ISO shall correspondingly reduce the quantity of the Ancillary Services concerned,

which it procures as described in Sections 2.5.14 to 2.5.17. In accordance with Section

2.5.22.11 and Section 2.5.26.2, if a Scheduling Coordinator uses capacity scheduled to

self-provide Spinning Reserve, Non-Spinning Reserve, or Replacement Reserve to

supply Uninstructed Imbalance Energy to the ISO from a Generating Unit, Curtailable

Demand, or System Resource under circumstances that would cause the elimination

of payments to the Scheduling Coordinator under Section 2.5.26.2 if the capacity had

been bid and was selected by the ISO to supply the Ancillary Service, the Scheduling

Coordinator shall pay to the ISO the amount of the payment that would be

eliminated under that section. Scheduling Coordinators may trade Ancillary Services

obligations so that any Scheduling Coordinator may reduce its Ancillary Services

obligation through purchase of Ancillary Services capacity from another Scheduling

Coordinator, or self-provide in excess of its obligation to sell Ancillary Services to

another Scheduling Coordinator, subject to the limits specified under Section

2.5.20.5.2. If a Scheduling Coordinator's Day-Ahead self-provided Ancillary Service

schedule is decreased in the Hour-Ahead Market, such decrease shall be deemed to

be replaced at the Market Clearing Price in the Hour-Ahead Market, pursuant to

Section 2.5.21.

2.5.20.3 [Not Used]

[Page Not Used]

2.5.20.4 Services Which May Be Self Provided. The ISO shall permit Scheduling

Coordinators to self provide the following Ancillary Services:

(a)   Regulation;

(b)   Spinning Reserve;

(c)   Non-Spinning Reserve; and

(d)   Replacement Reserve.

The ISO may from time to time add other Ancillary Services to this list as it considers

appropriate.

by auditing of response to ISO Dispatch instructions, and by analysis of the appropriate Meter Data. Participating Generators, owners or operators of Loads, operators of System Units or System Resources and Scheduling Coordinators shall notify the ISO immediately whenever they become aware that an Ancillary Service is not available in any way. All Participating Generators, owners or operators of Loads and operators of System Units or System Resources shall check, monitor and/or test their system and related equipment routinely to assure availability of the committed Ancillary Services. These requirements apply whether the Ancillary Services are contracted or self provided. For a duration specified by the ISO, the ISO may suspend the technical eligibility certificate of a Scheduling Coordinator for a Generating Unit, System Unit, Load or System Resource, which repeatedly fails to perform. The ISO shall develop measures to discourage repeated non-performance on the part of both bidders and self providers.

2.5.25   Periodic Testing of Units.

The ISO may test Generating Units, System Units, Loads and System Resources in the manner described herein. The frequency of testing shall be within such timeframes as are reasonable under all the circumstances. Scheduling Coordinators shall manage the resulting Energy output if notification of testing permits the Energy to be scheduled. If a Generating Unit, System Unit, Load, or System Resource fails to meet requirements in a test under this section, the ISO shall notify the relevant Participating Generator, owner or operator of Loads, System Units or System Resources, or Scheduling Coordinator of such failure as soon as reasonably practicable after the completion of the test. Failure to meet requirements shall lead to the penalties described in Section 2.5.26.

2.5.25.1 Regulation. The ISO shall continuously monitor the response of a Generating Unit or a System Unit to the ISO's Regulation instructions in order to determine compliance with Dispatch instructions.

2.5.25.2 Spinning Reserve. The ISO shall test the Spinning Reserve capability of a Generating Unit, System Unit or System Resource by issuing unannounced Dispatch instructions requiring the Generating Unit , System Unit or System Resource to ramp up to its ten minute capability. The ISO shall measure the response of the Generating Unit,

provided that any such penalty shall be reduced to reflect any adjustment made over the duration of the committed period under Section 2.5.26.2 or 2.5.26.3.

System Units engaged in self provision of Ancillary Services, or providing Ancillary Services to the ISO are subject to the same testing, compensation, and penalties as are applied to individual Generating Units engaged in self provision or provision of Ancillary Services. To perform testing, the ISO will bias the MSS's MSRE to test the responsiveness of the System Unit.

2.5.26.2   Rescission of Payments for Unavailability. If capacity scheduled into the ISO's Ancillary Services markets from a Generating Unit, Curtailable Demand, System Unit or System Resource is unavailable during the relevant Settlement Period, then payments will be rescinded as described herein. For self-provided Ancillary Services, the payment obligation shall be equivalent to that which would arise if the Ancillary Services had been bid into each market in which they were scheduled.

2.5.26.2.1   If the ISO determines that a Scheduling Coordinator has supplied Uninstructed Imbalance Energy to the ISO during a Settlement Period from the capacity of a Generating Unit, System Unit or System Resource that is obligated to supply Spinning Reserve, Non-Spinning Reserve, or Replacement Reserve to the ISO during such Settlement Period, payments to the Scheduling Coordinator representing the Generating Unit, System Unit or System Resource for the Ancillary Service capacity used to supply Uninstructed Imbalance Energy and for Energy supplied from such capacity shall be eliminated to the extent of the deficiency, except to the extent (i) the deficiency in the availability of Ancillary Service capacity from the Generating Unit, System Unit or System Resource is attributable to control exercised by the ISO in that Settlement Period through AGC operation, an RMR Dispatch Notice, or dispatch to avoid an intervention in

2.5.26.2.5 Payment shall be eliminated first for any Spinning Reserve capacity for which the Generating Unit, Curtailable Demand, System Unit or System Resource would otherwise be entitled to payment. If the amount of Ancillary Service capacity from which the Generating Unit, System Unit or System Resource has supplied Uninstructed Imbalance Energy exceeds the amount of Spinning Reserve capacity for which it would otherwise be entitled to receive payment, payment shall be eliminated for Non-Spinning Reserve capacity, and then for Replacement Reserve capacity, until payment has been withheld for the full amount of Ancillary Service capacity from which the Generating Unit, Curtailable Demand, System Unit or System Resource supplied Uninstructed Imbalance Energy.

