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March 16, 2006

The Honorable Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

RE: California Independent System Operator Corporation
Docket No. ER05-849

Compliance Filing and Motion for Stay

Dear Secretary Salas:

The California Independent System Operator Corporation ("CAISO")[1] respectfully submits an original and fourteen (14) copies of this filing in compliance with the Commission's June 22, 2005 "Order Conditionally Accepting in Part and Rejecting in Part Amendment No. 68"[2] and the February 17, 2006 "Order Granting Rehearing in Part."[3] Amendment No. 68 allows generators operating under the ISO Tariff to self-supply their Station Power requirements from either on-site or remote supply. The CAISO filed a Station Power Protocol ("SPP") to its tariff in Amendment No. 68 to expand the options available to

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1 Capitalized terms not otherwise defined herein are used in the manner defined in the Master Definitions Supplement, Appendix A to the ISO Tariff.

2 *California Indep. Sys. Operator Corp.*, 111 FERC ¶ 61,452 (2005) ("Amendment No. 68 Order").

3 *California Indep. Sys. Operator Corp.*, 114 FERC ¶ 61,176 (2006) ("Rehearing Order").

generators to self-supply Station Power. As explained herein, through this compliance filing, the CAISO will be implementing the SPP to permit additional options regarding non-contemporaneous on-site netting and remote self-supply of Station Power as ordered by the Commission effective as of April 1, 2006.

Although the CAISO will be implementing the netting options as provided in the SPP effective April 1, 2006, the CAISO must respectfully request a stay of the requirement that it remove its existing permitted netting program of contemporaneous on-site self-supply for non-Qualifying Facility generators from the ISO Tariff. As discussed in more detail below, Southern California Edison Corporation ("SCE") sought rehearing of this issue. Because of extensive metering changes that generators would have to implement in order to migrate from existing permitted netting to netting as provided in the SPP, compliance will cost millions of dollars and take a significant additional period of time for generators to implement. Accordingly, the Commission should permit the CAISO to retain existing permitted netting as an option in the ISO Tariff until it has issued an order on rehearing of this issue. In addition, in the event the Commission denies rehearing of this issue, it will not be possible for generators to complete the necessary changes to their facilities in time for the April 1 implementation ordered by the Commission. Accordingly, the CAISO respectfully requests that the Commission establish a transition period to allow for the orderly transition from existing permitted netting to the gross scheduling and metering that would otherwise be required by all non-QF Generating Units.

I. STATEMENT OF ISSUES

This compliance filing and associated motion for stay raise the following issues:

A. Should the Commission grant a stay of its determination in the Amendment No. 68 Order that the CAISO remove its permitted netting program for suppliers other than Qualifying Facilities, while the Commission considers the pending rehearing request.

B. Are the other components of the CAISO's compliance filing in conformance with the Commission's orders such as the clarification of the application process timeline?

II. BACKGROUND

A. The Duke Complaint

On September 1, 2004, Duke Energy Moss Landing LLC ("Duke") filed a complaint challenging the treatment of Station Power under the ISO Tariff. Specifically, Duke sought to expand the existing provisions which permitted contemporaneous, on-site self-supply of Station Power to also allow self-supply of Station Power on a non-contemporaneous basis and from remote generators under common ownership.[4] The CAISO responded to the complaint with an answer on September 22, 2004 recognizing that the ISO Tariff was not in accord

[4] *Duke Energy Moss Landing LLC v. California Indep. Sys. Operator Corp.*, Docket No. EL04-130-000.

with the Commission's Station Power decisions in recent orders,[5] and requesting the opportunity to work with stakeholders to develop an appropriate proposal with respect to the self-supply of Station Power for the ISO Market. In its November 19 Order,[6] the Commission agreed with this approach and required that the CAISO file an amendment, following the conclusion of an appropriate stakeholder process.[7]

B. Amendment No. 68

Between December 2004 and March 2005, the CAISO conducted an extensive stakeholder process. The CAISO published a discussion paper, conducted a conference call with stakeholders, received written comments, issued a straw proposal, conducted a second conference call, issued a written clarification of the proposal with examples, received more written comments, issued additional settlement examples, posted draft tariff language, conducted a third conference call, received additional written comments, and prepared a package of materials for the CAISO Governing Board. On April 18, 2005, as amended on May 3, 2005, the CAISO filed Amendment No. 68.[8]

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[5] Three of those orders covering the self-supply of Station Power are: *Midwest Indep. Sys. Operator Corp.*, 106 FERC ¶ 61,073 (2004); *KeySpan-Ravenswood, Inc. v. New York Indep. Sys. Operator Corp.*, 101 FERC ¶ 61,230 (2002), *reh'g denied,* 107 FERC ¶ 61,142 (2004), *later clarified*, 108 FERC ¶ 61,164 (2004); and *PJM Interconnection, LLC*, 95 FERC ¶ 61,470 (2001) (the latest in a series of three orders on the self supply of Station Power in the PJM market).

[6] *Duke Energy Moss Landing LLC v. California Indep. Sys. Operator Corp.*, 109 FERC ¶ 61,170 (2004) ("November 19 Order").

[7] The stakeholder process is described in great detail in the CAISO's April 18, 2005 Transmittal Letter accompanying its Amendment No. 68 Filing.

[8] On March 1, 2005, the CAISO requested an extension of 30 days to make its compliance filing, which the Commission granted on March 4, 2005. With the extension, the CAISO's compliance filing was due April 18, 2005.

Consistent with Duke's request in its Complaint and the CAISO's commitment in that proceeding, Amendment No. 68 sought to expand the options available to generators to self-supply their Station Power requirements. The first additional option was to allow On-Site Self-Supply from on-site resources on a non-contemporaneous basis to supplement the contemporaneous On-Site Self-Supply already authorized as permitted netting. A second additional option is to use contemporaneous or non-contemporaneous Remote Self-Supply. Station Power Load served by Remote Self Supply or non-contemporaneous On-Site Self-Supply would be metered, scheduled, and subject to certain load-based charges.[9] Station Power Load served by Remote Self-Supply would also be subject to transmission charges. A monthly test will be performed to verify that Energy output from all on-site and remote Generating Units in the Station Power Portfolio exceeds the total monthly Station Power Load, in which case the owner will be deemed to have self-supplied all Station Power Load in that month. Any shortfall in Energy output in meeting Station Power Load will be deemed to have been served by Third Party Supply, and retail charges will apply as explained in the Station Power Protocol.

The CAISO did not propose modification of its existing "permitted netting" (or contemporaneous On-Site Self-Supply) program – whereby a unit that was operating and physically meeting all its Station Power requirements need not schedule its load or pay load-based charges. As specified in SPP 1.3.1,

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[9] *See* SPP 3.2, "Station Power that is not eligible for permitted netting in accordance with Section 10.1.3 of this ISO Tariff must be scheduled in accordance with the ISO Tariff, and will be assessed all charges applicable to metered Demand under the ISO Tariff, except as provided in SPP 4.1."

> Station Power served by contemporaneous on-site generation is treated as permitted netting under Section 2.2.4.3 and 2.3.5 [now section 10.1.3 of the S&R Tariff] of the Metering Protocol of the ISO Tariff. This SPP neither expands opportunities nor imposes additional conditions on permitted netting. In accordance with the Metering Protocol such contemporaneous self-supplied Station Power need not be scheduled with the ISO.

The CAISO requested in its Amendment No. 68 Filing that its Station Power proposal be made effective upon no less than 10 days notice by the CAISO that the necessary software modifications have been implemented. The CAISO originally anticipated that this could be achieved by the end of the first quarter of 2006, coincident with the conclusion of parallel operations of the existing settlement system and the new Settlement and Market Clearing System ("SaMC").

C. The June 22, 2005 Order

On June 22, 2005, the Commission issued its Amendment No. 68 Order conditionally accepting Amendment No. 68.[10] After a discussion of the jurisdictional issues raised by SCE and the Public Utilities Commission of California ("CPUC"), the Commission accepted the CAISO's proposed administration charge, subject to further justification and potential refund. The Commission also accepted the CAISO's proposed application process, with the additional milestones the CAISO had promised to include in this compliance filing,[11] and proposed energy pricing. In addition, the Commission rejected the proposal to revise the definition of Transmission Revenue Credit to allow

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[10] Supra note 2.

[11] *See* Answer of the California Independent System Operator Corporation, Docket No. ER05-849-000 (May 24, 2005).

Participating TOs to recover any potential shortfall in their retail transmission revenues as a result of the SPP.[12]

No party had protested the CAISO's retention of its existing permitted netting program.[13] To the contrary, the Cogeneration Association of California and the Energy Producers and Users Coalition stated that their primary concern was that the *status quo* – which "would permit contemporaneous self-supply of Station Power load without additional requirements for metering and scheduling" be maintained.[14] Nevertheless, the Commission *sua sponte*, (and without a Section 206 proceeding), found the existing tariff provisions at odds with its precedent and found that it was "not persuaded that the departure would [not] interfere with the intended operation of the station power protocol."[15]

Although the Commission "recognized that the CAISO is attempting to satisfy the concerns of a wide variety of its participants," it ordered the CAISO to "remove all language about Permitted, Prohibited and Contemporaneous Netting from the Station Power Protocol."[16] The Commission noted, however, that on compliance, the CAISO may propose a separate Station Power Protocol applying to Qualifying Facilities to address their unique issues.[17] The Commission

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12 As a result of this decision, no revisions to the definition of "Transmission Revenue Credit" are included in this filing.

13 One Party, Duke Energy, requested that the tariff's terminology be changed from "Permitted Netting" to "Contemporaneous Netting." *See* Motion to Intervene and Protest of Duke Energy Moss Landing, LLC at 8, Docket No. ER05-849 (May 9, 2005).

14 *See* Motion to Intervene and Protest of the Cogeneration Association of California and the Energy Producers and Users Coalition at 3, Docket No. ER05-849-000 (May 9, 2005).

15 Amendment No. 68 Order at P 41.

16 *Id.* at PP 41 and 42.

17 *Id.* at P 42.

required that Amendment No. 68 be made effective by the end of the second quarter of 2006.[18]

D. Requests for Rehearing of the Amendment No. 68 Order

Several parties sought rehearing or clarification of the Amendment No. 68 Order. Duke Energy and Constellation Generation Group argued that the implementation date should be advanced.[19] SCE, Pacific Gas and Electric Company and the CPUC (the "Joint Parties") challenged the Commission's jurisdiction over the sale or self-supply of energy to serve Station Power load.[20]

SCE also filed its own rehearing request. In addition to again raising jurisdictional concerns, SCE agued that the Commission's determination to require the CAISO to remove its existing permitted netting program was arbitrary capricious and unsupported by substantial evidence.[21] As noted by SCE,

> Permitted netting is the netting that has always been allowed by the CAISO since it began operations. Indeed, it is how innumerable generators have self-supplied their station power and other behind the-retail meter loads for several decades in California.[22]

Duke then filed an Answer to SCE's rehearing request. Duke opposed SCE's request for reconsideration of the Commission's rejection of the CAISO's Transmission Revenue Credit proposal. Duke, however, supported SCE's Rehearing Request that the Commission should permit the CAISO to maintain its

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18 *Id.* at P 62.

19 Rehearing Request of Duke Energy Moss Landing LLC at 4, Docket No. ER05-849-002 (July 22, 2005). Rehearing Request of Constellation Generation LLC at 4, Docket No. ER05-849-002 (July 22, 2005).

20 Rehearing Request of Joint Parties at 2, Docket No. ER05-849-002 (July 22, 2005)

21 Rehearing Request of SCE at 2, 18, Docket No. ER05-849-002 (July 22, 2005).

22 *Id.* at pp. 18-19.

permitted netting program so that a unit which continuously nets the power produced on site with the load on site would only be required to schedule the net output and would not be subject to load-based charges.

