

2.5.22.4.2 Form of Supplemental Energy Bid Information.

Supplemental Energy bids must include the following:

- (a) Bidder name and identification;
- (b) Resource name, identification, and location;
- (c) the positive or negative bid price of incremental and decremental changes in Energy (up to eleven ordered pairs of quantity/price representing up to ten steps);
- (d) Generating Unit operating limits (high and low MW);
- (e) Generating Unit ramp rate (MW/Min); and
- (f) Such other information as the ISO may determine it requires to evaluate bids, as published from time to time in ISO Protocols.

All Supplemental Energy bids submitted on behalf of Scheduling Coordinators that are not permitted to set the Market Clearing Price as described in Section 2.5.23.3.8 shall be bids deemed by the ISO to be paid: (i) the Marginal Proxy Clearing Price, as determined in accordance with Section 2.5.23.3.1.1, during System Emergencies or (ii) the Non-Emergency Clearing Price, as determined in accordance with Section 2.5.23.3.1.2, during non-System Emergency periods. Scheduling Coordinators for Must-Offer Generators, as defined in Section 5.11 of this ISO Tariff, may elect to submit Supplemental Energy bids for gas-fired Generating Units at the Proxy Price calculated in accordance with Section 2.5.23.3.3.4. Scheduling Coordinators for all other Generating Units, System Units, and System Resources may elect to submit Supplemental Energy bids to be paid: (i) the Marginal Proxy Clearing Price, as determined in accordance with Section 2.5.23.3.3.1.1, during System Emergencies or (ii) the Non-Emergency Clearing Price, as determined in accordance with Section 2.5.23.3.1.2, during non-System Emergency periods.

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2.5.23.3 Temporary Limitation on BEEP Interval Ex Post Prices

2.5.23.3.1 Limitation.

2.5.23.3.1.1 Limitation During System Emergencies

Notwithstanding any other provision of the ISO Tariff, during hours in which the ISO has declared a System Emergencyies, the BEEP Interval Ex Post Price shall not exceed the highest Proxy Price calculated in accordance with Section 2.5.23.3.4 for a gas-fired Generating Unit that: (i) is owned or controlled by a Must-Offer Generator; and (ii) is dispatched by the ISO to provide Imbalance Energy. This Proxy Price shall establish the Market Clearing Price (the "Marginal Proxy Clearing Price") for all Scheduling Coordinators for Generating Units, System Units, and System Resources that submit bids at or below the level of the Marginal Proxy Clearing Price during hours in which the ISO has declared a System Emergencyies unless the marginal bid accepted by the ISO for the supply of Imbalance Energy from a gas-fired Generating Unit owned or controlled by a Must-Offer Generator is below the calculated Proxy Price for that Generating Unit, in which case such marginal bid shall establish the Marginal Proxy Clearing Price.

All bids for the supply of Imbalance Energy during System Emergencies submitted by Scheduling Coordinators for resources that do not meet the requirements set forth in Section 2.5.23.3.8 to be eligible to set the Market Clearing Price shall be bids deemed by the ISO to be paid the Marginal Proxy Clearing Price. Subject to Section 2.5.23.3.8, Scheduling Coordinators for Generating Units, System Units, and System Resources that submit bids above the Marginal Proxy Clearing Price for the supply of Imbalance Energy during System Emergencies shall be paid in accordance with their bids if accepted for Dispatch by the ISO. ~~Scheduling Coordinators for Generating Units, System Units and System Resources that submit bids for the supply of Imbalance Energy above the Marginal Proxy Clearing Price during System Emergencies Such bids~~ shall be subject to the cost justification requirements and potential refunds, as set forth in Section 2.5.23.3.5.

