

California Independent System Operator Corporation  
Fifth Replacement Electronic Tariff

**Table of Contents**

16.	Existing Contracts .....	2
16.1	Continuation of Existing Contracts for Non-Participating TOs .....	2
16.1.1	Participating TO Obligation .....	2
16.1.2	Right to Use and Ownership of Facilities .....	2
16.1.3	Existing Contract Dispute Resolution.....	3
16.1.4	Conversion of PTO's Rights Under Existing Contracts.....	3
16.2	[Not Used] .....	3
16.3	Curtailment Under Emergency and Non-Emergency Conditions .....	3
16.3.1	Emergency Conditions.....	3
16.3.2	Non-Emergency Conditions .....	3
16.4	TRTC Instructions .....	4
16.4.1	Responsibility to Create TRTC Instructions .....	4
16.4.2	Responsible PTO Re Multiple PTO Parties to Existing Contracts .....	4
16.4.3	Scheduling Coordinator Responsibilities .....	5
16.4.4	Submission of TRTC Instructions.....	5
16.4.5	TRTC Instructions Content.....	5
16.4.6	Changes and Updates to TRTC Instructions .....	7
16.4.7	Treatment of TRTC Instructions.....	8
16.4.8	CAISO Role in Existing Contracts.....	9
16.4.9	Implementation of TRTC Instructions.....	9
16.5	Treatment of Existing Contracts for Transmission Service.....	10
16.5.1	System Emergency Exceptions .....	11
16.6	Valid ETC Self-Schedules.....	12
16.6.1	Validation of ETC Self-Schedules .....	12
16.6.2	Treatment of Invalid ETC Self-Schedules .....	12
16.6.3	Treatment of Valid ETC Self-Schedules .....	14
16.6.4	Notification to SCs of CAISO Determination.....	15
16.7	[Not Used] .....	15
16.8	[Not Used] .....	15
16.9	The HASP .....	15
16.9.1	Scheduling Deadlines .....	15
16.10	The CAISO's Real-Time Process.....	15
16.11	Inter-Balancing Authority Area ETC Self-Schedule Bid Changes.....	16
16.12	Intra-Balancing Authority Area ETC Self-Schedules Changes .....	16

## **16. Existing Contracts**

### **16.1 Continuation of Existing Contracts for Non-Participating TOs**

The transmission service rights and obligations of Non-Participating TOs under Existing Contracts, including all terms, conditions and rates of the Existing Contracts, as they may change from time to time under the terms of the Existing Contracts, will continue to be honored by the parties to those contracts, for the duration of those contracts.

#### **16.1.1 Participating TO Obligation**

If a Participating TO is a party to an Existing Contract under which Existing Rights are provided, the Participating TO shall attempt to negotiate changes to the Existing Contract to align the contract's scheduling and operating provisions with the CAISO's scheduling and operational procedures, rules and protocols, to align operations under the contract with CAISO operations, and to minimize the contract parties' costs of administering the contract while preserving their financial rights and obligations.

In addition, the Participating TO shall attempt to negotiate changes to provisions in the Existing Contract to ensure that whenever transmission services under the Existing Contract are used to deliver power to a Market Participant that is subject to Access Charges under this CAISO Tariff, no duplicative charge for access to the CAISO Controlled Grid will be charged under the Existing Contract. For purposes of such negotiations, there shall be a presumption that any charges in an Existing Contract that were designed to recover the embedded cost of transmission facilities within the CAISO Controlled Grid will be fully recovered through the Access Charges established under Section 26.1.

#### **16.1.2 Right to Use and Ownership of Facilities**

If a Non-Participating TO has an Existing Contract with a Participating TO under which the Non-Participating TO's transmission facilities, or a portion thereof, are subject to use by the Participating TO, the Non-Participating TO's rights to the use and ownership of its facilities shall remain unchanged, regardless of the Participating TO's act of turning over the Participating TO's Entitlement to use the Non-Participating TO's facilities to the extent possible to the Operational Control of the CAISO. The CAISO will accept valid ETC Self-Schedules from a Participating TO that is the Scheduling Coordinator for the holder of Existing Rights, or from holders of Existing Rights that are Scheduling Coordinators, or that are represented by a Scheduling Coordinator other than the Participating TO. ETC Self-Schedules submitted

California Independent System Operator Corporation  
Fifth Replacement Electronic Tariff

by Scheduling Coordinators to the CAISO, which include the use of Existing Rights, must be submitted in accordance with Section 16.1 and Section 30. The CAISO may refuse to accept ETC Self-Schedules submitted pursuant to Existing Contracts that do not meet the requirements of the principles, protocols and rules referred to in this Section 16.1.

