

ATTACHMENT RR

Real-Time Reserve Services Available to Balancing Authorities During Phased Integration

A. Availability

If a Transmission Owner has signed the Transmission Owners Agreement, but will not integrate its transmission facilities with the Transmission System until a later date, a Balancing Authority whose loads and resources are connected to the Transmission Owner's facilities will be eligible to obtain Spinning Reserve Service and Supplemental Reserve Service from the Energy and Operating Reserves Market during the phased integration on the following terms and conditions. The Transmission Provider will assume responsibility for the valid single contingencies of the eligible Balancing Authority, and the Transmission Provider will set its Contingency Reserve Requirement to comply with NERC Standard, inclusive of these contingencies.

B. Eligibility

To be eligible to obtain Spinning Reserve Service and Supplemental Reserve Service under this Attachment RR:

1. The Transmission Owner that provides transmission service for the loads and resources of the Balancing Authority must have executed the signature page of the Transmission Owners Agreement, and the application for membership must have been accepted by the Transmission Provider's Board of Directors.
2. The Transmission Owner has committed in writing to integrate its transmission facilities into the Transmission System not later than nine (9) months from the date that Real-Time Reserve Service first begins pursuant to an executed service

agreement as shown in Attachment RR-1.

3. The Balancing Authority has executed the Balancing Authority Agreement and will become, upon final integration, a Local Balancing Authority as defined in that agreement.
4. The Balancing Authority or the Transmission Owner has executed a service agreement as shown in Attachment KK-1 to obtain Reliability Coordination Service from the Transmission Provider during the phased integration period; provided however, that the effective date of the Service Agreement may be extended by mutual agreement as necessary to accommodate the installation of communication systems and the completion of necessary training.
5. The Balancing Authority is a registered Market Participant, or is represented by an agent that is a registered Market Participant.
6. The Balancing Authority requesting service under this Attachment RR will not be a member of a contingency reserves sharing group during the phased integration period.
7. The Balancing Authority has executed a service agreement as shown in Attachment RR-1 to obtain Reserve Services from the Transmission Provider during the phased integration period.

C. Rate for Spinning Reserve Service and Supplemental Reserve Service

1. Notwithstanding any other provision of the Transmission Provider's Tariff, a Balancing Authority eligible for service under this Attachment RR will pay for obtained Spinning Reserve Service at the rate set forth in Schedule 5 of the Tariff,

as set forth in Section C.3 of this Attachment RR.

2. Notwithstanding any other provision of the Transmission Provider's Tariff, a Balancing Authority eligible for service under this Attachment RR will pay for obtained Supplemental Reserve Service at the rate set forth in Schedule 6 of the Tariff as set forth in Section C.3 of this Attachment RR.
3. For the sole purposes of calculating the charges to be paid under Schedule 5 and Schedule 6 of the Tariff, the hourly load of the eligible Balancing Authority shall be reported to the Transmission Provider. The eligible Balancing Authority and the Transmission Provider shall mutually agree upon a representative Reserve Zone to be designated in the applicable service agreement as shown in Attachment RR-1 for the purpose of determining the Regulation and Spinning Reserves Distribution Rate used to calculate charges under this Section C.3.
4. The rate to be charged for energy delivered to the eligible Balancing Authority pursuant to this Attachment RR shall be the Hourly Real-Time Ex Post LMP at the point of delivery to the eligible Balancing Authority, all applicable charges under the Tariff, including Revenue Sufficiency Guarantee charges, and charges pursuant to Schedules 1, 2, 10, and 17.
5. The terms and conditions of the Energy and Operating Reserves Market Tariff, including the settlement and payment terms of the Tariff, apply to all transactions under this Attachment RR.

D. Procedure to Supply Reserve Services

During the phased integration, the Transmission Provider will meet its Balancing

Authority obligations to supply reserves by using its Energy and Operating Reserves Market.

The Transmission Provider will assume responsibility for the valid NERC criteria single contingencies of the eligible Balancing Authority, and the Transmission Provider will set its Contingency Reserve Requirement to comply with NERC Standard, inclusive of these contingencies. The eligible Balancing Authority will not be obligated to supply reserves to the Transmission Provider. The following procedures shall be used by the eligible Balancing Authority to obtain Reserves pursuant to this Attachment RR.

1. When reserves are required by the eligible Balancing Authority to maintain compliance with applicable reliability standards, the eligible Balancing Authority will enter a zero-minute ramp schedule between the Transmission Provider and the eligible Balancing Authority that will be implemented immediately by the Transmission Provider.
2. The resulting emergency energy flow to serve the eligible Balancing Authority's load will be used by the eligible Balancing Authority to offset the Real Time demand on its generation resources, in response to Disturbances, and in a fashion consistent with BAL-0023. The eligible Balancing Authority will satisfy its requirements to carry Contingency Reserves, and comply with the NERC Disturbance Control Standard by having access to the Contingency Reserves of the Transmission Provider.

