Voting at Expulsion Decision Meetings.** As provided in Section 2.1 of this Exhibit G, at or before any Expulsion Decision Meeting, the WFRSG Committee must review and consider the information presented by the Notified Participant pursuant to Section 3.3 of this Exhibit G. Nevertheless, nothing in the Agreement (including its exhibits) and no information provided to the WFRSG Committee by a Notified Participant will obligate any Committee Member to cast a positive or negative vote at an Expulsion Decision Meeting. Every Committee Member has the right, at an Expulsion Decision Meeting, to cast a positive or negative vote, as the Committee Member deems appropriate in his or her sole discretion.

**4. Expulsion Rescission Vote – Requirements and Results.**

**4.1 Level of WFRSG Committee Vote Required to Rescind Automatic Expulsion.** Whenever the WFRSG Committee convenes an Expulsion Decision Meeting to consider whether to rescind the automatic expulsion of a Participant as described in Section 2.1 of this Exhibit G, the automatic expulsion will stand unless Committee Members representing at least 50% of the then-existing Participants (excluding the Notified Participant) cast votes to rescind the expulsion. For the avoidance of doubt, in determining the results of an Expulsion Rescission Vote, (a) two Committee Members present for the same Participant will be deemed a single Participant and have only a single vote between them, and (b) the failure of a Participant’s Committee Members to vote on whether to rescind the Notified Participant’s automatic expulsion will operate as a vote against rescinding the automatic expulsion.

**4.2 Results of Expulsion Rescission Vote.**

- (a) WFRSG Committee Vote Rescinding Automatic Expulsion. If, consistent with the provisions of Section 4.1 of this Exhibit G, the WFRSG Committee votes to rescind the automatic expulsion of a Notified Participant, the Notified Participant will remain a Participant and a Signatory as if the automatic expulsion had not occurred, except that (i) the Notified Participant may elect to withdraw from the Western Frequency Response Sharing Group as provided in Section 6 of this Exhibit G, and (ii) a Notified Participant that provided documentation demonstrating arrangements for or adjustments to Transferred Frequency Response as described in Section 3.3 of this Exhibit G will be subject to Section 7 of this Exhibit G.
- (b) WFRSG Committee Vote That Does Not Rescind Automatic Expulsion. If the WFRSG Committee conducts an Expulsion Rescission Vote and the votes cast in favor of rescission do not meet the requirements set for in Section 4.1 of this Exhibit G, then, as provided in **Section 3.7(c)** of the body of the Agreement, the expulsion will take effect simultaneously with the conclusion of the Operating Year in which the Expulsion Rescission Vote occurred. As of the date on which the Expulsion Rescission Vote occurs, the Notified Participant will be subject to **Section 3.8** of the body of the

Agreement, and, on the date on which expulsion takes effect, will be subject to **Sections 3.9** and **3.11** of the body of the Agreement.

**5. Participant Expulsion Vote – Requirements and Results.**

**5.1 Level of WFRSG Committee Vote Required for Expulsion.** Whenever the WFRSG Committee conducts a Participant Expulsion Vote, the Notified Participant will be expelled only if Committee Members representing at least 80% of the then-existing Participants (excluding the Notified Participant) cast votes in favor of expulsion. For the avoidance of doubt, in determining the results of a Participant Expulsion Vote, (a) two Committee Members present for the same Participant will be deemed a single Participant and have only a single vote between them, and (b) the failure of a Participant’s Committee Members to vote on the proposed expulsion of the Notified Participant will operate as a vote against expulsion.

**5.2 Results of Participant Expulsion Vote.**

- (a) WFRSG Committee Vote Resulting in Expulsion. As provided in **Section 3.7(c)** of the body of the Agreement, if the WFRSG Committee votes to expel the Notified Participant as provided in Section 5.1 of this Exhibit G, the expulsion will take effect simultaneously with the conclusion of the Operating Year in which the Participant Expulsion Vote occurred. As of the date on which the Participant Expulsion Vote occurs, the Notified Participant will be subject to **Section 3.8** of the body of the Agreement, and, on the date on which expulsion takes effect, will be subject to **Sections 3.9** and **3.11** of the body of the Agreement.
- (b) WFRSG Committee Vote Not Resulting in Expulsion. If the WFRSG Committee conducts a Participant Expulsion Vote but the votes cast in favor of expulsion do not meet the requirements set for in Section 5.1 of this Exhibit G, the Notified Participant will remain a Participant and a Signatory as if the Participant Expulsion Vote had not occurred, except that (i) the Notified Participant may elect to withdraw from the Western Frequency Response Sharing Group as provided in Section 6 of this Exhibit G, and (ii) a Notified Participant that provided documentation demonstrating arrangements for or adjustments to Transferred Frequency Response as described in Section 3.3 of this Exhibit G will be subject to Section 7 of this Exhibit G.