**16.1.3 Existing Contract Dispute Resolution**

The CAISO will, if requested, advise parties to Existing Contracts regarding the operational aspects of any Existing Contract renegotiations that they undertake.

If the parties to an Existing Contract are unable to reach agreement on the changes needed to meet the requirements of this CAISO Tariff, any disputes related thereto shall be addressed using the dispute resolution provisions of the Existing Contract, including any remedies as are provided by law. The rights of the parties to seek changes or to challenge such changes, under the FPA or as otherwise provided by law, are preserved consistent with the terms of the Existing Contract. Unless and until the necessary changes to the Existing Contract are made, all terms and conditions of the Existing Contracts will continue to be honored by the parties to the Existing Contracts.

**16.1.4 Conversion of PTO's Rights Under Existing Contracts**

Parties who are entitled to transmission service rights under Existing Contracts and who choose to become Participating TOs must, at the time of becoming a Participating TO convert those rights to Converted Rights in accordance with Section 4.3.1.6.

**16.2 [Not Used]**

**16.3 Curtailment Under Emergency and Non-Emergency Conditions**

**16.3.1 Emergency Conditions**

To the extent practicable, the CAISO shall allocate necessary curtailments of Existing Rights or non-Converted Rights under emergency conditions in accordance with the TRTC Instructions submitted by the Responsible PTO pursuant to Section 16.4. If circumstances prevent the CAISO's compliance with such TRTC Instructions, the CAISO shall allocate such curtailments in a non-discriminatory manner consistent with Good Utility Practice and Applicable Reliability Criteria.

**16.3.2 Non-Emergency Conditions**

Unless otherwise specified by the Responsible PTO in the TRTC Instructions that it submits to the CAISO

California Independent System Operator Corporation  
Fifth Replacement Electronic Tariff

pursuant to Section 16.4, the CAISO will allocate any necessary curtailments under non-emergency conditions, pro rata, among holders of Existing Rights, at particular Scheduling Points and/or on particular contract paths, in the order of: (1) non-firm, (2) each priority of conditional firm, and (3) each priority of firm rights. Priorities for firm and conditional firm transmission service are indicated using the TRTC Instructions as described in Section 16.4.

**16.4 TRTC Instructions**

**16.4.1 Responsibility to Create TRTC Instructions**

Each Participating TO and Existing Rights holder will work with the CAISO to develop the Transmission Rights and Transmission Curtailment (TRTC) Instructions that allow Existing Contracts to be exercised in a way that: (i) maintains the existing scheduling and curtailment priorities under the Existing Contract; (ii) is minimally burdensome to the CAISO (i.e., creates the least impact on the CAISO's preferred operational policies and procedures); (iii) to the extent possible, imposes no additional financial burden on either the Participating TO or the holder of Existing Rights (beyond that in the Existing Contract); (iv) consistent with the terms of the Existing Contracts, makes as much transmission capacity not otherwise utilized by the holder of Existing Rights available as possible to the CAISO for allocation to Market Participants; (v) is minimally burdensome to the Participating TO and the Existing Rights holder from an operational point of view; and (vi) does not require the CAISO to interpret or underwrite the economics of the Existing Contract. The parties to Existing Contracts will attempt to jointly develop and agree on any TRTC Instructions that will be submitted to the CAISO. The parties to an Existing Contract shall also be responsible to submit to the CAISO any other necessary operating instructions based on their contract interpretations needed by the CAISO to enable the CAISO to perform its duties.

**16.4.2 Responsible PTO Re Multiple PTO Parties to Existing Contracts**

To the extent there is more than one Participating TO providing transmission service under an Existing Contract or there is a set of Existing Contracts which are interdependent from the point of view of submitting instructions to the CAISO involving more than one Participating TO, the relevant Participating TOs will designate a single Participating TO as the responsible PTO and will notify the CAISO accordingly. If no such responsible PTO is designated by the relevant Participating TOs or the CAISO is not notified of such designation, the CAISO shall designate one of them as the responsible PTO and

notify the relevant Participating TOs accordingly. The responsible PTO designated pursuant to this section shall have the same responsibility as the Participating TO under this Section 16.4.