E. The Rehearing Order

In the February 17, 2006 Rehearing Order, the Commission granted the rehearing requests of Duke and Constellation and directed the CAISO to implement Amendment No. 68 by April 1, 2006.[23] The Rehearing Order did not address SCE's request to permit the CAISO to maintain the current program with regard to contemporaneous netting, but stated that this issue would be addressed in a future order.[24]

III. IMPLEMENTATION OF THE SPP IN COMPLIANCE WITH THE COMMISSION'S DIRECTIVES

A. Timing of the Application Process

The Amendment No. 68 Order directed the CAISO to insert specific milestones in the application timing process. The CAISO has revised SPP 2.2.2 to impose a 30-day deadline for completion of the process. Within that specified timeline, the CAISO will notify an applicant within 10 business days that the application is complete, or list any deficiencies or additional information needed. The CAISO will use all reasonable efforts to allow the applicant to begin self-supplying Station Power within 20 business days after a completed application is submitted (and all deficiencies, if any, have been resolved) and any metering

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[23] The California Public Utilities Commission and the Southern California Edison Company requested rehearing on other issues and the Commission has not yet issued an order on rehearing.

[24] Rehearing Order at n. 2.

changes required by SPP 6 are completed. These changes were proposed by the CAISO in its answer to comments on the Amendment No. 68 filing and the Commission previously found that they "satisfactorily address the Commission's concerns regarding the establishment of reasonable milestones for the completion of the application process."[25]

B. Implementation Date

In its initial filing of Amendment No. 68, the CAISO proposed an effective date for the implementation of the new Station Power supply options of the end of the first quarter of 2006. The CAISO chose this date to coincide with the implementation SaMC. In its Amendment No. 68 Order, the Commission stated that in the event that SaMC is not ready by July 1, 2006, the CAISO must nonetheless implement the SPP on that date. Duke and Constellation filed requests for rehearing urging the Commission to order an April 1, 2006 effective date. In its Rehearing Order, the Commission granted rehearing and ordered the CAISO to begin implementation of the Station Power Protocol on April 1, 2006. The CAISO will implement the SPP effective as of April 1, 2006 in accordance with the milestones contained in SPP 2.2.2.

IV. ISSUES RELATED TO PERMITTED NETTING

A. Permitted Netting as Applied to Qualifying Facilities

As noted above, the Amendment No. 68 Order found that Qualifying Facilities ("QFs") may have unique issues and that QFs should not have to qualify their portfolios or execute a metering agreement in order to continue to

[25] Amendment No. 68 Order at P 53.

supply Station Power through permitted netting. The Amendment No. 68 Order stated that the CAISO should confer with QFs regarding such issues. In response, the CAISO conducted a conference call with a representative of the Cogeneration Association of California ("CAC") and the Energy Producers and Users Coalition ("EPUC") on February 8, 2006. The CAISO acknowledges the QFs' strong desire to maintain permitted netting in the event that the Commission denies the pending SCE and Duke rehearing request and determines that the CAISO must remove all permitted netting provisions from its tariff, including the Metering Protocol (which has since been integrated into Section 10 of the CAISO's Simplified and Reorganized Tariff ("S&R Tariff") that is now in effect[26]). Therefore, the CAISO has developed tariff language that preserves the QFs' right to continue permitted netting in Section 10 of the S&R Tariff.

B. Compliance Issues Associated with Removing Existing Permitted Netting Options for Non-Qualifying Facilities

On February 15, 2006, the CAISO held a conference call with Market Participants to discuss compliance with the Amendment No. 68 Order, implementation of the new self-supply provisions for those interested parties, and the implications of removal of permitted netting for every non-QF Generating Unit in the CAISO Control Area. The CAISO also issued a market notice on February 24, 2006 requesting letters of intent from Market Participants apprising the CAISO, for informational purposes only, of whether or not they intended to submit applications to engage in the self-supply of Station Power per the Commission's Station Power requirements. To date, the CAISO has received

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[26] *California Indep. Sys. Operator Corp.*, 114 FERC ¶ 61,199 (2006).

several letters of intent regarding the desire to apply for the self-supply of Station Power.

Significantly, the CAISO also received numerous concerned comments regarding discontinuance of permitted netting for contemporaneous On-Site Self-Supply. The overwhelming response from Market Participants indicates that if the Commission eliminates permitted netting in its entirety, this would place an onerous burden on generators.

One owner of generation facilities stated that it:

> is concerned that the elimination of permitted netting from the CAISO tariff will present a set of problems associated with cost, time to implement, equipment availability, personnel training, internal controls and compliance....The Commission should clarify that the permitted netting provisions can remain in effect under the CAISO tariff while supporting the three forms of self-supply of station service.

Another owner of generation resources identified eight facilities that desired to maintain the current, permitted netting capability and stated that compliance with the Commission's order removing these provisions would cost "in excess of $2 Million" for these eight facilities and 'likely take one year to complete (if not more)'." This owner stated further that "it seems both unnecessary and wasteful for generating facilities to install new meters to receive the benefits of self-supplied Station Power and "strongly urg[ed] the CAISO to address this matter with FERC."

A third owner stated its belief that FERC may not have appreciated the impact or unintended consequences of the language contained in the June 22 Order on Amendment No. 68 and provided the following comment:

> Elimination of Permitted Netting is a fundamental departure from the established business practices of the CAISO for metering and settlement. It appears that this departure will cause numerous complications that are unnecessary, and will require generators to make significant investments in metering – either to adjust existing meters, or install new meters – neither of which is possible before April 1. [We] . . . are hoping that the CAISO will seek clarification that this was not the intended result of the Station Power Program.

In addition, another supplier representative stated that it believes that "permitted netting is a critical component of the market and wish[es] to see it remain in place permanently so generators do not have to incur costs unnecessarily."

While Attachments C and D to this compliance filing contain the tariff changes necessary to implement the Commission's determination in the Amendment No. 68 Order to eliminate existing permitted netting for non-QF suppliers, the CAISO also respectfully requests, as explained below, that the Commission stay this requirement while it considers the pending rehearing request. The supplier comments demonstrate a strong desire to retain permitted netting with the associated exemption from the CAISO's scheduling requirements and load-based charges. Accordingly, the CAISO supports SCE's rehearing request and Duke's associated clarification request so that existing permitted netting can be retained. Retention of permitted netting would benefit the CAISO and its Market Participants. *The CAISO is unaware of any opposition to retention of the existing permitted netting program.*

V. MOTION FOR A STAY

Pursuant to Rule 212 of the Commission's Rules of Practice and Procedure, 18 C.F.R. 385.212 (2005), the CAISO must seek a stay of the Amendment No. 68 Order insofar as it directed the CAISO to remove existing permitted netting tariff options, at least for non-QF generators. The tariff sheets in compliance with this directive are included as Attachments C and D to this filing. The CAISO must respectfully move for a stay of this requirement and asks that these revised tariff provisions not be made effective until the Commission issues an order on rehearing of SCE's rehearing request and then, if the Commission denies rehearing, only after a transition period to allow for the orderly modification of the existing metering configurations for a numerous facilities. Good cause supports this request.

First, there is the pending rehearing request filed by SCE and supported by Duke. Substantial harm could come to the CAISO and its Market Participants if all were to embark on a difficult and expensive compliance program only to have the Commission find merit in the rehearing request and recognize the traditional practice with regard to contemporaneous netting. There are several hundred Generating Units in the CAISO Control Area that have installed CAISO-polled metering that complies with the current metering requirements under the ISO Tariff which allow permitted netting. In order to separately meter generation and Station Power Load, which would be required if existing permitted netting options were to be removed from the tariff, all generators would have to review the existing metering configuration and determine whether installation of new

metering was necessary or if existing metering could be reconfigured to comply with the requirement to separate generation from load. One Market Participant has estimated that compliance with the Commission's orders would cost approximately $2 Million. Millions more would be spent by other suppliers.

Second, it is simply not feasible for the generators to install the additional meters and have them operational by April 1, 2006. As noted above, one generation owner estimates that it will likely take them one year to install the requisite metering.

Third, the removal of permitted netting would be a sizable project for the CAISO. For example, the CAISO would have to review every generating unit that has CAISO-polled metering to determine if generation and load are separately metered. The CAISO meter engineers would also have to assist owners of generation facilities in the determination of whether new metering must be installed, existing metering must by physically re-configured or if the CAISO metering system can be re-configured. Once the new meter installation is complete, the CAISO would have to visit the physical installation at each site to inspect and re-certify the new meter. According to Section 10.2.14 of the ISO Tariff, the installation of additional metering is an iterative process between the generator owner and the CAISO. Both generators and the CAISO estimate that the process could take up to one year.

Thus, neither the CAISO nor Market Participants will have the necessary metering in place for operational implementation of the Station Power program by

April 1, 2006, if implementation requires the removal of the existing permitted netting option.

In addition, the elimination of permitted netting would impact many other aspects of current CAISO business. The CAISO collects the operating characteristics of Generating Units through a Resource Data Template ("RDT"). Many of the items in the RDT are based on net metered production such as P-Max, P-Min, heat rates and NOx rates. Generating Units would have to submit new RDT and possibly undergo recertification of P-Max values with the CAISO if Station Power Load had to be gross metered. Some entities provided comments that there are many commercial arrangements that are based on a net metering methodology and elimination of permitted netting would impact many of those contracts.

Elimination of permitting netting will also affect Reliability Must Run ("RMR") Units operating under RMR Agreements. Since each Transmission Owner is assigned the cost of RMR Units under contract in their service territory, to the extent that the costs associated with elimination of permitted netting and implementation of the SPP would increase the capital and operating costs of an RMR Unit, these costs would be borne, in whole or in part, by the Transmission Owner. The cost increases would be due to the capital cost of new meters and a shift in how the RMR Owner is paid under RMR for station auxiliary load.

In addition, currently, the RMR Owner is paid the variable fuel cost for each Billable MWh of energy delivered under the RMR Agreement. This variable fuel cost is calculated based on the hourly metered generator output and the

unit's heat input characteristics that also account for the fuel the unit burns in generating its own auxiliary load. The result is that the unit's auxiliary load is paid at the variable fuel cost for the unit. A change in netting would affect this calculation in that RMR Billable MWh would receive variable fuel cost for the unit auxiliary load and also a reimbursement for any increased operating expense caused by netting. Operating expense increases would be paid via the unit's Annual Fixed Revenue Requirement, which includes a line item for purchased power expenses. Capital expenses would be paid for under capital recovery provisions of RMR.

Additionally, current practice is that the RMR Owner may net auxiliary load for a non-operating unit against another unit's generation at the same facility and transmission voltage for each hour. If another unit's generation is not available, the auxiliary load is purchased at retail rates. To the extent the purchased power cost will exceed the variable fuel cost, the operating expense of the facility will increase as will the amounts payable under RMR.

For these reasons, the CAISO respectfully requests that the Commission stay its orders insofar as they require the CAISO to remove existing permitted netting.

VI. COMMUNICATIONS

Communications regarding this filing should be addressed to the following individuals, whose names should be placed on the official service list established for this proceeding:

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VII. ATTACHMENTS

The following documents, in addition to this transmittal letter, support the instant filing. Attachments A and B represent the tariff sheets that should be accepted by the Commission if the Commission grants the CAISO's Motion for a Stay as discussed herein. Attachments C and D represent the tariff sheets that should be accepted by the Commission if the Commission denies the CAISO's Motion for a Stay.

Attachment A	Blacklined Tariff Changes to the Station Power Protocol and Related Tariff Sections Other than Permitted Netting[27]

[27] Changes to SPP are blacklined against the May 3, 2005 Errata Filing in this docket to show incremental changes made in compliance with the Rehearing Order. Changes to the remainder of the ISO Tariff are blacklined against the CAISO's S&R Tariff.

Attachment B	Clean Tariff Sheets for the Station Power Protocol and Related Tariff Provisions Other than Permitted Netting
Attachment C	Blacklined Tariff Changes to the Station Power Protocol and Related Sections of the ISO Tariff Including Removal of Permitted Netting[28]
Attachment D	Clean Tariff Sheets for the Station Power Protocol and Related Provisions of the ISO Tariff Including Removal of Permitted Netting

VIII. CONCLUSION

For all of the foregoing reasons, the CAISO hereby requests that the Commission accept Amendment No. 68 to become effective as of April 1, 2006, insofar as it allows generators to apply for and benefit from the additional options for netting pursuant to the SPP. The CAISO also requests the Commission to grant the motion to stay implementation of the Orders insofar as they require the CAISO to remove existing permitted netting language pending the Commission's ruling on SCE's rehearing request, which the CAISO urges the Commission to grant. Finally, the Commission must take into account that if it denies SCE's rehearing request, a substantial transition period will be necessary for generators to comply.