- 6. Right of Notified Participant to Shortened Notice to Withdraw.** If a Notified Participant (a) has its automatic expulsion rescinded by an Expulsion Rescission Vote, or (b) is not expelled through a Participant Expulsion Vote, the Notified Participant may thereafter, at its election, voluntarily withdraw from the Western Frequency Response Sharing Group provided the Notified Participant delivers written notice to the NWPP Corporation of its intent to withdraw at least 15 Business Days before the start of the next upcoming Operating Year. If a Notified Participant withdraws under this Section 6, (i) the notice requirements of **Section 3.6(a)** of the body of the Agreement will be waived, and (ii) other Participants will not be entitled to withdraw under **Section 3.6(b)** of the body of the Agreement as a result of the Notified Participants' withdrawal under this Section 6.
- 7. Requirements Related to Transferred Frequency Response Not Fulfilled.** If a Notified Participant (a) provided documentation demonstrating arrangements for or adjustments to Transferred Frequency Response as described in Section 3.3 of this Exhibit G, and (b) either (i) had its automatic expulsion rescinded by an Expulsion Rescission Vote, or (ii) was not expelled by the subsequent Participant Expulsion Vote, and (c) does not confirm to the satisfaction of the WFRSG Committee, by October 15 ahead of the upcoming Operating Year, that it has followed through with the previously documented arrangements for or adjustments to Transferred Frequency Response, then, if the Notified Participant has not formally provided notice under Section 6 of this Exhibit G, the Participant will be expelled effective at the start of the next upcoming Operating Year.

**EXHIBIT H**

Operating Rules for  
Western Frequency Response Sharing Group

Initially approved August 1, 2016  
As revised for Operating Year 2019

***Operating Rules – Western Frequency Response  
Sharing Group***

**TABLE OF CONTENTS**

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<b>A. INTRODUCTION AND OVERVIEW .....</b>	<b>1</b>
<b>B. KEY TERMINOLOGY .....</b>	<b>1</b>
<b>C. OVERVIEW OF KEY ELEMENTS OF WFRSG OPERATING RULES .....</b>	<b>4</b>
C.1. Operational Performance Requirements .....	4
C.2. Internal WFRSG Monitoring and Performance Reviews .....	4
C.3. Other Key Elements of the WFRSG.....	4
<b>D. OPERATIONAL PERFORMANCE REQUIREMENTS; NERC GUIDELINES .....</b>	<b>4</b>
D.1. How WFRSG Rules Relate to BAL-003 .....	4
D.2. Description of Operational Performance Requirements; NERC Guidelines .....	5
D.3. Logic of Operational Performance Requirements .....	5
D.4. Assessment of Participant Performance with Respect to WFRSG Operating Rules .....	6
D.5. Purposes of Internal Performance Review Process .....	6
D.6. Compliance Failures .....	6
<b>E. DATA OBLIGATIONS.....</b>	<b>6</b>
E.1. Participant Data Submittals and Related NWPP Corporation Tasks.....	7
E.2. Manner of Calculating WFRSG Performance for Compliance Purposes ...	9
<b>F. ROLE AND DECISION-MAKING OF THE WFRSG COMMITTEE .....</b>	<b>9</b>
<b>G. ELIGIBILITY TO PARTICIPATE IN THE WFRSG .....</b>	<b>9</b>
<b>H. ROLE OF NWPP CORPORATION AND NWPP STAFF .....</b>	<b>9</b>
H.1. Designated Representative Role of NWPP Corp.....	9
H.2. Support Role of NWPP Staff.....	10

ATTACHMENTS

Attachment A – WFRSG Minimum Obligations, Operational Performance Requirements, NERC Guidelines, and Performance Metrics .....12

Attachment B – Listing of Current WFRSG Participants.....15

Attachment C – NERC Standard BAL-003-1.1.....16

Attachment D – Screening Assessment .....30

  

DOCUMENTATION HISTORY .....35

## Operating Rules of the Western Frequency Response Sharing Group

### A. INTRODUCTION AND OVERVIEW

The North American Electric Reliability Corporation (“NERC”) has adopted mandatory reliability standard BAL-003-1.1 (“BAL-003”), which requires all Balancing Authorities to provide sufficient frequency response to maintain interconnection frequency within predefined bounds by arresting frequency deviations and supporting frequency until the frequency is restored to its scheduled value. The creation of voluntary Frequency Response Sharing Groups is expressly contemplated by the terms of BAL-003.

These operating rules for the Western Frequency Response Sharing Group (“WFRSG”) address, among other things,

- defined terminology for the WFRSG (Section B),
- an overview of the key elements of the WFRSG (Section C),
- the WFRSG’s minimum obligations and Operational Performance Requirements (Section D and Attachment A), including the minimum frequency-responsive reserve requirement for the WFRSG (Section A of Attachment A),
- Participants’ obligations to provide data for WFRSG purposes (Section E),
- roles and decision-making by the WFRSG Committee (Section F),
- voluntary entry into and exit from the WFRSG (Section G), and
- the role of the Northwest Power Pool corporation and its staff (Section H).

The scope of the WFRSG is limited to R1 of BAL-003. Each Participant must separately address its obligations to comply with other requirements of BAL-003.

This document includes several attachments, some of which have been noted above. The full set of attachments and their titles are as follows:

Attachment A – WFRSG Minimum Obligations, Operational Performance Requirements, NERC Guidelines, and Performance Metrics

Attachment B – Listing of Current WFRSG Participants

Attachment C – NERC Standard BAL-003-1.1

Attachment D – Screening Assessment

### B. KEY TERMINOLOGY

The terms identified below have the meanings given to them for purposes of these WFRSG Operating Rules. Most terms defined by NERC or WECC are conformed to the NERC or WECC



definitions, but some terms' definitions may not be identical to those established by NERC or WECC.

**Actual WFRSG Compliance Failure:** A frequency deviation event for which one or more Compliance Enforcement Authorities have determined (or alleged) that the WFRSG failed, during a particular Operating Year, to meet the minimum requirements of R1 of BAL-003.