#### **16.4.3 Scheduling Coordinator Responsibilities**

The Scheduling Coordinator designated by the parties to an Existing Contract as the responsible entity for submitting ETC Self-Schedules for the relevant Existing Contract shall submit ETC Self-Schedules consistent with the terms and conditions specified in the TRTC Instructions.

#### **16.4.4 Submission of TRTC Instructions**

For each Existing Contract, the Participating TO providing transmission service under the Existing Contract (or the Responsible PTO identified in Section 16.4.2) shall be obligated to submit the TRTC Instructions to the CAISO electronically on behalf of the holders of Existing Rights, unless the parties to the Existing Contract agree otherwise. The Participating TO shall notify the CAISO in writing the identity of the responsible party for submission of the TRTC Instructions as decided by the parties to the Existing Contract and the term of such agreement between the parties to the Existing Contract. The Participating TO shall undertake all obligations with respect to the submission of the TRTC Instructions to the CAISO and any subsequent obligations that follow with respect to the creation, management and updates to the TRTC Instructions. The CAISO is responsible for implementing only one set of TRTC Instructions for each Existing Contract and only those TRTC Instructions that have been received and accepted by the CAISO. The Participating TO shall submit the TRTC Instructions to the CAISO associated with Existing Contracts or sets of interdependent Existing Contracts thirty (30) days prior to the date on which the scheduling or curtailment of the use of the Existing Rights is to change or commence.

#### **16.4.5 TRTC Instructions Content**

TRTC Instructions will include the following information at a minimum and such other information as the CAISO may reasonably require the Participating TO to provide to enable the CAISO to carry out its functions under the CAISO Tariff, Operating Procedures and Business Practice Manuals:

- (1) A unique Contract Reference Number for each source and sink combination applicable to the Existing Contract (i.e., the CRN that will be assigned by the CAISO and communicated to the Participating TO that references a single Existing Contract or a set of interdependent Existing Contracts for each source and sink combination);

California Independent System Operator Corporation  
Fifth Replacement Electronic Tariff

- (2) Whether the instruction can be exercised independent of the CAISO's day-to-day involvement ("Yes/No");
- (3) Name of an operational single point of contact for instructions and a 24- hour a day telephone number for the Participating TO contact for Existing Contract issues or the agreed upon party;
- (4) Name(s) and number(s) of Existing Contract(s) that are represented by the unique CRN;
- (5) The following information as stored in the Master File: (a) the applicable Point(s) of Receipt and Point(s) of Delivery); (b) for each Point of Receipt, the resource names for the physical resources as the eligible sources (eligible physical sources include Generating Units and System Resources), and for each Point of Delivery, the resource names for the physical resources as the eligible sinks (eligible physical sinks include Load PNodes, Custom Load Aggregation Points and System Resources); (c) for each physical source or sink, the maximum Existing Rights capacity (MW) that can be scheduled as an Existing Right under the Existing Contract; and (d) for each physical source and sink, the Scheduling Coordinator(s) and their Business Associate Identification (BAID) that is(are) eligible to submit ETC Self-Schedules utilizing these sources and sinks;
- (6) Names of the party(ies) to the Existing Contract(s);
- (7) The Scheduling Coordinator BAID that is entitled to the Settlement of reversal of Congestion Charges;
- (8) Type(s) of service rights by the holder of the Existing Rights, by type of service (firm, conditional firm, or non-firm), with priorities for firm and conditional firm transmission services and maximum amounts of service rights in MW;
- (9) Instructions for the allowable timeframes at which the ETC Self- Schedules and ETC Self-Schedule changes may be submitted to the CAISO, which include whether the Scheduling Coordinator may submit ETC Self-Schedules or ETC Self-Schedule changes: (a) into the DAM; (b) into the RTM; (c) after the close of submitting Bids into the RTM, but before twenty (20) minutes before the applicable Trading Hour of the Trading Day; and

California Independent System Operator Corporation  
Fifth Replacement Electronic Tariff

(d) at or after twenty (20) minutes before the applicable Trading Hour of the Trading Day; in addition, the TRTC Instructions may also include any additional comments and restrictions on the submission time of ETC Self- Schedules and ETC Self-Schedule changes;