[28] Changes to SPP are blacklined against the May 3, 2005 Errata Filing in this docket to show incremental changes made in compliance with the Rehearing Order. Changes to the remainder of the ISO Tariff are blacklined against the CAISO's S&R Tariff.

Please feel free to contact the undersigned if you have any further questions concerning this matter.

Respectfully Submitted,

/s/

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned proceedings, in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, 18 CFR § 385.2010 (2005).

Dated this 16th day of March, 2006 at Folsom in the State of California.

/s/ Cayden Jenness

(916) 608-7145

ATTACHMENT A

ISO TARIFF APPENDIX S

[~~Reserved for~~ Station Power Protocol]

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SPP 1.1 Procurement

Station Power may be voluntarily self-supplied through a) permitted netting as provided in ~~the Metering Protocol MPP 2.2.4.3 or MP 2.3.5~~Section 10.1.3 of this ISO Tariff using Energy generated contemporaneously at the same location, b) On-Site Self Supply or c) Remote Self Supply. Third Party Supply may serve Station Power only to the extent permissible under the rules and regulations of the applicable Local Regulatory Authority.

* * *

SPP 1.3.1 Station Power supplied by contemporaneous on-site Generation is treated as

permitted netting under Section ~~2.2.4.3 and 2.3.5 of the Metering Protocol of the~~10.1.3 of this ISO Tariff. This SPP neither expands opportunities for nor imposes additional conditions on permitted netting. In accordance with ~~the Metering Protocol~~this ISO Tariff such contemporaneous self-supplied Station Power need not be scheduled with the ISO.

SPP 1.3.2 Self-supply of Station Power shall be strictly voluntary. Nothing in this SPP is intended to: 1) preclude a Generating Unit from purchasing Station Power pursuant to an applicable retail rate or tariff; or 2) supersede otherwise applicable jurisdiction of a Local Regulatory Authority, except in the event of a conflict between federal and state tariff provisions, in which case the federal tariff provisions will control.

* * *

SPP 2.1 Applications to Self-Supply Station Power

SPP 2.1.1 An application to establish a Station Power Portfolio or to modify the configuration of Station Power meters or the Generating facilities included in a Station Power portfolio must be submitted according to the process specified by the ISO and posted on the ISO Home Page, and shall include the following information:

(a) One-line diagrams clearly showing the location and ownership of all Generating Units and Station Power meters, their connection to the ISO Controlled Grid or distribution system, and the status of breakers and switchgear for normal system operation.

(b) Identification of any generating facilities outside the ISO Control Area, to be used to provide Remote Self Supply of Station Power within the proposed Station Power Portfolio. No loads associated with generating facilities outside the ISO Control Area may be supplied under this SPP.

~~(e)~~(c) Certification that the applicant is the sole owner of all generating facilities proposed to be included in the Station Power Portfolio, and that the applicant has the right to call on Energy for its own use from its ownership share of any jointly owned facilities that are proposed to be used to self supply Station Power.

~~(f)~~(d) Demonstration that each Station Power meter is certified in accordance with the ISO Tariff.

~~(g)~~(e) Verification that each Station Power meter is subject to a Meter Service Agreement for ISO Metered Entities, and that each Generating Unit is bound to the ISO Tariff by a PGA, QF PGA, or MSS Agreement.

~~(h)~~(f) Verification that the applicant has arranged for terms of service with the responsible UDC or MSS Operator for the use of any distribution facilities required to self-supply Station Power.

SPP 2.1.2 On the ISO's written request, the applicant will provide additional information that the ISO reasonably determines is necessary to verify the planned operation of the Station Power

Portfolio and meet the requirements of SPP 2.1.1.

SPP 2.2 ISO Monitoring and Review

SPP 2.2.1 The ISO will take the following actions with respect to each application to establish a Station Power Portfolio:

(a) The ISO shall post on the ISO Home Page a listing of the specific Station Power meters and Generating Units located in the ISO Control Area, and any generating facilities outside the ISO Control Area, that compose each Station Power Portfolio, and which are eligible to participate in the self-supply of Station Power in accordance with this SPP.

(b) The ISO will provide the appropriate UDC or MSS Operator and the Local Regulatory Authority with one-line diagrams and other information regarding each application.

(c) The ISO will make a determination in consultation with the UDC or MSS Operator and the Local Regulatory Authority on the factual question of whether distribution facilities are involved in the requested self-supply of Station Power. Any disputes regarding such determinations shall be subject to the dispute resolution procedures of this ISO Tariff.

(d) The ISO will verify metering schemes and assign unique load identifiers consistent with the ISO Data Templates and Validation Rules that the Scheduling Coordinator responsible for each meter will be required to use for scheduling and settlement.

SPP 2.2.2 ~~No changes may be made to the metering configuration or identity of any generating facilities included in a Station Power Portfolio unless they are approved 30 days in advance by the ISO.~~ The ISO shall promptly review each application to establish or modify a Station Power Portfolio. Within ten (10) Business Days after the submittal of the application, the ISO shall notify the applicant in writing that the application is complete, or shall list any specific deficiencies or additional information that the ISO reasonably requires to complete the application. The ISO shall use all reasonable efforts to make the changes necessary for the new or modified configurations to take effect and the Station Power Portfolio to begin self-supplying Station Power within twenty (20) Business Days after a complete application is submitted. In no event shall a Station Power Portfolio begin self-supplying Station Power until any and all required changes to the configuration of metering or other equipment are completed as required under SPP 6. The ISO will have an ongoing right to request additional information reasonably necessary to verify that conditions on the self-supply of Station Power as specified in this SPP are met.

* * *

SPP 3.1 Self-Supply Verification

At the end of each Netting Period, the ISO will calculate the Net Output for each Generating Unit in the Station Power Portfolio. If the Net Output is positive, then all Station Power associated with that

Generating Unit, other than load netted in accordance with ~~the Metering Protocol~~this ISO Tariff, will have been served by On-Site Self Supply. Any positive Net Output from facilities in the Station Power Portfolio will be available to provide Remote Self Supply to any Generating Unit with negative Net Output. If the available Remote Self Supply is less than the aggregate negative Net Output in the Station Power Portfolio, then such shortfall will be deemed to have been served by Third Party Supply. The ISO will incorporate these determinations in its accounting and billing for the Netting Period by reassigning Station Power to unique load identifiers for Remote Self Supply and Third Party Supply, as required.

SPP 3.2 Charges on Metered Demand

Station Power that is not eligible for permitted netting in accordance ~~with MP 2.2.4.3 or MP 2.3.5~~Section 10.1.3 of this ISO Tariff must be scheduled in accordance with the ISO Tariff, and will be assessed all charges applicable to metered Demand under the ISO Tariff, except as provided in SPP 4.1.

* * *

SPP 6 METERING

SPP 6.1 In order to self-supply Station Power under this SPP, a Generating Unit must be subject to a Meter Service Agreement for ISO Metered Entities pursuant to ISO Tariff Section 10.3.1. A meter certified in accordance with the ISO Tariff is required for Station Power Load taken under the SPP. Separate metering is required for any on-site Load that does not meet the definition of Station Power. Under no circumstances may ineligible Loads be included in the meter data collected by the ISO from a Station Power meter.

* * *

SPP 7 PROVISION OF DATA TO UDC ~~or~~ OR MSS ~~Operator~~OPERATOR

The ISO will provide the applicable UDC or MSS Operator with the amount of On-Site Self Supply, Remote Self-Supply, and Third Party Supply serving Station Power at the granularity required to allow the UDC or MSS Operator to assess charges, if any, under the applicable retail tariff(s).

26.1 Access Charges.

All Market Participants withdrawing Energy from the ISO Controlled Grid shall pay Access Charges in accordance with this Section 26.1 and Appendix F, Schedule 3, except as provided in SPP 4.1. Prior to the transition date determined under Section 4 of Schedule 3 to Appendix F, the Access Charge for each Participating TO shall be determined in accordance with the principles set forth in this Section 26.1 and in Section 5 of the TO Tariff. The Access Charge shall comprise two components, which together shall be designed to recover each Participating TO's Transmission Revenue Requirement. The first component shall be the annual authorized revenue requirement associated with the transmission facilities and Entitlements turned over to the Operational Control of the ISO by a Participating TO approved by FERC. The second component shall be based on the Transmission Revenue Balancing Account (TRBA), which shall be designed to flow through to the Participating TO's Transmission Revenue Credits calculated in accordance with Section 5 of the TO Tariff and other credits identified in Sections 6 and 8 of Schedule 3 in Appendix F of the ISO Tariff.

Commencing on the transition date determined under Section 4 of Schedule 3 to Appendix F, the Access Charges shall be paid by any UDC or MSS Operator that is serving Gross Load in a PTO Service Territory, and shall consist, where applicable, of a High Voltage Access Charge, a Transition Charge and a Low Voltage Access Charge. High Voltage Access Charges and Low Voltage Access Charges shall each comprise two components, which together shall be designed to recover each Participating TO's High Voltage Transmission Revenue Requirement and Low Voltage Transmission Revenue Requirement, as applicable. The first component shall be based on the annual authorized Transmission Revenue Requirement associated with the high voltage or low voltage, as applicable, transmission facilities and Entitlements turned over to the ISO Operational Control by a Participating TO. The second component shall be the Transmission Revenue Balancing Account (TRBA), which shall be designed to flow through the Participating TO's Transmission Revenue Credits associated with the high voltage or low voltage, as applicable, transmission facilities and Entitlements and calculated in accordance with Section 5 of the TO Tariff and other credits identified in Section 6 and 8 of Schedule 3 of Appendix F of the ISO Tariff. Each Participating TO shall provide in its TO Tariff filing with FERC an appendix to such filing that states the

Participating TO's High Voltage Transmission Revenue Requirement, its Low Voltage Transmission Revenue Requirement (if applicable) and its Gross Load used in developing the rate. The allocation of each Participating TO's Transmission Revenue Requirement between the High Voltage Transmission Revenue Requirement and the Low Voltage Transmission Revenue Requirement shall be undertaken in accordance with Section 11 of Schedule 3 of Appendix F. To the extent necessary, each Participating TO shall make conforming changes to its TO Tariff.

The applicable High Voltage Access Charge and the Transition Charge shall be paid to the ISO by each UDC and MSS Operator based on its Gross Load connected to a High Voltage Transmission Facility in a PTO Service Territory, either directly or through intervening distribution facilities, but not through a Low Voltage Transmission Facility. The applicable High Voltage Access Charge, the Transition Charge and the Low Voltage Access Charge for the applicable Participating TO shall be paid by each UDC and MSS Operator based on its Gross Load in the PTO Service Territory. The applicable High Voltage Access Charge and Transition Charge shall be assessed by the ISO as a charge for transmission service under this ISO Tariff, shall be determined in accordance with Schedule 3 of Appendix F, and shall include all applicable components of the High Voltage Access Charge and Transition Charge set forth therein.

The Low Voltage Access Charge for each Participating TO is set forth in that Participating TO's TO Tariff. Each Participating TO shall charge for and collect the Low Voltage Access Charge, as provided in its TO Tariff. If a Participating TO is using the Low Voltage Transmission Facilities of another Participating TO, such Participating TO shall also be assessed the Low Voltage Access Charge of the other Participating TO by such other Participating TO. The ISO shall provide to the applicable Participating TO a statement of the amount of Energy delivered to each UDC and MSS Operator serving Gross Load that utilizes the Low Voltage Transmission Facilities of that Participating TO on a monthly basis. If a UDC or MSS Operator that is serving Gross Load in a PTO Service Territory has Existing Rights to use another Participating TO's Low Voltage Transmission Facilities, such entity shall not be charged the Low Voltage Access Charge for delivery of Energy to Gross Load for deliveries using the Existing Rights. Each Participating TO shall recover Standby Transmission Revenues directly from the Standby Service Customers of that Participating TO through its applicable retail rates.

* * *

26.1.4 Wheeling.

Any Scheduling Coordinator or other such entity scheduling a Wheeling transaction shall pay to the ISO the product of (i) the applicable Wheeling Access Charge, and (ii) the total hourly schedules of Wheeling in kilowatt-hours for each month at each Scheduling Point associated with that transaction, except as provided in SPP 4.1. Schedules that include Wheeling transactions shall be subject to the Congestion Management procedures and protocols in accordance with 27.1.1 and 27.1.2.

