WFRSG
POWERED BY WPP

SUPERSEDING

WESTERN FREQUENCY RESPONSE SHARING GROUP

IMPLEMENTATION AGREEMENT
THIRD REVISION

Original Effective Date August 1, 2016
Superseding Terms Effective May 1, 2019
Superseding Third Revision Effective September 1, 2026

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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 WPP (as that term is defined in Section 2). The Participants and the WPP are referred to collectively in this Agreement as "Signatories." This Agreement is effective on September 1, 2026, 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 WPP 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 WPP's authority and related responsibilities, as well as compensation to be paid to the WPP 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 WPP 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 WPP 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 WPP 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 Failure; 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 an 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. Affiliate. An "affiliate" has the meaning defined in Attachment I to the WFRSG Operating Rules.

2.3. Aggregate Expense Estimate. "Aggregate Expense Estimate" has the meaning set forth in Section 1.2 of Exhibit B to this Agreement.

2.4. Agreement. "Agreement" has the meaning set forth in the preamble to this Agreement, and includes all exhibits attached to or referenced by this Agreement.

2.5. Applicant. "Applicant" means any entity eligible to apply to join the Western Frequency Response Sharing Group that has begun the application process for admission to the Western Frequency Response Sharing Group under the procedures for admission established by the WFRSG Committee.

2.6. BAL-003. "BAL-003" means,

(a) with respect to the Western Frequency Response Sharing Group, NERC Reliability Standard BAL-003-2 Requirement 1 (R1), 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.

2.7. Balancing Authority. "Balancing Authority" has the meaning specified in the NERC Glossary.

2.8. Balancing Authority Area. "Balancing Authority Area" has the meaning specified in the NERC Glossary.

2.9. Business Day. "Business Day" means any day other than a Saturday, Sunday, or a United States federally recognized holiday.

2.10. 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.

2.11. 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.

2.12. 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.

2.13. Change in WFRSG Composition. A "Change in WFRSG Composition" occurs whenever (a) a Participant gives notice, under Section 3.7(a), of its intent to withdraw from the Western Frequency Response Sharing Group, (b) a new Participant is admitted to the Western Frequency Response Sharing Group; or (c) an existing Participant is expelled from the Western Frequency Response Sharing Group consistent with the procedures for Participant Expulsion outlined in the WFRSG Operating Rules.

2.14. Charter. "Charter" means the WFRSG Committee Charter attached as Attachment J to the WFRSG Operating Rules.

2.15. Committee Member. "Committee Member" has the meaning set forth in Section 12.1(b).

2.16. 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.

2.17. 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 WPP's submission of applicable Compliance Reports following the completion of the Operating Year, and (c) provide compensation to the WPP for services provided to the Participants to carry out the activities described in clauses (a) and (b) of this Section 2.17. 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 2025 would extend roughly from August 1, 2024, through March 31, 2026.

2.18. 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.

2.19. Designated Representative. "Designated Representative" means the WPP, in its capacity as the designated representative of the Western Frequency Response Sharing Group as described in Section 5 of this Agreement.

2.20. 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.

2.21. 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 WPP as likely to meet NERC's criteria for inclusion as Compliance Measured Events.

2.22. FERC. "FERC" means the Federal Energy Regulatory Commission or its successor.

2.23. 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.

2.24. Frequency Responsive Reserve Available. "Frequency Responsive Reserve Available" has the meaning given to that term in the WFRSG Operating Rules.

2.25. Identified Participant. "Identified Participant" means a Participant that is identified, in a Compliance Report or response provided by the WPP 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.

2.26. 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 3.6(c) of the body of this Agreement and the WFRSG Operating Rules.

2.27. 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.

2.28. NERC. "NERC" means the North American Electric Reliability Corporation or its successor.

2.29. 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.

2.30. 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").

2.31. Ordinary WFRSG Committee Vote. "Ordinary WFRSG Committee Vote" is defined in the WFRSG Committee Charter.

2.32. Original Effective Date. "Original Effective Date" has the meaning set forth in the preamble to this Agreement.

2.33. 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.

2.34. Participant Expulsion Vote. "Participant Expulsion Vote" has the meaning set forth in Attachment F to the WFRSG Operating Rules.

2.35. 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.

2.36. R1. "R1" means Requirement 1 of BAL-003.

2.37. Responding Participant. "Responding Participant" has the meaning set forth in Section 9.3.

2.38. Response Ratio. "Response Ratio" has the meaning given to that term in Attachment D to the WFRSG Operating Rules.

2.39. 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).

2.40. Schedule of Charges. "Schedule of Charges" has the meaning set forth in Section 1.1 of Exhibit B to this Agreement.

2.41. Screening Assessment. "Screening Assessment" has the meaning given to that term in Attachment D to the WFRSG Operating Rules.

2.42. Signatory. "Signatory" has the meaning set forth in the preamble to this Agreement.

2.43. Straw Poll. "Straw Poll" means a survey, conducted informally by the WPP, 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).

2.44. Transferred Frequency Response. "Transferred Frequency Response" has the meaning given to that term in the WFRSG Operating Rules.

2.45. WECC. "WECC" means the Western Electricity Coordinating Council or its successor.

2.46. Western Frequency Response Sharing Group. "Western Frequency Response Sharing Group" or "WFRSG" means the Participants that are Signatories to this Agreement (collectively in their capacity as a frequency response sharing group as described in BAL-003).

2.47. 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.

2.48. WFRSG Committee. "WFRSG Committee" means the committee established under Section 12.

2.49. 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).

2.50. WFRSG Operating Rules. "WFRSG Operating Rules" means the terms set forth in Exhibit D - "*Operating Rules for Western Frequency Response Sharing Group*" (including all attachments), which govern operation of the WFRSG, 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 D.

2.51. 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.

2.52. Western Power Pool ("WPP"). Western Power Pool or "WPP" means the Northwest Power Pool, d/b/a Western Power Pool, an Oregon nonprofit corporation, or its successor.

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

3.1. Term of Agreement; Automatic Renewal. This Agreement will take effect on the date it is executed by all Parties (meaning the Signatories to this Agreement), as a continuation of predecessor agreements governing the formation and operation of the WFRSG, beginning with the Original Effective Date for the Agreement to Form and Appoint Designated Representative for Frequency Response Sharing Group. Upon its effective date, this Agreement will supersede all predecessor agreements. The initial term of this Agreement will run from the Effective Date through March 30, 2026. 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, 2026 and run through the last

day of that Compliance Period (March 30, 2028), and will thereafter continue to automatically renew for each following Compliance Period until it is terminated by written agreement of the WPP and all Participants that are Signatories at the time of termination. This Agreement will at all times be subject to Sections 3.5, 3.7, and 3.8 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 3.12.

3.2. Operation of WFRSG 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 3.4. 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 2.17. 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 a procedural process of admission to be established by the WFRSG Committee and included as an attachment to the WFRSG Operating Rules. The Committee shall ensure that any process for admitting new Participants is fair, equitable, and not unduly discriminatory. The addition of a Participant through this process 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 WFRSG.

(a) Screening Assessment Results for Existing Participants in the WFRSG. 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 3.8.

(b) Screening Assessment Results for Applicants Granted Conditional Admission to the WFRSG. 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 Attachment E of the WFRSG Operating Rules.

(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. 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 WFRSG, 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) Mandatory Withdrawal. Notwithstanding anything in this Agreement to the contrary, a Participant will be required to withdraw from this Agreement if it ceases to be a NERC-certified Balancing Authority. The

withdrawing Participant shall provide written notice to the other Signatories as soon as practicable after it becomes aware that it will cease, or has ceased, to maintain such certification. The effective date of withdrawal shall be the date on which the Participant's certification lapses, is revoked, or otherwise terminates, unless otherwise agreed by the Participants.

(c) 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 WFRSG following a Change in WFRSG Composition. Any Participant that wishes to withdraw from the WFRSG 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(c) will have an additional five Business Days following receipt of the notice to elect to withdraw from the WFRSG 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(c), the Participant will be subject to Section 3.8, and, following withdrawal, will be subject to Sections 3.9 and 3.11.

(d) Good-Faith Efforts to Minimize Unexpected Withdrawals. The Participants intend that unexpected notices of withdrawal under Section 3.6(c) will be rare. To minimize unexpected notices of withdrawal under Section 3.6(c), 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 WFRSG, which may include requests for Straw Polls under Section 10.