- (10) Term of service period(s) of the Existing Contract(s);
- (11) Any special procedures that would require the CAISO to implement curtailments in any manner different from pro rata reduction of the transfer capability of the transmission line; any such TRTC Instructions submitted to the CAISO must be clear, unambiguous, and not require the CAISO to make any judgments or interpretations as to the meaning intent, results, or purpose of the curtailment procedures or the Existing Contract and the section of the Existing Contract that provides this right for reference, otherwise, they will not be accepted by the CAISO;
- (12) The forecasted usage patterns for each Existing Contract for the upcoming annual period of the annual CRR release processes as well as for the upcoming monthly period of the monthly CRR release processes, which will consist of hourly MWh data over the whole year for those resources that will use the Existing Contract; this information will be considered by the CAISO in managing its accounting for usage of Existing Rights in the release of CRRs; this information shall not be used by the CAISO to validate ETC Self-Schedules when submitted by Scheduling Coordinators and therefore shall not affect the Existing Rights holder's ability to utilize its rights under the Existing Contract;
- (13) Whether or not the Existing Contract provides for the right to self-provide Ancillary Services; and
- (14) Specification of any contract requirements in the ETC that warrants special consideration in the implementation of the physical rights under the ETC.

**16.4.6 Changes and Updates to TRTC Instructions**

Updates or changes to the TRTC Instructions must be submitted to the CAISO through a revised set of TRTC Instructions by the Participating TO, on an as needed or as required basis determined by the parties to the Existing Contracts. The CAISO will implement the updated or changed TRTC Instructions

as soon as practicable but no later than seven (7) days after receiving clear and unambiguous details of the updated or changed instructions under normal conditions. If the CAISO finds the TRTC Instructions to be inconsistent with the CAISO Tariff, the CAISO will notify the Participating TO within forty-eight (48) hours after receipt of the updated or changed TRTC Instructions indicating the nature of the problem and allowing the Participating TO to resubmit the TRTC Instructions as if they were new, updated or changed TRTC Instructions. If the CAISO finds the updated or changed TRTC Instructions to be acceptable, the CAISO will time-stamp the updated TRTC Instructions as received, confirm such receipt to the Participating TO, and indicate the time at which the updated TRTC Instructions take effect if prior to the seven (7) day deadline referred to above. In the event of a System Emergency, the CAISO will implement such submitted changes to the TRTC Instructions as soon as practical.

#### **16.4.7 Treatment of TRTC Instructions**

##### **16.4.7.1 TRTC Instructions Can be Exercised Independently**

To the extent that the TRTC Instructions can be exercised independently of the CAISO by the parties to the Existing Contract and the results forwarded to the CAISO, the TRTC Instructions shall be exercised by the Participating TOs, and the outcomes shall be forwarded to the CAISO. The determination of whether the TRTC Instructions can be “exercised independently of the CAISO by the parties to the Existing Contract” shall be made using the same procedures described in Section 16.4.8.

##### **16.4.7.2 TRTC Instructions Cannot be Exercised Independently**

To the extent that the TRTC Instructions cannot be exercised independently of the CAISO and the results forwarded to the CAISO (because, for example, they require iteration with the CAISO’s Bid submission and scheduling process, would unduly interfere with the CAISO’s management of the Real-Time Market, including curtailments, or would unduly interfere with the ability of the holder of rights to exercise its rights), the TRTC Instructions will be provided to the CAISO for day-to-day implementation. The TRTC Instructions will be provided by the Participating TO to the CAISO for implementation unless the parties to the Existing Contracts otherwise agree that the holder of the Existing Rights will do so. For these TRTC Instructions, the Scheduling Coordinators representing the holders of Existing Rights will submit their Bids to the CAISO for implementation in accordance with the TRTC Instructions. In this case, the CAISO shall act as the scheduling agent for the Participating TO with regard to Existing Rights.

