



Pacific Power |  
Rocky Mountain Power  
825 NE Multnomah, Suite 1600  
Portland, Oregon 97232

February 11, 2022

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

RE: *PacifiCorp*  
Agreement with Deseret Generation and Transmission Cooperative, Inc. Regarding Self-Supply of Ancillary Service Schedules 5 and 6  
Docket No. ER22-\_\_\_\_-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),<sup>1</sup> Part 35 of the Federal Energy Regulatory Commission’s (“FERC” or the “Commission”) regulations,<sup>2</sup> and Order No. 714,<sup>3</sup> PacifiCorp hereby submits for filing a service agreement (“Self-Supply Service Agreement”) with Deseret Generation and Transmission Cooperative, Inc. (“Deseret”) regarding Deseret’s self-supply of Ancillary Service Schedules 5 (Operating Reserves – Spinning) and 6 (Operating Reserves – Supplemental) under the PacifiCorp Open Access Transmission Tariff (“OATT”).

PacifiCorp respectfully requests the Commission accept the Self Supply Service Agreement, to be effective February 10, 2022.

## **I. Background**

### **a. Commission acceptance of PacifiCorp’s Ancillary Services rates and related terms and conditions.**

On February 1, 2021, PacifiCorp filed revisions to its OATT to update the rates for the following ancillary services: Schedule 2, Reactive Supply and Voltage Control from Generation or Other Sources Service; Schedule 3, Regulation and Frequency Response Service; Schedule 3A, Generator Regulation and Frequency Response Service; Schedule 5, Operating Reserve – Spinning Reserve Service; and Schedule 6, Operating Reserve – Supplemental Reserve Service.<sup>4</sup>

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<sup>1</sup> 16 U.S.C. § 824d (2021).

<sup>2</sup> 18 C.F.R. Part 35 (2021).

<sup>3</sup> *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008).

<sup>4</sup> PacifiCorp, Transmission OATT and Service Agreements: [Schedule 2, Reactive Supply and Voltage CTRL from Gen or Other Sources, 4.0.0](#); [Schedule 3, Regulation and Frequency Response Service, 11.0.0](#); [Schedule 3A, Generator Regulation and Frequency Response Service, 10.0.0](#); [Schedule 5, Operating Reserve - Spinning Reserve Service, 8.0.0](#); and [Schedule 6, Operating Reserve - Supplemental Reserve Service, 8.0.0](#).

PacifiCorp also filed to revise certain non-rate terms and conditions in Attachment U of its OATT.<sup>5</sup> Attachment U provides terms and conditions for self-supply of ancillary services under the PacifiCorp OATT. On April 1, 2021, the Commission accepted PacifiCorp's filing and granted the requested effective dates.<sup>6</sup>

b. Attachment U – Requirements for Self-Supply of Ancillary Services.

As relevant to this filing, Section 4.2 of the Attachment U establishes procedures and requirements for self-supply of Schedule 5 (Operating Reserves – Spinning) and Schedule 6 (Operating Reserves – Supplemental) services. Among other things, Section 4.2 addresses resource eligibility requirements, performance monitoring, the automated process for deployment of Transmission Customer resources, settlements, and reports. Section 3.7 of Attachment U provides, in part, that the Transmission Customer: (1) is responsible for the installation of all equipment (including but not limited to metering and telecommunications equipment) necessary to meet the requirements to self-supply or purchase third-party supply, and (2) will reimburse PacifiCorp or its affiliates for any expenses prudently incurred to accommodate the request for self-supply or third-party supply.

Consistent with Commission guidance,<sup>7</sup> Section 3.1 of the Attachment U requires that a Transmission Customer's self-supply arrangement for ancillary services be set forth in a revision to an existing transmission service agreement or a separate service agreement with PacifiCorp. Section 3.1 states that such service agreement must specify, as applicable:

- (1) the detailed arrangements made to supply the services including, but not limited to, specification of the amount of service required to meet the customer's Ancillary Services obligations, identification of the resource(s) supplying the service and the Balancing Authority Area where the resource(s) are located;
- (2) metering and communications equipment;
- (3) procedures for data exchange or automation;
- (4) the calculation of the Transmission Customer's obligation; and
- (5) processes for forecasting, deploying, and verifying performance of self-supply or third-party supply.

c. Deseret.

Deseret is a not-for-profit generation and transmission electric cooperative formed by its six distribution cooperative members in the late 1970s. Deseret is an existing transmission

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<sup>5</sup> PacifiCorp, Transmission OATT and Service Agreements, [Attachment U, Requirements for Self-Supply of Schedules 5 and 6, 1.0.0.](#)

<sup>6</sup> *PacifiCorp*, letter order, Docket No. ER21-1015-000 (Apr. 1, 2021).

<sup>7</sup> See *New Horizon Elec. Coop., Inc. v. Duke Power Co.*, 93 FERC ¶ 61,029 at 61,054-55 (2000); *Illinois Power Co.*, 87 FERC ¶ 61,172 at 61,683 (1999); *Allegheny Power Systems, Inc.*, 80 FERC ¶ 61,143 (1997).

customer of PacifiCorp that takes transmission service under a contract that pre-dates Order No. 888, which currently is the Seventh Amended and Restated Transmission Service and Operating Agreement between Deseret and PacifiCorp.<sup>8</sup> Deseret was a party to the settlement that led to the February 1, 2021 filing by PacifiCorp of the revised ancillary services rates, terms, and conditions.

## II. Description of Filing

The Self-Supply Service Agreement was negotiated by PacifiCorp and Deseret in accordance with Attachment U. The Self-Supply Agreement is materially identical to self-supply agreements between PacifiCorp and Utah Associated Municipal Power Systems<sup>9</sup> and between PacifiCorp and Utah Municipal Power Agency,<sup>10</sup> which have been accepted by the Commission.

The Self-Supply Service Agreement sets forth the customer-specific terms and conditions for Deseret's self-supply of Operating Reserves – Spinning and Operating Reserves – Supplemental from the Fort Pierce Plant. Similar to the “specifications sheet” of a *pro forma* point-to-point transmission service agreement under the PacifiCorp OATT, the Self-Supply Agreement includes a Specifications Sheet with details of Deseret's self-supply. In addition, Appendix I of the Self Supply Service Agreement details the scope of work and estimate for implementation costs of the self-supply arrangement.