**BAL-003:** NERC Reliability Standard BAL-003-1.1, and, specifically for purposes of the WFRSG, R1 of NERC Reliability Standard BAL-003-1.1, as further described in **Section 2.8** of the WFRSG Implementation Agreement.

**Balancing Authority:** As defined in the NERC Glossary.

**Balancing Authority Area:** As defined in the NERC Glossary.

**Compliance Measured Events:** The frequency deviation events identified and published by NERC to assess compliance with BAL-003 for a given Operating Year.

**Enforcement Authority:** NERC, WECC, or comparable authorities in Canada, as further described in **Section 2.21** of the WFRSG Implementation Agreement.

**Expected Compliance Events:** The frequency deviation events occurring within a given quarterly period (within an Operating Year) that are identified by the NWPP Corporation as likely to meet NERC's criteria for inclusion as Compliance Measured Events.

**Form 1:** "FRS Form 1," as established and posted by NERC from time to time, or any successor form designated as a data source for assessing compliance with BAL-003, or their equivalents, as applicable, in Canada.

**Form 2:** "FRS Form 2," as established and posted by the NERC from time to time, or any successor form designated as a data source for assessing compliance with BAL-003, or their equivalents, as applicable, in Canada.

**Frequency Response Measure:** The term "Frequency Response Measure" or "FRM" has the meaning given in BAL-003.

**Frequency Responsive Reserve:** Online resources (generation or load) that will provide primary frequency response when the Western Interconnection experiences a frequency deviation.

**Frequency Responsive Reserve Available:** The amount of Frequency Responsive Reserve a Participant has available to meet its WFRSG Frequency Response Contribution within the WFRSG (such that the Participant would be entitled to include the frequency response provided by that Frequency Responsive Reserve on its Form 1 and Form 2). A Participant's calculation of its Frequency Responsive Reserve Available must exclude any Frequency Responsive Reserve it must hold on its system to fulfill commitments to provide frequency

response to any other entities, but may include Frequency Responsive Reserve associated with any commitments other entities have made to provide frequency response to the Participant.

**NERC Glossary:** The Glossary of Terms Used in NERC Reliability Standards, as it may be updated, amended, or superseded from time to time.

**North American Electric Reliability Corporation (NERC):** The North American Electric Reliability Corporation or its successor.

**NWPP Corporation:** The Northwest Power Pool corporation, an Oregon nonprofit corporation, or its successor.

**NWPP Staff:** Employees or contractors of the NWPP Corporation.

**Operating Year:** The period running from December 1 of one calendar year through November 30 of the following calendar year, corresponding to the compliance measurement period for R1 of BAL-003. A given Operating Year will be designated by the calendar year in which it ends (for example, the period from December 1, 2016 through November 30, 2017 will be designated as “Operating Year 2017”).

**Operational Performance Requirements:** The operational performance requirements applicable to Participants under these WFRSG Operating Rules, as set forth in Section B of Attachment A.

**Participant:** Any one or more of the eligible Balancing Authorities that have elected to become part of the WFRSG, consistent with the further requirements and terms set forth in Section 2.35 of the WFRSG Implementation Agreement and other applicable provisions of the WFRSG Governing Documents.

**R1:** Requirement 1 of BAL-003.

**Western Electricity Coordinating Council (WECC):** The Western Electricity Coordinating Council or its successor.

**WFRSG:** The Participants, collectively, in their capacity as the Western Frequency Response Sharing Group, consistent with provisions of BAL-003 and the applicable terms of the WFRSG Governing Documents.

**WFRSG Committee:** The committee of Participants established pursuant to Section 12 of the WFRSG Implementation Agreement.

**WFRSG Implementation Agreement:** The *Western Frequency Response Sharing Group Implementation Agreement*, as successor to the *Agreement to Form Frequency Response Sharing Group and Appoint Designated Representative for BAL-003 Compliance* initially effective on August 1, 2016, together with any further amendments or restatements.

**WFRSG Frequency Response Contribution:** A Participant’s “FRO<sub>BA</sub>” for the current Operating Year, calculated as provided in Attachment A to BAL-003, and expressed in the form of MWs per 0.1 Hz change in frequency.

**WFRSG Governing Documents:** The combined terms, conditions, rules, policies, procedures, and other requirements governing the WFRSG, as set forth collectively in the WFRSG Implementation Agreement and the WFRSG Operating Rules.

**WFRSG Operating Rules:** The terms set forth in this document (including its attachments) governing the operation of the WFRSG.

## **C. OVERVIEW OF KEY ELEMENTS OF WFRSG OPERATING RULES**

### **C.1. Operational Performance Requirements**

A core element of these WFRSG Operating Rules is a set of Operational Performance Requirements, which are set forth in Section B of Attachment A. The purposes of the Operational Performance Requirements are described in Section D.3.

### **C.2. Internal WFRSG Monitoring and Performance Reviews**

The WFRSG has provided in these WFRSG Operating Rules for a process to internally monitor, through periodic reviews within each Operating Year, individual Participant performance, as well as the performance of the WFRSG as a whole, against the requirements of these WFRSG Operating Rules and R1 of BAL-003. This process is described in Section C of Attachment A.

### **C.3. Other Key Elements of the WFRSG**

#### *Eligibility*

The general terms governing eligibility to join the WFRSG are described in Section G. Section G also specifies the timing requirements for voluntary entry into and exit from the WFRSG.

