California Independent System Operator Corporation
Fifth Replacement Tariff
Replacement Rule Amendment
B. Burns
APPENDIX A

NEW DEFINITIONS

Non-Designated RA Capacity -- Capacity the Load Serving Entity procured for use as Resource Adequacy Capacity, but not designated as Resource Adequacy Capacity in the Load Serving Entity’s monthly Resource Adequacy Plan for the relevant month.

Post-Plan RA Maintenance Outage – A Maintenance Outage, or change to an Approved Maintenance Outage, that the CAISO Outage Coordination Office receives after the due date for the Resource Adequacy Plans and Supply Plans for the resource adequacy month and that includes RA Replacement Capacity.

Off-Peak Opportunity RA Maintenance Outage – A Maintenance Outage for a Resource Adequacy Resource of short duration that is approved by the CAISO Outage Coordination Office to be undertaken during off-peak hours without RA Replacement Capacity.

RA Replacement Capacity -- Non-Designated RA Capacity, or capacity that is not resource adequacy capacity, CPM Capacity, or capacity under an RMR contract, that replaces Resource Adequacy Capacity unavailable due to a Maintenance Outage.

Short-Term RA Maintenance Outage Replacement Capacity – Short-Term RA Maintenance Outage Replacement Capacity procured under Section 43.10.

Short-Notice Opportunity RA Maintenance Outage - A Maintenance Outage, or change to an Approved Maintenance Outage, for a Resource Adequacy Resource that does not qualify as a Post-Plan RA Maintenance Outage or Off-Peak RA Opportunity Outage but that the CAISO Outage Coordination Office can accommodate on short notice without RA Replacement Capacity.
SECTION 9
OUTAGE MANAGEMENT

9.3.1.3 Coordinating Maintenance Outages of RA Resources

In performing outage coordination management under Section 9, and this Section 9.3.1.3, the CAISO Outage Coordination Office may take into consideration the status of a Generating Unit as a Resource Adequacy Resource and may deny, reschedule or cancel a Generation or Transmission Maintenance Outage if it is likely to have a detrimental effect on the availability of Resource Adequacy Capacity or the efficient use and reliable operation of the CAISO Controlled Grid or the facilities of a Connected Entity.

9.3.1.3.1 Replacement Requirement - RA Plans

Each Scheduling Coordinator for a Load Serving Entity shall submit to the CAISO a monthly Resource Adequacy Plan that meets the requirements set forth in Sections 40.2.2.4 or 40.2.3.4, as applicable, and that includes as Resource Adequacy Capacity only capacity that, as of the due date for the plan, is not scheduled for an Approved Maintenance Outage during the period of designation. To the extent that a resource included in a monthly Resource Adequacy Plan as Resource Adequacy Capacity is scheduled for an Approved Maintenance Outage for all or portion of its capacity during the resource adequacy month, the capacity scheduled for outage is not available to the CAISO and must be replaced in the plan with capacity from another resource(s) that is available in the amount and for the duration of the scheduled outage during that month.

The total Resource Adequacy Capacity listed in each monthly Resource Adequacy Plan, excluding capacity subject to an Approved Maintenance Outage, shall be equal to or greater than the applicable forecasted monthly Demand and Reserve Margin for the Load Serving Entity.

9.3.1.3.2 RA Resource Pending Maintenance Outage Requests

If a Resource Adequacy Resource requested a planned Maintenance Outage, or change to an Approved Maintenance Outage, more than forty-five days in advance of the resource adequacy month but does not receive approval or denial of the request by the CAISO Outage Coordination
Office as of the due date for the Resource Adequacy Plans and Supply Plans, the CAISO Outage Coordination Office, as part of the validation under Sections 9.3.1.3.4 and 40.7(b), will determine whether the outage should be approved and, if so, whether it must be replaced in the plan with capacity from another resource(s) that is available in the amount and for the duration of the scheduled outage during the month.

9.3.1.3.3 Optional List of Non-Designated RA Capacity

A Scheduling Coordinator for a Load Serving Entity may include with a monthly Resource Adequacy Plan a list of Non-Designated RA Capacity for the CAISO’s use as RA Replacement Capacity to replace Resource Adequacy Capacity included in that Load Serving Entity’s monthly Resource Adequacy Plan, as provided in Section 9.3.1.3.3 and 40.2.2.4. If the Scheduling Coordinator for a Load Serving Entity opts to include a list of Non-Designated RA Capacity, the CAISO, in its discretion, will select capacity from the list and use the selected capacity as RA Replacement Capacity to automatically replace Resource Adequacy Capacity included in that Load Serving Entity’s Resource Adequacy Plan in the amount and for the days on which the CAISO’s validation of the plan determines that the designated capacity is scheduled for an Approved Maintenance Outage during the resource adequacy month. The listed Non-Designated RA Capacity will not be subject to the standard capacity product provisions in Section 40.9 nor the must-offer obligations in Section 40.6, unless that capacity is selected by the CAISO and used as RA Replacement Capacity. The list of Non-Designated RA Capacity included with a monthly Resource Adequacy Plan shall:

(a) Only include Non-Designated RA Capacity that is not subject to an Approved Maintenance Outage during the relevant month;

(b) Rank each resource that has available Non-Designated RA Capacity in the order of use preferred by the Load Serving Entity;

(c) Provide the identity of the resource, the available capacity amount, the time periods when the capacity is available, and other information as may be specified in the Business Practice Manual;
(d) Indicate the willingness of the Load Serving Entity to offer each resource that has available Non-Designated RA Capacity for procurement as Short-Term RA Maintenance Outage Replacement Capacity pursuant to Section 43.10; and

(c) Be submitted in the format required by the Business Practice Manual.