* * *

Control Area Gross Load

For the purpose of calculating and billing Minimum Load Costs, Emission Costs Charge and Start-Up Fuel Costs Charge, Control Area Gross Load is all Demand for Energy within the ISO Control Area. Control Area Gross Load shall not include Energy consumed by:

(a) Station Power that is netted pursuant to Section 10.1.3 ~~generator auxiliary Load equipment that is dedicated to the production of Energy and is electrically connected at the same point as the Generating Unit (e.g., auxiliary Load equipment that is served via a distribution line that is separate from the switchyard to which the Generating Unit is connected will not be considered to be electrically connected at the same point)~~; and

(b) Load that is isolated electrically from the ISO Control Area (*i.e.*, Load that is not synchronized with the ISO Control Area).

* * *

Gross Load

For the purposes of calculating the transmission Access Charge, Gross Load is all Energy (adjusted for distribution losses) delivered for the supply of End-Use Customer Loads directly connected to the transmission facilities or directly connected to the Distribution System of a UDC or MSS Operator located in a PTO Service Territory. Gross Load shall exclude 1) Load with respect to which the Wheeling Access Charge is payable, 2) Load that is exempt form the Access Charge pursuant to SPP 4.1, and the portion of the Load of an

individual retail customer of a UDC or MSS Operator that is served by a Generating Unit that: (a) is located on the customer's site or provides service to the customers site through arrangements as authorized by Section 218 of the California Public Utilities Code; (b) is a qualifying small power production facility or qualifying cogeneration facility, as those terms are defined in the FERC's regulations implementing Section 201 of the Public Utility Regulatory Policies Act of 1978; and (c) secures Standby Service from a Participating TO under terms approved by a Local Regulatory Authority or FERC, as applicable, or can be curtailed concurrently with an outage of the Generating Unit serving the Load. Gross Load forecasts consistent with filed TRR will be provided by each Participating TO to the ISO.

* * *

ISO Metered Entity

a) any one of the following entities that is directly connected to the ISO Controlled Grid:

i. a Generator other than a Generator that sells all of its Energy (excluding any Station Power that is netted pursuant to Section 10.1.3 ~~Energy consumed by auxiliary load equipment electrically connected to that Generator at the same point~~) and Ancillary Services to the UDC in whose Service Area it is located;

ii. an Eligible Customer; or

iii. an End-User other than an End-User that purchases all of

its Energy from the UDC in whose Service Area it is located; and

(b) any one of the following entities:

i. a Participating Generator;

ii. a Participating TO in relation to its Tie Point Meters with other TOs or Control Areas;

iii. a Participating Load;

iv. a Participating Intermittent Resource; or

a utility that requests that UFE for its Service Area be calculated separately, in relation to its meters at points of connection of its Service Area with the systems of other utilities

* * *

Net Output	The gross Energy output from a Generating Unit less the Station Power requirements for such Generating Unit during the Netting Period, or the Energy available to provide Remote Self-Supply from a generating facility in another Control Area during the Netting Period.

* * *

Netting Period	A calendar month, representing the interval over which the Net Output of one or more generating resources in a Station Power Portfolio is available to be attributed to the self-supply of Station Power in that Station Power Portfolio.

* * *

On-Site Self-Supply	Energy from a Generating Unit that is deemed to have self-supplied all or a portion of its associated Station Power load without use of the ISO Controlled Grid during the Netting Period.
	* * *
Remote Self-Supply	Positive Net Output from generating resources in the Station Power Portfolio that is deemed to have self-supplied Station Power load of other Generating Units in the Station Power Portfolio during the Netting Period, where such self-supply requires use of the ISO Controlled Grid.
	* * *
Station Power	Energy for operating electric equipment, or portions thereof, located on the Generating Unit site owned by the same entity that owns the Generating Unit, which electrical equipment is used exclusively for the production of Energy and any useful thermal energy associated with the production of Energy by the Generating Unit; and for the incidental heating, lighting, air conditioning and office equipment needs of buildings, or portions thereof, that are owned by the same entity that owns the Generating Unit; located on the Generating Unit site; and used exclusively in connection with the production of Energy and any useful thermal energy associated with the production of Energy by the Generating Unit. Station Power includes the

	Energy associated with motoring a hydroelectric Generating Unit to keep the unit synchronized at zero real power output to provide Regulation or Spinning Reserve. Station Power does not include any Energy used to power synchronous condensers; used for pumping at a pumped storage facility; or provided during a Black Start procedure. Station Power does not include Energy to serve loads outside the ISO Control Area.
	* * *
Station Power Portfolio	One or more generating resources eligible to self-supply Station Power, including Generating Units in the ISO Control Area, and generating facilities outside the ISO Control Area, all of which are owned by the same entity.
	* * *
Third Party Supply	Energy that is deemed to have been purchased from third parties to supply Station Power load during the Netting Period
	* * *

ISO TARIFF APPENDIX F

SCHEDULE 5

STATION POWER CHARGES

The ISO shall assess a charge of $500 to the Scheduling Coordinator representing the owner of one or more Generating Units that submits an application to establish a Station Power Portfolio or to change the configuration of Station Power meters or the generating facilities included in a Station Power Portfolio. If the generating facilities in a single Station Power Portfolio are scheduled by more than one Scheduling Coordinator, then the Scheduling Coordinator representing the most installed capacity shall be assessed the application charge.

A charge of $200 will be assessed to the SC of Generating Units that have Station Power meters each time the ISO is required to shift meter data to a unique load identifier pursuant to the Station Power Protocol. For example, if a Scheduling Coordinator has two Station Power meters, and both Remote Self Supply and Third Party Supply is attributed to each Station Power meter in a single Netting Period, then the ISO must shift meter data to a total of four unique load identifiers and the charge would be $800 in that month (2 meters X 2 load IDs X $200).

All revenue collected by the ISO pursuant to this Schedule 5 shall be considered "Other Revenues" and applied as a credit to the Grid Management Charge revenue requirement in accordance with Schedule 1 of Appendix F.

ATTACHMENT B

ISO TARIFF APPENDIX S

Station Power Protocol

STATION POWER PROTOCOL

Table of Contents

STATION POWER PROTOCOL (SPP)

SPP 1 General Conditions

SPP 1.1 Procurement

Station Power may be voluntarily self-supplied through a) permitted netting as provided in Section 10.1.3 of this ISO Tariff using Energy generated contemporaneously at the same location, b) On-Site Self Supply or c) Remote Self Supply. Third Party Supply may serve Station Power only to the extent permissible under the rules and regulations of the applicable Local Regulatory Authority.

SPP 1.2 Eligibility

SPP 1.2.1 Only Station Power loads associated with Generating Units in the ISO Control Area that are part of an approved Station Power Portfolio may be self-supplied in accordance with this SPP. Each Generating Unit must be subject to a PGA, QF PGA, or MSS Agreement. Any generating facility outside the ISO Control Area owned by the same entity is eligible to provide Remote Self-Supply to Station Power loads, subject to the terms of this SPP. Generating Units wishing to self-supply Station Power shall complete the application process specified in SPP 2.

SPP 1.2.2 Station Power may be self-supplied by a single corporate entity, government agency, or joint powers agency or other legal entity organized under the laws of the State of California. A Station Power Portfolio may not include any facilities that are owned by the owner's corporate affiliates. In the case of a joint powers agency, a Station Power Portfolio may not include facilities independently owned by one or more members or other legally distinct entities. If an entity owns a portion of a jointly owned Generating Unit, such ownership share may be included in a Station Power Portfolio up to the amount of the associated entitlement to Energy from the jointly-owned Generating Unit provided that: (i) the entity has the right to call upon that Energy for its own use; and (ii) the Energy entitlement is not characterized as a sale from the jointly owned Generating Unit to any of its joint owners.

SPP 1.2.3 Net Output from generating facilities outside the ISO Control Area may be included in a Station Power Portfolio and used as a source of Remote Self-Supply to serve Station Power of Generating Units in the ISO Control Area and part of the Station Power Portfolio, so long as the following conditions are fulfilled:

(a) Imports of Net Output must be scheduled using an interchange ID specified by the ISO;

(b) Import Schedules using such interchange ID do not exceed the available Net Output of such generating facilities in any hour;

(c) Firm transmission service to a Scheduling Point that assures delivery into the ISO Control Area is secured; and

(d) Meter data for generating facilities located outside the ISO Control Area shall be subject to ISO audit to verify performance in accordance with these requirements.

SPP 1.3 Limitations

SPP 1.3.1 Station Power supplied by contemporaneous on-site Generation is treated as permitted netting under Section 10.1.3 of this ISO Tariff. This SPP neither expands opportunities for nor imposes additional conditions on permitted netting. In accordance with this ISO Tariff such contemporaneous self-supplied Station Power need not be scheduled with the ISO.

SPP 1.3.2 Self-supply of Station Power shall be strictly voluntary. Nothing in this SPP is intended to: 1) preclude a Generating Unit from purchasing Station Power pursuant to an applicable retail rate or tariff; or 2) supersede otherwise applicable jurisdiction of a Local Regulatory Authority, except in the event of a conflict between federal and state tariff provisions, in which case the federal tariff provisions will control.

SPP 2 Station Power Requirements and Review

SPP 2.1 Applications to Self-Supply Station Power

SPP 2.1.1 An application to establish a Station Power Portfolio or to modify the configuration of Station Power meters or the Generating facilities included in a Station Power portfolio must be submitted according to the process specified by the ISO and posted on the ISO Home Page, and shall include the following information:

(a) One-line diagrams clearly showing the location and ownership of all Generating Units and Station Power meters, their connection to the ISO Controlled Grid or distribution system, and the status of breakers and switchgear for normal system operation.

(b) Identification of any generating facilities outside the ISO Control Area, to be used to provide Remote Self Supply of Station Power within the proposed Station Power Portfolio. No loads associated with generating facilities outside the ISO Control Area may be supplied under this SPP.

(c) Certification that the applicant is the sole owner of all generating facilities proposed to be included in the Station Power Portfolio, and that the applicant has the right to call on Energy for its own use from its ownership share of any jointly owned facilities that are proposed to be used to self supply Station Power.

(d) Demonstration that each Station Power meter is certified in accordance with the ISO Tariff.

(e) Verification that each Station Power meter is subject to a Meter Service Agreement for ISO Metered Entities, and that each Generating Unit is bound to the ISO Tariff by a PGA, QF PGA, or MSS Agreement.

(f) Verification that the applicant has arranged for terms of service with the responsible UDC or MSS Operator for the use of any distribution facilities required to self-supply Station Power.

SPP 2.1.2 On the ISO's written request, the applicant will provide additional information that the ISO reasonably determines is necessary to verify the planned operation of the Station Power Portfolio and meet the requirements of SPP 2.1.1.

SPP 2.2 ISO Monitoring and Review

SPP 2.2.1 The ISO will take the following actions with respect to each application to establish a Station Power Portfolio:

(a) The ISO shall post on the ISO Home Page a listing of the specific Station Power meters and Generating Units located in the ISO Control Area, and any generating facilities outside the ISO Control Area, that compose each Station Power Portfolio, and which are eligible to participate in the self-supply of Station Power in accordance with this SPP.

(b) The ISO will provide the appropriate UDC or MSS Operator and the Local Regulatory Authority with one-line diagrams and other information regarding each application.

(c) The ISO will make a determination in consultation with the UDC or MSS Operator and the Local Regulatory Authority on the factual question of whether distribution facilities are involved in the requested self-supply of Station Power. Any disputes regarding such determinations shall be subject to the dispute resolution procedures of this ISO Tariff.

(d) The ISO will verify metering schemes and assign unique load identifiers consistent with the ISO Data Templates and Validation Rules that the Scheduling Coordinator responsible for each meter will be required to use for scheduling and settlement.

SPP 2.2.2 The ISO shall promptly review each application to establish or modify a Station Power Portfolio. Within ten (10) Business Days after the submittal of the application, the ISO shall notify the applicant in writing that the application is complete, or shall list any specific deficiencies or additional information that the ISO reasonably requires to complete the application. The ISO shall use all reasonable efforts to make the changes necessary for the new or modified configurations to take effect and the Station Power Portfolio to begin self-supplying Station Power within twenty (20) Business Days after a complete application is submitted. In no event shall a Station Power Portfolio begin self-supplying Station Power until any and all required changes to the configuration of metering or other equipment are completed as required under SPP 6. The ISO will have an ongoing right to request additional information reasonably necessary to verify that conditions on the self-supply of Station Power as specified in this SPP are met.