The Self-Supply Service Agreement has a service term of five (5) years commencing on the later of: (1) the requested service commencement date (June 1, 2022), as provided in the Specification Sheet; (2) the date on which the work in the estimated Scope of Work is substantially completed and ready for commercial operation; or (3) the effective date of the revised version of PacifiCorp OATT Attachment U accepted in Docket No. ER21-1015-000 (i.e., March 1, 2022). Service will be automatically extended for a one-year term after the initial five-year term and for successive one-year terms thereafter until the agreement is terminated. The Self-Supply Service Agreement may be terminated: (1) upon thirty (30) days advance notice by Deseret to PacifiCorp; (2) as provided in Section 10.2 of the Specifications Sheet, which provides Deseret the right to terminate the Self Supply Service Agreement if certain additional installation costs are required; or (3) by the Transmission Provider pursuant to the terms of Attachment U.

The Specifications Sheet describes Deseret's self-supply arrangement involving the Fort Pierce Plant, the metering and communications equipment, the procedures for data exchange or automation, the calculation of Deseret's self-supply obligation, and the procedures for forecasting, deploying and verifying performance. These aspects of the Self-Supply Service Agreement provide the details required by Section 3.1 of Attachment U.

Consistent with Section 3.7 of Attachment U of the PacifiCorp OATT, the Specifications Sheet details the cost responsibility of Deseret for expenses incurred by PacifiCorp for installing equipment and software to facilitate the self-supply. Section 10.1 of the Specifications Sheet requires Deseret to pay 100 percent of PacifiCorp's good faith cost estimate described in the scope of work within fifteen (15) days after the Execution Date of the Self-Supply Service Agreement.

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<sup>8</sup> The TSOA with Deseret is designated as PacifiCorp Rate Schedule No. 280.

<sup>9</sup> See *PacifiCorp*, letter order, Docket No. ER21-2909-001 (Dec. 15, 2021).

<sup>10</sup> See *PacifiCorp*, letter order, Docket No. ER21-2953-000 (Nov. 19, 2021).

Transmission Provider shall not be obligated to commence work (the “PacifiCorp Work”) until it receives such payment. The scope of work, which is found in Appendix I of the Self Supply Service Agreement, details a cost estimate of \$24,000 to be paid by Deseret. Section 10 of the Specifications Sheet also discusses the cost responsibilities of the parties with respect to additional installation costs that may arise and other expenses.

As discussed below, PacifiCorp requests that the Commission grant an effective date for the Self-Supply Service Agreement of February 10, 2022, which is the date of execution of the Self Supply Service Agreement, so that Deseret’s payment of the cost estimate may timely be used to facilitate the installation work that must be completed by PacifiCorp before self-supply can begin. Deseret will begin self-supplying the ancillary services after such work is completed, on June 1, 2022.

### **III. Enclosures**

Enclosed with this filing is the Self-Supply Service Agreement in e-Tariff format.

### **IV. Effective Date and Requests for Waiver**

PacifiCorp respectfully requests that the Commission grant waiver of the prior notice requirement and accept the Self-Supply Service Agreement effective February 10, 2022, the date of execution of the Self-Supply Service Agreement. The Self-Supply Service Agreement is an agreement under Attachment U of the PacifiCorp OATT – a tariff of general applicability -- and is being filed within thirty (30) days of the requested effective date. As such, the agreement is eligible for waiver of the Commission’s prior notice requirements, consistent with Commission policy.<sup>11</sup>

As noted above, service under the Self-Supply Service Agreement is scheduled to commence on June 1, 2022. While service will not commence until the Summer of 2022, the Self-Supply Service Agreement contains specifications and arrangements regarding necessary software and installation work that must be completed in advance of the date self-supply commences. Thus, similar to an interconnection agreement that must become effective prior to the commercial operations date of the interconnecting resource, the Self-Supply Service Agreement must be placed into effect in advance of the date when self-supply will commence, so that the equipment necessary to allow the self-supply to occur is in place.

The costs associated with the Self-Supply Service Agreement and their justification are described above and in the agreement. To the extent necessary, PacifiCorp respectfully requests waiver of any requirements of the Commission’s rules and regulations, as well as any authorizations as may be necessary or required, to permit the Self Supply Service Agreement to be accepted by the Commission and made effective in the manner proposed.

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<sup>11</sup> *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84, *reh'g granted in part*, 65 FERC ¶ 61,081 (1993). *See also International Transmission Co.*, 139 FERC ¶ 61,022 (2012).

**V. Communications**

All communications and correspondence regarding this filing should be forwarded to the following persons:

Matt Loftus  
Assistant General Counsel  
PacifiCorp  
825 N.E. Multnomah, Suite 2000  
Portland, OR 97232  
(512) 771-7434  
[Matthew.Loftus@PacifiCorp.com](mailto:Matthew.Loftus@PacifiCorp.com)

Christine Kirsten  
Transmission Account Manager  
708 HWY 395 North  
Alturas, CA 96101  
(916) 365-1095  
[Christine.Kirsten@PacifiCorp.com](mailto:Christine.Kirsten@PacifiCorp.com)

**VI. Service**

PacifiCorp has served a copy of this filing upon Deseret.

**VI. Conclusion**

For the foregoing reasons, PacifiCorp respectfully requests that the Commission accept PacifiCorp's filing, effective February 10, 2022 as requested. If you have any questions, or if I can be of further assistance, please do not hesitate to contact me.

Respectfully Submitted,

/s/ Matthew Loftus

*Attorney for PacifiCorp*

## **Agreement Regarding Self-Supply of Ancillary Service Schedules 5 and/or 6**

1.0 This Service Agreement, dated as of February 10, 2022, is entered into, by and between PacifiCorp (the “Transmission Provider”), and Deseret Generation and Transmission Cooperative, Inc. (“Deseret” or “Transmission Customer”) (each individually, a “Party” and collectively, “Parties”).

2.0 Transmission Customer currently takes transmission service from Transmission Provider pursuant to an Amended and Restated Transmission Service and Operating Agreement, effective November 2, 2020, between the Parties, as such agreement may be amended from time to time with a new effective date thereafter (the “TSOA”).