9.3.1.3.4 Replacement By Non-Designated RA Capacity

The CAISO shall review each monthly Resource Adequacy Plan pursuant to Section 40.7(b) to validate that it includes only Resource Adequacy Capacity that is available to the CAISO and not scheduled for an Approved Maintenance Outage during the relevant month. If the CAISO’s review validates that the monthly Resource Adequacy Plan includes no such unavailable capacity, then replacement from the list of Non-Designated RA Capacity will not occur. To the extent that the CAISO’s review of the monthly Resource Adequacy Plan determines that Resource Adequacy Capacity included in the plan is scheduled for an Approved Maintenance Outage during the relevant month, the CAISO will select capacity, in its discretion, from the Non-Designated RA Capacity list and use the selected capacity as RA Replacement Capacity to automatically replace the Resource Adequacy Capacity included in that Load Serving Entity’s plan in the amount and for each day on which the CAISO’s validation of the plan determines that the designated capacity is scheduled for an Approved Maintenance Outage. For the duration of period that the Non-Designated RA Capacity is providing RA Replacement Capacity, it shall be subject to all of the availability, dispatch, testing, reporting, verification and any other applicable requirements imposed on Resource Adequacy Resources by the CAISO Tariff, including the standard capacity product provisions in Section 40.9 and the must-offer obligations in Section 40.6.

9.3.1.3.5 Unreplaced Capacity In An RA Plan

The CAISO may determine that a Load Serving Entity is not required to replace Resource Adequacy Capacity included in a monthly Resource Adequacy Plan that is scheduled for an Approved Maintenance Outage during the relevant resource adequacy month. The CAISO will make the determination as follows:
(a) If the CAISO system total Resource Adequacy Capacity for the month, less the amount of unreplaced capacity scheduled for an Approved Maintenance Outage, exceeds the CAISO system planning reserve margin of 115 percent, the CAISO may determine that replacement is not required.

(b) If the CAISO system total Resource Adequacy Capacity for the month, less the amount of the unreplaced capacity scheduled for an Approved Maintenance Outage, is less than the CAISO system planning reserve margin of 115 percent, the CAISO will treat the unreplaced capacity as an outage replacement requirement pursuant to Section 40.7(b).

(c) The CAISO will consider which outages require replacement in the order that the outage requests are received. Any unreplaced capacity included in a monthly Resource Adequacy Plan that the CAISO determines cannot be accommodated under Section 9.3.1.3.5(a), must be replaced with RA Replacement Capacity or rescheduled.

9.3.1.3.6 Replacement Requirement - Post-Plan RA Maintenance Outages

After the monthly Supply Plan has been submitted, the Operator of a Resource Adequacy Resource designated as Resource Adequacy Capacity during the resource adequacy month may request that a planned Maintenance Outage be scheduled, or an Approved Maintenance Outage be rescheduled, as a Post-Plan RA Maintenance Outage during that month; provided that the request (i) is submitted to the CAISO Outage Coordination Office at least ten days prior to the start of that month or the start of the outage, whichever is earlier, (ii) provides RA Replacement Capacity in an amount no less than the Resource Adequacy Capacity designated for the resource for the duration of the scheduled outage, and (iii) otherwise complies with the requirements set forth in Section 9. The CAISO Outage Coordination Office will consider requests for a Post-Plan RA Maintenance Outage in the order the requests are received. The CAISO Outage Coordination Office may approve the request if the outage includes the required RA Replacement Capacity and if it otherwise meets the criteria set forth in Section 9.3.6.4.1. The RA Replacement Capacity for a Post-Plan RA Maintenance Outage shall be subject to all of the availability.
dispatch, testing, reporting, verification and any other applicable requirements imposed on
Resource Adequacy Resources by the CAISO Tariff, including the standard capacity product
provisions in Section 40.9 and the must-offer obligations in Section 40.6. The CAISO Outage
Coordination Office may deny a request for a Post-Plan RA Maintenance Outage that is not
timely submitted and/or does not provide the required RA Replacement Capacity for the outage,
or may treat it as a request for an Short-Notice Opportunity RA Maintenance Outage under
Section 9.3.1.3.8.