#### **16.4.8 CAISO Role in Existing Contracts**

The CAISO will have no role in interpreting Existing Contracts. The parties to an Existing Contract will, in the first instance, attempt jointly to agree on any TRTC Instructions that will be submitted to the CAISO. In the event that the parties to the Existing Contract cannot agree upon the TRTC Instructions submitted by the parties to the Existing Contract, the dispute resolution provisions of the Existing Contract, if applicable, shall be used to resolve the dispute; provided that, until the dispute is resolved, and unless the Existing Contract specifies otherwise, the CAISO shall implement the Participating TO's TRTC Instructions. If both parties to an Existing Contract are Participating TOs and the parties cannot agree to the TRTC Instructions submitted by the parties, until the dispute is resolved, and unless the Existing Contract specifies otherwise, the CAISO shall implement the TRTC Instructions of the first Participating TO for which the Existing Contract is an Encumbrance. The CAISO shall not be responsible for resolution of any disputes that arise over the accuracy of the TRTC Instructions consistent with its obligations in Section 16.4.5.

#### **16.4.9 Implementation of TRTC Instructions**

The CAISO shall determine, based on the information provided by the Participating TOs under TRTC Instructions, the transmission capacities that (i) must be reserved for firm Existing Rights at Scheduling Points, (ii) may be allocated for use as CAISO transmission service (i.e., new firm uses), (iii) must be reserved by the CAISO for conditional firm Existing Rights, and (iv) remain for any non-firm Existing Rights for which a Participating TO has no discretion over whether or not to provide such non-firm service.

The CAISO shall coordinate the scheduling of Existing Rights with the scheduling of CAISO transmission service, using the CAISO's Bid submission rules. In doing so, the CAISO shall create an automated day-to-day verification process based on parameters provided by the Participating TO for the Existing Contract to serve as the basis for ETC Self-Schedule validation. The Participating TO will be responsible for: (1) the accuracy of the data files against which the CAISO will validate the ETC Self-Schedule; and (2) providing the data file to the holder of Existing Rights as well as the CAISO.

The CAISO shall recognize that the obligations, terms or conditions of Existing Contracts may not be changed without the voluntary consent of all parties to the contract (unless such contract may be changed

California Independent System Operator Corporation  
Fifth Replacement Electronic Tariff

pursuant to any applicable dispute resolution provisions in the contract or pursuant to Section 205 or Section 206 of the FPA and the FERC's Rules and Regulations or as otherwise provided by law).

The parties to Existing Contracts shall remain liable for their performance under the Existing Contracts.

The CAISO shall be liable in accordance with the provisions of this CAISO Tariff for any damage or injury caused by its non-compliance with the TRTC Instructions submitted to it pursuant to this Section 16.4.

Unless specified otherwise, in the event that the dispute resolution mechanisms prescribed in an Existing Contract, including all recourses legally available under the contract, cannot, in the first instance, result in a resolution of such a dispute, the CAISO ADR Procedures will be used to resolve any disputes between the CAISO and the Participating TO regarding any aspects of the implementation of this Section 16.4, including the reasonableness of a Participating TO's TRTC Instructions or any other decision rules which the Participating TO may submit to the CAISO as part of the TRTC Instructions. The holders of Existing Rights under the Existing Contract shall have standing to participate in the CAISO ADR Procedures.

**16.5 Treatment of Existing Contracts for Transmission Service**

The CAISO will accommodate Existing Rights, so that the holders of Existing Rights will receive the same priorities (in scheduling, curtailment, assignment and other aspects of transmission system usage) to which they are entitled under their Existing Contracts.

In addition, scheduling deadlines and operational procedures associated with Existing Rights will be honored by the CAISO, provided such information is explicitly included in the TRTC Instructions. The CAISO will accommodate and honor Existing Rights as follows:

- (1) For Existing Rights that permit Interchange Schedule changes over Scheduling Points with other Balancing Authority Areas, the CAISO will reserve transmission capacity equal to the Existing Rights transmission capacity and make a corresponding adjustment in its determination of ATC. For Existing Rights that permit Interchange Schedule changes after the Market Close of the Day-Ahead Market, the CAISO will reserve transmission capacity equal to the unscheduled ETC amount of transmission capacity for that Scheduling Point.
- (2) For Existing Rights within the CAISO Balancing Authority Area, the CAISO will not set-aside capacity associated with the Existing Rights transmission capacity.