Transmission Customer has requested to self-supply or arrange for third-party supply pursuant to either or both of Schedules 5 and 6 (Operating Reserves – Spinning Reserve Service and Supplemental Reserve Service) and conditioned upon installation of all equipment necessary to meet the requirements of Attachment U of Transmission Provider’s Tariff. Transmission Provider has determined that the Transmission Customer meets the requirements applicable for the self-supply or third-party supply of Schedules 5 and 6.

3.0 Pursuant to Sections 3.1 and 3.7 of Attachment U of Transmission Provider’s Tariff, Transmission Provider and Transmission Customer have agreed to enter into this Agreement Regarding Self-Supply of Ancillary Service Schedules 5 and/or 6 (the “Service Agreement”) to set forth the terms and conditions for the Transmission Customer’s self-supply or third-party supply of Schedules 5 and 6 and the payment responsibility for Transmission Provider’s prudently incurred expenses to accommodate Transmission Customer’s request for self-supply or third-party supply.

4.0 Pursuant to Section 3.7 of Attachment U of Transmission Provider’s Tariff, the Transmission Customer is responsible for the installation of all equipment (including but not limited to metering and telecommunications equipment) necessary for the Transmission Customer to meet the requirements to self-supply or purchase third-party supply as specified in Attachment U, and the Transmission Customer will be responsible for any expenses prudently incurred by Transmission Provider to accommodate the request for self-supply or third-party supply. The equipment and software to be installed by Transmission Customer and Transmission Provider are described in the Scope of Work in Appendix 1 to this Service Agreement. Transmission Provider’s agreement to install the equipment and software to facilitate Transmission Customer’s self-supply or third-party supply of Schedules 5 and 6 is based upon Transmission Customer’s agreement to pay Transmission Provider’s prudently incurred costs of installation and ongoing operations and maintenance expenses, if any, in accordance with section 10 of the Specifications for Self-Supply or Third-Party Supply Pursuant to Schedules 5 and/or 6 of this Service Agreement (the “Specifications Sheet”).

5.0 The Transmission Customer agrees to self-supply or arrange for third-party supply pursuant to Schedules 5 and 6 in accordance with the provisions of Attachment U of the Transmission Provider’s Tariff and this Service Agreement.

## 6.0 Term:

Service under this Service Agreement shall commence on the later of (1) the requested service commencement date, as provided in the Specification Sheet; (2) the date on which the work in the estimated Scope of Work is substantially completed and ready for commercial operation; or (3) the effective date of the revised version of Transmission Provider OATT Attachment U accepted in Docket No. ER21-1015-000. Unless terminated earlier pursuant to Section 8.0, this Service Agreement shall have an initial term of five years that begins on the service commencement date. Service under this Service Agreement will be extended for a one-year term after the initial five-year term and for successive one-year terms thereafter until this Service Agreement is terminated pursuant to Section 8.0.

## 7.0 Amendments or Changes to Service Agreement:

This Service Agreement may be modified from time to time to reflect changes to Transmission Customer's service specifications, including changes to reflect a transition from self-supply to third-party supply, or vice versa. All amendments will be set forth in writing and filed with FERC under Section 205 of the Federal Power Act ("FPA"). No amendment shall be necessary for application of the applicable charges pursuant to Section 3.4 of Attachment U of the Transmission Provider OATT for failure to perform or to meet requirements. Except as provided in Section 10.2 of the Specifications Sheet: (i) changes in costs or charges that arise after the Service Agreement has been filed at FERC may only be incorporated into this Service Agreement by a filing under Section 205 of the FPA by the Transmission Provider or a filing under Section 206 of the FPA by the Transmission Customer, with each Party maintaining all rights before FERC to oppose such filing(s); and (ii) for the avoidance of doubt, any change to a cost, charge, or non-rate term and condition under this Service Agreement proposed by a Party that is not agreed to by the other party shall be subject to the "ordinary" just and reasonable standard under *Devon Power LLC*, 134 FERC ¶ 61,208 at P 10 (2011), *reh'g denied*, 137 FERC ¶ 61,073 (2011), *review dismissed in part and denied in part sub nom. New England Power Generators Ass'n v. FERC*, 707 F.3d 364, 404 U.S. App. D.C. 66 (D.C. Cir. 2012).

## 8.0 Termination:

This Service Agreement may be terminated: (1) upon thirty (30) days advance notice by Transmission Customer to Transmission Provider; (2) as provided in Section 10.2 of the Specifications Sheet; or (3) by the Transmission Provider pursuant to the terms of Attachment U. In the event the Service Agreement is terminated, Transmission Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of materials or equipment procured by Transmission Provider on Transmission Customer's behalf pursuant to this Service Agreement.

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

Transmission Provider:

US Mail Deliveries:  
PacifiCorp Transmission Services  
Attn: Central Cashiers Office  
PO Box 2757  
Portland, OR 97208-2757

Other Deliveries:  
Central Cashiers Office  
Attn: PacifiCorp Transmission Services  
825 NE Multnomah Street, Suite 550  
Portland, OR 97232

PH. Number: 503-813-6744

Transmission Customer:

Deseret Generation & Transmission Cooperative  
10714 South Jordan Gateway, Suite 300  
South Jordan, UT 84095  
Attn: President/CEO

PH. Number: 801-619-6500

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

Transmission Provider:

By:	<u>/s/ Brian Fritz</u>	Director, <u>Transmission Services</u>	<u>02/10/2022</u>
	Name	Title	Date

Transmission Customer:

By:	<u>/s/ Clay MacArthur</u>	<u>VP, Power Marketing</u>	<u>February 10, 2022</u>
	Name	Title	Date



## Specifications for Self-Supply or Third-Party Supply Pursuant to Schedules 5 and/or 6

1.0 Term of Transaction: 5 years

Start Date: 06/01/2022

Termination Date: 05/31/2027

2.0 Description of arrangements made for self-supply or third-party supply, including the specification of the amount of service required to meet the Transmission Customer's Ancillary Services obligation, identification of the resource(s) supplying the service and the Balancing Authority Area where the resource(s) are located:

Transmission Customer will self-supply Schedules 5 and/or 6 using the Ft. Pierce plant located in the PACE balancing authority area beginning on the start date of this Service Agreement through an automatic dispatch process as specified in Attachment U of Transmission Provider's Tariff and this Service Agreement. Transmission Customer will forecast the number of megawatts ("MWs") it will be self-supplying for Schedules 5 and/or 6 as specified in Section 6.1 below to meet its obligation. The Transmission Provider will charge the Transmission Customer under Schedule 5 and/or 6 for the shortfall, if any, between the amount of Transmission Customer's reserve obligation under Schedule 5 and/or 6 and the amount that Transmission Customer self-supplies.