9.3.1.3.7 Off-Peak Opportunity RA Maintenance Outages

The Operator of a resource designated as Resource Adequacy Capacity during the resource
adequacy month may submit a request for an Off-Peak Opportunity RA Maintenance Outage less
than ten days prior to the start of month and during the month, without a requirement to provide
RA Replacement Capacity for the unavailable capacity for the duration of the outage; provided
that the request (i) is submitted to the CAISO Outage Coordination Office at least 72 hours prior
to the start date for the outage, (ii) the outage is scheduled to begin during off-peak hours (as
specified in the Business Practice Manual) on a weekday, and to be completed prior to on-peak
hours (as specified in the Business Practice Manual) the following weekday, or to begin during
off-peak hours (as specified in the Business Practice Manual) on Friday, or on Saturday, Sunday,
or a holiday, and to be completed prior to on-peak hours (as specified in the Business Practice
Manual) on the next weekday, and (iii) otherwise complies with the requirements set forth in
Section 9. The CAISO Outage Coordination Office will consider requests for a Off-Peak
Opportunity RA Maintenance Outage in the order the requests are received. The CAISO Outage
Coordination Office may approve the request if (i) the outage will not reduce available Resource
Adequacy Capacity below the system planning reserve margin of 115 percent, (ii) system
conditions and the overall outage schedule provide an opportunity to take the resource out of
service without a detrimental effect on the efficient use and reliable operation of the CAISO
Controlled Grid, and (iii) if it otherwise meets the criteria set forth in Section 9. To the extent that
an approved Off-Peak Opportunity RA Maintenance Outage is not completed during off-peak
hours as scheduled, and extends into on-peak hours, the portion of the outage that extends into on-peak hours will be treated as a Forced Outage.

9.3.1.3.8 Short-Notice Opportunity RA Maintenance Outages

After the due date for the monthly Resource Adequacy Plans and Supply Plans, if the Operator of a resource designated as Resource Adequacy Capacity during the resource adequacy month submits a request for a planned Maintenance Outage or a request to change an Approved Maintenance Outage that is not timely under the provisions of Section 9 and/or does not comply with the replacement requirement provisions in Section 9.3.1.3, the CAISO Outage Coordination Office may, at its discretion, deny the request, or approve the request as an Short-Notice Opportunity RA Maintenance Outage provided that the CAISO Outage Coordination Office has adequate time to analyze the request before the outage begins and the analysis determines that (i) the outage will not reduce the total amount of available Resource Adequacy Capacity below the system planning reserve margin of 115 percent, and (ii) system conditions and the overall outage schedule provide an opportunity to take the resource out of service without a detrimental effect on the efficient use and reliable operation of the CAISO Controlled Grid, and (iii) the outage has not already commenced as a Forced Outage. The CAISO Outage Coordination Office will consider Short-Notice Opportunity RA Maintenance Outages in the order the requests are received.

9.3.1.3.9 Replacement Requirement Information

In order to make information available to Market Participants pertinent to the replacement requirement required in Section 9.3.1.3, the CAISO will:

(a) Annually post on the CAISO Website a calendar of the timeline of due dates for each month of the following resource adequacy compliance year; and

(b) Provide the opportunity for Market Participants to post and view information on an electronic bulletin board about non-resource adequacy capacity and Non-Designated RA Capacity that may be needed or available as RA Replacement
SECTION 40

RESOURCE ADEQUACY

40  Resource Adequacy Demonstration For All SCs In The CAISO BAA

40.1  Applicability

40.2  Information Requirements For Resource Adequacy Programs

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40.2.1  Reserve Sharing LSEs

40.2.1.1  Requirements for CPUC Load Serving Entities Electing Reserve Sharing LSE Status

(a) The Scheduling Coordinator for a CPUC Load Serving Entity electing Reserve Sharing LSE status must provide the CAISO with all information or data to be provided to the CAISO as required by the CPUC and pursuant to the schedule adopted by the CPUC, except that the monthly Resource Adequacy Plans or the same information as required to be included in the monthly Resource Adequacy Plans, plus any other information the CAISO requires as identified in the Business Practice Manual, shall be submitted to the CAISO no less than 45 days in advance of the first day of the month covered by the plan, as provided in Section 40.2.1.1(e).

(b) Where the information or data provided to the CAISO under Section 40.2.1.1(a) does not include Reserve Margin(s), then the provisions of Section 40.2.2.1(b) shall apply.
Where the information or data provided to the CAISO under Section 40.2.1.1(a) does not include criteria for determining qualifying resource types and their Qualifying Capacity, then the provisions of Section 40.8 shall apply.

Where the information or data provided to the CAISO under Section 40.2.1.1(a) does not include annual and monthly Demand Forecast requirements, then the provisions of Section 40.2.2.3 shall apply.

Where the information or data provided to the CAISO under Section 40.2.1.1(a) does not include annual and monthly Resource Adequacy Plan requirements, or where there is a requirement to submit monthly Resource Adequacy Plans but the submission date is less than 45 days in advance of the first day of the month covered by the plan, then Section 40.2.2.4 shall apply.

### 40.2.2 Non-CPUC LSEs Electing Reserve Sharing LSE Status

#### 40.2.2.1 Reserve Margin

(a) The Scheduling Coordinator for a Non-CPUC Load Serving Entity electing Reserve Sharing LSE status must provide the CAISO with the Reserve Margin(s) adopted by the appropriate Local Regulatory Authority or federal agency for use in the annual Resource Adequacy Plan and monthly Resource Adequacy Plans listed as a percentage of the Demand Forecasts developed in accordance with Section 40.2.2.3.