(e) Effect of Notices of Withdrawal Delivered Under Prior Agreement. Notwithstanding anything in this Agreement to the contrary, if a Participant delivered a notice of withdrawal in accordance with Section 3.6(a) ("Discretionary Withdrawal") under the predecessor form of this Agreement and before the effective date of this Agreement, that notice of withdrawal will remain effective for all purposes under this Agreement notwithstanding the Participant's execution of this Agreement. The Participant's execution of this Agreement will not be construed to revoke, withdraw, supersede, or reset the timing or effectiveness of the prior notice of withdrawal, and the Participant's withdrawal from the WFRSG will occur on the same date, and subject to the same timeline and effect, that would have applied under the

predecessor agreement pursuant to which the notice of withdrawal was delivered.

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 WFRSG, subject to the terms and procedures established by the WFRSG Committee and included as an attachment to the WFRSG Operating Rules.

(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 the WFRSG Operating Rules. Processes and procedures for expulsion must be fair, equitable, and not unduly discriminatory.

(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 the WFRSG Operating Rules, 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 the procedures set forth in the WFRSG Operating Rules (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 the WFRSG Operating Rules, the Participant will:

(i) have no rights or obligations with respect to operation of the WFRSG 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 the WFRSG Operating Rules,

(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 WFRSG, 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 WPP conduct a Straw Poll. A Participant's request to the WPP 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 WPP 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 WPP 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 WFRSG.

The WPP 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 as well as any confidentiality obligations contained herein or in the WFRSG Operating Rules, 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 WFRSG 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 defined in the WFRSG Charter.

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

4.3. Affiliate Rules. If two Signatories to this Agreement are Affiliates under the Operating Rules, then those two Signatories will be deemed a single Participant for all purposes related to this Agreement (including provisions governing compensation to the WPP 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 WFRSG. 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 WFRSG (but may not include any Balancing Authority Areas outside the Western Interconnection),

(ii) must include in the WFRSG at least one of its Western Interconnection Balancing Authority Areas (and, in the case of Affiliates that elect to participate in the WFRSG, must include at least one Western Interconnection Balancing Authority Area operated by each Affiliate),

(iii) must provide written notice to the WPP specifying which of its Western Interconnection Balancing Authority Areas it wishes to include in the WFRSG,

(iv) will be presumed to have elected to include all of its Western Interconnection Balancing Authority Areas in the WFRSG if it does not deliver written notice to the WPP specifying otherwise, 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 WFRSG, and 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 WFRSG 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 WPP 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 WFRSG,

(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 WPP 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 WPP 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 WFRSG 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 WPP 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 WPP as Designated Representative for WFRSG; Compensation; Release.

5.1. Appointment. Subject to Section 5.2, the WFRSG hereby appoints the WPP, and the WPP accepts appointment, as the Designated Representative of the WFRSG for purposes of

(a) submitting Compliance Reports required to be submitted to Enforcement Authorities by the WFRSG 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 WFRSG 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 WFRSG'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 WPP are reasonably necessary to carry out the intent of Sections 5.1(a) through (d) above.

5.2. Scope of Designation, Authority, or Consent. The scope of the authority conferred upon the WPP under Section 5.1, as well as any other authority conferred upon or consent granted to the WPP under this Agreement, is limited to that necessary to enable the WPP to act on behalf of WFRSG 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 C.

5.3. WPP Registration Responsibilities. Promptly following any Change in WFRSG Composition, the WPP will (in consultation with WECC and the Participants) take such actions as it deems necessary or reasonable to (a) cause the WFRSG 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 WPP has been appointed as the Designated Representative for the WFRSG in accordance with Section 5.1 above), or (b) update WECC's and NERC's information concerning the composition of the WFRSG, as applicable. Each Participant (i) specifically consents to the WPP's actions on behalf of the WFRSG as provided in this Section 5.3, and (ii) will cooperate with the WPP (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 WFRSG. 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 WFRSG, and (assisted by the WPP if requested) will coordinate the development, authorization, and submittal of any such filings that are made.

5.4. Compensation to the WPP for Services Under Agreement. Each Participant will provide compensation to the WPP for its services under this Agreement in accordance with the terms set forth in Exhibit B to this Agreement.

5.5. Release of the WPP from Liability and Covenant Not to Sue. Except as specifically provided otherwise in Section 5.6, each Participant irrevocably releases the WPP from, and covenants not to sue the WPP 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 WPP in connection with this Agreement or the WFRSG. 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 WPP acknowledges that in the event of a breach of this Agreement by the WPP, the Participants' release of the WPP from liability and covenant not to sue for damages eliminates the primary recourse for each of the Participants. Accordingly, the WPP agrees and acknowledges that each Participant will be individually entitled to injunctive relief to prevent a breach by the WPP and to compel specific performance of the WPP's obligations under this Agreement, without the posting of any bond and without proof of any actual damages. The WPP 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 WPP seeking specific performance of this Agreement, or (b) Claims based on the WPP'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 WFRSG, or prepared by the WPP; *provided, however,* that Frequency Response Data the WPP 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 WFRSG 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 WPP (provided they are obligated to honor confidentiality obligations of the WPP). 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 from a 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 other provisions of this Section 6, 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. WPP 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 WPP 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 WFRSG 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 WPP accept supplemental records retention obligations under this Section 6.2(d) has provided written instructions to the WPP describing the action(s) the requesting

Participant asks the WPP to take to enable the requesting Participant to fulfill its records retention obligations, and (ii) the requesting Participant agrees in writing to reimburse the WPP if complying with its request under this Section 6.2(d) will impose significant additional costs on the WPP.

6.3. Consent of Participants to WPP Access and Use. Each Participant specifically grants its consent for the WPP to receive, access, use, review, and retain its Frequency Response Data to the extent necessary to enable the WPP to carry out its obligations under this Agreement and the responsibilities designated for the WPP in the WFRSG Operating Rules. Each Participant specifically grants its further consent for the WPP to disclose its Frequency Response Data to Enforcement Authorities to the extent necessary to enable the WFRSG to comply with reporting and auditing requirements applicable to the WFRSG 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 WPP 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 WPP to Correct Erroneous Frequency Response Data. If a Participant has received a Compliance Report delivered to it by the WPP 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 WPP (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 WPP 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 WPP will review the applicable Compliance Report and any relevant Frequency Response Data used to prepare the Compliance Report.

(i) If following its review the WPP concurs that the Compliance Report contains inaccurate data or determinations, the WPP 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 WPP believes that the Compliance Report as originally prepared does not contain inaccurate data or determinations, (A) the WPP 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 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 WFRSGs Under R1 of BAL-003. If the WPP receives a request or an order from an Enforcement Authority to submit a Compliance Report or other response that the WPP believes in good faith (a) reaches beyond the obligations applicable to the WFRSG 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 WPP 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 WPP 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 WPP has timely received all necessary information from the Participants, WPP 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 WPP will review relevant Frequency Response Data and implement the methodology set forth in the WFRSG Operating Rules 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 WPP anticipates that any Compliance Report, self-certification, or audit response submitted by the WPP to an Enforcement Authority in accordance with this Agreement will indicate that there has been or will be an Actual WFRSG Compliance Failure, the WPP 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 WPP in good faith,

(c) with respect to any Participant that has (i) informed the WPP 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 WPP include a statement to that effect, include a statement indicating that the requesting Participant has informed the WPP 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 WPP 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 WPP 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 WPP's Determination. No determination of the WPP 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 WPP'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. WPP'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 WFRSG compliance with R1 of BAL-003 to a Canadian Enforcement Authority, the applicable Canadian Participant may request by written notice that the WPP provide information and services to facilitate compliance with the requirements of the applicable Canadian Enforcement Authority; provided, however, that the WPP 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. WPP Response. If the WPP 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 WPP, or if the WPP receives notice from a Participant under Section 8.2, the WPP 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 WPP'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 WFRSG 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 WPP, 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 WPP 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 WFRSG will implement Attachment H of the Operating Rules, which describes the methodology for allocating responsibility for Participants to respond to determinations or allegations of Actual WFRSG Compliance Failures.

9.2. Notice to Other Participants Before Alleging Responsibility. Any Participant that has been designated as an Identified Participant by the WPP 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 WPP 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 WPP 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. WPP 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 WPP will provide to the Responding Participant (subject to any applicable confidentiality obligations) any Frequency Response Data in the WPP'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 WPP 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. WFRSG'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 WFRSG (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 WFRSG's intention that responsibility for Penalties imposed for Actual WFRSG Compliance Failures will be limited to those Participants that have been designated by the WPP 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. Signatory 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; WFRSG Committee Charter.