3.0 Description of the metering and communications equipment:

The Transmission Customer is connected via a RTU at the Bonanza Substation that facilitates communications between the Transmission Customer's and Transmission Provider's EMS using a Distributed Network Protocol (DNP) over serial connection.

4.0 Description of the procedures for data exchange or automation:

4.1 Data Exchange or Automation:

The data points that the Transmission Customer is required to supply to Transmission Provider in order to facilitate the automation of Schedule 5 and 6 self-supply are required pursuant to Attachment U of Transmission Provider's Tariff as outlined below in Appendix 1. All applicable data points shall be sent to Transmission Provider every four (4) seconds to communicate the resource's status, capability, and current output. Transmission Provider will send a deployment amount requested (in MWs) to the Transmission Customer every four (4) seconds. The details for deployment are further specified below in Section 6.2 of this Specification Sheet to this Service Agreement.

#### 4.2 Communication Error Events:

Transmission Provider will notify the Transmission Customer immediately once Transmission Provider has discovered communication issues with the data exchange. The Transmission Customer shall notify Transmission Provider immediately once a communication error has been discovered on the Transmission Customer's side of data exchange. The Parties shall work together to rectify any data exchange issues quickly in order to comply with BAL-002-3 and BAL-002-WECC-3, or any successor requirement.

#### 5.0 Description of the calculation of the Transmission Customer's obligation:

The amount of Transmission Customer's reserve obligation under Schedules 5 and 6 shall be determined in accordance with Exhibit E to the TSOA and Attachment V of Transmission Provider's Tariff.

#### 6.0 Description of the processes for forecasting, deploying, and verifying performance of self-supply or third-party supply:

##### 6.1 Forecasting:

The Transmission Customer will provide a Day Ahead rolling seven-day forecast of its self-supply amount in MWs for each operating hour by submitting the forecast via capacity e-Tag(s). These submissions can be updated up to 57 minutes before the operating hour. When e-Tagging Schedule 5 and 6 requirements, the Transmission Customer will include one of the following in the comment field to identify the specific type of reserve being e-Tagged:

- RES-SPIN-PUR = Purchased Spinning Reserves
- RES-SPIN-SP = Self-Provided Spinning Reserves
- RES-NS-PUR = Purchased Non-Spinning Reserves
- RES-NS-SP = Self-Provided Non-Spinning Reserves

##### 6.2 Deployment:

The automatic deployment signal (MW value) will be sent from Transmission Provider to the resource and will either be a zero (0) for non-deployment or a value greater than zero (0) indicating that the resource shall deploy. The MW value greater than zero (0) will be the pro-rata calculated portion of reserves that the resource should deploy. The resource(s) identified in Section 2 of this Service Agreement Specification Sheet shall respond to a deployment signal that is greater than zero (0) with a deployment acknowledge signal that indicates that the resource is deploying Schedule 5 or 6 reserves. Additionally, the resource is required to follow all other deployment requirements that are specified in Attachment U to Transmission Provider's Tariff.

##### 6.3 Performance Evaluation of Non-Participating Resources:

The resource's starting generation (one-minute average generation at the time the signal for deployment is sent) will be compared to the (i) one-minute average generation 10 minutes following the deployment signal, and (ii) the average

generation during minutes 11-60 following the deployment signal. A failure will result when either the 10-minute or the 11-60-minute test results show that the generation MW output is not at least equal to the starting generation level plus the Schedule 5 or 6 reserve deployment request described in Section 6.2. Transmission Provider will assess strikes for Transmission Customer's failures to self-supply its obligations under Schedules 5 or 6 using the procedures set out in Attachment U of the Transmission Provider's Tariff.

#### 6.4 Performance Evaluation of Participating Resources:

This participating resource section will only be applicable when (i) the resource is registered as an Energy Imbalance Market (EIM) Participating Resource and (ii) Transmission Provider is allowed access to the resource Dispatch Operating Target (DOT) data. In the case where one of these two conditions is not met, then the resource will be evaluated using the Non-Participating Resource methodology detailed in Section 6.3 of this Service Agreement Specification Sheet.

The resource's DOT from the EIM and the Schedule 5 and 6 reserve obligation will be compared to (i) the 1-minute average generation level 10 minutes following the deployment signal and (ii) the average generation during minutes 11-60 following the deployment signal. A MW tolerance value will be determined based on historical resource performance for following the EIM DOT and will be applied to the performance evaluation to eliminate any potential issues with the resource not exactly following the DOT. A failure will result when either the 10-minute or the 11 - 60 minute test results show that the generation MW output is not at least equal to the DOT plus the Transmission Customer's Schedule 5 or 6 reserve deployment request described in Section 6.2, less the MW tolerance value. PacifiCorp will assess strikes for Transmission Customer's failures to self-supply its obligations under Schedules 5 or 6 using the procedures outlined in Attachment U of the Transmission Provider's Tariff.

