

1 **24-20001129-14003990-1410194 (9:39)**
2 PERSON 2: Greg, he'll be right with you.
3 GREG: OK, great. Thanks.
4 PERSON 2: Uh huh.
5 PERSON 3: Greg?
6 GREG: Hey.
7 PERSON 3: Hey what's up, man?
8 GREG: Oh, just headin' your way tomorrow, or actually today.
9 PERSON 3: Yeah?
10 GREG: So I guess I'll see you tomorrow.
11 PERSON 3: Shit I have fuckin' PRC from 7:30 in the morning till like 8 o'clock tomorrow
12 night.
13 GREG: Yeah, I know.
14 PERSON 3: So is that what you're – that's what you're comin' for, right?
15 GREG: Yeah, that's what I'm comin' for.
16 >> Oh, good. Well, yeah. Well yeah. Hopefully anyway we'll get a little bit of fuckin' time to
17 catch up on some BS.
18 GREG: Yeah, so um –
19 PERSON 3: Is Tim comin' down too – you and Tim and –
20 GREG: Me and Tim and then both of us will be there, and then, ah, ah, probably leavin' ah,
21 Friday afternoon, so I don't know what you're doin' tomorrow night, and then ah, one of
22 the things I wanted to try and hook up with you ah, CRC and Southern Nevada Water
23 Authority are goin' in together on an RFP basically to create a new control area right there at
24 Mead –
25 PERSON 3: Yeah?
26 GREG: And I wanted to see – ah, I wanted to try and get a sense of, ah, I mean, this is the
27 first real opportunity, you know. Everybody's always talked about havin' a control area out
28 here in the west and can't do it around one unit and all that bullshit but –

1 PERSON 3: Right.

2 GREG: you know, this seems like the re – the most real opportunity I've seen, plus it would
3 be right at the Mead 230.

4 PERSON 3: Oh, yeah, it'd be great.

5 GREG: So, what I wanted to maybe ah, spend some time Friday morning if – if ah, the
6 right people are going to be there, maybe just talking' about, ah, what that would entail, the
7 cost, ah, - you know –

8 PERSON 3: You bet. Yeah, we'll show you – well we'll you the technology too. We'll take
9 you in the control room, take, you know, here's kind of the, ah, the IT and the *[inaudible]*
10 systems and you know here – here's the kind of capital investment and here's what the
11 system has to do and, ah, it's really not – you know, it's not rocket science, Greg.

12 GREG: Right.

13 PERSON 3: And people make it a much bigger deal than what it really is. It's just getting
14 through the fuckin' red tape to get certification. Actually implementing it, once you get the
15 certification it's a piece of cake.

16 GREG: Uh huh.

17 PERSON 3: It really is. I mean, you're talking about probably, ah, half a million bucks, you
18 know, all in.

19 GREG: And so you guys have dynamic scheduling with ah, whatever embedded con – what
20 control area you're embedded with *[inaudible]*

21 PERSON 3: Well, we don't, ah, with dynamic scheduling is if you've got load, right? I mean,
22 we don't- we just – we just sell it wholesale at the bus or into TVA or into Synergy, and with
23 – so we have – we have – we don't have --

24 GREG: You have hourly schedules and you just *[inaudible]*

25 PERSON 3: Yeah, we have hourly schedules and we don't have to pay in balance penalties. We just
26 float against the control area.

27 GREG: Right.

28 PERSON 3: Ah, I mean, we don't have to nail it within fuckin' one – one and half percent of the
29 schedule, right? I mean you kind of bang around and at the end of the day as long as you're kind of