(a) Creation of WFRSG Committee; Committee Charter. 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; the WFRSG Committee will be governed by a Charter, the initial version of which is included in the Operating Rules as Attachment J. The WFRSG Committee shall operate in accordance with the Charter adopted pursuant to this Agreement.

(b) Participants' Rights to Appoint Committee Members. Each Participant has the right, but not the obligation, to appoint one primary representative and no more than two alternate representatives (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 "Marketing 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) WPP Participant Right to Appoint One Non-Voting WFRSG Committee Representative. The WPP has the right, but not the obligation, to appoint one non-voting representative to the WFRSG Committee. Any WPP representatives participating in WFRSG Committee activities must abide by any policies and procedures adopted by the WFRSG Committee under Section 12.2(d).

12.2. WFRSG Committee Powers and Responsibilities.

(a) General Oversight. Working in cooperation with the WPP, 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. 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.

12.3. WFRSG Committee Meetings and Votes.

(a) Periodic Meetings. The WFRSG Committee will schedule their quarterly meetings to align with the NERC posting of Frequency Events for each quarter of the Operating Year. The Committee shall otherwise schedule meetings consistent with procedures adopted in the Charter.

(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) Other WFRSG Procedures. The Committee shall conduct its meetings in accordance with the Charter, which shall establish policies governing quorum requirements, voting thresholds, proxies, and other rules for the conduct of meetings, consistent with this Agreement.

(d) 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, or, if by electronic mail, to WFRSG-Contract@westernpowerpool.org, a group email maintained by WPP; provided however, that such group electronic notice will be effective only upon acknowledgement of receipt from every Participant.

(b) 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. The body of this Agreement may not be amended except by a written instrument signed by authorized representatives of all Signatories. Exhibit A (Contact Information) may be amended as provided in Section 13.1(b) of this Agreement. Exhibit B (Compensation) may be amended as provided in Exhibit B. Exhibit C may be amended only by a written instrument signed by authorized representatives of the WPP and each Canadian Participant to which it applies. The WFRSG Operating Rules (Exhibit D) may be modified as provided in Section 12.2(b).

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 WPP 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 all 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 footprint of the WFRSG must indicate, on the signature page it executes for this Agreement, which of its Balancing Authority Areas are to be included in the WFRSG.

CONFORMED SIGNATURES

Original Effective Date August 1, 2016
Superseding Terms Effective May 1, 2019
Superseding Third Revision Effective September 1, 2026

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

EXHIBIT A--

CONTACT INFORMATION FOR SIGNATORIES

CONFIDENTIAL

EXHIBIT B--
COMPENSATION TO WPP FOR SERVICES PROVIDED

1. **Tracking and Allocation of Expenses.** The WPP 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 WPP 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 WPP to carry out its obligations under this Agreement.

1.1 **Schedule of Charges.**

(a) **Fees.** WPP will charge the actual fully loaded cost for staff resources providing support and services to the Western Frequency Response Sharing Group plus a pro-rata allocation of WPP's actual General, Administrative and Information Technology ("GAIT") expenses. GAIT expenses will vary on a monthly basis to account for monthly actual costs incurred by the WPP.

(b) **Expenses.** In addition to professional fees, the WPP will bill to the Participants the actual costs and expenses WPP incurs directly in performing the services.

1.2 **Annual Estimates.** At least 30 Calendar Days before the start of each WPP Fiscal Year the WPP will prepare and deliver to all of the Participants the WPP's good-faith estimate of aggregate expenses the WPP 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 WPP 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:

$P = 1/N * C$, where

"P" is the portion of costs to be paid by each Participant for services provided by the WPP 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" is the total costs of the services provided by the WPP under this Agreement during the applicable month.

3. **Invoicing and Payment.** The WPP will prepare a detailed invoice of charges to be paid by each Participant for each month during the term of this Agreement. Within 30 Calendar Days following the end of each month during the term of this Agreement, the WPP 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 WPP in Exhibit A. Each Participant will remit payment in full to the WPP within 30 Calendar Days following receipt of the WPP'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 WPP 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 WPP's normal business hours, the WPP's books and accounts to the extent necessary to verify any portion of the charges invoiced to it under this Agreement.

EXHIBIT C
LIMITATIONS AND PROCEDURES FOR CANADIAN PARTICIPANTS RELATED TO DESIGNATED REPRESENTATIVE

Alberta Electric System Operator:

- The WPP will include, in any submittals to a U.S. Enforcement Authority concerning the WFRSG, 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 WPP will not communicate directly with the Alberta Utilities Commission about the WFRSG or the Alberta Electric System Operator's participation in the WFRSG without express written instruction and authorization from the Alberta Electric System Operator

EXHIBIT D
OPERATING RULES

Operating Rules for Western Frequency Response Sharing Group

Initially approved August 1, 2016
As revised for Operating Year 2019
Third Revision September 1, 2026

Operating Rules – Western Frequency Response Sharing Group

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DOCUMENTATION HISTORY

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, 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 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 obligations and Operational Performance Requirements (Section D and Attachment A), including the Frequency Response Obligation 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.

If there is a conflict between the WFRSG Implementation Agreement and these WFRSG Operating Rules (or any attachments included therein), the WFRSG Implementation Agreement shall prevail.

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 Obligations, Operational Performance Requirements, NERC Guidelines, and Performance Metrics

Attachment B – Listing of Current WFRSG Participants

Attachment C – NERC Standard BAL-003-2

Attachment D – Screening Assessment

Attachment E – Process for Admitting New Participants

Attachment F – Procedures for Participant Expulsions

Attachment G – Methodology to Be Used by the WPP for Determining the Identity and Proportionate Responsibility of Identified Participants]

Attachment H – Methodology for Allocating Responsibility to Respond to Determinations or Allegations of Actual WFRSG Compliance Failures

Attachment I – WFRSG Affiliate Policy

Attachment J – WFRSG Committee Charter

Attachment K – List of WFRSG Committee Representatives

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-003-2, and, specifically for purposes of the WFRSG, R1 of NERC Reliability Standard BAL-003-2, as further described in **Section 2.6** 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 2.20** 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 WPP 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.

WFRSG Frequency Response Obligation - The WFRSG calculates their FRO by submitting a joint Form 1 with the "FRSG" tab completed for the aggregate FRO of the participating Balancing Authorities Areas.

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.

Operating Year: The period of time running from 12:01 a.m., Mountain Time on December 1 of one calendar year until 12:01 a.m., Pacific Time on December 1 of the subsequent 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, 2024 through November 30, 2025 will be designated as "Operating Year 2025").

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 2.33 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 Frequency Response Contribution: A Participant's "FRO_{BA}" 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 Frequency Response Obligation - The WFRSG FRO is calculated based on the aggregate FRO of the participating Balancing Authority Areas.

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 Implementation Agreement: The *WFRSG Implementation Agreement*, as successor to the *Agreement to Form Frequency Response Sharing Group and Appoint Designated Representative for BAL-003 Compliance* initially effective on September 1, 2026, together with any further amendments or restatements.

WFRSG Frequency Response Contribution: A Participant's "FRO_{BA}" 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 Operating Rules: The terms set forth in this document (including its attachments) governing the operation of the WFRSG.

WPP: The Western Power Pool or WPP means the Northwest Power Pool, an Oregon nonprofit corporation, d/b/a Western Power Pool, or its successor.

WPP Staff: Employees or contractors of the WPP.

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 the 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

Attachment A defines the WFRSG Frequency Response Obligations, Operational Performance Requirements, NERC Guidelines and Performance Metrics.

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 WPP 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 WPP 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 WPP Tasks

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

Promptly following the close of each quarterly period within an Operating Year (that is, December through February, June through August, March through May, and September through November), the WPP 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 NERC Resources Subcommittee (NERC RS) 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 WPP 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 WPP Staff within 15 Calendar Days following receipt of the WPP Staff's written notice.

b. WPP Preparation and Circulation of Results for the Quarterly Periods of Each Operating Year

For each of the quarterly periods in each Operating Year, the WPP 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 WPP 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),

In addition, WPP Staff will present an overview of the year-to-date data set, during each quarterly meeting that reflects:

(ii) WPP Staff's good-faith calculation of the frequency response performance of the WFRSG (in aggregate) for the applicable quarterly period and year-to-date, and

(iii) the WPP Staff's good-faith calculation of the frequency response performance for each individual Participant for the applicable quarterly period and year to date.

E.2. BAL-003-2 Event Exclusion

The only time a Balancing Authority should exclude an event is if its tie-line data or its Frequency data is corrupt, or its EMS was unavailable.