7.0 Point(s) of Receipt: Ft. Pierce Substation (Dixie Power)  
Delivering Party: Deseret

8.0 Point(s) of Delivery: St. George Substation  
Receiving Party: PacifiCorp

9.0 Maximum amount of capacity and energy to be transmitted:

Ft. Pierce Plant: 15 MW

10.0 Service under this Service Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.

#### 10.1 Payments for Installation Costs:

Transmission Customer shall pay 100% of Transmission Provider's good faith cost estimate described in the Scope of Work within fifteen (15) calendar days after the Execution Date of this Service Agreement. Transmission Provider shall not be obligated to commence work (the "Transmission Provider Work") until it receives such payment. Within three (3) months after completion of the Transmission Provider Work, or by other mutually agreeable time, Transmission Provider shall provide to Transmission Customer a statement of its final actual cost. If the statement identifies that the actual costs exceed Transmission Provider's cost estimate, Transmission Customer shall pay the difference between the actual cost and cost estimate within thirty (30) days after Transmission Provider sends the final invoice to Transmission Customer. If Transmission Provider's actual costs for the Transmission Provider Work are less than the amount of Transmission Provider's cost estimate, the unused portion of any advance payment shall be refunded to Transmission Customer within thirty (30) days after issuance of the statement of the final actual cost. Any amounts not paid by the Transmission Customer or not refunded by Transmission Provider by the due date will be deemed delinquent and will accrue interest calculated in accordance with 18 C.F.R. § 35.19a(a)(2)(iii), with such interest to be calculated from and including the due date but excluding the date the delinquent amount is paid in full.

#### 10.2 Authorization for Additional Installation Costs:

If Transmission Provider determines it will prudently incur costs to complete its work that exceed the cost estimate by 15% or more, Transmission Provider shall notify the Transmission Customer of the new estimated cost as soon as reasonably practicable. Upon receipt of such notice, Transmission Customer may elect, in its sole discretion, to cancel this Service Agreement by providing Transmission Provider written notice within fifteen (15) calendar days of Transmission Customer's receipt of the notice from Transmission Provider. If the Transmission Customer does not exercise its election to terminate the Service Agreement within 15 calendar days, Transmission Provider shall file with FERC appropriate revisions to this Service Agreement to reflect the revised cost responsibility. Notwithstanding the Transmission Customer's decision not to elect to terminate the Service Agreement after such notice, nothing in this section affects the right of the Transmission Customer to challenge the amount of the increased cost responsibility by protesting such filing before FERC.

#### 10.3 Payment for Ongoing Capital Expense:

After completion of installation, Transmission Customer shall pay Transmission Provider for any capital expense subsequently and prudently incurred by Transmission Provider to accommodate the Transmission Customer's self-supply or third-party supply under this Service Agreement. If Transmission Provider determines it is necessary to incur any capital expense, it shall notify the Transmission Customer of the capital cost estimate as soon as reasonably

practicable, and file with FERC appropriate revisions to this Service Agreement reflect the revised cost responsibility. Nothing in this section affects the right of the Transmission Customer to protest such filing before FERC.

#### 10.4 Payment for Ongoing Operation and Maintenance Expense:

Transmission Customer shall be responsible for any operation and maintenance expense prudently incurred by Transmission Provider for the Transmission Customer's self-supply of ancillary services. Based on the Transmission Customer's service specifications, Transmission Provider currently estimates it will not incur operation and maintenance expense for the Transmission Customer's self-supply of ancillary services under Schedules 5 and 6. If Transmission Provider subsequently determines it will prudently incur operation and maintenance expense, for the Transmission Customer's self-supply of ancillary services, it shall (1) notify the Transmission Customer of the revision as soon as reasonably practicable and provide the operation and maintenance charge to be assessed, and (2) file with FERC appropriate revisions to this Service Agreement to reflect the operation and maintenance charge. Nothing in this section affects the right of the Transmission Customer to protest such filing before FERC.

## Appendix 1

### SCOPE OF WORK AND ESTIMATE FOR IMPLEMENTATION COSTS

#### Transmission Customer Requirements:

- Transmission Customer will provide all applicable required data through a communication point using a RTU.
- Transmission Customer will provide all applicable data points listed below that are required per Attachment U in the Transmission Provider OATT.
- Transmission Customer will have the capability to send and receive automatic dispatch signals to and from Transmission Provider.

#### Transmission Provider Requirements:

- Transmission Provider will review the additional data points that are added to this connection, approve the data to be transferred into EMS, and configure the additional data points in EMS.
- Transmission Provider will review the RTU connection and communication and propose changes if necessary for implementation.
- Transmission Provider will collect all self-supply data points into the OSISoft PI historian for historical tracking.
- Transmission Provider will build automation into EMS using programmable logic to meet all automation requirements and to provide an automated dispatch to the resource.
- Transmission Provider will update/create the displays in the EMS system.
- The automation signals and data points will be tested (commissioned) by Transmission Provider and Transmission Customer prior to live operation.

#### Required Data Points:

- Net Generation MW
- Net Generator MVar
- Real power flow through main feeder 12.5 KV breaker
- Reactive power flow through main feeder 12.5 KV breaker
- A phase main feeder 12.5 KV breaker voltage
- B phase main feeder 12.5 KV breaker voltage
- C phase main feeder 12.5 KV breaker voltage
- Accumulator pulses for interchange metering kWh
- Status of main feeder 12.5 KV breaker
- Status – Active/Inactive
- Reactive power flow from each of the shunt capacitor banks (this is not applicable for this resource)
- 10-minute ramp rate, limited by capacity

- Pmax and Pmin
- Ramp Rate MW/min
- Deploy and Deploy Acknowledge Signals

**Cost Estimate for Automation Implementation of the Ft. Pierce Plant: \$24,000**

1. Additional data point review and connection: \$4,000
  - a. Working with the customer to determine points list
  - b. Review incoming data package provided by SCADA Engineering in the pre-staged EMS environment
  - c. Validate work in the Quality Assurance System Environment (QAS)
  - d. Confirm Production updates match QAS testing
  - e. Build displays and verify all environments are updated
2. Automation deployment signal testing: \$3,000
  - a. Working with the customer to verify field work is correct (point to point commissioning)
  - b. Review scaling, alarm status and configuration of data from field
3. Data point collection of all self-supply data points into PI historian: \$1,000
  - a. Validate points after deployment
4. Build Automation into EMS: \$16,000
  - a. Multiple iterations of testing with customer and Energy Supply Management to validate automation.
  - b. Validate that programming does not impact current system designs.
  - c. Advanced Applications validates the Model if changes are required.
  - d. Advanced Applications confirms the appropriate triggers are used to initiate the flow of data.

## **Agreement Regarding Self-Supply of Ancillary Service Schedules 5 and/or 6**

1.0 This Service Agreement, dated as of February 10, 2022, is entered into, by and between PacifiCorp (the “Transmission Provider”), and Deseret Generation and Transmission Cooperative, Inc. (“Deseret” or “Transmission Customer”) (each individually, a “Party” and collectively, “Parties”).