#### *Data Obligations*

The data submittal and compliance calculation requirements for the WFRSG are specified in Section E.

## **D. OPERATIONAL PERFORMANCE REQUIREMENTS; NERC GUIDELINES**

### **D.1. How WFRSG Rules Relate to BAL-003**

The goal of the WFRSG is to facilitate Participants’ collective compliance with R1 of BAL-003. Compliance with these WFRSG Operating Rules is intended to enhance the Participants’ ability to comply with the BAL-003, but cannot serve to excuse any compliance failure related to the NERC or WECC standards.

The scope of the WFRSG (and therefore these WFRSG Operating Rules) is limited to R1 of BAL-003. These WFRSG Operating Rules do not address Balancing Authorities' obligations to comply with any other requirements of BAL-003.

### **D.2. Description of Operational Performance Requirements; NERC Guidelines**

Section B of Attachment A to this document sets forth the Operational Performance Requirements for the WFRSG. Each of the Participants has agreed, under the WFRSG Implementation Agreement, to make commercially reasonable efforts to abide by the Operational Performance Requirements. Section B of Attachment A also notes relevant NERC Guidelines.

### **D.3. Logic of Operational Performance Requirements**

The overarching purpose of the Operational Performance Requirements is to ensure that the WFRSG, as a whole, always has frequency response capability that equals or exceeds sum of the Participants' combined Frequency Response Obligations under R1 of BAL-003. The Operational Performance Requirements are intended to be conservative, allowing for conditions, such as a unit-tripping or transmission contingencies, that could affect Participants' ability to deploy Frequency Responsive Reserve on behalf of the WFRSG to meet the requirements of R1 of BAL-003.

At the same time, because compliance with R1 of BAL-003 is determined according to performance at the median "Compliance Measured Event," holding every Participant to a standard of delivering the full amount of its WFRSG Frequency Response Contribution for every frequency deviation will likely cause over-deployment of frequency response and result in inefficient use of frequency-responsive generating capability ("overcarrying").

These WFRSG Operating Rules (including the Operational Performance Requirements) seek to balance these considerations, to:

- a. provide strong assurance that the WFRSG will comply with R1 of BAL-003 without imposing unwarranted burdens on Participants,
- b. treat Participants equitably by allocating frequency response obligations among Participants in proportion to their stand-alone obligations under BAL-003,
- c. enable Participants to realize the benefits of compliance measurement as an WFRSG—that is, reduce compliance risk—without incurring substantially greater obligations than those they would incur on a stand-alone basis,
- d. prevent imposition of penalties or other sanctions (on an "internal" basis by the WFRSG or by an Enforcement Authority) on any Participants that would have achieved compliance with R1 of BAL-003 on a stand-alone basis, and
- e. be neutral with respect to commercial arrangements Participants may make (with other Participants or with counterparties outside the WFRSG) to buy or sell frequency response capability.

The WFRSG Implementation Agreement addresses how the Participants will deal with Actual WFRSG Compliance Failures (or allegations of Actual WFRSG Compliance Failures).

#### **D.4. Assessment of Participant Performance with Respect to WFRSG Operating Rules**

Sections B.2 through B.4 of Attachment A describe how Participants' performance during Expected Compliance Events is measured against the provisions of these WFRSG Operating Rules.

#### **D.5. Purposes of Internal Performance Review Process**

The WFRSG's periodic internal performance review processes are distinct from the aggregation and reporting of WFRSG data to Enforcement Authorities for compliance purposes. The purposes of the WFRSG's internal monitoring processes are to:

- a. provide transparency to all Participants,
- b. facilitate early and continued feedback among Participants that will:
  1. provide early warning that one or more Participants are not meeting Operational Performance Requirements, and
  2. encourage Participants that are not meeting Operational Performance Requirements to correct their behavior,
- c. reduce compliance risk, and
- d. promote equity within the WFRSG by encouraging every Participant to avoid unfairly burdening other Participants.

#### **D.6. Compliance Failures**

The WFRSG Implementation Agreement includes provisions governing Participants' responsibilities with respect to Actual WFRSG Compliance Failures or allegations of Actual WFRSG Compliance Failures.

### **E. DATA OBLIGATIONS**

The NWPP Staff will gather data from the Participants for two purposes: (1) supporting on-going internal WFRSG performance assessments, (2) submitting WFRSG performance documentation required by Compliance Enforcement Authorities. Data for internal WFRSG performance assessments of the most recently completed quarterly period will therefore be based on Expected Compliance Events. Data for prior quarterly periods, and for formal submittals to Compliance Enforcement Authorities, will be based on NERC-designated Compliance Measured Events. The NWPP Staff will provide information to all Participants identifying Expected Compliance Events for each quarterly period promptly after the Expected Compliance Events are publicly posted by NERC.

**E.1. Participant Data Submittals and Related NWPP Corporation Tasks**

a. Participant Data Submittals for the First and Third Quarterly Periods of Each Operating Year

Promptly following the close of each of the first and third quarterly periods within an Operating Year (that is, December through February and June through August), the NWPP Staff will send written notice to each Participant requesting electronic transmittal of:

- (i) data equivalent to the information required in Form 1 and Form 2 for each of the events identified by the NWPP Staff as Expected Compliance Events for the applicable quarterly period,
- (ii) updated data, equivalent to the information required in Form 1 and Form 2, for any previously completed quarterly periods within the Operating Year for which the NERC-designated Compliance Measured Events (or the data the Participants submitted for them) differ from the Expected Compliance Events identified by the NWPP Staff at the time of initial data submittal, and
- (iii) information detailing, for each Expected Compliance Event for the applicable quarterly period:
  - how much Frequency Responsive Reserve Available the Participant believed it had (according to its calculations or its monitoring system) at the time of the Expected Compliance Event, and
  - the actual amount of Frequency Responsive Reserve deployed by the Participant's system for the applicable Expected Compliance Event.