(b) For the Scheduling Coordinator for a Non-CPUC Load Serving Entity for which the appropriate Local Regulatory Authority or federal agency has not established a Reserve Margin(s) or a CPUC Load Serving Entity subject to Section 40.2.1.1(b) that has elected Reserve Sharing LSE status, the Reserve Margin for each month shall be no less than fifteen percent (15%) of the LSE’s peak hourly Demand for the applicable
month, as determined by the Demand Forecasts developed in accordance with Section 40.2.2.3.

40.2.2.2 Qualifying Capacity Criteria

The Scheduling Coordinator for a Non-CPUC Load Serving Entity electing Reserve Sharing LSE status must provide the CAISO with a description of the criteria adopted by the Local Regulatory Authority or federal agency for determining qualifying resource types and the Qualifying Capacity from such resources and any modifications thereto as they are implemented from time to time. The Reserve Sharing LSE may elect to utilize the criteria set forth in Section 40.8.

40.2.2.3 Demand Forecasts

The Scheduling Coordinator for a Non-CPUC Load Serving Entity or CPUC Load Serving Entity subject to Section 40.2.1.1(b) electing Reserve Sharing LSE status must provide annual and monthly Demand Forecasts on the schedule and in the reporting format(s) set forth in the Business Practice Manual. The annual and monthly Demand Forecasts shall utilize the annual and monthly coincident peak Demand determinations provided by the California Energy Commission for such Load Serving Entity, which will be calculated from the Demand Forecast information submitted to the California Energy Commission by each Reserve Sharing LSE; or (ii) if the California Energy Commission does not produce coincident peak Demand Forecasts for the Load Serving Entity, the annual and monthly coincident peak Demand Forecasts produced by the CAISO for such Load Serving Entity in accordance with its Business Practice Manual.

Scheduling Coordinators must provide data and information, as may be requested by the CAISO, necessary to develop or support the Demand Forecasts required by this Section.

40.2.2.4 Annual and Monthly Resource Adequacy Plans

The Scheduling Coordinator for a Non-CPUC Load Serving Entity or a CPUC Load Serving Entity subject to Section 40.2.1.1(b) electing Reserve Sharing LSE status must provide annual and monthly Resource Adequacy Plans for such Load Serving Entity, on a schedule and in the reporting format(s) set forth in the Business Practice Manual, as follows:

(a) Each annual Resource Adequacy Plan must be submitted to the CAISO on a schedule and in the reporting format(s) set forth in the Business Practice Manual.
The annual Resource Adequacy Plan must, at a minimum, set forth the Local Capacity Area Resources, if any, procured by the Load Serving Entity as described in Section 40.3.

(b) Each monthly Resource Adequacy Plan or the same information as required to be included in the monthly Resource Adequacy Plan, plus any other information the CAISO requires as identified in the Business Practice Manual, must be submitted to the CAISO at least 45 days in advance of the first day of the month covered by the plan, and in accordance with the schedule and in the reporting format(s) set forth in the Business Practice Manual. The monthly Resource Adequacy Plan should identify all resources, including Local Capacity Area Resources, the Load Serving Entity will rely upon to satisfy the applicable month’s peak hour Demand of the Load Serving Entity as determined by the Demand Forecasts developed in accordance with Section 40.2.2.3 and applicable Reserve Margin. Resource Adequacy Plans must utilize the Net Qualifying Capacity requirements of Section 40.4.

(c) In order to ensure that amount of Resource Adequacy Capacity required to be included in the Load Serving Entity’s Resource Adequacy Plan is available to the CAISO throughout the resource adequacy month, the monthly Resource Adequacy Plan shall comply with the replacement requirement in Section 9.3.1.3.1.

40.2.3 Modified Reserve Sharing LSEs

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40.2.3.4 Annual and Monthly Resource Adequacy Plans

The Scheduling Coordinator for a Load Serving Entity electing Modified Reserve Sharing LSE status must provide annual and monthly Resource Adequacy Plans, on a schedule and in the reporting format(s) set forth in the Business Practice Manual, for each Modified Reserve Sharing LSE served by the Scheduling Coordinator, as follows:
(a) Each annual Resource Adequacy Plan must be submitted to the CAISO on a schedule and in the reporting format(s) set forth in the Business Practice Manual. The annual Resource Adequacy Plan must, at a minimum, set forth the Local Capacity Area Resources, if any, procured by the Modified Reserve Sharing LSE as described in Section 40.3.

(b) Each monthly Resource Adequacy Plan or the same information as required to be included in the monthly Resource Adequacy Plan, plus any other information the CAISO requires as identified in the Business Practice Manual, must be submitted to the CAISO at least 45 days in advance of the first day of the month covered by the plan, and in accordance with the schedule and in the reporting format(s) set forth in the Business Practice Manual. The monthly Resource Adequacy Plan must identify the resources the Modified Reserve Sharing LSE will rely upon to satisfy its forecasted monthly Demand and Reserve Margin as set forth in Section 40.2.3.1, for the relevant reporting period and must utilize the Net Qualifying Capacity requirements of Section 40.4.