WFRSG Event Exclusion:

Due to the requirement of the Frequency Response Obligation being static through an operating year, the ability to exclude a single BA's performance from the WFRSG is currently not allowed under BAL-003-2. Any single Participant that has an inability to accurately calculate FRM due to corrupt data requires the WFRSG to exclude the event for compliance evaluation. Every effort should be made by the BA to correct corrupt data if possible.

E.3. 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 compared to the algebraic sum of Participants' FRO. 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 and WFRSG Committee Charter.

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 Attachment E.

H. ROLE OF WPP AND WPP STAFF

H.1. Designated Representative Role of WPP Corp

The WPP 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 WPP in its role as designated representative are set forth in the WFRSG Implementation Agreement.

H.2. Support Role of WPP Staff

The WPP 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 WPP 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
WFRSG Minimum Obligations,
Operational Performance Requirements, NERC Guidelines, and Performance Metrics

A. Frequency Response Obligation for the WFRSG

The frequency response obligation for the WFRSG is equal to the algebraic sum of the "FRO_{BA}" 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 WPP Staff as required by Section E.1 of these WFRSG Operating Rules.

2. The WFRSG Committee (supported by WPP 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 or $|FRM_{negative}| < [0.5 * |FRO_{BA}|]$) = 0 points

  {a Participants with an FRM > 0 or < 50% of its FRO_{BA} is assigned 0 points, because this Participant is diminishing the WFRSG's performance under R1 of BAL-003}

- $([0.5 * |FRO_{BA}|] \leq |FRM_{negative}| < |FRO_{BA}|)$ = 1 point

  {a Participants with an $|FRM_{negative}| \geq 50\%$ of $|FRO_{BA}|$ but $< |FRO_{BA}|$ 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}

- $(|FRO_{BA}| \leq |FRM_{negative}| < 2 * |FRO_{BA}|)$ = 2 points

{a Participant with an $|FRM_{negative}| \geq |FRO_{BA}|$, but $< 2 * |FRO_{BA}|$ is assigned 2 points, because this Participant is supporting the WFRSG's compliance with R1 of BAL-003}

- $(|FRM_{negative}| \geq 2 * |FRO_{BA}|) = 3$ points

  {a Participant with an $|FRM_{negative}| \geq 2 * |FRO_{BA}|$ 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,

"$|FRM_{negative}|$" = 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,

"FRO_{BA}" = a Participant's Frequency Response Obligation, calculated as provided in Attachment A to BAL-003 and

"$|FRO_{BA}|$" = 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)

Avangrid Renewables (AVRN)

Avista Corporation (AVA)

Arizona Public Service Company (AZPS)

Balancing Authority of Northern California (BANC)

Black Hills Power, Inc. (BHBA)

Bonneville Power Administration (BPAT)

Public Utility District No. 1 of Chelan County (CHPD)

PUD No. 1 of Douglas County (DOPD)

Public Utility District of Grant County, Washington (GCPD)

Gridforce Energy Management, LLC (GRID)

Idaho Power Company (IPCO)

Imperial Irrigation District (IID)

BHE Power Watch, LLC (GWA)

NV Energy (NEVP)

NorthWestern Corporation (NWMT)

PacifiCorp:

- for its Balancing Authority Area, PacifiCorp East (PACE)*for its Balancing Authority Area, PacifiCorp West (PACW)*

Portland General Electric (PGE)

Public Service of Colorado (PSCO)

Puget Sound Energy, Inc. (PSE)

Salt River Project Agriculture Improvement and Power District (SRP)

Seattle City Light (SCL)

Southwest Power Pool (SWPW)

City of Tacoma Power, Department of Public Utilities, Light Division (TPWR)

Turlock Irrigation District (TID)

* 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-003-2

A. Introduction

1. **Title: Frequency Response and Frequency Bias Setting**

2. **Number: BAL-003-2**

3. **Purpose:** To require sufficient Frequency Response from the Balancing Authority (BA) to maintain Interconnection Frequency within predefined bounds by arresting frequency deviations and supporting frequency until the frequency is restored to its scheduled value. To provide consistent methods for measuring Frequency Response and determining the Frequency Bias Setting.

4. **Applicability:**

   4.1. Functional Entities:

   4.1.1. Balancing Authority

   4.1.1.1. Balancing Authority is the responsible entity unless the Balancing Authority is a member of a Frequency Response Sharing Group, in which case, the Frequency Response Sharing Group becomes the responsible entity.

   4.1.2. Frequency Response Sharing Group

5. **Effective Date:** See Implementation Plan for BAL-003-2.

B. Requirements and Measures

R1. Each Frequency Response Sharing Group (FRSG) or Balancing Authority that is not a member of a FRSG shall achieve an annual Frequency Response Measure (FRM) (as calculated and reported in accordance with Attachment A) that is equal to or more negative than its Frequency Response Obligation (FRO) to ensure that sufficient Frequency Response is provided by each FRSG or BA that is not a member of a FRSG to maintain Interconnection Frequency Response equal to or more negative than the Interconnection Frequency Response Obligation. *[Risk Factor: High][Time Horizon: Real-time Operations]*

M1. Each Frequency Response Sharing Group or Balancing Authority that is not a member of a Frequency Response Sharing Group shall have evidence such as dated data plus documented formula in either hardcopy or electronic format that it achieved an annual FRM (in accordance with the methods specified by the ERO in Attachment A with data from FRS Form 1 reported to the ERO as specified in Attachment A) that is equal to or more negative than its FRO to demonstrate compliance with Requirement R1.

R2. Each Balancing Authority that is a member of a multiple Balancing Authority Interconnection and is not receiving Overlap Regulation Service and uses a fixed Frequency Bias Setting shall implement the Frequency Bias Setting determined in

accordance with Attachment A, as validated by the ERO, into its Area Control Error (ACE) calculation during the implementation period specified by the ERO and shall use this Frequency Bias Setting until directed to change by the ERO. *[Risk Factor: Medium][Time Horizon: Operations Planning]*

M2. The Balancing Authority that is a member of a multiple Balancing Authority Interconnection and is not receiving Overlap Regulation Service shall have evidence such as a dated document in hard copy or electronic format showing the ERO validated Frequency Bias Setting was implemented into its ACE calculation within the implementation period specified or other evidence to demonstrate compliance with Requirement R2.

R3. Each Balancing Authority that is a member of a multiple Balancing Authority Interconnection and is not receiving Overlap Regulation Service and is utilizing a variable Frequency Bias Setting shall maintain a Frequency Bias Setting that is: *[Risk Factor: Medium][Time Horizon: Operations Planning]*

3.1 Less than zero at all times, and

3.2 Equal to or more negative than its Frequency Response Obligation when Frequency varies from 60 Hz by more than +/- 0.036 Hz.

M3. The Balancing Authority that is a member of a multiple Balancing Authority Interconnection, is not receiving Overlap Regulation Service and is utilizing variable Frequency Bias shall have evidence such as a dated report in hard copy or electronic format showing the average clock-minute average Frequency Bias Setting was less than zero and during periods when the clock-minute average frequency was outside of the range 59.964 Hz to 60.036 Hz was equal to or more negative than its Frequency Response Obligation to demonstrate compliance with Requirement R3.

R4. Each Balancing Authority that is performing Overlap Regulation Service shall modify its Frequency Bias Setting in its ACE calculation, in order to represent the Frequency Bias Setting for the combined Balancing Authority Area, to be equivalent to either: *[Risk Factor: Medium][Time Horizon: Operations Planning]*

- The sum of the Frequency Bias Settings as shown on FRS Form 1 and FRS Form 2 for the participating Balancing Authorities as validated by the ERO, or

- The Frequency Bias Setting shown on FRS Form 1 and FRS Form 2 for the entirety of the participating Balancing Authorities' Areas.

M4. The Balancing Authority shall have evidence such as a dated operating log, database or list in hard copy or electronic format showing that when it performed Overlap Regulation Service, it modified its Frequency Bias Setting in its ACE calculation as specified in Requirement R4 to demonstrate compliance with Requirement R4.

C. Compliance

1. Compliance Monitoring Process

1.1. Compliance Enforcement Authority: "Compliance Enforcement Authority" means NERC or the Regional Entity, or any entity as otherwise designated by an Applicable Governmental Authority, in their respective roles of monitoring and/or enforcing compliance with mandatory and enforceable Reliability Standards in their respective jurisdictions.

1.2. Evidence Retention: The following evidence retention period(s) identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the Compliance Enforcement Authority may ask an entity to provide other evidence to show that it was compliant for the full-time period since the last audit.

The applicable entity shall keep data or evidence to show compliance as identified below unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.