Each Participant will provide the foregoing data as requested by the NWPP Staff within 15 Calendar Days following receipt of the NWPP Staff's written notice.

b. NWPP Corporation Preparation and Circulation of Results for the First and Third Quarterly Periods of Each Operating Year

For each of the first and third quarterly periods in each Operating Year, the NWPP Staff will, after it has received and processed the applicable Participant data, circulate the following:

- (i) to all Participants, the NWPP Staff's good-faith calculation of the frequency response performance of the WFRSG (in aggregate) for the applicable quarterly period, and

- (ii) to each Participant individually, the NWPP Staff's good-faith calculation of the frequency response performance of the receiving Participant for the applicable quarterly period.

c. Participant Data Submittals for the Second and Fourth Quarters of Each Operating Year

Promptly following the close of each of the second and fourth quarterly periods within an Operating Year (that is, March through May and September through November), the NWPP Staff and the Participants will follow the same data request and submittal procedures described in Section E.1.a for the first and third quarterly periods; *provided, however*, that for the final quarterly period of each Operating Year, each Participant will submit to the NWPP Corporation (by electronic transmittal), no later than 15 Calendar Days following the date on which NERC has posted its formal designation of Compliance Measured Events for the applicable Operating Year, its completed Form 1 and Form 2 for that Operating Year, or, if it has not yet completed its Form 1 and Form 2, it will submit equivalent data in as close to final form as feasible.

d. NWPP Corporation Preparation, Analysis, and Circulation of Results for the Second and Fourth Quarterly Periods of Each Operating Year

For each of the second and fourth quarterly periods in each Operating Year, the NWPP Staff will, after it has received and processed the applicable Participant data:

- (i) analyze each Participant's submitted data for apparent anomalies (and, if the NWPP Staff identify any apparent anomalies, notify and collaborate with the applicable Participant to validate, and, if necessary, correct the Participant's data submittals or performance calculations),
- (ii) circulate to all Participants the NWPP Staff's good-faith calculation of the frequency response performance of the WFRSG (in aggregate) for the applicable quarterly period (and, following fourth quarter submittals, for the applicable Operating Year in its entirety), and
- (iii) circulate to each Participant individually the NWPP Staff's good-faith calculation of the frequency response performance of the receiving Participant for the applicable quarterly period (and, following fourth quarter submittals, for the applicable Operating Year in its entirety).

## **E.2. Manner of Calculating WFRSG Performance for Compliance Purposes**

For purposes of reporting to Compliance Enforcement Authorities concerning the WFRSG's performance under R1 of BAL-003, the WFRSG's performance will be measured as the algebraic sum of the applicable Form 1 data for all of the Participants. Specifically, the Frequency Response Measure for the WFRSG will be calculated by:

- a. determining the sum, for each Compliance Measured Event, of the Frequency Response Measures for all Participants, and
- b. designating the median Frequency Response Measure for the WFRSG as the median of the sums described in clause (a).

## **F. ROLE AND DECISION-MAKING OF THE WFRSG COMMITTEE**

The roles of the WFRSG Committee and its decision-making process are set forth in the WFRSG Implementation Agreement.

Among other things, it is the responsibility of the WFRSG Committee to periodically review the performance of each of the Participants with respect to these WFRSG Operating Rules, as well as BAL-003. The WFRSG Committee must also periodically review these WFRSG Operating Rules (including attachments) to assess whether any revisions are warranted due to information or experience gained during prior periods of operation, changes to BAL-003 or to any of the Participants' assets or operations, or other factors.

## **G. ELIGIBILITY TO PARTICIPATE IN THE WFRSG**

Any Participant that was a Signatory to the WFRSG Implementation Agreement on its Original Effective Date (as those terms are defined in **Section 2** of the WFRSG Implementation Agreement) remains eligible to be a member of the WFRSG until the Participant (a) withdraws, (b) is expelled, or (c) is no longer the registered Balancing Authority for any Balancing Authority Areas in the Western Interconnection. The eligibility of additional entities to become members of the WFRSG is governed by Section 2 of Exhibit C to the WFRSG Implementation Agreement.

## **H. ROLE OF NWPP CORPORATION AND NWPP STAFF**

### **H.1. Designated Representative Role of NWPP Corp**

The NWPP Corporation has been appointed, under the WFRSG Implementation Agreement, to serve as the WFRSG's designated representative for purposes of compliance reporting for R1 of BAL-003. The responsibilities of the NWPP Corporation in its role as designated representative are set forth in the WFRSG Implementation Agreement.



## **H.2. Support Role of NWPP Staff**

The NWPP Staff are assigned certain tasks to be completed under these WFRSG Operating Rules (such as receiving and compiling Form 1 and Form 2 data or their equivalent and assisting in preparing periodic Participant performance assessments). The standards of performance with respect to these tasks, and the NWPP Staff's obligations with respect to accepting additional tasks designated by Participants or in these WFRSG Operating Rules, are set forth in the WFRSG Implementation Agreement.