2.5.23.3.1.2 Limitation During Non-System Emergency Periods

Notwithstanding any other provision of the ISO Tariff, during hours in which the ISO has not declared a System Emergency, the BEEP Interval Ex Post Price shall not exceed the "Non-Emergency Clearing Price Limit" as defined in this Section 2.5.23.3.1.2. The "Non-Emergency Clearing Price Limit" shall equal 85% of the highest hourly Zonal Marginal Proxy Clearing Price

calculated in accordance with Section 2.5.23.3.1.1 from among those Settlement Periods during the last Stage 1 System Emergency for which the Stage 1 System Emergency (but not a Stage 2 or Stage 3 System Emergency) existed for the entire Settlement Period. If any Scheduling Coordinator submits a bid from a resource eligible to set the Market Clearing Price in accordance with Section 2.5.23.3.8 for the supply of Imbalance Energy during an hour in which the ISO has not declared a System Emergency that: (i) exceeds the Non-Emergency Clearing Price Limit; and (ii) is dispatched by the ISO to provide Imbalance Energy, then the Market Clearing Price for the applicable BEEP Interval (the "Non-Emergency Clearing Price") shall be equal to the Non-Emergency Clearing Price Limit. If the marginal bid accepted by the ISO for the supply of Imbalance Energy during an hour in which the ISO has not declared a System Emergency is less than the Non-Emergency Clearing Price Limit, then the marginal bid accepted by the ISO shall, subject to Section 2.5.23.3.8, establish the Non-Emergency Clearing Price.

All bids for the supply of Imbalance Energy during non-System Emergency periods submitted by Scheduling Coordinators for resources that do not meet the requirements set forth in Section 2.5.23.3.8 to be eligible to set the Market Clearing Price shall be bids deemed by the ISO to be paid the Non-Emergency Clearing Price. Scheduling Coordinators for Generating Units, System Units, and System Resources that submit bids above the Non-Emergency Clearing Price for the supply of Imbalance Energy during BEEP Intervals in which the ISO has not declared a System Emergency shall, subject to Section 2.5.23.3.8, be paid in accordance with their bids if accepted for Dispatch by the ISO. Such bids shall be subject to cost justification requirements and potential refunds, as set forth in Section 2.5.23.3.5.

2.5.23.3.2 Charges for Certain Instructed Imbalance Energy. Amounts paid to Scheduling Coordinators in accordance with Section 2.5.23.3.1 for Instructed Imbalance Energy from Generating Units, System Units and System Resources at bids above the Marginal Proxy Clearing Price during hours in which the ISO has declared a System Emergency or above the Non-Emergency Clearing Price during all other periods shall be charged to Scheduling Coordinators such that the charge to each Scheduling Coordinator shall be pro rata based upon the same proportion as the Scheduling Coordinator's Net Negative Uninstructed Deviations for

the BEEP Interval bears to the total Net Negative Uninstructed Deviations of all Scheduling Coordinators for the BEEP Interval. Such charge shall apply in lieu of any charge specified in the ISO Tariff for such Instructed Imbalance Energy based on the BEEP Interval Ex Post Price.

2.5.23.3.3 Requirement of Must-Offer Generators to File Heat Rate and Emissions Rate Data

Must-Offer Generators, as defined in Section 5.11 of this ISO Tariff, that own or control gas-fired Generating Units must file with the ISO and the FERC, on a confidential basis, the heat rates and emissions rates for each gas-fired Generating Unit that they own or control. Heat rate and emissions rate data shall be provided in the format specified by the ISO as posted on the ISO Home Page. Heat rate data provided to comply with this requirement shall not include start-up or minimum Load fuel costs. Must-Offer Generators must also file periodic updates of this data upon the direction of either FERC or the ISO. ~~If requested by a Must-Offer Generator, the ISO~~ will treat the information provided to the ISO in accordance with this Section 2.5.23.3.3 as confidential and will apply the procedures in ~~Section~~ 20.3.4 of this ISO Tariff with regard to requests for disclosure of such information.

2.5.23.3.4 Calculation of the Proxy Price

The ISO shall calculate each day separate Proxy Prices for each gas-fired Generating Unit owned or controlled by a Must-Offer Generator by applying the filed heat rates ~~and emission rates~~ for those Generating Units to a daily proxy figure for natural gas costs ~~and a daily proxy figure for emissions costs~~ with an additional \$62/MWh allowed for operations and maintenance expenses. The proxy figures for natural gas ~~and emission~~ costs shall be based on the most recent data available and shall be posted on the ISO Home Page by 8:00 AM on the day prior to which the figures will be used for calculation of the Proxy Price.