SPP 3 Self-Supply Verification and ISO Charges

SPP 3.1 Self-Supply Verification

At the end of each Netting Period, the ISO will calculate the Net Output for each Generating Unit in the Station Power Portfolio. If the Net Output is positive, then all Station Power associated with that Generating Unit, other than load netted in accordance with this ISO Tariff, will have been served by On-Site Self Supply. Any positive Net Output from facilities in the Station Power Portfolio will be available to provide Remote Self Supply to any Generating Unit with negative Net Output. If the available Remote Self Supply is less than the aggregate negative Net Output in the Station Power Portfolio, then such shortfall will be deemed to have been served by Third Party Supply. The ISO will incorporate these determinations in its accounting and billing for the Netting Period by reassigning Station Power to unique load identifiers for Remote Self Supply and Third Party Supply, as required.

SPP 3.2 Charges on Metered Demand

Station Power that is not eligible for permitted netting in accordance with Section 10.1.3 of this ISO Tariff must be scheduled in accordance with the ISO Tariff, and will be assessed all charges applicable to metered Demand under the ISO Tariff, except as provided in SPP 4.1.

SPP 3.3 Administrative Charge

Scheduling Coordinators of Generating Units that have Station Power meters shall be assessed an administrative charge in accordance with Schedule 5 of Appendix F to the ISO Tariff.

SPP 4 Transmission Service

SPP 4.1 Station Power Load that is directly connected to the transmission facilities or directly connected to the Distribution System of a UDC or MSS Operator located in a PTO Service Territory and that is determined to have been served by On-Site Self Supply shall be deemed not to have used the ISO Controlled Grid and shall not be included in the Gross Load of the applicable UDC or MSS Operator. Station Power that is served by Wheeling service and that is determined to have been served by On-Site Self Supply shall be deemed not to have used the ISO Controlled Grid and shall not be included in the hourly schedules (in kWh) of the applicable Scheduling Coordinator that are subject to the Wheeling Access Charge.

SPP 4.2 Station Power Load that is directly connected to the transmission facilities or directly connected to the Distribution System of a UDC or MSS Operator located in a PTO Service Territory and that is determined to have been served by Remote Self-Supply or Third Party Supply shall be included in the Gross Load of the applicable UDC or MSS Operator. Station Power that is served by Wheeling service and that is determined to have been served by Remote Self-Supply or Third Party Supply shall be included in the hourly schedules (in kWh) of the applicable Scheduling Coordinator that are subject to the Wheeling Access Charge.

SPP 4.3 If the Generating Unit requires the use of distribution facilities or other facilities that are not part of the ISO Controlled Grid, then the Generating Unit will be subject to the appropriate charges of the applicable UDC, MSS Operator or owner of such non-ISO Controlled Grid Facilities.

SPP 5 ENERGY PRICING

All deviations between scheduled and metered Generation or Station Power will be settled at the applicable zonal price. The determination of Net Output and attribution of On-Site Self Supply, Remote Self Supply and Third Party Supply to serving Station Power under this SPP shall apply only to determine whether Station Power was self-supplied during the Netting Period and will have no effect on the price of Energy sold or consumed by any facility in the Station Power Portfolio.

SPP 6 METERING

SPP 6.1 In order to self-supply Station Power under this SPP, a Generating Unit must be subject to a Meter Service Agreement for ISO Metered Entities pursuant to ISO Tariff Section 10.3.1. A meter certified in accordance with the ISO Tariff is required for Station Power Load taken under the SPP. Separate metering is required for any on-site Load that does not meet the definition of Station Power. Under no circumstances may ineligible Loads be included in the meter data collected by the ISO from a Station Power meter.

SPP 6.2 Any costs associated with owning or operating metering or related facilities necessary to self-supply Station Power according to the terms of this SPP are the responsibility of the owner-applicant.

SPP 6.3 A single Scheduling Coordinator must represent the unique load identifiers assigned by the ISO for On-Site Self-Supply and Remote Self-Supply associated with each Station Power meter.

SPP 7 PROVISION OF DATA TO UDC OR MSS OPERATOR

The ISO will provide the applicable UDC or MSS Operator with the amount of On-Site Self Supply, Remote Self-Supply, and Third Party Supply serving Station Power at the granularity required to allow the UDC or MSS Operator to assess charges, if any, under the applicable retail tariff(s).

to the Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable, of the Participating TO; provided, however, that the owner of the planned Generating Unit, or its designee, shall be required to mitigate any adverse impact on reliability of the ISO Controlled Grid consistent with the Standard Large Generator Interconnection Procedures. In addition, each Participating TO will provide to the ISO a copy of the system impact study used to determine the impact of a planned Generating Unit on the Distribution System and the ISO Controlled Grid pursuant to a request to interconnect under the applicable Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable.

25.3 Maintenance of Encumbrances.

No new Generating Unit shall adversely affect the ability of the applicable Participating TO to honor its Encumbrances existing as of the time an Interconnection Customer submits its Interconnection Request to the ISO. The applicable Participating TO, in consultation with the ISO, shall identify any such adverse effect on its Encumbrances in the Interconnection System Impact Study performed under Section 7 of the LGIP or under Section 5.1 of ISO Tariff Appendix W, as applicable. To the extent the applicable Participating TO determines that the connection of the new Generating Unit will have an adverse effect on Encumbrances, the Interconnection Customer shall mitigate such adverse effect.

26 TRANSMISSION RATES AND CHARGES.

26.1 Access Charges.

All Market Participants withdrawing Energy from the ISO Controlled Grid shall pay Access Charges in accordance with this Section 26.1 and Appendix F, Schedule 3, except as provided in SPP 4.1. Prior to the transition date determined under Section 4 of Schedule 3 to Appendix F, the Access Charge for each Participating TO shall be determined in accordance with the principles set forth in this Section 26.1 and in Section 5 of the TO Tariff. The Access Charge shall comprise two components, which together shall be designed to recover each Participating TO's Transmission Revenue Requirement. The first component shall be the annual authorized revenue requirement associated with the transmission facilities and Entitlements turned over to the Operational Control of the ISO by a Participating TO approved by FERC.

The second component shall be based on the Transmission Revenue Balancing Account (TRBA), which

shall be designed to flow

26.1.4 Wheeling.

Any Scheduling Coordinator or other such entity scheduling a Wheeling transaction shall pay to the ISO the product of (i) the applicable Wheeling Access Charge, and (ii) the total hourly schedules of Wheeling in kilowatt-hours for each month at each Scheduling Point associated with that transaction, except as provided in SPP 4.1. Schedules that include Wheeling transactions shall be subject to the Congestion Management procedures and protocols in accordance with Sections 27.1.1 and 27.1.2.

26.1.4.1 Wheeling Access Charge.

The Wheeling Access Charge shall be determined by the TAC Area and transmission ownership or Entitlement, less all Encumbrances, associated with the Scheduling Point at which the Energy exits the ISO Controlled Grid. The Wheeling Access Charge for Scheduling Points contained within a single TAC Area, that are not joint facilities, shall be equal to the High Voltage Access Charge for the applicable TAC Area in accordance with Section 3 of Appendix F plus the applicable Low Voltage Access Charge if the Scheduling Point is on a Low Voltage Transmission Facility. Wheeling Access Charges shall not apply for Wheeling under a bundled non-economy Energy coordination agreement of a Participating TO executed prior to July 9, 1996.

26.1.4.2 Wheeling Over Joint Facilities.

To the extent that more than one Participating TO owns or has Entitlement to transmission capacity, less all Encumbrances, exiting the ISO Controlled Grid at a Scheduling Point, the Scheduling Coordinator shall pay the ISO each month a rate for Wheeling at that Scheduling Point which reflects an average of the Wheeling Access Charge applicable to those Participating TOs, weighted by the relative share of such ownership or Entitlement to transmission capacity, less all Encumbrances, at such Scheduling Point. If the Scheduling Point is located at High Voltage Transmission Facilities, the Wheeling Access Charge will consist of a High Voltage Wheeling Access Charge component. Additionally, if the Scheduling Point is located at Low Voltage Transmission Facilities, the applicable Low Voltage Wheeling Access Charge component will be added to the Wheeling Access Charge. The methodology for developing the weighted average rate for Wheeling at each Scheduling Point is set forth in Appendix H.

	account, and determining the price for mitigating Congestion for flows on Congested paths. The formula for determining the Congestion Management Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.
Congestion Zone	A Zone identified as an Active Zone in Appendix I of the ISO Tariff.
Connected Entity	A Participating TO or any party that owns or operates facilities that are electrically interconnected with the ISO Controlled Grid.
Constrained Output Generation	Generating resources with only two viable operating states: (a) off-line or (b) operating at their maximum output level.
Constraints	Physical and operational limitations on the transfer of electrical power through transmission facilities.
Contingency	Disconnection or separation, planned or forced, of one or more components from an electrical system.
Control Area	An electric power system (or combination of electric power systems) to which a common AGC scheme is applied in order to: i) match, at all times, the power output of the Generating Units within the electric power system(s), plus the Energy purchased from entities outside the electric power system(s), minus Energy sold to entities outside the electric power system, with the Demand within the electric power system(s); ii) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice; iii) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and iv) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.
Control Area Gross Load	For the purpose of calculating and billing Minimum Load Costs, Emission Costs Charge and Start-Up Fuel Costs Charge, Control Area Gross Load is all Demand for Energy within the ISO Control Area. Control Area Gross Load shall <u>not</u> include Energy consumed by: (a) Station Power that is netted pursuant to Section 10.1.3 (b) Load that is isolated electrically from the ISO Control Area (*i.e.*, Load that is not synchronized with the ISO Control Area).
Control Area Operator	The person responsible for managing the real-time operations of a

	Control Area.
Converted Rights	Those transmission service rights as defined in Section 16.21A.1 of the ISO Tariff.
Core Reliability Services - Demand Charge	A component of the Grid Management Charge that provides for the recovery of the ISO's costs of providing a basic, non-scalable level of reliable operation for the ISO Control Area and meeting regional and national reliability requirements. The formula for determining the Core Reliability Services – Demand Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.
Core Reliability Services – Energy Export Charge	A component of the Grid Management Charge that provides for the recovery of the ISO's costs of providing a basic, non-scalable level of reliable operation for the ISO Control Area and meeting regional and national reliability requirements. The formula for determining the Core Reliability Services – Energy Exports Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.
CPUC	The California Public Utilities Commission, or its successor.
Critical Protective System	Facilities and sites with protective relay systems and Remedial Action Schemes that the ISO determines may have a direct impact on the ability of the ISO to maintain system security and over which the ISO exercises Operational Control.
CTC (Competition Transition Charge)	A non-bypassable charge that is the mechanism that the California Legislature and the CPUC mandated to permit recovery of costs stranded as a result of the shift to the new market structure.
Curtailable Demand	Demand from a Participating Load that can be curtailed at the direction of the ISO in the real-time Dispatch of the ISO Controlled Grid. Scheduling Coordinators with Curtailable Demand may offer it to the ISO to meet Non-Spinning Reserve or Replacement Reserve requirements.
Day 0	The Trading Day to which the Settlement Statement or Settlement

Good Utility Practice Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region

Grid Management Charge The ISO monthly charge on all Scheduling Coordinators that provides for the recovery of the ISO's costs listed in Section 11.2.2.2 through the eight service charges described in Section 11.2.2.3 calculated in accordance with the formula rate set forth in Appendix F, Schedule 1, Part A of this Tariff. The eight charges that comprise the Grid Management Charge consist of: 1) the Core Reliability Services - Demand Charge, 2) the Core Reliability Services – Energy Exports Charge, 3) the Energy Transmission Services Net Energy Charge, 4) the Energy Transmission Services Uninstructed Deviations Charge, 5) the Forward Scheduling Charge, 6) the Congestion Management Charge, 7) the Market Usage Charge, and 8) the Settlements, Metering, and Client Relations Charge.

Grid Operations Charge An ISO charge that recovers Redispatch costs incurred due to Intra-Zonal Congestion in each Zone. These charges will be paid to the ISO by the Scheduling Coordinators, in proportion to their metered Demand within, and metered exports from, the Zone to a neighboring Control Area.