1 net neutral, you know, long one hour, short the e – next hour, or long one day, short today, it's not
2 – that's the – you know the biggest advantage, you don't have to have a fuckin' perfect schedule.
3 GREG: Right.
4 PERSON 3: You show the source and you have a different accounting mechanism for settling up
5 the imbalances.
6 GREG: Right.
7 PERSON 3: Ah, with no penalty. Ah that – that plus being able to park and lend, right? I mean
8 that's –
9 GREG: Right.
10 PERSON 3: - that's the – those are the – those are the two critical commercial elements that put
11 you at least close to a level playing field and being able to get transmission source to sink. Ah, a lot
12 of that has been shut down for us in the east because these fuckin' bastards, TVA and – and
13 Entergy, you know, basically took it to FERC and said that generation-only control areas should not
14 get those rights. And ah, FERC upheld it, so the only place we can do it is ECAR. They shut us
15 down in the south. Ah, it's a moot point for sellin' the plants anyway, in the w – in the [*inaudible*]
16 GREG: Yeah, yeah, that's what I heard. Um, all right so –
17 PERSON 3: But yeah I – I'll spend – Friday morning, ah, Greg I got open calendar.
18 GREG: OK.
19 PERSON 3: I'm tied up all day Thursday, but Friday morning any time, 8, 9, 10, whenever.
20 GREG: How late you think this stuff will go tomorrow.
21 PERSON 3: Oh, fuck I think, w – you know, I think we'll be there till at least 6.
22 GREG: OK.
23 PERSON 3: All right. And then I'm supposed to go to Morton's with this trading track analyst
24 recruiting program. I don't know if you guys are involved in that in Portland at all or not, but we're
25 basically creatin' a separate track for analysts to – to have it, ah, a specialized training. I guess out in
26 your office it wouldn't make sense because –
27 GREG: Well, you know, we have a number of like real time guys are in the analyst pool now.
28 PERSON 3: OK, yeah, well we're – we're headed that direction here too.
29 GREG: yeah.
30 PERSON 3: That -- that's exactly what we're doing.
31 GREG: so we just went – spent the morning going over the – that was the last of the PRC stuff,

1 but yeah, we spent – yeah, I know how you feel about PRC, right know.
2 PERSON 3: Oh, fuck. It's just – feels like I just got done, Greg.
3 GREG: Yeah.
4 PERSON 3: I mean writing reviews and givin' people reviews and here we are doin' it again.
5 GREG: Right, right.
6 PERSON 3: I – I think we ought to just fuckin' scrap the mature shit *[inaudible]*
7 GREG: Well, it's um, and I don't know it's just – you're – you're kind of getting' and then you're
8 kind of thrown in this game at the end where you know the whole apples and oranges and – and
9 shovin' 'em in and tryin' to meet some distribution *[inaudible]* thing, and –
10 PERSON 3: Oh, I know, oh, I know.
11 GREG: -- you know, it's like, you know why do we have seven categories where people, you know,
12 that are in stronger are going to feel like they're getting' a fuckin' C, you know.
13 PERSON 3: Right I don't know. I – I – I hear you and it we're l – lot more ah, a lot more structured
14 around. I guess they want to kind of go back to the forced ranking type deal which, you know I can
15 understand.
16 GREG: Yeah.
17 PERSON 3: When fuckin' Enron North America's making 80% of Enron's net income for the
18 year, well, you know, we – we probably shouldn't be subject to it.
19 GREG: Yeah.
20 PERSON 3: You know what I'm saying?
21 GREG: Yeah, that's kind of a tough – a tough thing.
22 [REDACTED]
23 GREG: So, I was in this meeting and somebody popped their head in and said that apparently
24 we've been named in this suit in California *[inaudible]*
25 PERSON 3: Yeah exactly.
26 GREG: Power Daily just mentioned ah, Reliant, Dynegy, Southern –
27 PERSON 3: Yeah, I think we – we've been named in it, which, you know, puts you in there in the –
28 in the bucket of potentially losin' the dollars. I don't honestly don't see that as – as really a big risk,
29 you know maybe you guys feel different out there, but –
30 GREG: I – I – I mean –
31 PERSON 3: How in the fuck – how in the fuck can the United States of America capitalist

1 economy come back and take money away from people?

2 GREG: Well, and the other thing is, um, ah, you know, when I look at what we're doing, our
3 business is, I mean for the most part, we're not in the same category with those guys who own
4 generation.

5 PERSON 3: No, of course not.

6 GREG: And ah, you know, for the most part we're puttin' in a lot of price- taker bids and we're
7 also puttin' in a lot of costs, um – you know, just above cost type bids for your other generators so
8 um –

9 PERSON 3: Yeah. The thing is there's – there's ne – the lawsuit has specifically mentioned people
10 that were getting the real time information off of the security system.