- The Balancing Authority shall retain data or evidence to show compliance with Requirements R1, R2, R3 and R4, Measures M1, M2, M3 and M4 for the current year plus the previous three calendar years unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.
- The Frequency Response Sharing Group shall retain data or evidence to show compliance with Requirement R1 and Measure M1 for the current year plus the previous three calendar years unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.
- If a Balancing Authority or Frequency Response Sharing Group is found non-compliant, it shall keep information related to the non-compliance until found compliant or for the time period specified above, whichever is longer.
- The Compliance Enforcement Authority shall keep the last audit records and all subsequent requested and submitted records.

1.3. Compliance Monitoring and Enforcement Program: As defined in the NERC Rules of Procedure, "Compliance Monitoring and Enforcement Program" refers to the identification of the processes that will be used to evaluate data or information for the purpose of assessing performance or outcomes with the associated Reliability Standard.

- For Interconnections that are also Balancing Authorities, Tie Line Bias control and flat frequency control are equivalent and either is acceptable.

Violation Severity Levels

R #	Violation Severity Levels			
	Lower VSL	Moderate VSL	High VSL	Severe VSL
R1.	The Balancing Authority's, or Frequency Response Sharing Group's, FRM was less negative than its FRO by at most 15% or 15 MW/0.1 Hz, whichever one is the greater deviation from its FRO.	The Balancing Authority's, or Frequency Response Sharing Group's, FRM was less negative than its FRO by more than 15% but by at most 30% or 30 MW/0.1 Hz, whichever is the greater deviation from its FRO.	The Balancing Authority's, or Frequency Response Sharing Group's, FRM was less negative than its FRO by more than 30% but by at most 45% or 45 MW/0.1 Hz, whichever one is the greater deviation from its FRO.	The Balancing Authority's, or Frequency Response Sharing Group's, FRM was less negative than its FRO by more than 45% or by more than 45 MW/0.1 Hz, whichever is the greater deviation from its FRO.
R2.	The Balancing Authority in a multiple Balancing Authority Interconnection and not receiving Overlap Regulation Service and uses a fixed Frequency Bias Setting failed to implement the validated Frequency Bias Setting value into its ACE calculation within the implementation period specified but did so within 5 calendar days from the implementation period specified by the ERO.	The Balancing Authority in a multiple Balancing Authority Interconnection and not receiving Overlap Regulation Service and uses a fixed Frequency Bias Setting implemented the validated Frequency Bias Setting value into its ACE calculation in more than 5 calendar days but less than or equal to 15 calendar days from the implementation period specified by the ERO.	The Balancing Authority in a multiple Balancing Authority Interconnection and not receiving Overlap Regulation Service and uses a fixed Frequency Bias Setting implemented the validated Frequency Bias Setting value into its ACE calculation in more than 15 calendar days but less than or equal to 25 calendar days from the implementation period specified by the ERO.	The Balancing Authority in a multiple Balancing Authority Interconnection and not receiving Overlap Regulation Service and uses a fixed Frequency Bias Setting did not implement the validated Frequency Bias Setting value into its ACE calculation in more than 25 calendar days from the implementation period specified by the ERO.

R #	Violation Severity Levels			
	Lower VSL	Moderate VSL	High VSL	Severe VSL
R3.	The Balancing Authority that is a member of a multiple Balancing Authority Interconnection and is not receiving Overlap Regulation Service and uses a variable Frequency Bias Setting average Frequency Bias Setting during periods when the clock-minute average frequency was outside of the range 59.964 Hz to 60.036 Hz was less negative than its Frequency Response Obligation by more than 1% but by at most 10%.	The Balancing Authority that is a member of a multiple Balancing Authority Interconnection and not receiving Overlap Regulation Service and uses a variable Frequency Bias Setting average Frequency Bias Setting during periods when the clock-minute average frequency was outside of the range 59.964 Hz to 60.036 Hz was less negative than its Frequency Response Obligation by more than 10% but by at most 20%.	The Balancing Authority that is a member of a multiple Balancing Authority Interconnection and not receiving Overlap Regulation Service and uses a variable Frequency Bias Setting average Frequency Bias Setting during periods when the clock-minute average frequency was outside of the range 59.964 Hz to 60.036 Hz was less negative than its Frequency Response Obligation by more than 20% but by at most 30%.	The Balancing Authority that is a multiple Balancing Authority Interconnection and not receiving Overlap Regulation Service and uses a variable Frequency Bias Setting average Frequency Bias Setting during periods when the clock-minute average frequency was outside of the range 59.964 Hz to 60.036 Hz was less negative than its Frequency Response obligation by more than 30%.
R4.	The Balancing Authority incorrectly changed the Frequency Bias Setting value used in its ACE calculation when providing Overlap Regulation Services with combined footprint setting-error less than or equal to 10% of the validated or calculated value.	The Balancing Authority incorrectly changed the Frequency Bias Setting value used in its ACE calculation when providing Overlap Regulation Services with combined footprint setting-error more than 10% but less than or equal to 20% of the	The Balancing Authority incorrectly changed the Frequency Bias Setting value used in its ACE calculation when providing Overlap Regulation Services with combined footprint setting-error more than 20% but less than or equal to 30% of the	The Balancing Authority incorrectly changed the Frequency Bias Setting value used in its ACE calculation when providing Overlap Regulation Services with combined footprint setting-error more than 30% of the validated or calculated value. OR

R #	Violation Severity Levels			
	Lower VSL	Moderate VSL	High VSL	Severe VSL
		validated or calculated value.	validated or calculated value.	The Balancing Authority failed to change the Frequency Bias Setting value used in its ACE calculation when providing Overlap Regulation Services.

D. Regional Variances

None.

E. Associated Documents

Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard

FRS Form 1

FRS Form 2

Frequency Response Standard Background Document

Version History

Version	Date	Action	Change Tracking
0	April 1, 2005	Effective Date	New
0	August 8, 2005	Removed "Proposed" from Effective Date	Errata
0	March 16, 2007	FERC Approval — Order 693	New
0a	December 19, 2007	Added Appendix 1 — Interpretation of R3 approved by BOT on October 23, 2007	Addition
0a	July 21, 2008	FERC Approval of Interpretation of R3	Addition
0b	February 12, 2008	Added Appendix 2 — Interpretation of R2, R2.2, R5, and R5.1 approved by BOT on February 12, 2008	Addition
0.1b	January 16, 2008	Section F: added “1.”; changed hyphen to “en dash.” Changed font style for “Appendix 1” to Arial; updated version number to “0.1b”	Errata
0.1b	October 29, 2008	BOT approved errata changes	Errata
0.1a	May 13, 2009	FERC Approved errata changes – version changed to 0.1a (Interpretation of R2, R2.2, R5, and R5.1 not yet approved)	Errata
0.1b	May 21, 2009	FERC Approved Interpretation of R2, R2.2, R5, and R5.1	Addition
1	February 7, 2013	Adopted by NERC Board of Trustees	Complete Revision under Project 2007-12
1	January 16, 2014	FERC Order issued approving BAL-003-1. (Order becomes effective for R2, R3, and R4 April 1, 2015. R1 becomes effective April 1, 2016.)	
1	May 7, 2014	NERC Board of Trustees adopted revisions to VRF and VSLs in Requirement R1.	
1	November 26, 2014	FERC issued a letter order approved VRF and VSL revisions to Requirement R1.	

Version	Date	Action	Change Tracking
1.1	August 25, 2015	Added numbering to Introduction section, corrected parts numbering for R3, and adjusted font within section M4.	Errata
1.1	November 13, 2015	FERC Letter Order approved errata to BAL-003-1.1. Docket RD15-6-000	Errata
2	November 5, 2019	NERC Board of Trustees adopted BAL-003-2	New
2	July 15, 2020	FERC Letter Order approved errata to BAL-003-2. Docket RD20-9-000	

Attachment A

BAL-003-2 Frequency Response and Frequency Bias Setting Standard

Supporting Document

Interconnection Frequency Response Obligation

The ERO, in consultation with regional representatives, has established a target reliability criterion for each Interconnection called the Interconnection Frequency Response Obligation (IFRO). Preliminary values are provided below. Certain values are assessed annually according to the methodology which is detailed in the *Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard*.

