

5.10.5 If a Black Start Generating Unit fails to achieve a Black Start when called upon by the ISO, or fails to pass a performance test administered by the ISO, the Market Participant that has contracted to supply Black Start service from the Generating Unit shall re-pay to the ISO any reserve payment(s) that it has received since the administration of the last performance test or the last occasion upon which it successfully achieved a Black Start when called upon by the ISO, whichever is the shorter period.

5.11 Selling Obligations

5.11.1 Applicability

The requirements of Section 5.11 shall apply to (a) all Participating Generators, and (b) all persons, regardless of whether the person is a “public utility” as defined in Section 201 of the Federal Power Act, that own or control one or more non-hydroelectric Generating Units located in California from which energy or capacity is either: (i) sold through any market operated by the ISO, or (ii) transmitted over the ISO Controlled Grid. Each person described in this Section 5.11.1 is referred to in the ISO Tariff as a “Must-Offer Generator.” The requirements of this Section 5.11 shall apply to all non-hydroelectric Generating Units located in California that are owned or controlled by a Must-Offer Generator.

5.11.2 Available Generation

For the purposes of this Section 5.11, a Must-Offer Generator’s “Available Generation” from a non-hydroelectric Generating Unit shall be (a) the Generating Unit’s maximum operating level adjusted for any outages or reductions in capacity reported to the ISO in accordance with Section 2.3 or 5.11.3, (b) minus the Generating Unit’s scheduled operating point as identified in the ISO’s Final Hour-Ahead Schedule, (c) minus the Generating Unit’s capacity committed to provide Ancillary Services to the ISO either through the ISO’s Ancillary Services market or through self provision by a Scheduling Coordinator.

5.11.3 Reporting Requirements for Non-Participating Generators

So that the ISO may determine the Available Generation of all Must-Offer Generators, Must-Offer Generators that are not Participating Generators shall be required to file with the ISO, for each

non-hydroelectric Generating Unit located in California they own or control: (i) the Unit's minimum operating level; (ii) the Unit's maximum operating level; and (iii) the Unit's ramp rates at all operating levels; and (iv) such other information the ISO determines is necessary to determine available generation and to dispatch Must-Offer Generators. In addition, Must-Offer Generators that are not Participating Generators must, consistent with the notification obligations of Participating Generators and in order to comply with the intent of this Section 5.11, notify the ISO, as soon as practicable, of any Planned Maintenance Outages, Forced Outages, Force Majeure Event outages or any other reductions in their maximum operating levels.

5.11.4 Obligation To Offer Available Capacity

All Must-Offer Generators shall offer to sell in the ISO's Imbalance Energy market, in all hours, all their Available Generation as defined in Section 5.11.2.

5.11.5 Submission of Bids and Applicability of the Proxy Price

For each Operating Hour, Must-Offer Generators shall submit Supplemental Energy bids for all of their Available Generation to the ISO in accordance with Section 2.5.22.4. In addition, the ISO shall calculate for each gas-fired Must-Offer Generator, in accordance with Section 2.5.23, a Proxy Price for Energy. In hours in which the ISO has declared a System Emergency, any submitted bids that are priced above the Marginal Proxy Clearing Price for the hour, as determined in accordance with Section 2.5.23, will be paid as bid if accepted by the ISO. If, under this section, a Must-Offer Generator is paid as-bid, such bids will be subject to the cost-justification procedures established by FERC and may be subject to refund, as determined by FERC.

If a Must-Offer Generator fails to submit a Supplemental Energy bid for any portion of its Available Generation for an hour, the unbid quantity of the Must-Offer Generator's Available Generation will be deemed by the ISO to be bid at the Must-Offer Generator's Proxy Price for that hour if the applicable Generating Unit is a gas-fired unit. For all other Generating Units owned or controlled by a Must-Offer Generator, the unbid quantity of the Must-Offer Generator's Available Generation will be deemed by the ISO to be bid to receive the Market Clearing Price for that hour. In order to dispatch resources providing Imbalance Energy in proper merit order, the ISO will

[insert this unbid quantity into the Must-Offer Generator's Supplemental Energy bid curve above any lower-priced segments of the bid curve and below any higher-priced segments of the bid curve as necessary to maintain a non-decreasing bid curve over the entire range of the Must-Offer Generator's Available Generation.](#)

* * * * *

Master Definitions Supplement

Must-Offer Generator

[All entities defined in Section 5.11.1 of the ISO Tariff.](#)