## Attachment A

### Western Frequency Response Sharing Group Minimum Obligations, Operational Performance Requirements, NERC Guidelines, and Performance Metrics

#### A. Minimum Frequency Response Obligation for the WFRSG

The minimum frequency response obligation for the WFRSG is equal to the algebraic sum of the “FRO<sub>BA</sub>” for all of the Participants (for the current Operating Year), calculated as provided in Attachment A of BAL-003, and expressed in the form of MWs per 0.1 Hz change in frequency.

#### B. Operational Performance Requirements; NERC Guidelines

##### 1. *Operational Performance Requirements*

Each Participant (when measured on a stand-alone basis) must satisfy the criteria in R1 of BAL-003 for the Compliance Measured Events during the Operating Year.

##### 2. *NERC Reliability Guidelines*

NERC has published Reliability Guidelines for Primary Frequency Control and Operating Reserve Management, and the WFRSG encourages each Participant to consider how these guidelines might be relevant to its participation in the WFRSG.

#### C. Internal WFRSG Performance Monitoring

Consistent with the purposes described in Section D.5 of the body of these WFRSG Operating Rules, the WFRSG has provided for internal performance monitoring, which is distinct from and serves different purpose than reporting to Enforcement Authorities for compliance purposes. The provisions below describe the steps in the WFRSG’s data-gathering process for internal performance monitoring purposes.

1. Data will be submitted to the NWPP Staff as required by Section E.1 of these WFRSG Operating Rules.
2. The WFRSG Committee (supported by NWPP Staff) will perform internal WFRSG performance assessments at quarterly intervals (quarters within the Operating Year – December 1 to February 28/29; March 1 to May 31; June 1 to August 31; September 1 to November 30).
3. Submitted data will be error-checked, compiled, updated as applicable, and reported to the WFRSG Committee (for each Participant individually and for the WFRSG in aggregate)

- a. for the most recently completed four quarterly periods (combined), and
- b. separately, for the most recent quarterly period.

#### **D. FRSG Internal Performance Scoring System**

##### *1. Frequency of Scoring Assessments*

Solely for purpose of internal WFRSG performance monitoring, each Participant will be scored, according to the scoring system set forth in Attachment A, Section D.2 below,

- a. for each quarterly period within a given Operating Year, using the data submitted in accordance with Section C of this Attachment A, for each Expected Compliance Event (with scoring analysis to be completed in advance of quarterly review meetings by the WFRSG Committee), and
- b. once an Operating Year has been completed, for each Compliance Measured Event during that Operating Year.

##### *2. Internal Scoring System*

Each Participant will receive between 0 and 3 points, according to the following scoring system:

- $(FRM > 0 \text{ or } |FRM_{\text{negative}}| < [0.5 * |FRO_{\text{BA}}|]) = 0 \text{ points}$   
{a Participants with an  $FRM > 0$  or  $< 50\%$  of its  $FRO_{\text{BA}}$  is assigned 0 points, because this Participant is diminishing the WFRSG's performance under R1 of BAL-003 }
- $([0.5 * |FRO_{\text{BA}}|] \leq |FRM_{\text{negative}}| < |FRO_{\text{BA}}|) = 1 \text{ point}$   
{a Participants with an  $|FRM_{\text{negative}}| \geq 50\%$  of  $|FRO_{\text{BA}}|$  but  $< |FRO_{\text{BA}}|$  is assigned 1 point, because this Participant did not help the WFRSG achieve compliance with R1 of BAL-003, but also did not have significant negative effect }
- $(|FRO_{\text{BA}}| \leq |FRM_{\text{negative}}| < 2 * |FRO_{\text{BA}}|) = 2 \text{ points}$   
{a Participant with an  $|FRM_{\text{negative}}| \geq |FRO_{\text{BA}}|$ , but  $< 2 * |FRO_{\text{BA}}|$  is assigned 2 points, because this Participant is supporting the WFRSG's compliance with R1 of BAL-003 }
- $(|FRM_{\text{negative}}| \geq 2 * |FRO_{\text{BA}}|) = 3 \text{ points}$   
{a Participant with an  $|FRM_{\text{negative}}| \geq 2 * |FRO_{\text{BA}}|$  is assigned 3 points, because this Participant is significantly supporting the WFRSG's compliance with R1 of BAL-003 }

Where,

“FRM” = a Participant’s Frequency Response Measure, calculated as provided in Attachment A to BAL-003,

“ $|\text{FRM}_{\text{negative}}|$ ” = the absolute value of a Participant’s Frequency Response Measure that (i) was calculated as provided in Attachment A to BAL-003, and (ii) resulted in a negative value before conversion to absolute value,

“ $\text{FRO}_{\text{BA}}$ ” = a Participant’s Frequency Response Obligation, calculated as provided in Attachment A to BAL-003 and

“ $|\text{FRO}_{\text{BA}}|$ ” = the absolute value of a Participant’s Frequency Response Obligation that has been calculated as provided in Attachment A to BAL-003.