2.5.23.3.5 Requirement to Justify Bids ~~Above the Proxy Price~~

The following entities shall be required to provide cost justification for ~~Supplemental Energy~~ bids to supply Imbalance Energy submitted to the ISO:

- (a) Scheduling Coordinators for gas-fired Generating Units owned or controlled by Must-Offer Generators that submit bids for the supply of Imbalance Energy

during System Emergencies above the Proxy Price for those Generating Units;

and

- (b) Scheduling Coordinators for all other Generating Units, System Units, and System Resources that submit bids for the supply of Imbalance Energy during System Emergencies above the Marginal Proxy Clearing Price determined in accordance with Section 2.5.23.3.1.1; and

- (c) Scheduling Coordinators for all Generating Units, System Units, and System Resources that submit bids for the supply of Imbalance Energy during hours in which the ISO has not declared a System Emergency above the Non-Emergency Clearing Price determined in accordance with Section 2.5.23.3.1.2.

Scheduling Coordinators subject to the cost justification requirement shall provide such justification in writing to the ISO and the FERC by no later than seven (7) calendar days after the end of the month in which the bid was submitted. The cost justification for bids submitted on behalf of Must-Offer Generators and other Generating Units and System Units shall include a detailed breakdown of the component costs associated with such bids. Such cost justifications shall include information on each separate transaction in the entire natural gas portfolio of a Must-Offer Generator and its Affiliates. ~~The cost justification for bids submitted on behalf of non-Scheduling Coordinator Market Participants shall include a detailed breakdown of the prices paid by that non-Scheduling Coordinator Market Participants for the Energy bid.~~ Cost justifications provided pursuant to this Section 2.5.23.3.5 shall not include components representing emissions costs, start-up costs, credit risks, scarcity rents or opportunity costs. The ISO will treat the cost justifications provided to the ISO in accordance with this Section 2.5.23.3.5 as confidential and will apply the procedures in Section 20.3.4 of this ISO Tariff with regard to requests for disclosure of such information. Amounts collected by Scheduling Coordinators subject to the cost justification requirement in excess of the Proxy Price, ~~or~~ Marginal Proxy Clearing Price, or Non-Emergency Clearing Price, as applicable, shall be subject to refund, as may be ordered by the FERC.

2.5.23.3.6 Emissions Costs

2.5.23.3.6.1 Obligation to Pay Emissions Cost Charges

Each Scheduling Coordinator shall be obligated to pay a charge which will be used to pay the verified Emissions Costs incurred by a Must-Offer Generator as a direct result of an ISO Dispatch instruction, in accordance with this Section 2.5.23.3.6. The ISO shall levy this charge (the "Emissions Cost Charge") each month, against all Scheduling Coordinators based upon each Scheduling Coordinator's metered Demand within the ISO Control Area and Demand within California outside of the ISO Control Area that is served by exports from the ISO Control Area. Scheduling Coordinators shall make payment for all Emissions Cost Charges in accordance with the ISO Payments Calendar.

2.5.23.3.6.2 Emissions Cost Trust Account

All Emissions Cost Charges received by the ISO shall be deposited in the Emissions Cost Trust Account. The Emissions Cost Trust Account shall be an interest-bearing account separate from all other accounts maintained by the ISO, and no other funds shall be commingled in it at any time.

2.5.23.3.6.3 Rate For the Emissions Cost Charge

The rate at which the ISO will assess the Emissions Cost Charge shall be at the projected annual total of all Emissions Costs incurred by Must-Offer Generators as a direct result of ISO Dispatch instruction, adjusted for interest projected to be earned on the monies in the Emissions Cost Trust Account, divided by the projected metered Demand within the ISO Control Area and Demand within California outside of the ISO Control Area that is served by exports from the ISO Control Area of all Scheduling Coordinators for the applicable year ("Emissions Cost Demand"). The initial rate for the Emissions Cost Charge, and all subsequent rates for the Emissions Cost Charge, shall be posted on the ISO Home Page.