(c) In order to ensure that the Resource Adequacy Capacity required to be included in the Load Serving Entity’s monthly Resource Adequacy Plan is available to the CAISO throughout the resource adequacy month, the monthly Resource Adequacy Plan shall comply with the replacement requirement in Section 9.3.1.3.1.

40.2.4 Load Following MSS

A Scheduling Coordinator for a Load following MSS must provide an annual Resource Adequacy Plan that sets forth, at a minimum, the Local Capacity Area Resources, if any, procured by the Load following MSS as described in Section 40.3. The annual Resource Adequacy Plan shall utilize the annual coincident peak Demand determination provided by the California Energy Commission for such Load following MSS using Demand Forecast data submitted to the California Energy Commission by the Load following MSS, or, if the California Energy Commission does not produce coincident peak Demand Forecasts for the Load following MSS,
the annual coincident peak Demand Forecast produced by the CAISO for such Load following MSS in accordance with its Business Practice Manual using Demand Forecast data submitted to the CAISO by the Load following MSS. The Local Capacity Area Resources identified by the annual Resource Adequacy Plan submitted by the Load following MSS shall be subject to the Availability Standards, Non-Availability Charge, and Availability Incentive Payment specified in Section 40.9.

40.3 Local Capacity Area Resource Requirements For SCs For LSEs

40.4 General Requirements On Resource Adequacy Resources

40.4.3 General Qualifications For Supplying Net Qualifying Capacity

Resource Adequacy Resources included in a Resource Adequacy Plan submitted by a Scheduling Coordinator on behalf of a Load Serving Entity serving Load in the CAISO Balancing Authority Area must:

(1) Be available for testing by the CAISO to validate Qualifying Capacity, which can be no less than a resource's PMin even if the resource's contractual Resource Adequacy Capacity is less than its PMin, and determine Net Qualifying Capacity for the next Resource Adequacy Compliance Year;

(2) Provide any information requested by the CAISO to apply the performance criteria to be adopted by the CAISO pursuant to Section 40.4.5;

(3) Submit Bids into the CAISO Markets as required by this CAISO Tariff;

(4) Be in compliance, as of the date that the CAISO performs any testing or otherwise determines Net Qualifying Capacity for the next Resource Adequacy Compliance Year, with the criteria for Qualifying Capacity established by the CPUC, relevant Local Regulatory Authority, or federal agency and provided to the CAISO; and

(5) Be subject to Sanctions for non-performance as specified in the CAISO Tariff; and
(6) For a resource with contractual Resource Adequacy Capacity less than PMin, make the PMin available to the CAISO for commitment or dispatch at PMin, subject to Section 11.8 provisions for Bid Cost Recovery, so that the resource’s Resource Adequacy Capacity can be utilized as required by this CAISO Tariff.

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40.4.7 Submission Of Supply Plans

40.4.7.1 Schedule for Submission of Supply Plans

Scheduling Coordinators representing Resource Adequacy Resources supplying Resource Adequacy Capacity shall provide the CAISO with annual and monthly Supply Plans, as follows:

(a) The annual Supply Plan shall be submitted to the CAISO on the schedule set forth in the Business Practice Manual and shall verifying their agreement to provide Resource Adequacy Capacity during the next Resource Adequacy Compliance Year or relevant month, as applicable.

(b) The monthly Supply Plans or the same information as required to be included in the monthly Supply Plan, plus any other information the CAISO requires as identified in the Business Practice Manual, shall be submitted to the CAISO at least 45 days in advance of the first day of the month covered by the plan, and in accordance with the schedule and in the reporting format(s) set forth in the Business Practice Manual, and shall verify their agreement to provide Resource Adequacy Capacity during that resource adequacy month.

(c) The Monthly Supply Plan may indicate the willingness of the resource to offer capacity for procurement as Short-Term RA Maintenance Outage Replacement Capacity pursuant to Section 43.10, and provide the identity of the resource, the available capacity amount, the time periods when the capacity is available, and other information as may be specified in the Business Practice Manual.
40.4.7.2  Form of Supply Plans

The Supply Plan must be in the form of the template provided on the CAISO Website, which shall include an affirmative representation by the Scheduling Coordinator submitting the Supply Plan that the CAISO is entitled to rely on the accuracy of the information provided in the Supply Plan to perform those functions set forth in this Section 40.

40.4.7.3  Validation of Supply Plans

The CAISO shall be entitled to take reasonable measures to validate the accuracy of the information submitted in Supply Plans under this Section. Supply Plan validation measures may include the following:

(a) The CAISO may compare a Resource Adequacy Resource’s Resource Adequacy Capacity against the Resource Adequacy Resource’s Net Qualifying Capacity, if applicable. To the extent the Resource Adequacy Capacity of a Resource Adequacy Resource included in a Supply Plan is greater than the Resource Adequacy Resource’s Net Qualifying Capacity, the CAISO will notify the respective Scheduling Coordinators for the Resource Adequacy Resource and each Load Serving Entity that has included the Resource Adequacy Resource in its Resource Adequacy Plan that the Resource Adequacy Capacity from the Resource Adequacy Resource shall be reduced to the Resource Adequacy Resource’s Net Qualifying Capacity and that it will be considered a mismatch under Section 40.7. If the CAISO is not advised as to how the reduction in Resource Adequacy Capacity to conform with the Resource Adequacy Resource’s Net Qualifying Capacity shall be allocated among each Load Serving Entity that included the Resource Adequacy Resource on its Resource Adequacy Plan, the CAISO will apply a pro rata reduction based on the Supply Plan.

