

## **5.6 System Emergencies.**

**5.6.1** All Generating Units, System Units and System Resources that are owned or controlled by a Participating Generator are (without limitation to the ISO's other rights under this ISO Tariff) subject to control by the ISO during a System Emergency and in circumstances in which the ISO considers that a System Emergency is imminent or threatened. The ISO shall, subject to Section 5.6.2, have the authority to instruct a Participating Generator to bring its Generating Unit on-line, off-line, or increase or curtail the output of the Generating Unit and to alter scheduled deliveries of Energy and Ancillary Services into or out of the ISO Controlled Grid, if such an instruction is reasonably necessary to prevent an imminent or threatened System Emergency or to retain Operational Control over the ISO Controlled Grid during an actual System Emergency. If a Participating Generator fails to comply with such an instruction, that Participating Generator shall be subject to the assessment of penalties by the ISO pursuant to Section 5.6.3 or other applicable provisions of this ISO Tariff.

**5.6.2** The ISO shall, where reasonably practicable, utilize Ancillary Services which it has the contractual right to instruct and which are capable of contributing to containing or correcting the actual, imminent or threatened System Emergency prior to issuing instructions to a Participating Generator under Section 5.6.1.

### **5.6.3 Penalties for Failure to Comply With Emergency Dispatch Instructions**

**5.6.3.1** Except as provided in Section 5.6.3.2, a Participating Generator that fails to comply with a Dispatch instruction issued by the ISO to bring its Generating Unit on-line or increase the output of its Generating Unit, System Unit or System Resource, whether or not an Imbalance Energy bid has been submitted for the output of the resource, to prevent an imminent or threatened System Emergency or to maintain Applicable Reliability Criteria during an actual System Emergency shall be subject to the following penalties:

- (i) a charge for each MWh of the Dispatch instruction with which the Participating Generator does not comply equal to twice the highest price for Energy, per MWh, paid in each hour by the ISO to any other entity to procure Energy; and

(ii) if the ISO is required to call for the involuntary curtailment of firm Load to maintain Applicable Reliability Criteria during the System Emergency, an additional charge equal to \$1,000 for each MWh of the Dispatch instruction with which the Participating Generator does not comply.

5.6.3.2 A Participating Generator shall not be subject to penalties pursuant to Section 5.6.3.1 if the Participating Generator can demonstrate to the ISO that it failed to comply with such a Dispatch instruction either because: (a) the Generating Unit, System Unit or System Resource that was the subject of the Dispatch instruction was physically incapable of responding in accordance with the instruction, provided that if such Participating Generator has not notified the ISO in advance that the Generating Unit, System Unit or System Resource was unavailable or de-rated, such Generating Unit, System Unit or System Resource will be presumed to be available; or (b) compliance with such Dispatch instruction would have resulted in a violation of an applicable requirement of state or Federal law, which requirement cannot be waived. A Participating Generator must notify ISO operations staff of its reason for failing to comply with the Dispatch instruction within the operating hour that the instruction is issued and must provide information to the ISO that verifies the reason the Participating Generator failed to comply with the Dispatch instruction within 72 hours of the operating hour in which the instruction is issued. Disputes concerning the cause of a Participating Generator's failure to comply with an ISO Dispatch instruction shall be subject to the Dispute Resolution provisions set forth in Section 13 of this ISO Tariff.