2.1 When the eligible Balancing Authority requests Contingency Reserves assistance from the Transmission Provider, compliance to the NERC Disturbance Control Standard BAL-0023 shall be calculated using the

combined ACE of the eligible Balancing Authority and the MISO Balancing Authority and DCS compliance shall be reported against the Transmission Provider Reportable Disturbance level.

2.2 If the Transmission Provider is contractually obligated to share reserves, the MISO Balancing Authority ACE for purposes of compliance to NERC Disturbance Control Standard BAL-0023 under that agreement shall be calculated as the sum of the MISO Balancing Authority ACE plus the ACE of each eligible Balancing Authority under this Attachment RR involved in a coincident contingency reserve event.

2.3 If the eligible Balancing Authority does not request Contingency Reserve activation from the Transmission Provider, the eligible Balancing Authority shall report NERC Disturbance Control Standard compliance as a stand alone Balancing Authority against its own Reportable Balancing Contingency Event reporting threshold.

2.4 Combined ACE shall be calculated by aligning frequency deviation of time stamped ACE and frequency deviation data from all participating parties to ensure accuracy of aligned ACE data.

3. The Transmission Service Reservation for this transfer will indicate a “Normal” Point-to-Point export transaction from the Transmission Provider as “Source” to the eligible Balancing Authority as “Sink”.
4. The eligible Balancing Authority, as the Receiving Balancing Authority, shall ensure that a request for an Arranged Interchange is submitted by creating an

Electronic Tag (e-Tag) designating the Transmission Provider, (the Delivery Balancing Authority) as “Source” with a start time no more than 60 minutes beyond the resource loss or initiation of the event. The following requirements will apply to the e-Tag:

4.1 Transaction type of “Normal”.

4.2 Transmission allocation designation of “Non-Firm” or NN-6 for every listed transmission provider.

4.3 Transmission Reservations shall be done after the fact for point to point deliveries from the Transmission Provider.

4.4 Receiving Balancing Authority, the Scheduler, and any intermediate transmission providers shall approve the e-Tag.

4.5 The appropriate Transmission Provider Control Center staff shall communicate and coordinate necessary operations with the Transmission Provider’s Local Balancing Authorities and any affected Balancing Authorities.

4.6 This process will be performed for every event, regardless of duration.

E. Termination

The availability of Reserve Services pursuant to this Attachment RR terminates automatically upon the earliest of:

1. Full integration of the Transmission Owner’s facilities into the Transmission System, and the integration of the eligible Balancing Authority into the MISO Balancing Authority;

2. The failure by the Transmission Owner to achieve final integration on the date established in the phased integration plan approved by FERC;
3. Receipt by the Transmission Provider of written notice, provided by the Transmission Owner prior to the final integration date approved by FERC, that the Transmission Owner intends to withdraw from MISO; or
4. A determination by the Transmission Provider that the Balancing Authority has initiated a transaction under this Attachment RR for a purpose other than the ability to meet its reserves obligations as set forth in the applicable NERC and regional reliability standards.

ATTACHMENT RR-1

Form of Service Agreement for Real-Time Reserve Services During Phased Integration

- 1.0 This Service Agreement, dated as of the ____ day of _____, _____ is entered into, by and between MISO (“Transmission Provider”) and _____ (“Reserve Services Customer”), (also hereafter referred to as Party or Parties as the context requires).
- 2.0 The Reserve Services Customer has been determined by the Transmission Provider to be eligible for Reserve Services as set forth in Attachment RR of the Tariff, and the Transmission Provider agrees to provide service upon the request of an authorized representative of the Reserve Services Customer.
- 3.0 The Reserve Services Customer: (i) agrees to supply information as set forth in Attachment RR of this Tariff , and such other information, data, and specifications reasonably necessary, in accordance with Good Utility Practice, to permit the Transmission Provider to provide the requested service; (ii) agrees to perform the obligations required of Reserve Services Customers set forth in the Tariff; and, (iii) agrees to take and pay for the requested service in accordance with the provisions of the Tariff and this Service Agreement.

4.0 Service under this Service Agreement shall commence on the later of: (1) the requested service commencement date, (2) the date on which all required technical data has been received and entered into the Transmission Provider models, or (3) a date that may be established by the Commission. Service under this Service Agreement shall terminate as required by Attachment RR of the Tariff, or as otherwise required by Commission orders or regulations.

5.0 Any notice required or authorized by Attachment RR or this Service Agreement (“Notice”) or a request made by a Party regarding this Service Agreement shall be in writing. Notice shall be personally delivered, transmitted by facsimile (with receipt verbally or electronically confirmed), emailed, delivered by overnight courier or mailed, postage prepaid, to the other Party at the address designated below. A Party may change its designated address upon Notice to the other Party.