Gross Load For the purposes of calculating the transmission Access Charge, Gross Load is all Energy (adjusted for distribution losses) delivered for the supply of End-Use Customer Loads directly connected to the transmission facilities or directly connected to the Distribution System of a UDC or MSS Operator located in a PTO Service Territory. Gross Load shall exclude 1) Load with respect to which the Wheeling Access Charge is payable, 2) Load that is exempt form

	the Access Charge pursuant to SPP 4.1, and the portion of the Load of an individual retail customer of a UDC or MSS Operator that is served by a Generating Unit that: (a) is located on the customer's site or provides service to the customers site through arrangements as authorized by Section 218 of the California Public Utilities Code; (b) is a qualifying small power production facility or qualifying cogeneration facility, as those terms are defined in the FERC's regulations implementing Section 201 of the Public Utility Regulatory Policies Act of 1978; and (c) secures Standby Service from a Participating TO under terms approved by a Local Regulatory Authority or FERC, as applicable, or can be curtailed concurrently with an outage of the Generating Unit serving the Load. Gross Load forecasts consistent with filed TRR will be provided by each Participating TO to the ISO.
High Voltage Access Charge	The Access Charge applicable under Section 26.1 to recover the High Voltage Transmission Revenue Requirements of each Participating TO in a TAC Area.
High Voltage Transmission Facility	A transmission facility that is owned by a Participating TO or to which a Participating TO has an Entitlement that is represented by a Converted Right, that is under the ISO Operational Control, and that operates at a voltage at or above 200 kilovolts, and supporting facilities, and the costs of which are not directly assigned to one or more specific customers.
High Voltage Transmission Revenue Requirement	The portion of a Participating TO's TRR associated with and allocable to the Participating TO's High Voltage Transmission Facilities and Converted Rights associated with High Voltage Transmission Facilities that are under the ISO Operational Control.
High Voltage Wheeling Access Charge	The Wheeling Access Charge associated with the recovery of a Participating TO's High Voltage Transmission Revenue Requirements in accordance with Section 26.1.
Host Control Area	The Control Area in which a System Resource subject to this ISO Tariff is connected to the electric grid. The Host Control Area may, or may not, be directly interconnected with the ISO Control Area.
Hour-Ahead	Relating to an Hour-Ahead Market or an Hour-Ahead Schedule.

	ISO Tariff.
ISO Documents	The ISO Tariff, ISO bylaws, and any agreement entered into between the ISO and a Scheduling Coordinator, a Participating TO or any other Market Participant pursuant to the ISO Tariff.
ISO Governing Board	The Board of Governors established to govern the affairs of the ISO.
ISO Home Page	The ISO internet home page at http://www.caiso.com/ or such other internet address as the ISO shall publish from time to time.
ISO Invoice	The invoices issued by the ISO to the Responsible Utilities or RMR Owners based on the Revised Estimated RMR Invoice and the Revised Adjusted RMR Invoice.
ISO Market	Any of the markets administered by the ISO under the ISO Tariff, including, without limitation, Imbalance Energy, Ancillary Services, and FTRs.
ISO Memorandum Account	The memorandum account established by each California IOU pursuant to California Public Utilities Commission Order D. 96-08-038 date August 2, 1996 which records all ISO startup and development costs incurred by that California IOU.
ISO Metered Entity	(a) any one of the following entities that is directly connected to the ISO Controlled Grid: i. a Generator other than a Generator that sells all of its Energy (excluding any Station Power that is netted pursuant to Section 10.1.3) and Ancillary Services to the UDC in whose Service Area it is located; ii. an Eligible Customer; or iii. an End-User other than an End-User that purchases all of its Energy from the UDC in whose Service Area it is located; and (b) any one of the following entities: i. a Participating Generator; ii. a Participating TO in relation to its Tie Point Meters with other TOs or Control Areas; iii. a Participating Load; iv. a Participating Intermittent Resource; or v. a utility that requests that UFE for its Service Area be calculated separately, in relation to its meters at points of connection of its Service Area with the systems of other utilities.

ISO Metered Entity Meter Service Agreements	The meter service agreements between the ISO and ISO Metered Entities.
ISO Operations Date	The date on which the ISO first assumes Operational Control of the ISO Controlled Grid.
ISO Outage Coordination Office	The office established by the ISO to coordinate Maintenance Outages in accordance with Section 9.3 of the ISO Tariff.
ISO Payments Calendar	A calendar published by the ISO showing the dates on which Settlement Statements will be published by the ISO and the Payment Dates by which invoices issued under the ISO Tariff must be paid.
ISO Protocols	The rules, protocols, procedures and standards promulgated by the ISO (as amended from time to time) to be complied with by the ISO Scheduling Coordinators, Participating TOs and all other Market Participants in relation to the operation of the ISO Controlled Grid and the participation in the markets for Energy and Ancillary Services in accordance with the ISO Tariff.
ISO Register	The register of all the transmission lines, associated facilities and other necessary components that are at the relevant time being subject to the ISO's Operational Control.
ISO Reserve Account	The account established for the purpose of holding cash deposits which may be used in or towards clearing the ISO Clearing Account.
ISO Security Amount	The level of security provided in accordance with Section 12.1 of the ISO Tariff by an Scheduling Coordinator Applicant who does not have an Approved Credit Rating. The ISO Security Amount may be separated into two components: (i) the level of security required to secure payment of the Grid Management Charge; and (ii) the level of security required to secure payment of all charges other than the Grid Management Charge.
ISO Surplus Account	The account established by the ISO pursuant to Section 11.8.5.3.
ISO Tariff	The California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time.

Must-Offer Generator	All entities defined in Section 40.1.1 of the ISO Tariff
Native Load	Load required to be served by a utility within its Service Area pursuant to applicable law, franchise, or statute.
NERC	The North American Electric Reliability Council or its successor.
Net FTR Revenue	The sum of: 1) the revenue received by the New Participating TO from the sale, auction, or other transfer of the FTRs provided to it pursuant to Section 36.4.3 FTR, or any substantively identical successor provision of the ISO Tariff; and 2) for each hour: a) the Usage Charge revenue received by the New Participating To associated with its Section 36.4.3 FTRs; minus b) Usage Charges that are: i) incurred by the Scheduling Coordinator for the New Participating TO under ISO Tariff Section 27.1.2.1.4 ii) associated with the New Participating TO's Section 36.4.3 FTRs, and iii) incurred by the New Participating TO for its energy transactions but not incurred as a result of the use of the transmission by a third-party and minus c) the charges paid by the New Participating TO pursuant to Section 27.1.2.1.7, to the extent such charges are incurred by the Scheduling Coordinator of the New Participating TO on Congested Inter-Zonal Interfaces that are associated with the Section 36.4.3 FTRs provided to the New Participating TO. The component of New FTR Revenue represented by item 2) immediately above shall not be less than zero for any hour.
Net Negative Uninstructed Deviation	The real-time change in Generation or Demand associated with underscheduled Load (i.e., Load that appears unscheduled in real time) and overscheduled Generation (i.e., Generation that is scheduled in forward markets and does not appear in real time). Deviations are netted for each Settlement Interval, apply to a Scheduling Coordinator's entire portfolio, and include Load, Generation, imports and exports.
Net Output	The gross Energy output from a Generating Unit less the Station Power requirements for such Generating Unit during the Netting Period, or the Energy available to provide Remote Self-Supply from a generating facility in another Control Area during the Netting Period.

Netting Period A calendar month, representing the interval over which the Net Output of one or more generating resources in a Station Power Portfolio is available to be attributed to the self-supply of Station Power in that Station Power Portfolio.

Network Upgrades The additions, modifications, and upgrades to the ISO Controlled Grid required at or beyond the Point of Interconnection to accommodate the interconnection of the Large Generating Facility to the ISO Controlled Grid. Network

	Upgrades shall consist of Delivery Network Upgrades and Reliability Network Upgrades.
New High Voltage Facility	A High Voltage Transmission Facility of a Participating TO that is placed in service after the beginning of the transition period described in Section 4 of Schedule 3 of Appendix F, or a capital addition made and placed in service after the beginning of the transition period described in Section 4.2 of Schedule 3 of Appendix F to an Existing High Voltage Facility.
New Participating TO	A Participating TO that is not an Original Participating TO.
Nomogram	A set of operating or scheduling rules which are used to ensure that simultaneous operating limits are respected, in order to meet NERC and WECC operating criteria.
Non-Participating Generator	A Generator that is not a Participating Generator.
Non-Participating TO	A TO that is not a party to the TCA or for the purposes of Sections 16.1 and 16.2 of the ISO Tariff the holder of transmission service rights under an Existing Contract that is not a Participating TO.
Non-Spinning Reserve	The portion of off-line generating capacity that is capable of being synchronized and Ramping to a specified load in ten minutes (or load that is capable of being interrupted in ten minutes) and that is capable of running (or being interrupted) for at least two hours.
NRC	The Nuclear Regulatory Commission or its successor.
NRC (Standards)	The reliability standards published by the NRC from time to time.
On-Site Self-Supply	Energy from a Generating Unit that is deemed to have self-supplied all or a portion of its associated Station Power load without use of the ISO Controlled Grid during the Netting Period.
Operating Procedures	Procedures governing the operation of the ISO Controlled Grid as the ISO may from time to time develop, and/or procedures that Participating TOs currently employ which the ISO adopts for use.
Operating Reserve	The combination of Spinning and Non-Spinning Reserve

required to meet WECC and NERC requirements for reliable operation of the ISO Control Area.

	voltage or security support of the ISO or a local area.
Reliability Must-Run Unit (RMR Unit)	A Generating Unit which is the subject of a Reliability Must-Run Contract.
Reliability Network Upgrades	The transmission facilities at or beyond the Point of Interconnection necessary to interconnect a Large Generating Facility safely and reliably to the ISO Controlled Grid, which would not have been necessary but for the interconnection of the Large Generating Facility, including Network Upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Large Generating Facility to the ISO Controlled Grid. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's WECC rating.
Reliability Services Costs	The costs associated with services provided by the ISO: 1) that are deemed by the ISO as necessary to maintain reliable electric service in the ISO Control Area; and 2) whose costs are billed by the ISO to the Participating TO pursuant to the ISO Tariff. Reliability Services Costs include costs charged by the ISO to a Participating TO associated with service provided under an RMR Contract (Section 30.6.1.2), local out-of-market dispatch calls (Section 11.2.4.2.1) and Minimum Load Costs associated with units committed under the must-offer obligation for local reliability requirements (Section 40.1.6.1.4)
Remote Self-Supply	Positive Net Output from generating resources in the Station Power Portfolio that is deemed to have self-supplied Station Power load of other Generating Units in the Station Power Portfolio during the Netting Period, where such self-supply requires use of the ISO Controlled Grid.
REMnet	The Wide Area Network through which the ISO acquires Meter Data.
Replacement Reserve	Generating capacity that is dedicated to the ISO, capable of starting up if not already operating, being synchronized to the ISO Controlled Grid, and Ramping to a specified operating level within a sixty (60) minute period, the output of which can be

continuously maintained for a two hour period. Also, Curtailable Demand that is capable of being curtailed within sixty minutes and that can remain curtailed for two hours.