#### **E. Actions by Underperforming Participants**

As part of the WFRSG’s internal monitoring processes, any Participant whose reported quarterly data indicates that it is performing significantly below the Operational Performance Requirements (or is projected to do so for the Operating Year, based on performance to date) will be expected to take the following actions:

- a. explain to the WFRSG Committee in good faith why it has not achieved the Operational Performance Requirements,
- b. explain to the WFRSG Committee the actions the Participant has taken or will take to improve its future performance,
- c. take the commercially reasonable actions necessary to achieve the Operational Performance Requirements for the remainder of the current Operating Year and the upcoming Operating Year, and
- d. report to the WFRSG Committee, at subsequent quarterly reviews, on its progress toward meeting the Operational Performance Requirements.

**Attachment B**

**Listing of Current WFRSG Participants**

Independent System Operator, operating as the Alberta Electric System Operator (AESO)  
Avista Corporation (AVA)  
Balancing Authority of Northern California (BANC)  
Bonneville Power Administration (BPAT)  
Chelan County Public Utility District (CHPD)  
Douglas County Public Utility District (DOPD)  
Grant County Public Utility District (GCPD)  
Gridforce Energy Management, LLC (GRID)  
Idaho Power Company (IPCO)  
NaturEner Power Watch, LLC (GWA)\*  
NaturEner Wind Watch, LLC (WWA)\*  
Nevada Power (NEVP)  
NorthWestern (NWMT)  
PacifiCorp for its Balancing Authority Area, PacifiCorp East (PACE)\*  
PacifiCorp for its Balancing Authority Area, PacifiCorp West (PACW)\*  
Portland General Electric (PGE)  
Puget Sound Energy (PSE)  
Tacoma Power (TPWR)  
Turlock Irrigation District (TID)  
Western Area Power Administration Upper Great Plains West (WAUW)

\* Balancing Authority Areas operated by affiliated Balancing Authorities (or by a single Balancing Authority) are treated as a single Participant as provided in **Section 4.3** and are subject to **Section 4.4** of the body of the WFRSG Implementation Agreement.

**Attachment C**

**NERC Standard BAL-003-1.1**

Place holder for insertion 13 pages of BAL-003-1.1 pdf document

## Attachment D

### SCREENING ASSESSMENTS

To determine Participants' performance as members of the WFRSG in advance of each upcoming Operating Year, the WFRSG Committee will perform an assessment (the "Screening Assessment") as described in this Attachment D.

#### A. Define Terms Used in Attachment D

1. *Previously Defined Terms.* Any defined terms used in this Attachment D for which definitions are not provided in Part A.2 below will have the meanings given to them in the WFRSG Operating Rules or the WFRSG Implementation Agreement, as applicable.
2. *Additional Defined Terms.* For purposes this Attachment D, the capitalized terms identified in this Part A.2 have the meanings given below.

**Assessment Data:** "Assessment Data" means the data described in Part C.1 of this Attachment D.

**Q1:** "Q1" means the period running from June 1 through August 31 of the Operating Year immediately preceding the Current Operating Year.

**Q2:** "Q2" means the period running from September 1 through November 30 of the Operating Year immediately preceding the Current Operating Year.

**Q3:** "Q3" means the period running from the first day (December 1) of the Current Operating Year through February 28 (or February 29, as applicable) of the Current Operating Year.

**Q4:** "Q4" means the period running from March 1 through May 31 of the Current Operating Year.

**Current Operating Year:** "Current Operating Year" means the Operating Year during which the Screening Assessment is performed.

**Response Ratio:** "Response Ratio" has the meaning given in Part E.4 of this Attachment D.

**Screening Assessment:** "Screening Assessment" has the meaning given in the preamble to this Attachment D.

**Transferred Frequency Response:** "Transferred Frequency Response" means an adjustment to the amount of FRM reported by a Participant on Form 2, as entered in



the column titled “*Transferred Frequency Response*,” or, with respect to any period for which a Participant has not yet submitted a Form 2, the amount the Participant is rightfully entitled or obligated, according to applicable regulations, to enter on Form 2 in the column titled “*Transferred Frequency Response*” for the applicable Operating Year. Consistent with the term “*Transferred Frequency Response*,” as used in this Attachment D, a Participant may sell Transferred Frequency Response to another Participant or to a third party (which will produce a less negative FRM value for the selling Participant, corresponding to diminished credit for frequency response) or a Participant may purchase Transferred Frequency Response from another Participant or from a third party (which will produce a more negative FRM value for the purchasing Participant, corresponding to increased credit for frequency response).

**B. Assessment Time Frame**

The WFRSG Committee will formally review the Assessment Data as soon as feasible after August 15 of the Current Operating Year and in any case no later than August 31 of the Current Operating Year (subject to later adjustment, if necessary, as provided in Part D.2 of this Attachment D).

**C. Data to Be Used for Assessment**

To perform the Screening Assessment, the WFRSG Committee will use data submitted to NWPP Staff (as provided in Section E.1 of the WFRSG Operating Rules) associated with the Compliance Measured Events for Q1, Q2, Q3, and Q4. For purposes of this Attachment D, these data will constitute the “**Assessment Data**.”