2.5.26.3   Rescission of Payments When Dispatch Instruction is Not Followed

If the metered output of a Generating Unit, Curtailable Demand, System Unit or System Resource is less than the amount of a dispatch instruction issued in accordance with a bid on Spinning Reserve, Non-Spinning Reserve, or Replacement Reserve in any Settlement Period, then the Ancillary Services capacity payments associated with the difference between the sum of the total scheduled Spinning Reserve, Non-Spinning Reserve, and Replacement Reserve, and the actual output shall be rescinded. If the metered Demand of a Curtailable Demand in any Settlement Period is greater than its scheduled Demand net of dispatch instructions, then the capacity payments associated with the difference between its total scheduled Non-Spinning and Replacement Reserve, and actual load reduction as represented by the difference between its metered Demand and scheduled Demand, shall be rescinded.   If the Generating Unit, Curtailable Demand, System Unit or System Resource is scheduled to provide more than one Ancillary Service in the Settlement Period, then the actual output will be attributed to each in proportion to the dispatch instructions issued by the ISO, and the capacity payments associated with the balance of each Ancillary Service shall be

rescinded. If the same Ancillary Service is scheduled in both the Day Ahead and Hour Ahead Markets, than payments shall be rescinded in proportion to the amount of each Ancillary Service scheduled in each market.

2.5.26.4 Penalties applied pursuant to Section 2.5.26.1, and payments rescinded pursuant to Section 2.5.26.2 and 2.5.26.3 shall be redistributed to Scheduling Coordinators in proportion to ISO Control Area metered Demand and scheduled exports for the same Trading Day.

2.5.26.5   If the ISO determines that non-compliance of a Load, Generating Unit, System Unit or System Resource, with an operating order or Dispatch instruction from the ISO, or with any other applicable technical standard under the ISO Tariff, causes or exacerbates system conditions for which the WSCC imposes a penalty on the ISO, then the Scheduling Coordinator of such Load, Generating Unit, System Unit or System Resource shall be assigned that portion of the WSCC penalty which the ISO reasonably determines is attributable to such non-compliance, in addition to any other penalties or sanctions applicable under the ISO Tariff.

2.5.27   Settlements For Contracted Ancillary Services.

Based on the prices and quantities determined in accordance with this Section, the ISO shall operate a daily Settlement
 function for Ancillary Services it contracts for with Scheduling Coordinators.

        The ISO shall calculate imbalances between scheduled, instructed and actual quantities of Energy provided based upon Meter Data obtained pursuant to Section 10. Schedules between Control Areas shall be deemed as being delivered in accordance with Good Utility Practice. The difference between actual and scheduled interchange shall then be addressed in accordance with the WSCC and NERC inadvertent interchange practices and procedures. Following this practice, all dynamic schedules for Ancillary Services provided to the ISO by other Control Areas shall be deemed delivered to the ISO. The difference between the Energy requested by the ISO and that actually delivered by the other Control Area shall

2.5.28.5 Voltage Support. The short term market Voltage Support user rate for

Settlement Period t for Zone x shall be calculated as follows:

$$VSSTRate_{xt} = \frac{\sum\limits_{i,j} VSST_{xijt}}{\sum\limits_{j} QChargeVS_{xjt}}$$

$VSST_{xijt}$ = Voltage Support payment to Scheduling Coordinator j in respect of

Generating Unit i in Zone x in the short-term market applicable to Settlement Period t.

$QChargeVS_{xjt}$ = charging quantity for Voltage Support for Scheduling Coordinator j

for Settlement Period t in Zone x equal to the total metered Demand in Zone x

(including exports to neighboring Control Areas and excluding metered Demand

inside an MSS) by Scheduling Coordinator j for Settlement Period t.

2.5.28.6 Black Start.

$QChargeBlackstart_{jt}$ = charging quantity for Black Start for Scheduling

Coordinator j for Settlement Period t equal to the total metered Demand (excluding

exports to neighboring Control Areas and metered Demand of a MSS in accordance

with Section 3.3.4.5) by Scheduling Coordinator j for Settlement Period t.

The Black Start Energy payment user rate for Settlement Period t will be

calculated as follows:

$$BSRate_t = \frac{\sum_{i,j} BSEn_{ijt}}{\sum_{j} QChargeBlackstart_{jt}}$$

where $BSEn_{ijt}$ is the ISO payment to Scheduling Coordinator j for owner of Reliability

Must-Run Unit (or to Black Start Generator j, as the case may be) for Generating Unit i

providing Black Start Energy in Settlement Period t.

The Black Start Energy user charge for Settlement Period t for Scheduling

Coordinator j will be calculated as follows:

$$BSCharge_{jt} = BSRate_t * QChargeBlackStart_{jt}$$

2.5.28 Public Dissemination of Information: Day-Ahead.

By 3:00 p.m. of the day preceding the Trading Day, the ISO shall make available to all

Market Participants the following information on the scheduling of Ancillary Services:

Ancillary Service	Quantity Units	Period	Clearing Prices
Regulation/AGC	MW	Hourly	$/MW

Spinning Reserve	MW	Hourly	$/MW