California Independent System Operator Corporation  
Fifth Replacement Electronic Tariff

- (3) In the RTM, the CAISO will give valid ETC Self-Schedules priority over other non-ETC Day-Ahead Schedules and RTM Bids. In the event of a reduction in capacity on the transmission path associated with the Existing Right, the CAISO will honor the Existing Rights priority in accordance with this Section 16.
- (4) When the Existing Contract permits, the CAISO will allow the holder of Existing Rights to make changes to the scheduled amounts of Supply after the submission of HASP ETC Self-Schedules in accordance with the TRTC Instructions established for such changes. The CAISO will, as necessary, redispatch non-ETC resources to accommodate valid ETC Self-Schedule changes in Real-Time.
- (5) All contractual provisions that have been communicated to the CAISO in writing in accordance with this Section 16 by the parties to the Existing Contracts, shall be honored by the CAISO and the parties to the Existing Contracts and shall be implemented by the CAISO in accordance with the terms and conditions of the relevant Existing Contracts so notified.

**16.5.1 System Emergency Exceptions**

As set forth in Section 4.2.1, all Market Participants, including Scheduling Coordinators, Utility Distribution Companies, Participating TOs, Participating Generators (which includes Pseudo-Ties of Generating Units to the CAISO Balancing Authority Area), Participating Loads, Demand Response Providers, Distributed Energy Resource Providers, Balancing Authorities (to the extent the agreement between the Balancing Authority and the CAISO so provides), and MSS Operators within the CAISO Balancing Authority Area and all System Resources must comply fully and promptly with CAISO Dispatch Instructions and operating orders, unless such operation would impair public health or safety. The CAISO will honor the terms of Existing Contracts, provided that in a System Emergency and circumstances in which the CAISO considers that a System Emergency is imminent or threatened, holders of Existing Rights must follow CAISO operating orders even if those operating orders directly conflict with the terms of Existing Contracts, unless such operating orders are inconsistent with the terms of an agreement between the CAISO and a Balancing Authority. In the event of a conflict between the CAISO Tariff and an agreement between the CAISO and a Balancing Authority, the agreement will govern. For this purpose CAISO

operating orders to shed Load shall not be considered as an impairment to public health or safety. This section does not prohibit a Scheduling Coordinator from modifying its Bid or re-purchasing Energy in the Real-Time Market.

#### **16.6 Valid ETC Self-Schedules**

The CAISO will accept a valid ETC Self-Schedule from a Scheduling Coordinator. That Scheduling Coordinator shall be either the holder of Existing Rights or its designee, the Participating TO, (in the case that no Scheduling Coordinator has been so identified by the parties to the Existing Contract, the Participating TO shall be the Scheduling Coordinator for the holder of the Existing Contract). ETC Self-Schedules submitted by Scheduling Coordinators to the CAISO, which use Existing Rights, must be submitted in accordance with this CAISO Tariff.

##### **16.6.1 Validation of ETC Self-Schedules**

An ETC Self-Schedule is a valid ETC Self-Schedule when the CAISO has determined that the ETC Self-Schedule, submitted to the CAISO pursuant to the requirements for Bids in Sections 30, properly reflects Existing Rights consistent with the TRTC Instructions, is labeled with a unique Existing Contract identifier, and includes balanced sources and sinks, within the ETC's capacity limits.

##### **16.6.2 Treatment of Invalid ETC Self-Schedules**

###### **16.6.2.1 Inconsistent with the TRTC Instructions**

The CAISO will validate ETC Self-Schedules pursuant to the rules specified below in Sections 16.6.2.2 and 16.6.2.3. If the CAISO finds that an ETC Self-Schedule is not consistent with the TRTC Instructions, the CAISO shall find that the ETC Self-Schedule is not valid. If the CAISO finds the ETC Self-Schedule to be invalid, the CAISO shall notify the Scheduling Coordinator and convert the ETC Self-Schedule to an ordinary Self-Schedule and treat the ETC Self-Schedule as an ordinary Self-Schedule for scheduling priority and Settlements.

###### **16.6.2.2 Unbalanced ETC Self-Schedules**

If the CAISO determines that an ETC Self-Schedule a Scheduling Coordinator submits to the Day-Ahead Market is not balanced, the CAISO will promptly notify the Scheduling Coordinator and will: (i) remove any scheduling priority for the entire ETC Self-Schedule; (ii) apply the ETC Settlement treatment pursuant to Section 11.2.1.5 to the valid balanced portions only; and (iii) assess any charges and make any payments