2.5.23.3.6.4 Adjustment of the Rate For the Emissions Cost Charge

The ISO may adjust the rate at which the ISO will assess the Emissions Cost Charge on a monthly basis, as necessary, to reflect the net effect of the following:

- (a) the difference, if any, between actual Emissions Cost Demand and projected Emissions Cost Demand;
- (b) the difference, if any, between the projections of the Emissions Costs incurred by Must-Offer Generators as a direct result of ISO Dispatch instructions and the actual Emissions Costs incurred by Must-Offer Generators as a direct result of ISO Dispatch instructions as invoiced to the ISO and verified in accordance with this Section 2.5.23.3.6; and
- (c) the difference, if any, between actual and projected interest earned on funds in the Emissions Cost Trust Account.

The adjusted rate at which the ISO will assess the Emissions Cost Charge shall take effect on a prospective basis on the first day of the next calendar month. The ISO shall publish all data and calculations used by the ISO as a basis for such an adjustment on the ISO Home Page at least five (5) days in advance of the date on which the new rate shall go into effect.

2.5.23.3.6.5 Credits and Debits of Emissions Cost Charges Collected from Scheduling Coordinators

In addition to the surcharges or credits permitted under Section 11.6.3.3 of this ISO Tariff, the ISO may credit or debit, as appropriate, the account of a Scheduling Coordinator for any over- or under-assessment of Emissions Cost Charges that the ISO determines occurred due to the error, omission, or miscalculation by the ISO or the Scheduling Coordinator.

2.5.23.3.6.6 Submission of Emissions Cost Invoices

Scheduling Coordinators for Must-Offer Generators that incur Emissions Costs as a direct result of an ISO Dispatch instruction may submit to the ISO an invoice in the form specified on the ISO Home Page (the "Emissions Cost Invoice") for the recovery of such Emissions Costs. Emissions Cost Invoices shall not include any Emissions Costs specified in an RMR Contract for a unit owned or controlled by a Must-Offer Generator. All Emissions Cost Invoices must include a copy of all final invoice statements from air quality districts demonstrating the Emissions Costs incurred by the applicable generating unit, and such other information as the ISO may reasonably require to verify the Emissions Costs incurred as a direct result of an ISO Dispatch instruction.

2.5.23.3.6.7 Payment of Emissions Cost Invoices

The ISO shall pay Scheduling Coordinators for all Emissions Costs submitted in an Emissions Cost Invoice and demonstrated to be a direct result of an ISO Dispatch instruction. If the Emissions Costs indicated in the applicable air quality districts' final invoice statements include

emissions produced by operation not resulting from ISO Dispatch instructions, the ISO shall pay an amount equal to Emissions Costs multiplied by the ratio of the MWh associated with ISO Dispatch instruction to the total MWh associated with such Emissions Costs. The ISO shall pay Emissions Cost Invoices each month in accordance with the ISO Payments Calendar from the funds available in the Emission Cost Trust Account. To the extent there are insufficient funds available in Emissions Cost Trust Account in any month to pay all Emissions Costs submitted in an Emissions Cost Invoice and demonstrated to be a direct result of an ISO Dispatch instruction, the ISO shall make pro rata payment of such Emissions Costs and shall adjust the rate at which the ISO will assess the Emissions Cost Charge in accordance with Section 2.5.23.3.6.4. Any outstanding Emissions Costs owed from previous months will be paid in the order of the month in which such costs were invoiced to the ISO. The ISO's obligation to pay Emissions Costs is limited to the obligation to pay Emissions Cost Charges received. All disputes concerning payment of Emissions Cost Invoices shall be subject to ISO ADR Procedures, in accordance with Section 13 of this ISO Tariff.

2.5.23.3.7 Start-Up Fuel Costs

2.5.23.3.7.1 Obligation to Pay Start-Up Fuel Cost Charges

Each Scheduling Coordinator shall be obligated to pay a charge which will be used to pay the verified Start-Up Fuel Costs incurred by a Must-Offer Generator as a direct result of an ISO Dispatch instruction, in accordance with this Section 2.5.23.3.7. The ISO shall levy this charge (the "Start-Up Fuel Cost Charge") each month, against all Scheduling Coordinators based upon each Scheduling Coordinator's metered Demand within the ISO Control Area and Demand within California outside of the ISO Control Area that is served by exports from the ISO Control Area. Scheduling Coordinators shall make payment for all Start-Up Fuel Cost Charges in accordance with the ISO Payments Calendar.