Resource-Specific The Resource-Specific Settlement Interval Ex Post Price will

	costs of High Voltage Transmission Facilities.
Standby Service	Service provided by a Participating TO that also provides retail electric service, which allows a Standby Service Customer, among other things, access to High Voltage Transmission Facilities for the delivery of backup power on an instantaneous basis to ensure that Energy may be reliably delivered to the Standby Service Customer in the event of an outage of a Generating Unit serving the customer's Load.
Standby Service Customer	A retail End-Use Customer of a Participating TO that also provides retail electric service that receives Standby Service and pays a Standby Rate.
Standby Transmission Revenue	The transmission revenues, with respect to cost of both High Voltage Transmission Facilities and Low Voltage Transmission Facilities, collected directly from Standby Service Customers through charges for Standby Service.
Start-Up Cost Charge	The charge determined in accordance with Section 40.1.10.
Start-Up Cost Demand	The level of Demand specified in Section 40.1.10.3.
Start-Up Cost Invoice	The invoice submitted to the ISO in accordance with Section 40.1.10.6.
Start-Up Cost Trust Account	The trust account established in accordance with Section 40.1.10.2.
Start-Up Costs	The cost incurred by a particular Generating Unit from the time of first fire, the time of receipt of an ISO Dispatch instruction, or the time the unit was last synchronized to the grid, whichever is later, until the time the generating unit reaches its minimum operating level. Start-Up Costs are determined as the sum of (1) the cost of auxiliary power used during the start-up and (2) the number that is determined multiplying the actual amount of fuel consumed by the proxy gas price as determined by Equation C1-8 (Gas) of the Schedules to the Reliability Must-Run Contract for the relevant Service Area (San Diego Gas & Electric Company, Southern California Gas Company, or Pacific Gas and Electric Company), or, if the Must-Offer Generator is not served from one of those three Service Areas, from the nearest of those three Service Areas.
Station Power	Energy for operating electric equipment, or portions thereof, located on the Generating Unit site owned by the same entity that owns the

Generating Unit, which electrical equipment is used exclusively for the production of Energy and any useful thermal energy associated with the production of Energy by the Generating Unit; and for the incidental heating, lighting, air conditioning and office equipment needs of buildings, or portions thereof, that are owned by the same entity that owns the Generating Unit; located on the Generating Unit site; and used exclusively in connection with the production of Energy and any useful thermal energy associated with the production of Energy by the Generating Unit. Station Power includes the Energy associated with motoring a hydroelectric Generating Unit to keep the unit synchronized at zero real power output to provide Regulation or Spinning Reserve. Station Power does not include any Energy used to power synchronous condensers; used for pumping at a pumped storage facility; or provided during a Black Start procedure. Station Power does not include Energy to serve loads outside the ISO Control Area.

Station Power Portfolio One or more generating resources eligible to self-supply Station Power, including Generating Units in the ISO Control Area, and generating facilities outside the ISO Control Area, all of which are owned by the same entity.

Suggested Adjusted The output of the ISO's initial Congestion Management for each

	Controlled Grid.
System Unit	One or more individual Generating Units and/or Loads within a Metered Subsystem controlled so as to simulate a single resource with specified performance characteristics, as mutually determined and agreed to by the MSS Operator and the ISO. The Generating Units and/or Loads making up a System Unit must be in close physical proximity to each other such that the operation of the resources comprising the System Unit does not result in significant differences in flows on the ISO Controlled Grid.
TAC Area	A portion of the ISO Controlled Grid with respect to which Participating TOs' High Voltage Transmission Revenue Requirements are recovered through a High Voltage Access Charge. TAC Areas are listed in Schedule 3 of Appendix F.
Take-Out Point	The metering points at which a Scheduling Coordinator Metered Entity or ISO Metered Entity takes delivery of Energy.
Tax Exempt Debt	Municipal Tax Exempt Debt or Local Furnishing Bonds.
Tax Exempt Participating TO	A Participating TO that is the beneficiary of outstanding Tax Exempt Debt issued to finance any electric facilities, or rights associated therewith, which are part of an integrated system including transmission facilities the Operational Control of which is transferred to the ISO pursuant to the TCA.
TCA (Transmission Control Agreement)	The agreement between the ISO and Participating TOs establishing the terms and conditions under which TOs will become Participating TOs and how the ISO and each Participating TO will discharge their respective duties and responsibilities, as may be modified from time to time.
Technical Specifications	Parts B to G (inclusive) of Appendix O.
Third Party Supply	Energy that is deemed to have been purchased from third parties to supply Station Power load during the Netting Period
Tie Point Meter	A revenue meter, which is capable of providing Settlement Quality Meter Data, at a Scheduling Point or at a boundary between UDCs within the ISO Controlled Grid.
TO (Transmission Owner)	An entity owning transmission facilities or having firm contractual

rights to use transmission facilities.

TO Tariff A tariff setting out a Participating TO's rates and charges for transmission access to the ISO Controlled Grid and whose other terms

ISO TARIFF APPENDIX F

SCHEDULE 5

STATION POWER CHARGES

The ISO shall assess a charge of $500 to the Scheduling Coordinator representing the owner of one or more Generating Units that submits an application to establish a Station Power Portfolio or to change the configuration of Station Power meters or the generating facilities included in a Station Power Portfolio. If the generating facilities in a single Station Power Portfolio are scheduled by more than one Scheduling Coordinator, then the Scheduling Coordinator representing the most installed capacity shall be assessed the application charge.

A charge of $200 will be assessed to the SC of Generating Units that have Station Power meters each time the ISO is required to shift meter data to a unique load identifier pursuant to the Station Power Protocol. For example, if a Scheduling Coordinator has two Station Power meters, and both Remote Self Supply and Third Party Supply is attributed to each Station Power meter in a single Netting Period, then the ISO must shift meter data to a total of four unique load identifiers and the charge would be $800 in that month (2 meters X 2 load IDs X $200).

All revenue collected by the ISO pursuant to this Schedule 5 shall be considered "Other Revenues" and applied as a credit to the Grid Management Charge revenue requirement in accordance with Schedule 1 of Appendix F.

ATTACHMENT C

ISO TARIFF APPENDIX S

[~~Reserved for~~ Station Power Protocol]

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SPP 1.1 Procurement

Station Power may be voluntarily self-supplied through ~~a) permitted netting as provided in the Metering Protocol MPP 2.2.4.3 or MP 2.3.5 using Energy generated contemporaneously at the same location, b)~~ On-Site Self Supply or ~~c)~~ Remote Self Supply. Third Party Supply may serve Station Power only to the extent permissible under the rules and regulations of the applicable Local Regulatory Authority.

* * *

SPP 1.3.1 ~~Station Power supplied by contemporaneous on-site Generation is treated as~~

~~permitted netting under Section 2.2.4.3 and 2.3.5 of the Metering Protocol of the ISO Tariff.~~ This SPP neither expands opportunities for nor imposes additional conditions on permitted netting under Section 10.1.3 of this ISO Tariff. ~~In accordance with the Metering Protocol such contemporaneous self-supplied Station Power need not be scheduled with the ISO.~~

SPP 1.3.2 Self-supply of Station Power shall be strictly voluntary. Nothing in this SPP is intended to: 1) preclude a Generating Unit from purchasing Station Power pursuant to an applicable retail rate or tariff; or 2) supersede otherwise applicable jurisdiction of a Local Regulatory Authority, except in the event of a conflict between federal and state tariff provisions, in which case the federal tariff provisions will control.

* * *

SPP 2.1 Applications to Self-Supply Station Power

SPP 2.1.1 An application to establish a Station Power Portfolio or to modify the configuration of Station Power meters or the Generating facilities included in a Station Power portfolio must be submitted according to the process specified by the ISO and posted on the ISO Home Page, and shall include the following information:

(a) One-line diagrams clearly showing the location and ownership of all Generating Units and Station Power meters, their connection to the ISO Controlled Grid or distribution system, and the status of breakers and switchgear for normal system operation.

(b) Identification of any generating facilities outside the ISO Control Area, to be used to provide Remote Self Supply of Station Power within the proposed Station Power Portfolio. No loads associated with generating facilities outside the ISO Control Area may be supplied under this SPP.

~~(e)~~(c) Certification that the applicant is the sole owner of all generating facilities proposed to be included in the Station Power Portfolio, and that the applicant has the right to call on Energy for its own use from its ownership share of any jointly owned facilities that are proposed to be used to self supply Station Power.

~~(f)~~(d) Demonstration that each Station Power meter is certified in accordance with the ISO Tariff.

~~(g)~~(e) Verification that each Station Power meter is subject to a Meter Service Agreement for ISO Metered Entities, and that each Generating Unit is bound to the ISO Tariff by a PGA, QF PGA, or MSS Agreement.

~~(h)~~(f) Verification that the applicant has arranged for terms of service with the responsible UDC or MSS Operator for the use of any distribution facilities required to self-supply Station Power.

SPP 2.1.2 On the ISO's written request, the applicant will provide additional information that the ISO reasonably determines is necessary to verify the planned operation of the Station Power

Portfolio and meet the requirements of SPP 2.1.1.

SPP 2.2 ISO Monitoring and Review

SPP 2.2.1 The ISO will take the following actions with respect to each application to establish a Station Power Portfolio:

(a) The ISO shall post on the ISO Home Page a listing of the specific Station Power meters and Generating Units located in the ISO Control Area, and any generating facilities outside the ISO Control Area, that compose each Station Power Portfolio, and which are eligible to participate in the self-supply of Station Power in accordance with this SPP.

(b) The ISO will provide the appropriate UDC or MSS Operator and the Local Regulatory Authority with one-line diagrams and other information regarding each application.

(c) The ISO will make a determination in consultation with the UDC or MSS Operator and the Local Regulatory Authority on the factual question of whether distribution facilities are involved in the requested self-supply of Station Power. Any disputes regarding such determinations shall be subject to the dispute resolution procedures of this ISO Tariff.

(d) The ISO will verify metering schemes and assign unique load identifiers consistent with the ISO Data Templates and Validation Rules that the Scheduling Coordinator responsible for each meter will be required to use for scheduling and settlement.

SPP 2.2.2 ~~No changes may be made to the metering configuration or identity of any generating facilities included in a Station Power Portfolio unless they are approved 30 days in advance by the ISO.~~ The ISO shall promptly review each application to establish or modify a Station Power Portfolio. Within ten (10) Business Days after the submittal of the application, the ISO shall notify the applicant in writing that the application is complete, or shall list any specific deficiencies or additional information that the ISO reasonably requires to complete the application. The ISO shall use all reasonable efforts to make the changes necessary for the new or modified configurations to take effect and the Station Power Portfolio to begin self-supplying Station Power within twenty (20) Business Days after a complete application is submitted. In no event shall a Station Power Portfolio begin self-supplying Station Power until any and all required changes to the configuration of metering or other equipment are completed as required under SPP 6. The ISO will have an ongoing right to request additional information reasonably necessary to verify that conditions on the self-supply of Station Power as specified in this SPP are met.

* * *

SPP 3.1 Self-Supply Verification

At the end of each Netting Period, the ISO will calculate the Net Output for each Generating Unit in the Station Power Portfolio. If the Net Output is positive, then all Station Power associated with that

Generating Unit, other than load netted in accordance with ~~the Metering Protocol~~this ISO Tariff, will have been served by On-Site Self Supply. Any positive Net Output from facilities in the Station Power Portfolio will be available to provide Remote Self Supply to any Generating Unit with negative Net Output. If the available Remote Self Supply is less than the aggregate negative Net Output in the Station Power Portfolio, then such shortfall will be deemed to have been served by Third Party Supply. The ISO will incorporate these determinations in its accounting and billing for the Netting Period by reassigning Station Power to unique load identifiers for Remote Self Supply and Third Party Supply, as required.

SPP 3.2 Charges on Metered Demand

Station Power that is not eligible for permitted netting in accordance ~~with MP 2.2.4.3 or MP 2.3.5~~Section 10.1.3 of this ISO Tariff must be scheduled in accordance with the ISO Tariff, and will be assessed all charges applicable to metered Demand under the ISO Tariff, except as provided in SPP 4.1.

* * *

SPP 6 METERING

SPP 6.1 In order to self-supply Station Power under this SPP, a Generating Unit must be subject to a Meter Service Agreement for ISO Metered Entities pursuant to ISO Tariff Section 10.3.1. A meter certified in accordance with the ISO Tariff is required for Station Power Load taken under the SPP. Separate metering is required for any on-site Load that does not meet the definition of Station Power. Under no circumstances may ineligible Loads be included in the meter data collected by the ISO from a Station Power meter.

* * *

SPP 7 PROVISION OF DATA TO UDC ~~or~~ OR MSS ~~Operator~~OPERATOR

The ISO will provide the applicable UDC or MSS Operator with the amount of On-Site Self Supply, Remote Self-Supply, and Third Party Supply serving Station Power at the granularity required to allow the UDC or MSS Operator to assess charges, if any, under the applicable retail tariff(s).

10.1.3 Netting.

10.1.3.1 Permitted Netting.

In addition to any netting that ISO Metered Entities representing Qualifying Facilities are authorized to undertake pursuant to a QF PGA, such ISO Metered Entities may also, when providing Meter Data to the ISO, net values for Generating Unit output and auxiliary Load equipment electrically connected to that Generating Unit at the same point provided that the Generating Unit is a Qualifying Facility, is on-line, and is producing sufficient output to serve all of that auxiliary Load equipment. For example, where a Generating Unit's auxiliary load equipment is served via a distribution line that is separate from the switchyard to which the Generating Unit is connected, that Generating Unit and auxiliary load equipment will not be considered to be electrically connected at the same point.