(b) The CAISO may verify whether the Resource Adequacy Capacity listed in the monthly Supply Plan is scheduled to take an Approved
Maintenance Outage during the month. To the extent the Resource Adequacy Capacity of a Resource Adequacy Resource included in a Supply Plan is greater than or less than the Resource Adequacy Capacity designated for the resource in the Resource Adequacy Plan, or includes Resource Adequacy Capacity that is scheduled for an Approved Maintenance Outage during the month, the CAISO will notify the Local Regulatory Authority, the Scheduling Coordinator for the Resource Adequacy Resource, and the respective Scheduling Coordinators for each Load Serving Entity that has included the Resource Adequacy Resource in its Resource Adequacy Plan that there is a discrepancy, which will be treated as unreplaced RA capacity under Section 9.3.1.3.5 or as a mismatch under Section 40.7.

(bc) Other errors or inaccuracies identified by the CAISO in a Supply Plan shall be treated as a mismatch under Section 40.7.

Disputes regarding the CAISO’s determination of Net Qualifying Capacity shall be subject to Section 40.5.2. The provisions of this Section shall not affect a Resource Adequacy Resource’s Net Qualifying Capacity posted by the CAISO under Section 40.5.2.

40.5 Requirements Applying To Modified Reserve Sharing LSEs Only

40.6 Requirements For SCs And Resources For Reserve Sharing LSEs

This Section 40.6 does not apply to Resource Adequacy Resources of Load following MSSs and those entities that participate in the Modified Reserve Sharing LSE program under Section 40.5. Scheduling Coordinators supplying Resource Adequacy Capacity shall make the Resource Adequacy Capacity listed in the Scheduling Coordinator’s monthly Supply Plans under Section 40.4.7 available to the CAISO each hour of each day of the reporting month in accordance with this Section 40.6 and Section 9.3.1.3.
40.7 Compliance

The CAISO will evaluate Resource Adequacy Plans and Supply Plans as follows:

(a) The CAISO will evaluate whether each annual and monthly Resource Adequacy Plan submitted by a Scheduling Coordinator on behalf of a Load Serving Entity demonstrates Resource Adequacy Capacity sufficient to satisfy the Load Serving Entity’s (i) allocated responsibility for Local Capacity Area Resources under Section 40.3.2 and (ii) applicable Demand and Reserve Margin requirements. If the CAISO determines that a Resource Adequacy Plan does not demonstrate Local Capacity Area Resources sufficient to meet its allocated responsibility under Section 40.3.2, compliance with applicable Demand and Reserve Margin requirements, or compliance with any other resource adequacy requirement in this Section 40 or adopted by the CPUC, Local Regulatory Authority, or federal agency, as applicable, the CAISO will notify the relevant Scheduling Coordinator, CPUC, Local Regulatory Authority, or federal agency with jurisdiction over the relevant Load Serving Entity, or in the case of a mismatch between Resource Adequacy Plan(s) and Supply Plan(s), the relevant Scheduling Coordinators, in an attempt to resolve any deficiency in accordance with the procedures set forth in the Business Practice Manual. The notification will be made at least 25 days in advance of the first day of the month covered by the plan and will include the reasons the CAISO believes a deficiency exists. If the deficiency relates to the demonstration of Local Capacity Area Resources in a Load Serving Entity’s annual Resource Adequacy Plan, and the CAISO does not provide a written notice of resolution of the deficiency as set forth in the Business Practice Manual, the Scheduling Coordinator for the Load Serving Entity may demonstrate that the identified deficiency is cured by submitting a revised annual Resource Adequacy Plan within thirty (30) days of the beginning of the Resource Adequacy Compliance Year. For all other identified deficiencies, at least ten (10) days prior
the effective month of the relevant Resource Adequacy Plan, the Scheduling Coordinator for the Load Serving Entity shall (i) demonstrate that the identified deficiency is cured by submitting a revised Resource Adequacy Plan or (ii) advise the CAISO that the CPUC, Local Regulatory Authority, or federal agency, as appropriate, has determined that no deficiency exists.