2.5.23.3.7.2 Start-Up Fuel Cost Trust Account

All Start-Up Fuel Cost Charges received by the ISO shall be deposited in the Start-Up Fuel Cost Trust Account. The Start-Up Fuel Cost Trust Account shall be an interest-bearing account

separate from all other accounts maintained by the ISO, and no other funds shall be commingled in it at any time.

2.5.23.3.7.3 Rate For the Start-Up Fuel Cost Charge

The rate at which the ISO will assess the Start-Up Fuel Cost Charge shall be at the projected annual total of all Start-Up Fuel Costs incurred by Must-Offer Generators as a direct result of ISO Dispatch instruction, adjusted for interest projected to be earned on the monies in the Start-Up Fuel Cost Trust Account, divided by the projected metered Demand within the ISO Control Area and Demand within California outside of the ISO Control Area that is served by exports from the ISO Control Area ("Start-Up Fuel Cost Demand"). The initial rate for the Start-Up Fuel Cost Charge, and all subsequent rates for the Start-Up Fuel Cost Charge, shall be posted on the ISO Home Page.

2.5.23.3.7.4 Adjustment of the Rate For the Start-Up Fuel Cost Charge

The ISO may adjust the rate at which the ISO will assess the Start-Up Fuel Cost Charge on a monthly basis, as necessary, to reflect the net effect of the following:

- (a) the difference, if any, between actual Start-Up Fuel Cost Demand and projected Start-Up Fuel Cost Demand;
- (b) the difference, if any, between the projections of the Start-Up Fuel Costs incurred by Must-Offer Generators as a direct result of ISO Dispatch instructions and the actual Start-Up Fuel Costs incurred by Must-Offer Generators as a direct result of ISO Dispatch instructions as invoiced to the ISO and verified in accordance with this Section 2.5.23.3.7; and
- (c) the difference, if any, between actual and projected interest earned on funds in the Start-Up Fuel Cost Trust Account.

The adjusted rate at which the ISO will assess the Start-Up Fuel Cost Charge shall take effect on a prospective basis on the first day of the next calendar month. The ISO shall publish all data and calculations used by the ISO as a basis for such an adjustment on the ISO Home Page at least five (5) days in advance of the date on which the new rate shall go into effect.

2.5.23.3.7.5 Credits and Debits of Start-Up Fuel Cost Charges Collected from Scheduling Coordinators

In addition to the surcharges or credits permitted under Section 11.6.3.3 of this ISO Tariff, the ISO may credit or debit, as appropriate, the account of a Scheduling Coordinator for any over- or

under-assessment of Start-Up Fuel Cost Charges that the ISO determines occurred due to the error, omission, or miscalculation by the ISO or the Scheduling Coordinator.

2.5.23.3.7.6 Submission of Start-Up Fuel Cost Invoices

Scheduling Coordinators for Must-Offer Generators that incur Start-Up Fuel Costs as a direct result of an ISO Dispatch instruction may submit to the ISO an invoice in the form specified on the ISO Home Page (the "Start-Up Fuel Cost Invoice") for the recovery of such Start-Up Fuel Costs. Such Start-Up Fuel Costs shall not exceed the costs which would be incurred within the start-up time for a unit specified in Schedule 1 of the Participating Generator Agreement. A Scheduling Coordinator may submit a Start-Up Fuel Cost Invoice to receive the applicable proxy figure for natural gas costs as determined in accordance with Section 2.5.23.3.4 and posted on the ISO Home Page. If a Scheduling Coordinator submits a Start-Up Fuel Cost Invoice to receive natural gas costs in excess of the applicable proxy figures, such Start-Up Fuel Cost Invoices must include data for every transaction within the entire natural gas portfolio of the Must-Offer Generator and its Affiliates, and such other information the ISO may reasonably require to verify the Start-Up Fuel Costs incurred as a direct result of an ISO Dispatch instruction. Start-Up Fuel Cost Invoices shall not include any Start-Up Fuel Costs specified in an RMR Contract for a unit owned or controlled by a Must-Offer Generator.