Interconnection	**Eastern**	**Western**	**ERCOT**	**HQ**	Units
Max. Delta Frequency (MDF)	**0.420**	**0.280**	**0.405**	**0.947**	
Resource Loss Protection Criteria (RLPC)[1]	**3,209**	**2,850**	**2,750**	**2,000**	MW
Credit for Load Resources (CLR)			**1,209**		MW
Current IFRO (OY 2018)	**-1,015**	**-858**	**-381**	**-179**	MW/0.1 Hz
First-Step target IFRO[1]	**-915**	**-1018**	**-380**	**-211**	MW/0.1 Hz
Second-Step target IFRO[1, 2]	**-815**				
Final target IFRO[1, 2]	**-787**				

Table 1: Interconnection Frequency Response Obligations (base year 2017)

IFRO = (RLPC – CLR)/Max Delta Freq/10

1. *These values are evaluated annually for changes in each Interconnection.*
2. *To reduce risk, the Eastern Interconnection IFRO will be stepped down annually from the 2017 value of -1,015 MW/0.1 Hz in -100 MW/0.1 Hz increments. If during the step down process, Interconnection Frequency Response Measure (FRM) declines by more than 10 percent, the ERO will halt the reduction in IFRO until such time that a determination can be made as to the cause of the degradation.*

Balancing Authority Frequency Response Obligation and Frequency Bias Setting

For a multiple Balancing Authority interconnection, the Interconnection FRO shown in Table 1 is allocated based on the Balancing Authority annual load and annual generation. The FRO allocation will be based on the following method:

$$\text{FRO}_{\text{BA}} = \text{IFRO} \quad \times \frac{\text{Annual Gen}_{\text{BA}} + \text{Annual Load}_{\text{BA}}}{\text{Annual Gen}_{\text{Int}} + \text{Annual Load}_{\text{Int}}}$$

Where:

- Annual Gen_{BA} is the total annual output of generating plants within the Balancing Authority Area (BAA).
- Annual Load_{BA} is total annual Load within the BAA.
- Annual Gen_{Int} is the sum of all Annual Gen_{BA} values reported in that interconnection.
- Annual Load_{Int} is the sum of all Annual Load_{BA} values reported in that interconnection.

Balancing Authorities that elect to form a FRSG will calculate a FRSG FRO by adding together the individual BA FRO's.

Balancing Authorities that elect to form a FRSG as a means to jointly meet the FRO will calculate their FRM performance one of two ways:

- Calculate a group NI_{A} and measure the group response to all events in the reporting year on a single FRS Form 1, or
- Submit a joint Form 1 with the "FRSG" tab completed for the aggregate performance of the participating Balancing Authorities.

Balancing Authorities that merge or transfer load or generation are encouraged to notify the ERO of the change in footprint and corresponding changes in allocation such that the net obligation to the Interconnection remains the same and so that CPS limits can be adjusted.

Each Balancing Authority reports its previous year's FRM, Frequency Bias Setting and Frequency Bias type (fixed or variable) to the ERO each year to allow the ERO to validate the revised Frequency Bias Settings on FRS Form 1. In addition, each Balancing Authority will report its two largest potential resource losses and any applicable N-2 RAS events in the form. If the ERO posts the official list of events after the date specified in the timeline below, Balancing Authorities will be given 30 days from the date the ERO posts the official list of events to submit their FRS Form 1.

Once the ERO reviews the data submitted in FRS Form 1 and FRS Form 2 for all Balancing Authorities, the ERO will use FRS Form 1 data to post the following information for each Balancing Authority for the upcoming year:

- Frequency Bias Setting
- Frequency Response Obligation (FRO)

Once the data listed above is fully posted, the ERO will announce the three-day implementation period for changing the Frequency Bias Setting if it differs from that shown in the timeline below.

A Balancing Authority using a fixed Frequency Bias Setting sets its Frequency Bias Setting to the greater of (in absolute value):

- Any number the Balancing Authority chooses between 100 percent and 125 percent of its Frequency Response Measure as calculated on FRS Form 1
- Interconnection Minimum as determined by the ERO

For purposes of calculating the minimum Frequency Bias Setting, a Balancing Authority participating in a FRSG will need to calculate its stand-alone FRM using FRS Form 1 and FRS Form 2 to determine its minimum Frequency Bias Setting.

A Balancing Authority providing Overlap Regulation will report the historic peak demand and generation of its combined Balancing Authorities' areas on FRS Form 1 as described in Requirement R4.

Frequency Response Measure

The Balancing Authority will calculate its FRM from Single Event Frequency Response Data (SEFRD), defined as: "the data from an individual event in a Balancing Authority area that is used to calculate its Frequency Response, expressed in MW/0.1Hz" as calculated on FRS Form 2 for each event shown on FRS Form 1. The events in FRS Form 1 are selected by the ERO using the *Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard*. The SEFRD for a typical Balancing Authority in an Interconnection with more than one Balancing Authority is the change in its Net Actual Interchange on its tie lines with adjacent Balancing Authorities divided by the change in Interconnection frequency. Some Balancing Authorities may choose to apply corrections to their Net Actual Interchange (NA_I) values to account for factors such as nonconforming loads. FRS Form 1 and 2 shows the types of adjustments that are allowed. Note that with the exception of the Contingent BA column, any adjustments made must be made for all events in an evaluation year.[1]

The ERO will use a standardized sampling interval of approximately 16 seconds before the event, up to the time of the event for the pre-event NA_I, and frequency (A values), and approximately 20 to 52 seconds after the event for the post-event NA_I (B values) in the computation of SEFRD values, dependent on the data scan rate of the Balancing Authority's Energy Management System (EMS).

All events listed on FRS Form 1 need to be included in the annual submission of FRS Forms 1 and 2. The only time a Balancing Authority should exclude an event is if its tie-line data or its Frequency data is corrupt, or its EMS was unavailable. FRS Form 2 has instructions on how to

[1] As an example, if an entity has non-conforming loads and makes an adjustment for one event, all events must show the non-conforming load, even if the non-conforming load does not impact the calculation. This ensures that the reports are not utilizing the adjustments only when they are favorable to the BA.

correct the BA's data if the given event is internal to the BA or if other authorized adjustments are used.

Assuming data entry is correct, FRS Form 1 will automatically calculate the Balancing Authority's FRM for the past 12 months as the median of the SEFRD values. A Balancing Authority electing to report as an FRSG or a provider of Overlap Regulation Service will provide an FRS Form 1 for the aggregate of its participants.

To allow Balancing Authorities to plan its operations, events with a "Point C" that cause the Interconnection Frequency to be lower than that shown in Table 1 above (for example, an event in the Eastern Interconnection that causes the Interconnection Frequency to go to 59.4 Hz) or higher than an equal change in frequency going above 60 Hz may be included in the list of events for that Interconnection. However, the calculation of the Balancing Authority response to such an event will be adjusted to show a frequency change only to the Target Minimum Frequency shown in Table 1 above (in the previous example this adjustment would cause Frequency to be shown as 59.5 Hz rather than 59.4 HZ) or a high frequency amount of an equal quantity. Should such an event happen, the ERO will provide additional guidance.

Balancing Authorities that elect to form a FRSG as a means to jointly meet the FRO will calculate their FRM performance one of two ways:

- Calculate a group NI_A and measure the group response to all events in the reporting year on a single FRS Form 1, or
- Jointly submit the individual Balancing Authority's Form 1s, with a summary spreadsheet that contains the sum of each participant's individual event performance.

Timeline for Balancing Authority Frequency Response and Frequency Bias Setting Activities

Described below is the timeline for the exchange of information between the ERO and Balancing Authorities to:

- Facilitate the assignment of Balancing Authority FRO
- Calculate Balancing Authority FRM
- Determine Balancing Authority Frequency Bias Settings

Target Business Date	Activity
March 1	**FRS Form 1 is posted by the ERO* with all selected events for the operating year for BA usage.**
April 1	**BAs and FRSGs complete their frequency response forms for all four quarters, including the BAs' FBS calculations, returning the results to the ERO.**
May 1	**The ERO validates FBS values, computes the sum of all FBS values for each Interconnection.**
May 15	**The BAs not required to file FERC Form 714 receive a request to provide load and generation data as described in the *Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard*** to support FRO assignments and determining minimum FBS for the upcoming year. Data to be provided by July 15.**
June 1	The BA implements any changes to their FBS.
November 1	The ERO assigns FRO values and Minimum FBS for the upcoming year to the BAs.

* If 4th quarter posting of FRS Form 1s is delayed, the ERO may adjust the other timelines in this table by a similar amount.

** Procedure for ERO Support of Frequency Response and Frequency Bias Setting Standard

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 subject to NERC second quarter FRS Form 1 posting, preferably 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 WPP 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 WPP Staff for Q1, Q2, Q3, or Q4 were derived, then (a) the Participant will notify the WPP Staff and provide corrected Assessment Data as necessary to accurately reflect any such corrections, modifications, amendments, or restatements, and (b) provided the WPP 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 (Frequency Response Obligation) 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,

Response Ratio = FRM/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, Response Ratio ≥ 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 Attachment F of these Operating Rules.