consistent with the treatment of ordinary Self-Schedules for the unbalanced portions. If the CAISO determines that an ETC Self-Schedule a Scheduling Coordinator submits to the Real-Time Market is not balanced, the CAISO will: (i) apply the ETC Settlement treatment pursuant to Section 11.5.7.1 to the valid balanced portions only; and (ii) assess any charges and make any payments consistent with the treatment of ordinary Self-Schedules for the unbalanced portions. Where multiple ETC, TOR or Converted Rights Self-Schedules are submitted in an ETC, TOR or Converted Rights chain, all individual ETC, TOR, or Converted Rights Self-Schedules links in the chain must remain individually valid, including the simultaneous but separate use of an individual ETC, TOR or Converted Rights Self-Schedule, in order for all the ETC, TOR or Converted Rights Self-Schedules in the chain to remain valid and receive the full ETC, TOR or Converted Rights Self-Schedule treatment. Otherwise, the CAISO will treat any of the ETC, TOR, or Converted Rights Self-Schedules in the chain as specified above in this Section 16.6.2.2.

**16.6.2.3 Exceeds Capacity Limits or Invalid Contract Reference Number**

**16.6.2.3.1 Rejection of ETC Self-Schedules**

The CAISO will reject the ETC Self-Schedule and will promptly inform the responsible Scheduling Coordinator that it has rejected the ETC Self-Schedule if the CAISO determines the ETC Self-Schedule is invalid for any of the following reasons: (i) the Scheduling Coordinator submits the incorrect Contract Reference Number with the ETC Self-Schedule; (ii) the ETC Self-Schedule exceeds the resource capacity limits in the relevant Existing Contract(s) as registered and identified in the applicable TRTC Instructions; or (iii) the available capacity MW limit permissible under the Existing Contract(s) is zero (0).

**16.6.2.3.2 Non-Zero Available Capacity**

If the CAISO determines that the ETC Self-Schedules submitted by Scheduling Coordinators for a specific Existing Contract in total exceed the non-zero available capacity MW limit permissible under relevant Existing Contract(s) as reflected in TRTC Instructions, the CAISO will notify the Scheduling Coordinator promptly and will: (i) remove any scheduling priority for all the ETC Self-Schedules for the Existing Contract; (ii) apply the ETC Settlement treatment pursuant to Sections 11.2.1.5 and 11.5.7.1 to the valid balanced portions within the capacity limits of the Existing Contract as reflected in the TRTC Instructions; and (iii) assess any charges and make any payments consistent with the treatment of

ordinary Self-Schedules for the portions in excess of the capacity limits of the Existing Contract as reflected in the TRTC Instructions. Where multiple ETC, TOR or Converted Rights Self-Schedules are submitted in an ETC, TOR or Converted Rights chain, all individual ETC, TOR, or Converted Rights Self-Schedules links in the chain must remain individually valid, including the simultaneous but separate use of an individual ETC, TOR or Converted Rights Self-Schedule, in order for all the ETC, TOR or Converted Rights Self-Schedules in the chain to remain valid and receive the full ETC, TOR or Converted Rights Self-Schedule treatment. Otherwise, the CAISO will treat any of the ETC, TOR, or Converted Rights Self-Schedules in the chain as specified above in this Section 16.6.2.3.2.

### **16.6.3 Treatment of Valid ETC Self-Schedules**

The resulting valid ETC Self-Schedules shall have the following Settlement treatment:

- (1) The CAISO will apply the ETC Settlement treatment in Sections 11.2.1.5 and 11.5.7.1.
- (2) The CAISO shall base the Marginal Cost of Losses on LMP differentials at the Existing Contract source(s) and sink(s) identified in the valid ETC Self-Schedule.
- (3) The holders of Existing Rights will not be entitled to an allocation of revenues from the CAISO, including Access Charge revenue related to those Existing Rights.
- (4) Parties with Existing Rights shall continue to pay for Transmission Losses or Ancillary Services requirements in accordance with such Existing Contracts as they may be modified or changed in accordance with the terms of the Existing Contract. The Participating TOs shall continue to provide Transmission Losses and any other Ancillary Services to the holder of the rights under an Existing Contract as may be required by the Existing Contract. The CAISO will charge Scheduling Coordinators submitting the ETC Self-Schedule for Transmission Losses, Ancillary Services, and Flexible Ramping Product, in accordance with the CAISO Tariff and any shortfall or surplus between the CAISO charges and the Existing Rights shall be settled bilaterally between the Existing Contract parties or through the relevant TO Tariff. To enable holders of Existing Rights to determine whether the CAISO's calculations result in any associated shortfall or surplus and to enable the parties to the Existing Contracts to settle the differences bilaterally or through the relevant TO Tariff, the CAISO shall calculate and provide the Scheduling

California Independent System Operator Corporation  
Fifth Replacement Electronic Tariff

Coordinator's Settlements the amounts paid for the MCL for the amounts of MWh submitted with a valid ETC Self-Schedule. Each Participating TO will be responsible for recovering any deficits or crediting any surpluses associated with differences in Transmission Losses and Transmission Loss requirements and/or Ancillary Services requirements, through its bilateral arrangements or its Transmission Owner Tariff.