(b) The CAISO will evaluate whether each monthly Resource Adequacy Plan submitted by a Scheduling Coordinator on behalf of a Load Serving Entity demonstrates available Resource Adequacy Capacity, excluding capacity scheduled to take an Approved Maintenance Outage during the resource adequacy month, that is equal to or greater than the Load Serving Entity’s applicable Demand and Reserve Margin requirements. If the CAISO determines that a monthly Resource Adequacy Plan (i) includes capacity scheduled for an Approved Maintenance Outage during the month that has not been replaced pursuant to Section 9.3.1.3.1, 9.3.1.3.4, or 9.3.1.3.5, and (ii) does not demonstrate sufficient available Resource Adequacy Capacity to comply with applicable Demand and Reserve Margin requirements, the CAISO will provide notice of the outage replacement requirement to the local Regulatory Authority, the Scheduling Coordinator for the Load Serving Entity, and the Scheduling Coordinator for the Resource Adequacy Resource scheduled for the Approved Maintenance Outage. The notification will be made at least 25 days in advance of the first day of the month covered by the plan and will include the reasons why the CAISO believes an outage replacement requirement exists. At least ten (10) days prior to the resource adequacy month, the Scheduling Coordinator for the Load Serving Entity or for the Resource Adequacy Resource may demonstrate that the identified outage replacement requirement is cured by submitting a revised monthly Resource Adequacy Plan or Supply Plan, as applicable. If neither the Scheduling Coordinator for the Load Serving Entity nor the Scheduling Coordinator for the Resource Adequacy Resource timely advises the
CAISO that the identified outage replacement requirement is cured, the CAISO may exercise its authority in Section 43.10, to procure Short-Term RA Maintenance Outage Replacement Capacity.

(c) In the case of a mismatch between Resource Adequacy Plan(s) and Supply Plan(s), if resolved, the relevant Scheduling Coordinator(s) must provide the CAISO with revised Resource Adequacy Plan(s) or Supply Plans, as applicable, at least ten (10) days prior to the effective month. If the CAISO is not advised that the deficiency or mismatch is resolved at least ten (10) days prior to the effective month, the CAISO will use the information contained in the Supply Plan to set the obligations of Resource Adequacy Resources under this Section 40 and/or to assign any costs incurred under this Section 40 and Section 43.

40.7.1 Other Compliance Issues

Scheduling Coordinators representing Generating Units, System Units or System Resources supplying Resource Adequacy Capacity that fail to provide the CAISO with an annual or monthly Supply Plan, as applicable, as set forth in Section 40.7, shall be subject to Section 37.6.1. Further, Scheduling Coordinators representing Generating Units, System Units or System Resources supplying Resource Adequacy Capacity that fail to provide the CAISO with information required for the CAISO to determine Net Qualifying Capacity shall not be eligible for inclusion in the Net Qualifying Capacity annual report under Section 40.4.2 for the next Resource Adequacy Compliance Year and shall be subject to any applicable Sanctions under Section 37.6.1.

40.7.2 Penalties For Non-Compliance

The failure of a Resource Adequacy Resource or Resource Adequacy Capacity to be available to the CAISO in accordance with the requirements of this Section 40 and the failure to operate a Resource Adequacy Resource by placing it online or in a manner consistent with a submitted Bid or Generated Bid shall be subject to the applicable Sanctions set forth in Section 37.2.4. However, any failure of the Resource Adequacy Resource to satisfy any obligations prescribed under this Section 40 during a Resource Adequacy Compliance Year for which Resource
Adequacy Capacity has been committed to a Load Serving Entity shall not limit in any way, except as otherwise established under Section 40.4.5 or requirements of the CPUC, Local Regulatory Authority, or federal agency, as applicable, the ability of the Load Serving Entity to whom the Resource Adequacy Capacity has been committed to use such Resource Adequacy Capacity for purposes of satisfying the resource adequacy requirements of the CPUC, Local Regulatory Authority, or federal agency, as applicable. In addition, a Reserve Sharing LSE shall not be subject to any sanctions, penalties, or other compensatory obligations under this Section 40 on account of a Resource Adequacy Resource’s satisfaction or failure to satisfy its obligations under this Section 40.

40.8 CAISO Default Qualifying Capacity Criteria

40.9. Availability Standards And Payment; Non-Availability Charges Standard Capacity Product

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SECTION 43 CAPACITY BACKSTOP PROCUREMENT MECHANISM

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43.10 Short-Term RA Maintenance Outage Replacement Capacity Procurement

43.10.1 Designation

The CAISO shall have the authority to designate capacity in accordance with Section 43.10.2 to provide Short-Term RA Maintenance Outage Replacement Capacity services where (i) the Load Serving Entity’s monthly Resource Adequacy Plan includes Resource Adequacy Capacity scheduled for an Approved Maintenance Outage during the month, (ii) such unavailable capacity was not replaced with RA Replacement Capacity pursuant to Sections 9.3.1.3.1 or 9.3.1.3.4, and (iii) the Load Serving Entity’s monthly Resource Adequacy Plan fails to demonstrate sufficient
available Resource Adequacy Capacity to comply with applicable Demand and Reserve Margin requirements; provided that the CAISO shall not designate Short-Term RA Maintenance Outage Replacement Capacity under this Section 43.10.1 until after the Scheduling Coordinator for the Load Serving Entity or the Scheduling Coordinator for the Resource Adequacy Resource have the opportunity to cure the outage replacement requirement as set forth in Section 40.7. The CAISO may exercise its authority to designate Short-Term RA Maintenance Outage Replacement Capacity under this Section 43.10.1 to ensure that sufficient Resource Adequacy Capacity is available to meet the CAISO system RA planning reserve margin of 115 percent. The CAISO shall finalize the designation at least one day in advance of the start of the designation.