2.5.23.3.7.7 Payment of Start-Up Fuel Cost Invoices

The ISO shall pay Scheduling Coordinators for all Start-Up Fuel Costs submitted in a Start-Up Fuel Cost Invoice and demonstrated to be a direct result of an ISO Dispatch instruction. The ISO shall pay such Start-Up Fuel Cost Invoices each month in accordance with the ISO Payments Calendar from the funds available in the Start-Up Fuel Cost Trust Account. To the extent there are insufficient funds available in the Start-Up Fuel Cost Trust Account in any month to pay all Start-Up Fuel Costs submitted in a Start-Up Fuel Cost Invoice and demonstrated to be a direct result of an ISO Dispatch instruction, the ISO shall make pro rata payment of such Start-Up Fuel Costs and shall adjust the rate at which the ISO will assess the Start-Up Fuel Cost Charge in accordance with Section 2.5.23.3.7.4. Any outstanding Start-Up Fuel Costs owed from previous months will be paid in the order of the month in which such costs were invoiced to the ISO. The

ISO's obligation to pay Start-Up Fuel Costs is limited to the obligation to pay Start-Up Fuel Cost Charges received. All disputes concerning payment of Start-Up Fuel Cost Invoices shall be subject to ISO ADR Procedures, in accordance with Section 13 of this ISO Tariff.

2.5.23.3.8. Eligibility to Establish the Marginal Proxy Clearing Price and Non-Emergency Clearing Price

Only bids from Scheduling Coordinators for generating units and System Units under a Participating Generator Agreement are eligible to establish either the Marginal Proxy Clearing Price or the Non-Emergency Clearing Price. Only Scheduling Coordinators for generating units and System Units under a Participating Generator Agreement are eligible to be paid as-bid in accordance with this Section 2.5.23.3. All other Scheduling Coordinators whose bids to supply Imbalance Energy are accepted by the ISO shall be paid the Non-Emergency Clearing Price during periods when the ISO is not in a System Emergency or the Marginal Proxy Clearing Price when the ISO is in a System Emergency.

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2.5.27.7 Temporary Limitation on Ancillary Service Prices.

2.5.27.7.1 Limitation During System Emergencies

Notwithstanding any other provision of the ISO Tariff, the Market Clearing Prices for Regulation Up, Regulation Down, Spinning Reserves, Non-Spinning Reserves, and Replacement Reserves shall not exceed the Marginal Proxy Clearing Price, as determined in accordance with Section 2.5.23.3.1.1, during System Emergencies^{\$150}. Subject to Section 2.5.27.7.4, Scheduling Coordinators for Generating Units, System Units, Loads, and System Resources that submit bids above the Marginal Proxy Clearing Price^{\$150} for the supply of these Ancillary Services during System Emergencies shall be paid in accordance with their bids if accepted by the ISO. Such bids shall be subject to cost justification requirements and potential refunds.

2.5.27.7.2 Limitation During Non-System Emergency Periods

Notwithstanding any other provision of the ISO Tariff, the Market Clearing Prices for Regulation Up, Regulation Down, Spinning Reserves, Non-Spinning Reserves, and Replacement Reserves shall not exceed the Non-Emergency Clearing Price Limit, as determined in accordance with Section 2.5.23.3.1.2 of this ISO Tariff, during non-System Emergency periods. Subject to Section 2.5.27.7.4, Scheduling Coordinators for Generating Units, System Units, Loads, and System Resources that submit bids for the supply of these Ancillary Services during non-System Emergency periods at a price above the Non-Emergency Clearing Price Limit shall be paid in accordance with their bids if accepted by the ISO. Such bids shall be subject to cost justification requirements and potential refunds.

2.5.27.7.3 Requirement to Justify Bids

Scheduling Coordinators subject to the cost justification requirement must provide such justification in writing to the ISO and the FERC by no later than seven (7) calendar days after the end of the month in which the bid was submitted. The ISO will treat the cost justifications provided to the ISO in accordance with this Section 2.5.27.7 as confidential and will apply the procedures in Section 20.3.4 of this ISO Tariff with regard to requests for disclosure of such information. Amounts collected by Scheduling Coordinators subject to the cost justification

requirement in excess of the Marginal Proxy Clearing Price or the Non-Emergency Clearing Price Limit, as applicable, shall be subject to refund, as may be ordered by the FERC.