11 GREG: Yeah. And I don't know –yeah, I – I don' know if, ah –

12 PERSON 3: And I know Tim – and I know those guys were doin' that. I know they were getting'
13 that data.

14 GREG: Yeah, so. Ah –

15 PERSON 3: You know there's probably a lot of the other marketers that weren't doin' that, so –

16 GREG: But it's questionable to me whether that data is – should be publicly avail – I mean, you
17 know, I don't, I don't know that, ah, -

18 PERSON 3: Well that's the basis of the lawsuit.

19 GREG: What's that?

20 PERSON 3: That's the basis of the lawsuit.

21 GREG: Yeah, so, um, yeah, I didn't – I haven't seen the, ah – all it says right here in this Power
22 Daily – like I said we've been in this piece R - PRC stuff all morning, but –

23 PERSON 3: Yeah.

24 GREG: -- it just says, ah, ah, illegally used real time information drive up prices, so I haven't seen
25 the – the – the suit itself.

26 PERSON 3: No, I haven't either. I'm just – I'm – I'm just kind of heard it.

27 GREG: Yeah. So, anyway.

28 PERSON 3: 'All right man

29 GREG: Um, so all right so we'll see you tomorrow –

30 PERSON 3: Friday morning.

31 GREG: --and then ah, so you're tied up tomorrow night, huh?

1 PERSON 3: Yeah [REDACTED]
2 GREG: Hey, um, can you do one other thing – ah, it's another Sherry Stack thing? And I kn – I
3 know I asked you to do this once last *[inaudible]*
4 PERSON 3: Sign that Santa Clara thing?
5 GREG: Yeah
6 PERSON 3: Yeah, I'll sign it. I just didn't want to do it without somebody telling me I was
7 supposed to do it.
8 GREG: Yeah, and I know it's kind of *[inaudible]*
9 PERSON 3: I wouldn't 'em signing my, you know shit out there.
10 GREG: Yeah, all right, well, I'll just – I'll tell her too, you know, um, that it – you know, if she
11 needs something signed right away to give one of us a call or *[inaudible]*
12 PERSON 3: Well, she just needs to put a note on the top says you know, Tim or Greg or
13 whomever. Swerzbin says it's OK to sign.
14 GREG: Yeah. OK.
15 PERSON 3: OK?
16 GREG: I'll tell her – I'll tell her to go *[inaudible]*
17 PERSON 3: Hell it might be – lot of times it's a credit change or some change of the master
18 agreement and I – I mean I use – don't feel comfortable blindly signing it .
19 GREG: No.
20 PERSON 3: OK, all right.
21 GREG: All right so I'll tell her to um, go ahead and do that and we can give it back to those busy
22 tomorrow.
23 PERSON 3: OK.
24 GREG: All right I'll see you in the morning *[inaudible]*
25 PERSON 3: Right.
26 GREG: All right bye-bye.
27 =====
28 *[dialing/ringing]*
29 SHERRY: Hello
30 GREG: The coast is clear.
31 SHERRY: Is he going to - ? Really?

1 GREG: Yeah. And hey, and he said, um, you know, he said he doesn't have any problem signing
2 these things, he just wants to have a note or – or um, you know, if – if they show up – if somebody
3 brings him down and says can you sign this, he just wants to make sure that Tim or Greg or Chris or
4 somebody, um, is on board with that, and I kind of agree with that I – I mean, I'm sure he doesn't
5 question the fact that he's 99% sure that's the case, but you know –

6 SHERRY: I mean, come on it – if – it's legal if his initials are on there, I mean he signs right and
7 left for stuff for the east and never asks us one time.

8 GREG: Well, I'll tell you what, after readin' the Eric Gonzales signature on the, ah, and – and being
9 around at that time and knowing probably Eric Gonzales probably didn't know much about it. Mm,
10 I don't know. I think people generally have a little bit of hesitation about signing things like that.

11 SHERRY: I know, but I'm just saying with east stuff he never questions us show' we will – we'll
12 sign – we'll hand him a big thick document, tell him to sign.

13 GREG: well, he probably knows about – he probably has some sense of the deal already, don't you
14 think?

15 SHERRY: Ah, well, maybe, maybe, maybe so. Don't know. OK, well Greg are you OK if we
16 incorporate the definition of Caso Energy in the Santa Clara master.

17 GREG: No, but have Kevin sign it anyway

18 *[laughter]*

19 SHERRY: Thanks pal. Bye.

20 GREG: All right, we'll see you, Bye bye.