Transmission Provider

Reserve Services Customer

Title: General Counsel

Address: 720 City Center Drive
Carmel, IN 46032

Fax: 317-249-2111

Email misolegal@misoenergy.org

6.0 The Tariff is incorporated herein and made a part hereof.

- 7.0 Description of Reserve Services Customer points of interconnection, via the Transmission Owner's facilities, with the Transmission System:

[Attach a separate sheet if necessary, listing points of interconnection]

- 8.0 Upon meeting all other conditions required by Attachment RR and the Tariff, the Reserve Services Customer and Transmission Provider agree to commence service at midnight, on the _____ day of _____ 20___. Service under this Service Agreement shall terminate automatically upon the earlier of: (i) failure by the Transmission Owner to achieve final integration on the date established in the phased integration plan approved by FERC; (ii) the integration of the Reserve Services Customer's Balancing Authority

into the MISO Balancing Authority Area; (iii) receipt by the Transmission Provider of written notice, provided by the Transmission Owner prior to the final integration date approved by FERC, that the Transmission Owner intends to withdraw from MISO; or (iv) determination by the Transmission Provider that the Balancing Authority has initiated a transaction under this Attachment RR for a purpose other than the ability to meet its reserves obligations as set forth in the applicable NERC and regional reliability standards.

9.0 The Parties mutually agree to use _____ as a representative Reserve Zone for the purpose of determining the Regulation and Spinning Reserves Distribution rate to be used in the calculation of charges under Section C.3 of Attachment RR. This representative Reserve Zone may be changed only by mutual consent of the Parties, and will remain in effect until termination of this Service Agreement.

10 Representations and Warranties. Each Party represents and warrants to the other that, as of the date it executes this Service Agreement:

10.1 The Party is duly organized, validly existing and in good standing under the laws of the jurisdiction where organized;

- 10.2 The execution and delivery by the Party of this Service Agreement and the performance of its obligations hereunder have been duly and validly authorized by all requisite action on the part of the Party and do not conflict, based on present knowledge and information, with any applicable law or with any other agreement binding upon the Party; this Service Agreement has been duly executed and delivered by the Party, and, upon receipt of any necessary regulatory approvals, this Service Agreement constitutes the legal, valid and binding obligation of the Party enforceable against it in accordance with its terms except insofar as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditor's rights generally and by general principles of equity regardless of whether such principles are considered in a proceeding at law or in equity;
- 10.3 There are no actions at law, suits in equity, proceedings or claims pending or, to the knowledge of the Party, threatened against the Party before or by any federal, state, foreign or local court, tribunal or governmental agency or authority that might materially delay, prevent or hinder the performance by the Party of its obligations hereunder; and

10.4 It is in compliance with all NERC and Regional Entity standards applicable to its operations and facilities.

11. Assignment. Neither Party may assign this Service Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, except in the case of a merger, consolidation, sale, or spin-off of substantially all of a Party's assets. Notwithstanding anything to the contrary herein, the following conditions shall apply to assignment of this Service Agreement by the Reserve Services Customer: (1) assignment may be made to only another eligible Reserve Services Customer; (2) if any change is requested by the assignee, it may be approved by the Transmission Provider only if such change does not impair reliability; and (3) the assignee must agree to be subject to and bound by all applicable terms and conditions of the Service Agreement and the Tariff. .
12. Third Party Beneficiaries. There are no intended third-party beneficiaries of this Service Agreement. Nothing in this Service Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to, any person not a Party to this Service Agreement.
13. Entire Agreement. This Service Agreement, which incorporates the Tariff, constitutes the entire understanding and agreement of the Parties, and supersedes any and all previous communications, representations, understandings, and agreements (oral or

written) between the Parties with respect to the subject matter hereof. The headings used in this Service Agreement are for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

14. No Joint Venture. Nothing contained in this Service Agreement shall be construed to imply the existence of a joint venture, principal and agent relationship, or employment relationship between the Parties, and no Party shall have any right, power or authority to create any obligation, express or implied, on behalf of the other Party without the express written consent of the other.
15. Governing Law. This Service Agreement, to the extent not subject to the jurisdiction of the FERC, shall be governed by and construed in accordance with applicable State laws.
16. Additional Terms. If the Reserve Services Customer is the United States of America or an agency thereof, the terms and conditions found in Section 12B of the Tariff applicable to participation by the United State of America shall be incorporated in this Service Agreement and shall become a part hereof by this reference. If the Reserve Services Customer is a public-power entity, the terms and conditions found in Section 12E of the Tariff applicable to participation by public power entities shall be incorporated in this Service Agreement and shall become a part hereof by this reference.

17. No Waiver of Jurisdictional Immunity. If the Reserve Services Customer is not subject to the jurisdiction of the FERC as a "public utility" under the Federal Power Act, the Reserve Services Customer shall not be required to take any action or participate in any filing or appeal that would confer FERC jurisdiction over the Reserve Services Customer. Nothing in this Service Agreement waives any objection to, or otherwise constitutes consent to, the jurisdiction by FERC over the Reserve Services Customer or its transmission service, facilities and rates.

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

Transmission Provider

Reserve Services Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____