43.10.2 Selection of Short-Term RA Maintenance Outage Replacement Capacity

In accordance with Good Utility Practice, the CAISO shall make designations of Short-Term RA Maintenance Outage Replacement Capacity from available capacity, excluding the capacity of Generating Units, System Units, System Resources, or Participating Load that is already designated as a Resource Adequacy Resource, under an RMR Contract, or designated as CPM Capacity during the period of the Approved Maintenance Outage, and excluding a Participating Generator or Participating Load that has filed notice to terminate its Participating Generator Agreement, QF PGA, Pseudo-Tie Participating Generator Agreement, or Participating Load Agreement or withdraw the capacity from its Participating Generator Agreement, QF PGA, Pseudo-Tie Participating Generator Agreement, or Participating Load Agreement. The CAISO shall select the Short-Term RA Maintenance Outage Replacement Capacity by considering the following criteria in the order listed:

(1) the availability of Non-Designated RA Capacity from other Load Serving Entities and the availability of capacity from other resources;

(2) capacity that has similar operating characteristics to the capacity on outage;

(3) the capacity costs associated with the available capacity; and

(4) the quantity of a resource’s available capacity, based on a resource’s PMin, relative to the remaining amount of capacity needed.
The CAISO will apply the first criterion to identify the pool of available capacity for backstop from available Non-Designated RA Capacity that other Load Serving Entities have procured but did not designate as Resource Adequacy Capacity and the capacity available from other resources during the relevant resource adequacy month. The CAISO will apply the second criterion by endeavoring to select capacity that has similar operating characteristics to the capacity on outage. The CAISO will apply the third criterion by considering the cost of the available capacity. The CAISO will apply the fourth criterion by considering the quantity of a resource’s available capacity. The CAISO will endeavor to select a resource that has a PMin at or below the needed amount of capacity before selecting a resource that has a PMin that would result in over-procurement. If after applying these criteria, two or more resources that are eligible for designation equally satisfy these criteria, the CAISO shall utilize a random selection method to determine the designation between those resources. The CAISO shall not designate the capacity of a resource for an amount of capacity that is less than the resource’s PMin.

43.10.3 Term

Short-Term RA Maintenance Outage Replacement Capacity designated under Section 43.10.1 shall have commitment equal to the duration of the outage, with a minimum commitment of one day and a maximum commitment of 31 days. The term of the designation may not extend into the subsequent resource adequacy compliance month. If the Approved Maintenance Outage is scheduled to continue into the following resource adequacy compliance month, the CAISO will consider the need to procure Short-Term RA Maintenance Outage Replacement Capacity for that portion of the outage as part of the CAISO’s validation of the Load Serving Entity’s Resource Adequacy Plan for the next month pursuant to Section 40.2.2.4 or 40.2.3.4.

43.10.4 Obligation To Provide Capacity and Termination

The decision to accept a designation as Short-Term RA Maintenance Outage Replacement Capacity shall be voluntary for the Scheduling Coordinator for any resource. If the Scheduling Coordinator for a resource accepts the designation, it shall be obligated to perform for the full
quantity and full period of the designation with respect to the amount of Short-Term RA Maintenance Outage Replacement Capacity for which it has accepted the designation.

43.10.5 Availability Obligations

Capacity from resources designated as Short-Term RA Maintenance Outage Replacement Capacity shall be subject to all of the availability, dispatch, testing, reporting, verification and any other applicable requirements imposed on Resource Adequacy Resources by the CAISO Tariff, including the standard capacity product provisions in Section 40.9 and the must offer obligations in Section 40.6. If the CAISO has not received an Economic Bid or a Self-Schedule for Short-Term RA Maintenance Outage Replacement Capacity, the CAISO shall utilize a Generated Bid in accordance with the procedures specified in Section 40.6.8.

43.10.6 Payment

Payment shall be made to the Scheduling Coordinator for the resource that received the designation to provide Short-Term RA Maintenance Outage Replacement Capacity or to the Scheduling Coordinator for the Load Serving Entity that offered the Non-Designated RA Capacity procured as Short-Term RA Maintenance Outage Replacement Capacity. The payment shall equal the product of the number of days the resource provides Short-Term RA Maintenance Outage Replacement Capacity multiplied by the amount of Short-Term RA Maintenance Replace Capacity provided net of any Maintenance Outages or Forced Outages, multiplied by the fixed CPM Capacity price in effect pursuant to Section 43.7.1.

43.10.7 Allocation of Payment Costs

The cost of the payments made for a Short-Term RA Maintenance Outage Replacement Capacity designation will be allocated to the Scheduling Coordinator for the Load Serving Entity whose monthly Resource Adequacy Plan fails to have sufficient available Resource Adequacy Capacity and RA Replacement Capacity to comply with applicable Demand and Reserve Margin requirements.
43.10.8 Notice of Designation

The CAISO shall issue a Market Notice within five Business Days of a Short-Term RA Maintenance Outage Replacement Capacity designation that includes a description of the cause of the designation, the name of the resource(s) procured, and the term and amount of the designation.