

System Resource with the highest bid that is accepted by the ISO's BEEP Software for increased Generation, or reduced Demand. For Decremental Energy, the marginal bid is the Generating Unit, System Unit, Load or System Resource with the lowest bid that is accepted by the ISO's BEEP Software for reduced Generation or increased Demand.

When an Inter-Zonal Interface is operated at the capacity of the interface (whether due to scheduled uses of the interface, or decreases in the capacity of the interface), the marginal incremental or decremental bid prices in some Zones may differ from one another. In such cases, the ISO will determine separate Ex Post Prices for the Zones.

The ISO will respond to the Dispatch instructions issued by the BEEP Software to the extent practical in the time available and acting in accordance with Good Utility Practice. The ISO will record the reasons for any variation from the Dispatch instructions issued by the BEEP Software.

2.5.23.2 Determining Ex Post Prices.

2.5.23.2.1 BEEP Interval Ex Post Prices. For each BEEP Interval, the ISO will compute an updated supply curve, using the Generating Units, System Units, Loads and System Resources dispatched according to the ISO's BEEP Software during that time period to meet Imbalance Energy requirements. The BEEP Interval Ex Post Price is equal to the bid price of the marginal resource accepted by the ISO for Dispatch, subject to any limitation applicable under Section 2.5.23.3. For each BEEP Interval of the Settlement Period, BEEP will compute an incremental Ex Post Price and a decremental Ex Post Price. The BEEP Interval Ex Post Price for incremental Energy will be the highest incremental marginal bid selected by the BEEP software in the corresponding BEEP Interval. The BEEP Interval Ex Post Price for decremental Energy will be the lowest price decremental marginal bid selected by the BEEP software in the

If the ISO declares a System Emergency, e.g. during times of supply scarcity, and involuntary load shedding occurs during the real time Dispatch, the ISO shall set the Hourly Ex Post Price at the Administrative Price.

2.5.23.3 Temporary Limitation on BEEP Interval Ex Post Prices

2.5.23.3.1 Limitation. Notwithstanding any other provision of the ISO Tariff, the BEEP Interval Ex Post Price shall not exceed \$250. Scheduling Coordinators for Generating Units, System Units, and System Resources that submit bids above \$250 for the supply of Imbalance Energy shall be paid in accordance with their bids if accepted for Dispatch by the ISO.

2.5.23.3.2 Charges for Certain Instructed Imbalance Energy. Amounts paid to Scheduling Coordinators in accordance with Section 2.5.23.3.1 for Instructed Imbalance Energy from Generating Units, System Units and System Resources at bids above \$250 shall be charged to Scheduling Coordinators such that the charge to each Scheduling Coordinator shall be pro rata based upon the same proportion as the Scheduling Coordinator's Net Negative Uninstructed Deviations for the BEEP Interval bears to the total Net Negative Uninstructed Deviations of all Scheduling Coordinators for the BEEP Interval. Such charge shall apply in lieu of any charge specified in the ISO Tariff for such Instructed Imbalance Energy based on the BEEP Interval Ex Post Price.

2.5.23.3.3 Effective Period of Limitation. The limitation on BEEP Interval Ex Post Prices set forth in Section 2.5.23.3.1 and the charge specified in Section 2.5.23.3.2 shall apply until the sooner of: (a) the date a mechanism implemented by the ISO in compliance with an order of the FERC to limit BEEP Interval Ex Post Prices takes effect; or (b) March 8, 2001.

2.5.24 Verification of Performance of Ancillary Services.

Availability of both contracted and self provided Ancillary Services shall be verified by the ISO by unannounced testing of Generating Units, Loads and System Resources, by auditing of

response to ISO Dispatch instructions, and by analysis of the appropriate Meter Data, or interchange schedules. 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