**D. Adjustments to Assessment Data**

1. *Inclusion of Transferred Frequency Response in Assessment Data.* In performing the Screening Assessment for any Participant that purchased or sold Transferred Frequency Response for the Current Operating Year, the WFRSG Committee will reflect in the Participant’s Assessment Data the amount of any Transferred Frequency Response the applicable Participant has either purchased or sold for one or more of Q1, Q2, Q3, and Q4.
2. *Changes to Underlying Forms.* The WFRSG Committee recognizes that determination of each Participant’s FRO relies on data submitted to FERC (or the applicable Enforcement Authority) through FERC Form 714 (or its equivalent), and that data necessary to determine FRM are submitted through Form 1. If a Participant is required or elects to correct, modify, amend, or restate any Form 714 or Form 1 (or equivalents) from which Assessment Data previously submitted to NWPP Staff for Q1, Q2, Q3, or Q4 were derived, then (a) the Participant will notify the NWPP Staff and provide corrected Assessment Data as necessary to accurately reflect any such corrections,

modifications, amendments, or restatements, and (b) provided the NWPP Staff receives the corrected Assessment Data on or before September 15 of the Current Operating Year, the Screening Assessment results will be updated or adjusted as necessary to reflect the corrected Assessment Data.

**E. Assessment Methodology**

1. *Inputs to Assessment.* Subject to the clarification provided in Part E.5 of this Attachment D, the WFRSG will perform the Screening Assessment by determining (a) the FRM for each Participant, as described in Part E.2 of this Attachment D, (b) the FRO for each Participant, as described in Part E.3 of this Attachment D, and (c) the “Response Ratio” for each Participant, as described in Part E.4 of this Attachment D. Participants’ rights and obligations related to the results of each Screening Assessment will be as described in Part E.6 and Part F of this Attachment D.
2. *Determination of Relevant FRM.* The FRM for a given Participant for purposes of the Screening Assessment will be determined according to that Participant’s performance during the median Compliance Measured Event for that Participant, as indicated by the Assessment Data. This assessment enables the WFRSG Committee to determine whether a Participant has passed more Compliance Measured Events than it has failed.
3. *Determination of Relevant FRO.* The FRO for a given Participant for purposes of the Screening Assessment will be the Participant’s WFRSG Frequency Response Obligation for the quarterly period (Q1, Q2, Q3, or Q4) during which the Participant’s median Compliance Measured Event occurred.
4. *Determination of Participant Response Ratio.* In determining the Response Ratio for a given Participant, the Participant’s FRM, determined as described in Part E.2, will be the numerator and the Participant’s FRO, determined as described in Part E.3, will be the denominator. The quotient resulting from dividing the numerator by the denominator will be the Participant’s “**Response Ratio**.” Expressed as a formula,

$$\text{Response Ratio} = \text{FRM}/\text{FRO}$$

5. *Even Number of Compliance Measured Events.* If use of the Assessment Data results in an even number of Compliance Measured Events for the combined periods of Q1, Q2, Q3, and Q4, then, for purposes of each Participant’s Screening Assessment, the WFRSG Committee will calculate a separate Response Ratio for each of the Participant’s two median events, and then average the two resulting Response Ratios.
6. *Results of Response Ratio Calculation.* If, based on the procedures described in Parts E.1 through E.5 of this Attachment D, a Participant’s Response Ratio is greater than or equal to one [expressed as a formula,  $\text{Response Ratio} \geq 1$ ], then, for the next upcoming Operating Year the Participant will be subject to the provisions set forth in Part F of this

Attachment D, together with any applicable companion provisions in the WFRSG Implementation Agreement. If, based on the procedures described in Parts E.1 through E.5 of this Attachment D, a Participant's Response Ratio is less than one [expressed as a formula, Response Ratio < 1], then the Participant will automatically be subject to a Participant Expulsion Vote in accordance with **Section 3.7** and Exhibit G of the WFRSG Implementation Agreement.

**F. Obligation to Refrain from Actions Likely to Compromise Compliance**

Any Participant that remains a member of the WFRSG following a Screening Assessment must make good faith efforts to avoid action or inaction likely to compromise its ability, during the next upcoming Operating Year, to comply with the WFRSG's Operational Performance Requirements.

**DOCUMENTATION HISTORY**

<b>Updates:</b>	<b>Date:</b>
Initial FRSG Operating Rules	8-1-2016
Addition of Attachment D and conforming revisions to body of WFRSG Operating Rules for Operating Year 2018 (with Attachment D effective on October 1, 2017 and the remainder of the WFRSG Operating Rules effective on December 1, 2017)	10-1-2017
Revisions to Attachment D and conforming revisions to body of WFRSG Operating Rules for Operating Year 2019 (with revisions to Attachment D effective on October 1, 2018 and the remainder of the WFRSG Operating Rules effective on December 1, 2018)	10-1-2018
Revisions to harmonize provisions of WFRSG Operating Rules to terms of WFRSG Implementation Agreement as amended to transition from annual expiration if not renewed to an unlimited term	5-1-2019

**EXHIBIT I**

**LIMITATIONS AND PROCEDURES FOR CANADIAN PARTICIPANTS RELATED  
TO DESIGNATED REPRESENTATIVE**

Alberta Electric System Operator:

- The NWPP Corporation will include, in any submittals to a U.S. Enforcement Authority concerning the Western Frequency Response Sharing Group, a statement that any information included on behalf of Canadian Participants is subject to the Canadian Participants' express disclaimer that (1) both WECC and NERC lack enforcement or any other authority over Canadian Participants, including the authority to impose or enforce collection of any Penalty relating to an Actual WFRSG Compliance Failure, and (2) FERC has no jurisdiction over Canadian Participants.
- The NWPP Corporation will not communicate directly with the Alberta Utilities Commission about the Western Frequency Response Sharing Group or the Alberta Electric System Operator's participation in the Western Frequency Response Sharing Group without express written instruction and authorization from the Alberta Electric System Operator.