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.

Attachment E

PROCESS FOR ADMITTING NEW PARTICIPANTS

1. Applicable Defined Terms. Any capitalized term used in this Attachment E that is not otherwise defined in Section B of the Operating Rules or this Attachment E 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 WFRSG as provided in Section 2 of this Attachment E (an "Applicant") may begin the application process by delivering to the WPP a letter, signed by a duly authorized representative of the Applicant (an "Application Letter"). An Applicant must deliver its Application Letter to the WPP 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 WFRSG. The date on which an Applicant delivers its Application Letter to the WPP 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 WFRSG as a Participant,

(b) will cooperate in good faith with the WFRSG Committee to complete the application process in accordance with this Attachment E,

(c) is willing to sign and abide by the short-form confidentiality agreement required by Section 3.3 of this Attachment E,

(d) acknowledges and agrees that it has no legal or contractual right to become a Participant in the WFRSG,

(e) recognizes the obligations stated in Section 3.4 of this Attachment E, 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 Attachment E.

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 the Applicant will abide indefinitely 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, whether or not the Applicant ultimately becomes a Participant. 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 WFRSG 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 WFRSG 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 WFRSG, 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 WFRSG.

4. Submittal of Information; Disclosure Obligations.

4.1 Compliance Data. An Applicant that operates an existing Balancing Authority in the Western Interconnection must, within ten (10) Business Days following its Application Date, submit to the WPP 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, 2025 must submit its BAL-003 compliance data for Operating Years 2024 and 2023.

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 WPP 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 WFRSG, 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 Attachment E**,** 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 WFRSG. 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 Attachment E and be ready to deliberate and act on the Applicant's request to join the WFRSG 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 WFRSG 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 WFRSG (an "Admission Vote"). For the avoidance of doubt, in determining whether the WFRSG Committee's action on an Applicant's request to join the WFRSG 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 Attachment E 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 Attachment E, and (b) the further provisions set forth in Sections 7 and 8 of this Attachment E. If a conditionally admitted Participant fails either to (i) complete the actions specified in Section 6 of this Attachment E, or (ii) participate in the Screening Assessment as provided in Section 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 Attachment E.

5.4 **WFRSG Committee Discretion – No Third-Party Rights to Join.** Nothing in the Agreement (including this Attachment E) (a) confers on any Applicant (or other third party) any right to join the WFRSG 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 WFRSG.

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 WPP 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 Attachment E and subject to Section 8 of this Attachment E.

7. **Screening Assessment for Conditionally Admitted Participant.** A Participant conditionally admitted as described in Section 5.3 of this Attachment E 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 Attachment E, Participant's admission to the WFRSG 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 WFRSG only if the results of an Admission Confirmation Vote are as described in Section 8.1 of this Attachment E.

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 WFRSG 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 WFRSG 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 WFRSG 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 Attachment E.

Attachment F

PROCEDURES FOR PARTICIPANT EXPULSIONS

1. Applicable Defined Terms. Any capitalized term used in this Attachment F that is not otherwise defined in this Attachment F will have the meaning specified in **Section 2** of the body of the Agreement.

2. Triggers for Expulsion Decision Meeting. This Section 2 of Attachment F 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 Attachment F or that is designated for a Participant Expulsion Vote under Section 2.2 of this Attachment F 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 WFRSG, but (a) the Notified Participant will have the right, as provided in Section 3.3 of this Attachment F, 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 Attachment F 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 Attachment F).

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 Attachment F) 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. WPP'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 Attachment F or a requesting Participant's delivery of a notice under Section 2.2 of this Attachment F 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 Attachment F, 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 WFRSG. 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 WFRSG,

(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 Attachment F, 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 Attachment F. 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 Attachment F, 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 Attachment F, 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 WFRSG as provided in Section 6 of this Attachment F, 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 Attachment F will be subject to Section 7 of this Attachment F.

(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 Attachment F, 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 Attachment F, 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 Attachment F, 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 WFRSG as provided in Section 6 of this Attachment F, 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 Attachment F will be subject to Section 7 of this Attachment F.

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 WFRSG provided the Notified Participant delivers written notice to the WPP 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(c) 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 Attachment F, 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 Attachment F, the Participant will be expelled effective at the start of the next upcoming Operating Year.

Attachment G

METHODOLOGY TO BE USED BY THE WPP FOR DETERMINING THE IDENTITY AND PROPORTIONATE RESPONSIBILITY OF IDENTIFIED PARTICIPANTS

The WPP 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 these Operating Rules and Attachment G are attached. The occurrence of an Actual WFRSG Compliance Failure will be based on determinations of the compliance performance of the WFRSG as a whole, as provided in the WFRSG Operating Rules, and will be subject to the reporting provisions of Attachment H.

$ShareIPResp = (Deficit_{IP} / Deficit_{ALLIPS}) \times 100$

Where,

$ShareIPResp =$	an Identified Participant's proportionate share (expressed as a percentage) of responsibility for an Actual WFRSG Compliance Failure
$Deficit_{IP} =$	the amount (measured in MW/0.1 Hz) by which $MedianEventFRM_{IP}$ was less than FRO_{IP}, stated as an absolute value
$Deficit_{ALLIPS} =$	the sum (stated in MW/0.1 Hz) of all Identified Participants' $Deficit_{IPS}$
and	
$MedianEventFRM_{IP} =$	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
$FRO_{IP} =$	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$_{IP}$)**	**(FRO$_{IP}$)**	**(Deficit$_{IP}$)**	**(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$_{IP}$ /Deficit$_{ALLIPS}$) * 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$_{ALLIPS}$**) 101.00	100.00%

Attachment H

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 WFRSG has experienced an Actual WFRSG Compliance Failure, the WFRSG will implement the following procedures:

1. If the WFRSG 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 WFRSG 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 WFRSG or the Participants.

2. If the WFRSG 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 Attachment G.

3. Consistent with the terms of Section 7.4 of the Agreement to which the Operating Rules and this Attachment H is attached, no determination of the WPP 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 WPP 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.

Attachment I

WFRSG AFFILIATE POLICY

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.[1] For purposes of participation in the WFRSG (voting, payment, treatment as single vs. affiliated Participant), the following shall apply:

1) Presumption. With respect to WFRSG membership, Participants that would otherwise be deemed "affiliates" under the above definition will presumptively be treated as separate entities with respect to WFRSG participation (including voting and membership rights), so long as those Participants operate as independent BAs. Regional divisions or operating units of a single federal power marketing administration also will presumptively be treated as separate entities with respect to WFRSG participation (including voting and membership rights) so long as they operate independent BAs.

2) Exceptions. Any Participants that meet the definition of "affiliates" but prefer to be treated as a single entity for purpose of WFRSG participation may apply to the WFRSG for an exception to the presumption stated in subsection (1). If the exception is granted, the Participants so applying will be treated as affiliated for purposes of WFRSG participation (including one payment obligation; one vote).

3) Timing, Process, and Limitations for Seeking Exceptions under Section (2).

   a) *New Participants*. New Participants that wish to be treated as affiliates must seek an exception upon application to participate in the WFRSG.

   b) *Changes to Affiliate Status*. Participants that otherwise wish to change their affiliate status may seek to do so by sending a request for change of status to the WFRSG no later than October 1 of each year. The WFRSG will consider the request during its subsequent meeting, and if approved, the change of status will go into effect on July 1 of that year.

   c) *Form of request*. Any Participant(s) requesting an exception or a change of status under this policy must send a request to the WFRSG Chair(s) in writing, identifying the names and relationships of Members seeking a change in

[1] The "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any entity, means (a) 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, (b) the right to direct the policies or operations of that entity, or representation on the entity's board of directors (or equivalent managing entity) or vice versa.

status and the reasons the Participants believe the change in status will not negatively impact the WFRSG.

4) The foregoing provisions notwithstanding, a group of otherwise affiliated Participants will not be treated as non-affiliated if such treatment would result in the entities obtaining more than 25 percent of the WFRSG vote. In such an instance, the group of otherwise affiliated Participants must apply for affiliate status consistent with Section 2 of this Affiliate Policy, such that the affiliate group does not exceed the 25 percent voting threshold.