2.0 Transmission Customer currently takes transmission service from Transmission Provider pursuant to an Amended and Restated Transmission Service and Operating Agreement, effective November 2, 2020, between the Parties, as such agreement may be amended from time to time with a new effective date thereafter (the “TSOA”).

Transmission Customer has requested to self-supply or arrange for third-party supply pursuant to either or both of Schedules 5 and 6 (Operating Reserves – Spinning Reserve Service and Supplemental Reserve Service) and conditioned upon installation of all equipment necessary to meet the requirements of Attachment U of Transmission Provider’s Tariff. Transmission Provider has determined that the Transmission Customer meets the requirements applicable for the self-supply or third-party supply of Schedules 5 and 6.

3.0 Pursuant to Sections 3.1 and 3.7 of Attachment U of Transmission Provider’s Tariff, Transmission Provider and Transmission Customer have agreed to enter into this Agreement Regarding Self-Supply of Ancillary Service Schedules 5 and/or 6 (the “Service Agreement”) to set forth the terms and conditions for the Transmission Customer’s self-supply or third-party supply of Schedules 5 and 6 and the payment responsibility for Transmission Provider’s prudently incurred expenses to accommodate Transmission Customer’s request for self-supply or third-party supply.

4.0 Pursuant to Section 3.7 of Attachment U of Transmission Provider’s Tariff, the Transmission Customer is responsible for the installation of all equipment (including but not limited to metering and telecommunications equipment) necessary for the Transmission Customer to meet the requirements to self-supply or purchase third-party supply as specified in Attachment U, and the Transmission Customer will be responsible for any expenses prudently incurred by Transmission Provider to accommodate the request for self-supply or third-party supply. The equipment and software to be installed by Transmission Customer and Transmission Provider are described in the Scope of Work in Appendix 1 to this Service Agreement. Transmission Provider’s agreement to install the equipment and software to facilitate Transmission Customer’s self-supply or third-party supply of Schedules 5 and 6 is based upon Transmission Customer’s agreement to pay Transmission Provider’s prudently incurred costs of installation and ongoing operations and maintenance expenses, if any, in accordance with section 10 of the Specifications for Self-Supply or Third-Party Supply Pursuant to Schedules 5 and/or 6 of this Service Agreement (the “Specifications Sheet”).

5.0 The Transmission Customer agrees to self-supply or arrange for third-party supply pursuant to Schedules 5 and 6 in accordance with the provisions of Attachment U of the Transmission Provider’s Tariff and this Service Agreement.



6.0 Term:

Service under this Service Agreement shall commence on the later of (1) the requested service commencement date, as provided in the Specification Sheet; (2) the date on which the work in the estimated Scope of Work is substantially completed and ready for commercial operation; or (3) the effective date of the revised version of Transmission Provider OATT Attachment U accepted in Docket No. ER21-1015-000. Unless terminated earlier pursuant to Section 8.0, this Service Agreement shall have an initial term of five years that begins on the service commencement date. Service under this Service Agreement will be extended for a one-year term after the initial five-year term and for successive one-year terms thereafter until this Service Agreement is terminated pursuant to Section 8.0.

7.0 Amendments or Changes to Service Agreement:

This Service Agreement may be modified from time to time to reflect changes to Transmission Customer's service specifications, including changes to reflect a transition from self-supply to third-party supply, or vice versa. All amendments will be set forth in writing and filed with FERC under Section 205 of the Federal Power Act ("FPA"). No amendment shall be necessary for application of the applicable charges pursuant to Section 3.4 of Attachment U of the Transmission Provider OATT for failure to perform or to meet requirements. Except as provided in Section 10.2 of the Specifications Sheet: (i) changes in costs or charges that arise after the Service Agreement has been filed at FERC may only be incorporated into this Service Agreement by a filing under Section 205 of the FPA by the Transmission Provider or a filing under Section 206 of the FPA by the Transmission Customer, with each Party maintaining all rights before FERC to oppose such filing(s); and (ii) for the avoidance of doubt, any change to a cost, charge, or non-rate term and condition under this Service Agreement proposed by a Party that is not agreed to by the other party shall be subject to the "ordinary" just and reasonable standard under *Devon Power LLC*, 134 FERC ¶ 61,208 at P 10 (2011), *reh'g denied*, 137 FERC ¶ 61,073 (2011), *review dismissed in part and denied in part sub nom. New England Power Generators Ass'n v. FERC*, 707 F.3d 364, 404 U.S. App. D.C. 66 (D.C. Cir. 2012).

8.0 Termination:

This Service Agreement may be terminated: (1) upon thirty (30) days advance notice by Transmission Customer to Transmission Provider; (2) as provided in Section 10.2 of the Specifications Sheet; or (3) by the Transmission Provider pursuant to the terms of Attachment U. In the event the Service Agreement is terminated, Transmission Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of materials or equipment procured by Transmission Provider on Transmission Customer's behalf pursuant to this Service Agreement.

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

Transmission Provider:

US Mail Deliveries:  
PacifiCorp Transmission Services  
Attn: Central Cashiers Office  
PO Box 2757  
Portland, OR 97208-2757

Other Deliveries:  
Central Cashiers Office  
Attn: PacifiCorp Transmission Services  
825 NE Multnomah Street, Suite 550  
Portland, OR 97232

PH. Number: 503-813-6744

Transmission Customer:

Deseret Generation & Transmission Cooperative  
10714 South Jordan Gateway, Suite 300  
South Jordan, UT 84095  
Attn: President/CEO


PH. Number: 801-619-6500

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

Transmission Provider:

By:	<b>Brian Fritz</b>	Digitally signed by Brian Fritz Date: 2022.02.10 15:56:44 -08'00'	Director, Transmission Services	02/10/2022
	_____ Name		_____ Title	_____ Date

Transmission Customer:

By:		VP, Power Marketing	February 10, 2022
	_____ Name	_____ Title	_____ Date

## Specifications for Self-Supply or Third-Party Supply Pursuant to Schedules 5 and/or 6

1.0 Term of Transaction: 5 years

Start Date: 06/01/2022

Termination Date: 05/31/2027

2.0 Description of arrangements made for self-supply or third-party supply, including the specification of the amount of service required to meet the Transmission Customer's Ancillary Services obligation, identification of the resource(s) supplying the service and the Balancing Authority Area where the resource(s) are located:

Transmission Customer will self-supply Schedules 5 and/or 6 using the Ft. Pierce plant located in the PACE balancing authority area beginning on the start date of this Service Agreement through an automatic dispatch process as specified in Attachment U of Transmission Provider's Tariff and this Service Agreement. Transmission Customer will forecast the number of megawatts ("MWs") it will be self-supplying for Schedules 5 and/or 6 as specified in Section 6.1 below to meet its obligation. The Transmission Provider will charge the Transmission Customer under Schedule 5 and/or 6 for the shortfall, if any, between the amount of Transmission Customer's reserve obligation under Schedule 5 and/or 6 and the amount that Transmission Customer self-supplies.