**16.6.4 Notification to SCs of CAISO Determination**

After performing validation of the ETC Self-Schedule, and prior to taking any action pursuant to Section 16.6.2, the CAISO will make an automated validation notice available to the Scheduling Coordinator indicating whether the ETC Self-Schedule is valid or invalid. If an ETC Self-Schedule involves more than one Scheduling Coordinator, the complete validation of the chain of ETC Self-Schedules will occur when the last Scheduling Coordinator submits its ETC Self-Schedule. At that time, the CAISO will make an automated validation notice available to each Scheduling Coordinator registered as associated with the chain of ETC Self-Schedules. The CAISO can accommodate corrections submitted by a Scheduling Coordinator to an ETC Self-Schedule up to Market Close of the Day-Ahead Market as further described in the applicable Business Practice Manual.

**16.7 [Not Used]**

**16.8 [Not Used]**

**16.9 The HASP**

**16.9.1 Scheduling Deadlines**

Those holders of Existing Rights who have Existing Rights as reflected in the TRTC Instructions that allow scheduling after the close of the Day-Ahead Market may submit ETC Self-Schedules for the use of those rights by the deadline for the Market Close for RTM. Submission of schedule changes beyond the Market Close for RTM that are permitted pursuant to the terms of the applicable ETC, shall not be deemed to be an unbalanced ETC Self-Schedule for the purposes of Settlement, consistent with the ETC and TOR Self-Schedule Settlement treatment described in Section 11.5.7.

**16.10 The CAISO's Real-Time Process**

Consistent with this Section 16, the CAISO will honor those scheduling flexibilities that may be exercised by holders of Existing Rights through their respective Scheduling Coordinators during the CAISO's Real-

Time Market to the extent that such flexibilities do not interfere with or jeopardize the safe and reliable operation of the CAISO Controlled Grid or Balancing Authority Area operations.

**16.11 Inter-Balancing Authority Area ETC Self-Schedule Bid Changes**

Changes to ETC Self-Schedules that occur during the CAISO's Real-Time Market that involve changes to CAISO Balancing Authority Area imports or exports with other Balancing Authority Areas (that is, inter-Balancing Authority Area changes to ETC Self-Schedules) will be allowed and will be recorded by the CAISO based upon notification received from the Scheduling Coordinator representing the holder of the Existing Rights. The Scheduling Coordinator representing the holder of the Existing Right must notify the CAISO of any such changes to external import/export in submitted ETC Self-Schedules. The Scheduling Coordinator representing the holder of the Existing Right must notify the CAISO of Real-Time Market changes to external import/export Interchange Schedules in submitted ETC Self-Schedules, by telephone. The timing and content of any such notification must be consistent with the TRTC Instructions previously submitted to the CAISO by the Responsible PTO. The CAISO will manually adjust or update the FMM Schedule for the Scheduling Coordinator to conform with the other Balancing Authority Area's net ETC Self-Schedule in Real-Time, and the notifying Scheduling Coordinator will be responsible for and manage any resulting Energy imbalance. These FMM Instructed Imbalance Energy deviations will be priced and charged to the Scheduling Coordinator representing the holder of Existing Rights in accordance with the FMM LMP.

**16.12 Intra-Balancing Authority Area ETC Self-Schedules Changes**

Changes to ETC Self-Schedules that occur during the CAISO's Real-Time processes that do not involve changes to CAISO Balancing Authority Area imports or exports with other Balancing Authority Areas (that is, intra-Balancing Authority Area changes to Schedules) will be allowed and will give rise to FMM Instructed Imbalance Energy and RTD Instructed Imbalance Energy. The imbalance energy will be priced and charged to the Scheduling Coordinator representing the holder of Existing Rights in accordance with the relevant FMM or RTD LMP.