Attachment J

WFRSG Committee Charter

Western Frequency Reserve Sharing Group: Committee Charter

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Section 1: Purpose

The Western Frequency Reserve Sharing Program Committee (WFRSG Committee or WFRSGC) Charter is a Charter created under the Superseding Western Frequency Reserve Sharing Group Implementation Agreement (Agreement). The Charter is intended to serve as a guide for WFRSG Committee operations, consistent with the Agreement. Should there be a conflict between the Charter and the Agreement, the Agreement will prevail.

Section 2: WFRSG Committee Functions

Membership Eligibility

Any WFRSG Participant in good standing may participate in the WFRSG Committee.

Representative Appointment

Consistent with the Agreement, each Participant has the right, but not the obligation, to appoint one primary representative and no more than two alternate representatives (collectively, Participant's "Committee Members") to the WFRSG Committee. A Participant may not appoint a Committee Member who is a "Marketing Function Employee," as that term is defined by the Federal Energy Regulatory Commission.

WPP has the right, but not the obligation, to appoint one non-voting representative to the WFRSG Committee.

All Committee Members must abide by any policies and procedures adopted by the WFRSG Committee.

Representative Expectations

When attending meetings and participating in voting, Primary and Alternate Representatives are expected to be decision makers representing their entities. Primary WFRSGC Representatives are expected to participate in each scheduled WFRSG meeting, in-person, or by electronic conferencing. Alternate WFRSG Representatives shall be expected to participate when the Primary WFRSG Representative is unavailable.

Change of WFRSG Committee Representative

Any WFRSGC Participant may change its Representative by providing written notice to the WFRSG Chair. A Participant may provide this notice to the WFRSGC Chair directly or to Western Power Pool staff (WPP Staff), copying the WFRSGC Chair. WPP Staff will ensure that the WFRSGC Chair is provided the written notification of any change in representatives. WPP Staff will ensure that the committee roster is maintained and up to date with the list of representatives and their contact information.

Section 4: Meetings

Periodic Meetings. Consistent with the Agreement, for each subsequent Operating Year, the WFRSG Committee will schedule their quarterly meetings to align with the NERC posting of Frequency Events for each quarter of the Operating Year immediately to follow.

Unless all members of the WFRSG Committee 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 quarterly meeting schedule established at the end of each quarterly meeting by the WFRSG Committee 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.

Quorum

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.

Voting

Ordinary WFRSG Committee Vote. Unless the Agreement or Operating Rules provide otherwise, 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. This shall be referred to as "Ordinary WFRSG Committee Vote."

Manner of Tabulating Votes for Ordinary WFRSG Committee Action. In determining the results of an Ordinary WFRSG Committee Vote, 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 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.

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 Operating Rules Attachment E to the Operating Rules (and, if the Applicant granted conditional admission fails the Screening Assessment, will be subject to an Admission Confirmation Vote as defined in Attachment E). WFRSG Committee action to expel or rescind automatic expulsion of an existing Participant will be subject to the voting requirement set forth in Operating Rules Attachment F.

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 WPP'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.

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 may not conflict with or override any provision in the Agreement (including any provision set forth in an exhibit) requiring a particular manner or threshold for voting.

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 WPP before or during the meeting:

(i) whether the scope of authority granted to and accepted by the WPP 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 Operating Rules Attachment H;

(iii) the allocation under Section 2 of Exhibit B to the Agreement of costs for services provided by the WPP 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.

Request for Vote. If any Committee Member or the WPP requests that an Ordinary WFRSG Committee Vote be taken on any of the matters listed in above 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 WPP) 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 may be delayed only until the next meeting of the WFRSG Committee. This section does not apply to any Admission Vote, Admission Confirmation Vote, or Participant Expulsion Vote.

Participation by Telephone. Any Committee Member or WPP 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.

Guests

The WFRSG Committee is a closed committee, and its meetings are not open to non-members; however, guests may participate under approval by the Chairmanship, and at the request of a Committee Member. Requests for guest attendance must include adequate justification, as determined by the WFRSG Chairmanship, and should be submitted one week in advance of the meeting or unless otherwise approved by the WFRSG Chairmanship. The Chair may also approve non-member guests for presentations or special requests for relevant WFRSG Committee discussion topics. The WFRSG Chair reserves the authority to request guests to leave for any part of the meeting that discusses sensitive or confidential information.

Action without a Meeting

In times where the WFRSG Committee has a restrictive timeline for addressing action items before a regularly scheduled meeting, and where there is not enough time to schedule a special meeting, the WFRSG Chair may elect to request a special email ballot. In such cases, WPP staff will conduct the email vote through outreach to all WFRSG representatives and report back to membership on the results by the next scheduled working day. The quorum and voting standards that apply to an email vote shall be the same quorum and voting standards that would apply had the vote taken place with a meeting.

Section 5: Officers

Officers

The WFRSG Committee must have a Chair, who will preside at meetings of the WFRSG Committee. Every two years, the WFRSG Committee shall elect a Vice Chair for the beginning of a new Operating Year to serve a four-year term on the WFRSG Committee. The Vice Chair will serve the first two years in the role of Vice Chair, and the second two years in the role of Chair, without the need for further election. 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.

Section 6: Meeting Procedures

Motions and Voting Procedures

Motions and Voting Procedures shall use the principles of the most current version of *The Robert's Rules of Order the Modern Edition* as a general guideline. Motions and seconds may only be made by WFRSG Member Representatives in attendance. Where an WFRSG Member has both their primary and alternate member representatives present, only the designated primary member is permitted to make motions and seconds. The Chair will allow for discussion after a motion is made, and prior to calling for a vote.

Minutes

Meeting minutes will be taken by WPP Staff. The meeting may be recorded and/or transcribed to assist the WPP Staff in ensuring the minutes are accurate. The completed "draft" minutes will be distributed to the Chair to review for accuracy, and then to the Representatives of the WFRSG Committee for review. Each meeting the Chair will ask for a motion to approve the previous meeting minutes.

Minutes will be posted for review no later than 2 weeks prior to the next scheduled meeting of the WFRSG Committee.

Section 7: Subcommittees

The WFRSG Committee may establish and disband subcommittees, task forces, and work groups as necessary to perform its work.

Section 8: WFRSG Committee Procedures for WFRSG Membership Evaluation and Dispute Resolution

The WFRSG Committee may adopt, modify and rescind non-discriminatory policies or procedures to evaluate requests to become WFRSG Members and for resolving disputes as long as they are consistent with the Agreement.

Section 9: Communications

Communications that require notice to be provided consistent with the Agreement must be provided as indicated in the Agreement. Otherwise, communications regarding business of the WFRSG Committee will primarily be through email, MS Teams for meetings, and posting of meeting information and notices on the WFRSG library on the WPP corporate website. The WFRSG library will have controlled access to WPP staff, and designated WFRSG representatives and observers.

Member communications can be one-to-one, one-to many, or general group communications. The WFRSG Chair and WPP Staff will coordinate official communications for all members and send them primarily using email, and/or post them on the WPP

platform. Email communications rely on each member maintaining a current contact list with the WPP Staff.

Meeting agendas and materials will be available for each meeting using the WFRSG Committee SharePoint and may also be distributed by WPP Staff via email. It is the responsibility of each member to monitor the WPP platform for WFRSG meeting updates, announcements and materials. WPP staff will endeavor to keep members up to date on any changes to the WFRSG library.

Section 10: WFRSG Committee Charter Changes

The WFRSG Committee may make corrections and changes to this charter from time-to-time with a two-thirds vote of the representatives. Changes do not require legal review, and the approval will be documented through meeting minutes. No modifications to this Charter may conflict with the Agreement.

Errata changes that do not change the intent of the charter can be made by WPP Staff and approved by the OC Chair.

Revisions

Number	Date	Summary	Approved
0	08/01/2026	Initial Document	WFRSG Committee

Attachment K

List of WFRSG Committee Representatives

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DOCUMENTATION HISTORY

Updates:	**Date:**
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
Update to Attachment B update from Nevada Power registered entity name change to NV Energy which become effective July 7, 2020	7-31-2020
Update to Attachment B with new Balancing Authority Participants (PSCO, SCL and WACM), effective for upcoming Operating Year 2021	10-9-2020
Update to Attachment B with new Balancing Authority Participant (AVRN), effective for upcoming Operating Year 2022	9-1-2021
Addition of new term '*FRSG Frequency Response Obligation'* and conforming changes. Additions to define data exclusions for both compliance and evaluation purposes to Section E.2. and E.3.	5-31-2023
Update to Attachment B with new Balancing Authority Participant, SRP, effective for upcoming Operating Year 2024	8-15-2023
Reorganization and addition of Appendices E through K	9-1-2026