3.0 Description of the metering and communications equipment:

The Transmission Customer is connected via a RTU at the Bonanza Substation that facilitates communications between the Transmission Customer's and Transmission Provider's EMS using a Distributed Network Protocol (DNP) over serial connection.

4.0 Description of the procedures for data exchange or automation:

4.1 Data Exchange or Automation:

The data points that the Transmission Customer is required to supply to Transmission Provider in order to facilitate the automation of Schedule 5 and 6 self-supply are required pursuant to Attachment U of Transmission Provider's Tariff as outlined below in Appendix 1. All applicable data points shall be sent to Transmission Provider every four (4) seconds to communicate the resource's status, capability, and current output. Transmission Provider will send a deployment amount requested (in MWs) to the Transmission Customer every four (4) seconds. The details for deployment are further specified below in Section 6.2 of this Specification Sheet to this Service Agreement.

#### 4.2 Communication Error Events:

Transmission Provider will notify the Transmission Customer immediately once Transmission Provider has discovered communication issues with the data exchange. The Transmission Customer shall notify Transmission Provider immediately once a communication error has been discovered on the Transmission Customer's side of data exchange. The Parties shall work together to rectify any data exchange issues quickly in order to comply with BAL-002-3 and BAL-002-WECC-3, or any successor requirement.

#### 5.0 Description of the calculation of the Transmission Customer's obligation:

The amount of Transmission Customer's reserve obligation under Schedules 5 and 6 shall be determined in accordance with Exhibit E to the TSOA and Attachment V of Transmission Provider's Tariff.

#### 6.0 Description of the processes for forecasting, deploying, and verifying performance of self-supply or third-party supply:

##### 6.1 Forecasting:

The Transmission Customer will provide a Day Ahead rolling seven-day forecast of its self-supply amount in MWs for each operating hour by submitting the forecast via capacity e-Tag(s). These submissions can be updated up to 57 minutes before the operating hour. When e-Tagging Schedule 5 and 6 requirements, the Transmission Customer will include one of the following in the comment field to identify the specific type of reserve being e-Tagged:

- RES-SPIN-PUR = Purchased Spinning Reserves
- RES-SPIN-SP = Self-Provided Spinning Reserves
- RES-NS-PUR = Purchased Non-Spinning Reserves
- RES-NS-SP = Self-Provided Non-Spinning Reserves

##### 6.2 Deployment:

The automatic deployment signal (MW value) will be sent from Transmission Provider to the resource and will either be a zero (0) for non-deployment or a value greater than zero (0) indicating that the resource shall deploy. The MW value greater than zero (0) will be the pro-rata calculated portion of reserves that the resource should deploy. The resource(s) identified in Section 2 of this Service Agreement Specification Sheet shall respond to a deployment signal that is greater than zero (0) with a deployment acknowledge signal that indicates that the resource is deploying Schedule 5 or 6 reserves. Additionally, the resource is required to follow all other deployment requirements that are specified in Attachment U to Transmission Provider's Tariff.

##### 6.3 Performance Evaluation of Non-Participating Resources:

The resource's starting generation (one-minute average generation at the time the signal for deployment is sent) will be compared to the (i) one-minute average generation 10 minutes following the deployment signal, and (ii) the average

generation during minutes 11-60 following the deployment signal. A failure will result when either the 10-minute or the 11-60-minute test results show that the generation MW output is not at least equal to the starting generation level plus the Schedule 5 or 6 reserve deployment request described in Section 6.2. Transmission Provider will assess strikes for Transmission Customer's failures to self-supply its obligations under Schedules 5 or 6 using the procedures set out in Attachment U of the Transmission Provider's Tariff.

6.4 Performance Evaluation of Participating Resources:

This participating resource section will only be applicable when (i) the resource is registered as an Energy Imbalance Market (EIM) Participating Resource and (ii) Transmission Provider is allowed access to the resource Dispatch Operating Target (DOT) data. In the case where one of these two conditions is not met, then the resource will be evaluated using the Non-Participating Resource methodology detailed in Section 6.3 of this Service Agreement Specification Sheet.

The resource's DOT from the EIM and the Schedule 5 and 6 reserve obligation will be compared to (i) the 1-minute average generation level 10 minutes following the deployment signal and (ii) the average generation during minutes 11-60 following the deployment signal. A MW tolerance value will be determined based on historical resource performance for following the EIM DOT and will be applied to the performance evaluation to eliminate any potential issues with the resource not exactly following the DOT. A failure will result when either the 10-minute or the 11 - 60 minute test results show that the generation MW output is not at least equal to the DOT plus the Transmission Customer's Schedule 5 or 6 reserve deployment request described in Section 6.2, less the MW tolerance value. PacifiCorp will assess strikes for Transmission Customer's failures to self-supply its obligations under Schedules 5 or 6 using the procedures outlined in Attachment U of the Transmission Provider's Tariff.