2.5.27.7.4 Eligibility to Establish the Market Clearing Price for Ancillary Services

Only bids from Scheduling Coordinators for generating units and System Units under a Participating Generator Agreement or a Participating Load Agreement are eligible to establish the Market Clearing Price for Ancillary Services. Only Scheduling Coordinators for generating units and System Units under a Participating Generator Agreement or a Participating Load Agreement are eligible to be paid as-bid in accordance with Section 2.5.27.7. All other Scheduling Coordinators whose bids to provide Ancillary Services are accepted by the ISO shall be paid the Market Clearing Price for Ancillary Services.

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11.2.12 Creditworthiness Surcharge

Notwithstanding anything to the contrary in the ISO Tariff, and until the FERC issues any order to the contrary, the following payments and charges shall be increased by a surcharge of 10%:

- (a) payments at the Market Clearing Price for Ancillary Services as determined in accordance with Sections 2.5.27.1 to 2.5.27.4;
- (b) charges at the Market Clearing Price for Ancillary Services as determined in accordance with Sections 2.5.28.1 to 2.5.28.4;
- (c) payments for Energy delivered in response to incremental Dispatch instructions at the Marginal Proxy Clearing Price or the Non-Emergency Clearing Price, as applicable; and
- (d) charges for Net Negative Uninstructed Deviations.

11.2.13 Emissions and Start-Up Fuel Cost Charges

The ISO shall calculate, account for and settle charges and payments for Emissions Costs and Start-Up Fuel Costs in accordance with Sections 2.5.23.3.6 and 2.5.23.3.7 of this ISO Tariff.

Master Definitions Supplement

<u>Emissions Cost Charge</u>	<u>The charge determined in accordance with Section 2.5.23.3.6.</u>
<u>Emissions Cost Demand</u>	<u>The level of Demand specified in Section 2.5.23.3.6.3.</u>
<u>Emissions Cost Invoice</u>	<u>The invoice submitted to the ISO in accordance with Section 2.5.23.3.6.6.</u>
<u>Emissions Cost Trust Account</u>	<u>The trust account established in accordance with Section 2.5.23.3.6.2.</u>
<u>Emissions Costs</u>	<u>The mitigation fees, excluding capital costs, assessed against a generating unit by a state or federal agency, including air quality districts, for exceeding applicable NOx emissions limitations.</u>

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Marginal Proxy Clearing Price	The Market Clearing Price determined in accordance with Section 2.5.23.3.1. <u>1.</u>
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<u>Native Load</u>	<u>Load required to be served by a utility within its Service Area pursuant to applicable law, franchise, or statute.</u>
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<u>Non-Emergency Clearing Price</u>	<u>The Market Clearing Price determined in accordance with Section 2.5.23.3.1.2.</u>
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<u>Non-Emergency Clearing Price Limit</u>	<u>The limitation on Market Clearing Prices determined in accordance with Section 2.5.23.3.1.2.</u>
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**Participating Seller or
Participating Generator**

A Generator or other seller of Energy or Ancillary Services through a Scheduling Coordinator over the ISO Controlled Grid from a **G**enerating **U**nit with a rated capacity of 1 MW or greater, or from a **G**enerating **U**nit providing Ancillary Services and/or submitting Supplemental Energy bids through an aggregation arrangement approved by the ISO, which has undertaken to be bound by the terms of the ISO Tariff, in the case of a Generator through a Participating Generator Agreement.

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Start-Up Fuel Cost Charge The charge determined in accordance with Section 2.5.23.3.7.

Start-Up Fuel Cost Demand The level of Demand specified in Section 2.5.23.3.7.3.

Start-Up Fuel Cost Invoice The invoice submitted to the ISO in accordance with Section 2.5.23.3.7.6.

Start-Up Fuel Cost Trust Account The trust account established in accordance with Section 2.5.23.3.7.2.

Start-Up Fuel Costs The actual cost of the fuel consumed by a particular generating unit from the time of first fire, the time of receipt of an ISO Dispatch instruction, or the time the unit was last synchronized to the grid, whichever is later, until the time the generating unit is synchronized or re-synchronized to the grid and producing Energy.