7.0 Point(s) of Receipt: Ft. Pierce Substation (Dixie Power)  
Delivering Party: Deseret

8.0 Point(s) of Delivery: St. George Substation  
Receiving Party: PacifiCorp

9.0 Maximum amount of capacity and energy to be transmitted:

Ft. Pierce Plant: 15 MW

10.0 Service under this Service Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.

#### 10.1 Payments for Installation Costs:

Transmission Customer shall pay 100% of Transmission Provider's good faith cost estimate described in the Scope of Work within fifteen (15) calendar days after the Execution Date of this Service Agreement. Transmission Provider shall not be obligated to commence work (the "Transmission Provider Work") until it receives such payment. Within three (3) months after completion of the Transmission Provider Work, or by other mutually agreeable time, Transmission Provider shall provide to Transmission Customer a statement of its final actual cost. If the statement identifies that the actual costs exceed Transmission Provider's cost estimate, Transmission Customer shall pay the difference between the actual cost and cost estimate within thirty (30) days after Transmission Provider sends the final invoice to Transmission Customer. If Transmission Provider's actual costs for the Transmission Provider Work are less than the amount of Transmission Provider's cost estimate, the unused portion of any advance payment shall be refunded to Transmission Customer within thirty (30) days after issuance of the statement of the final actual cost. Any amounts not paid by the Transmission Customer or not refunded by Transmission Provider by the due date will be deemed delinquent and will accrue interest calculated in accordance with 18 C.F.R. § 35.19a(a)(2)(iii), with such interest to be calculated from and including the due date but excluding the date the delinquent amount is paid in full.

#### 10.2 Authorization for Additional Installation Costs:

If Transmission Provider determines it will prudently incur costs to complete its work that exceed the cost estimate by 15% or more, Transmission Provider shall notify the Transmission Customer of the new estimated cost as soon as reasonably practicable. Upon receipt of such notice, Transmission Customer may elect, in its sole discretion, to cancel this Service Agreement by providing Transmission Provider written notice within fifteen (15) calendar days of Transmission Customer's receipt of the notice from Transmission Provider. If the Transmission Customer does not exercise its election to terminate the Service Agreement within 15 calendar days, Transmission Provider shall file with FERC appropriate revisions to this Service Agreement to reflect the revised cost responsibility. Notwithstanding the Transmission Customer's decision not to elect to terminate the Service Agreement after such notice, nothing in this section affects the right of the Transmission Customer to challenge the amount of the increased cost responsibility by protesting such filing before FERC.

#### 10.3 Payment for Ongoing Capital Expense:

After completion of installation, Transmission Customer shall pay Transmission Provider for any capital expense subsequently and prudently incurred by Transmission Provider to accommodate the Transmission Customer's self-supply or third-party supply under this Service Agreement. If Transmission Provider determines it is necessary to incur any capital expense, it shall notify the

Transmission Customer of the capital cost estimate as soon as reasonably practicable, and file with FERC appropriate revisions to this Service Agreement reflect the revised cost responsibility. Nothing in this section affects the right of the Transmission Customer to protest such filing before FERC.

10.4 Payment for Ongoing Operation and Maintenance Expense:

Transmission Customer shall be responsible for any operation and maintenance expense prudently incurred by Transmission Provider for the Transmission Customer's self-supply of ancillary services. Based on the Transmission Customer's service specifications, Transmission Provider currently estimates it will not incur operation and maintenance expense for the Transmission Customer's self-supply of ancillary services under Schedules 5 and 6. If Transmission Provider subsequently determines it will prudently incur operation and maintenance expense, for the Transmission Customer's self-supply of ancillary services, it shall (1) notify the Transmission Customer of the revision as soon as reasonably practicable and provide the operation and maintenance charge to be assessed, and (2) file with FERC appropriate revisions to this Service Agreement to reflect the operation and maintenance charge. Nothing in this section affects the right of the Transmission Customer to protest such filing before FERC.

## Appendix 1

### SCOPE OF WORK AND ESTIMATE FOR IMPLEMENTATION COSTS

#### Transmission Customer Requirements:

- Transmission Customer will provide all applicable required data through a communication point using a RTU.
- Transmission Customer will provide all applicable data points listed below that are required per Attachment U in the Transmission Provider OATT.
- Transmission Customer will have the capability to send and receive automatic dispatch signals to and from Transmission Provider.

#### Transmission Provider Requirements:

- Transmission Provider will review the additional data points that are added to this connection, approve the data to be transferred into EMS, and configure the additional data points in EMS.
- Transmission Provider will review the RTU connection and communication and propose changes if necessary for implementation.
- Transmission Provider will collect all self-supply data points into the OSISoft PI historian for historical tracking.
- Transmission Provider will build automation into EMS using programmable logic to meet all automation requirements and to provide an automated dispatch to the resource.
- Transmission Provider will update/create the displays in the EMS system.
- The automation signals and data points will be tested (commissioned) by Transmission Provider and Transmission Customer prior to live operation.

#### Required Data Points:

- Net Generation MW
- Net Generator MVA<sub>r</sub>
- Real power flow through main feeder 12.5 KV breaker
- Reactive power flow through main feeder 12.5 KV breaker
- A phase main feeder 12.5 KV breaker voltage
- B phase main feeder 12.5 KV breaker voltage
- C phase main feeder 12.5 KV breaker voltage
- Accumulator pulses for interchange metering kWh
- Status of main feeder 12.5 KV breaker
- Status – Active/Inactive
- Reactive power flow from each of the shunt capacitor banks (this is not applicable for this resource)
- 10-minute ramp rate, limited by capacity



- Pmax and Pmin
- Ramp Rate MW/min
- Deploy and Deploy Acknowledge Signals

**Cost Estimate for Automation Implementation of the Ft. Pierce Plant: \$24,000**

1. Additional data point review and connection: \$4,000
  - a. Working with the customer to determine points list
  - b. Review incoming data package provided by SCADA Engineering in the pre-staged EMS environment
  - c. Validate work in the Quality Assurance System Environment (QAS)
  - d. Confirm Production updates match QAS testing
  - e. Build displays and verify all environments are updated
2. Automation deployment signal testing: \$3,000
  - a. Working with the customer to verify field work is correct (point to point commissioning)
  - b. Review scaling, alarm status and configuration of data from field
3. Data point collection of all self-supply data points into PI historian: \$1,000
  - a. Validate points after deployment
4. Build Automation into EMS: \$16,000
  - a. Multiple iterations of testing with customer and Energy Supply Management to validate automation.
  - b. Validate that programming does not impact current system designs.
  - c. Advanced Applications validates the Model if changes are required.
  - d. Advanced Applications confirms the appropriate triggers are used to initiate the flow of data.