10.1.3.2 Prohibited Netting.

ISO Metered Entities representing Generating Units that are not Qualifying Facilities may self-supply Station Power as provided in the Station Power Protocol, but may not net values for Generating Unit output and Load, including the Load of auxiliary Load equipment electrically connected to that Generating Unit at the same point. ISO Metered Entities that serve third party Load connected to a Generating Unit's auxiliary system must add that third party Load to the Generating Unit's output. The ISO Metered Entity may add that third party Load to the Generating Unit's output either by means of a hard wire local meter connection between the metering systems of the third party Load and the Generating Unit or by requesting the ISO to use MDAS to perform the addition. The ISO Metered Entity must ensure that the third party Load has Metering Facilities that meet the standards referred to in the ISO Tariff.

* * *

26.1 Access Charges.

All Market Participants withdrawing Energy from the ISO Controlled Grid shall pay Access Charges in accordance with this Section 26.1 and Appendix F, Schedule 3, except as provided in SPP 4.1. Prior to the transition date determined under Section 4 of Schedule 3 to Appendix F, the Access Charge for each Participating TO shall be determined in accordance with the principles set forth in this Section 26.1 and in Section 5 of the TO Tariff. The Access Charge shall comprise two components, which together shall be designed to recover each Participating TO's Transmission Revenue Requirement. The first component shall be the annual authorized revenue requirement associated with the transmission facilities and Entitlements turned over to the Operational Control of the ISO by a Participating TO approved by FERC. The second component shall be based on the Transmission Revenue Balancing Account (TRBA), which shall be designed to flow through to the Participating TO's Transmission Revenue Credits calculated in accordance with Section 5 of the TO Tariff and other credits identified in Sections 6 and 8 of Schedule 3 in Appendix F of the ISO Tariff.

Commencing on the transition date determined under Section 4 of Schedule 3 to Appendix F, the Access Charges shall be paid by any UDC or MSS Operator that is serving Gross Load in a PTO Service Territory, and shall consist, where applicable, of a High Voltage Access Charge, a Transition Charge and a Low Voltage Access Charge. High Voltage Access Charges and Low Voltage Access Charges shall each comprise two components, which together shall be designed to recover each Participating TO's High Voltage Transmission Revenue Requirement and Low Voltage Transmission Revenue Requirement, as applicable. The first component shall be based on the annual authorized Transmission Revenue Requirement associated with the high voltage or low voltage, as applicable, transmission facilities and Entitlements turned over to the ISO Operational Control by a Participating TO. The second component shall be the Transmission Revenue Balancing Account (TRBA), which shall be designed to flow through the Participating TO's Transmission Revenue Credits associated with the high voltage or low voltage, as applicable, transmission facilities and Entitlements and calculated in accordance with Section 5 of the TO Tariff and other credits identified in Section 6 and 8 of Schedule 3 of Appendix F of the ISO Tariff. Each Participating TO shall provide in its TO Tariff filing with FERC an appendix to such filing that states the

Participating TO's High Voltage Transmission Revenue Requirement, its Low Voltage Transmission Revenue Requirement (if applicable) and its Gross Load used in developing the rate. The allocation of each Participating TO's Transmission Revenue Requirement between the High Voltage Transmission Revenue Requirement and the Low Voltage Transmission Revenue Requirement shall be undertaken in accordance with Section 11 of Schedule 3 of Appendix F. To the extent necessary, each Participating TO shall make conforming changes to its TO Tariff.

The applicable High Voltage Access Charge and the Transition Charge shall be paid to the ISO by each UDC and MSS Operator based on its Gross Load connected to a High Voltage Transmission Facility in a PTO Service Territory, either directly or through intervening distribution facilities, but not through a Low Voltage Transmission Facility. The applicable High Voltage Access Charge, the Transition Charge and the Low Voltage Access Charge for the applicable Participating TO shall be paid by each UDC and MSS Operator based on its Gross Load in the PTO Service Territory. The applicable High Voltage Access Charge and Transition Charge shall be assessed by the ISO as a charge for transmission service under this ISO Tariff, shall be determined in accordance with Schedule 3 of Appendix F, and shall include all applicable components of the High Voltage Access Charge and Transition Charge set forth therein.

The Low Voltage Access Charge for each Participating TO is set forth in that Participating TO's TO Tariff. Each Participating TO shall charge for and collect the Low Voltage Access Charge, as provided in its TO Tariff. If a Participating TO is using the Low Voltage Transmission Facilities of another Participating TO, such Participating TO shall also be assessed the Low Voltage Access Charge of the other Participating TO by such other Participating TO. The ISO shall provide to the applicable Participating TO a statement of the amount of Energy delivered to each UDC and MSS Operator serving Gross Load that utilizes the Low Voltage Transmission Facilities of that Participating TO on a monthly basis. If a UDC or MSS Operator that is serving Gross Load in a PTO Service Territory has Existing Rights to use another Participating TO's Low Voltage Transmission Facilities, such entity shall not be charged the Low Voltage Access Charge for delivery of Energy to Gross Load for deliveries using the Existing Rights. Each Participating TO shall recover Standby Transmission Revenues directly from the Standby Service Customers of that Participating TO through its applicable retail rates.

* * *

26.1.4 Wheeling.

Any Scheduling Coordinator or other such entity scheduling a Wheeling transaction shall pay to the ISO the product of (i) the applicable Wheeling Access Charge, and (ii) the total hourly schedules of Wheeling in kilowatt-hours for each month at each Scheduling Point associated with that transaction, except as provided in SPP 4.1. Schedules that include Wheeling transactions shall be subject to the Congestion Management procedures and protocols in accordance with 27.1.1 and 27.1.2.

* * *

Control Area Gross Load

For the purpose of calculating and billing Minimum Load Costs, Emission Costs Charge and Start-Up Fuel Costs Charge, Control Area Gross Load is all Demand for Energy within the ISO Control Area. Control Area Gross Load shall not include Energy consumed by:

(a) Station Power that is netted pursuant to Section 10.1.3 ~~generator auxiliary Load equipment that is dedicated to the production of Energy and is electrically connected at the same point as the Generating Unit (*e.g.*, auxiliary Load equipment that is served via a distribution line that is separate from the switchyard to which the Generating Unit is connected will not be considered to be electrically connected at the same point)~~; and

(b) Load that is isolated electrically from the ISO Control Area (*i.e.*, Load that is not synchronized with the ISO Control Area).

* * *

Gross Load

For the purposes of calculating the transmission Access Charge, Gross Load is all Energy (adjusted for distribution losses) delivered for the supply of End-Use Customer Loads directly connected to the transmission facilities or directly connected to the Distribution System of a UDC or MSS Operator located in a PTO Service Territory. Gross Load shall exclude 1) Load with respect to which the Wheeling Access Charge is payable, 2) Load that is exempt form the Access Charge pursuant to SPP 4.1, and the portion of the Load of an

individual retail customer of a UDC or MSS Operator that is served by a Generating Unit that: (a) is located on the customer's site or provides service to the customers site through arrangements as authorized by Section 218 of the California Public Utilities Code; (b) is a qualifying small power production facility or qualifying cogeneration facility, as those terms are defined in the FERC's regulations implementing Section 201 of the Public Utility Regulatory Policies Act of 1978; and (c) secures Standby Service from a Participating TO under terms approved by a Local Regulatory Authority or FERC, as applicable, or can be curtailed concurrently with an outage of the Generating Unit serving the Load. Gross Load forecasts consistent with filed TRR will be provided by each Participating TO to the ISO.

* * *

ISO Metered Entity

a) any one of the following entities that is directly connected to the ISO Controlled Grid:

i. a Generator other than a Generator that sells all of its Energy (excluding any Station Power that is netted pursuant to Section 10.1.3 ~~Energy consumed by auxiliary load equipment electrically connected to that Generator at the same point~~) and Ancillary Services to the UDC in whose Service Area it is located;

ii. an Eligible Customer; or

iii. an End-User other than an End-User that purchases all of

its Energy from the UDC in whose Service Area it is located; and

(b) any one of the following entities:

i. a Participating Generator;

ii. a Participating TO in relation to its Tie Point Meters with other TOs or Control Areas;

iii. a Participating Load;

iv. a Participating Intermittent Resource; or

a utility that requests that UFE for its Service Area be calculated separately, in relation to its meters at points of connection of its Service Area with the systems of other utilities

* * *

Net Output	The gross Energy output from a Generating Unit less the Station Power requirements for such Generating Unit during the Netting Period, or the Energy available to provide Remote Self-Supply from a generating facility in another Control Area during the Netting Period.

* * *

Netting Period	A calendar month, representing the interval over which the Net Output of one or more generating resources in a Station Power Portfolio is available to be attributed to the self-supply of Station Power in that Station Power Portfolio.

* * *

On-Site Self-Supply	Energy from a Generating Unit that is deemed to have self-supplied all or a portion of its associated Station Power load without use of the ISO Controlled Grid during the Netting Period.
	* * *
Remote Self-Supply	Positive Net Output from generating resources in the Station Power Portfolio that is deemed to have self-supplied Station Power load of other Generating Units in the Station Power Portfolio during the Netting Period, where such self-supply requires use of the ISO Controlled Grid.
	* * *
Station Power	Energy for operating electric equipment, or portions thereof, located on the Generating Unit site owned by the same entity that owns the Generating Unit, which electrical equipment is used exclusively for the production of Energy and any useful thermal energy associated with the production of Energy by the Generating Unit; and for the incidental heating, lighting, air conditioning and office equipment needs of buildings, or portions thereof, that are owned by the same entity that owns the Generating Unit; located on the Generating Unit site; and used exclusively in connection with the production of Energy and any useful thermal energy associated with the production of Energy by the Generating Unit. Station Power includes the

	Energy associated with motoring a hydroelectric Generating Unit to keep the unit synchronized at zero real power output to provide Regulation or Spinning Reserve. Station Power does not include any Energy used to power synchronous condensers; used for pumping at a pumped storage facility; or provided during a Black Start procedure. Station Power does not include Energy to serve loads outside the ISO Control Area.
	* * *
Station Power Portfolio	One or more generating resources eligible to self-supply Station Power, including Generating Units in the ISO Control Area, and generating facilities outside the ISO Control Area, all of which are owned by the same entity.
	* * *
Third Party Supply	Energy that is deemed to have been purchased from third parties to supply Station Power load during the Netting Period
	* * *

ISO TARIFF APPENDIX F

SCHEDULE 5

STATION POWER CHARGES

The ISO shall assess a charge of $500 to the Scheduling Coordinator representing the owner of one or more Generating Units that submits an application to establish a Station Power Portfolio or to change the configuration of Station Power meters or the generating facilities included in a Station Power Portfolio. If the generating facilities in a single Station Power Portfolio are scheduled by more than one Scheduling Coordinator, then the Scheduling Coordinator representing the most installed capacity shall be assessed the application charge.

A charge of $200 will be assessed to the SC of Generating Units that have Station Power meters each time the ISO is required to shift meter data to a unique load identifier pursuant to the Station Power Protocol. For example, if a Scheduling Coordinator has two Station Power meters, and both Remote Self Supply and Third Party Supply is attributed to each Station Power meter in a single Netting Period, then the ISO must shift meter data to a total of four unique load identifiers and the charge would be $800 in that month (2 meters X 2 load IDs X $200).

All revenue collected by the ISO pursuant to this Schedule 5 shall be considered "Other Revenues" and applied as a credit to the Grid Management Charge revenue requirement in accordance with Schedule 1 of Appendix F.

ATTACHMENT D

ISO TARIFF APPENDIX S

Station Power Protocol

STATION POWER PROTOCOL

Table of Contents

STATION POWER PROTOCOL (SPP)

SPP 1 General Conditions

SPP 1.1 Procurement

Station Power may be voluntarily self-supplied through On-Site Self Supply or Remote Self Supply. Third Party Supply may serve Station Power only to the extent permissible under the rules and regulations of the applicable Local Regulatory Authority.

SPP 1.2 Eligibility

SPP 1.2.1 Only Station Power loads associated with Generating Units in the ISO Control Area that are part of an approved Station Power Portfolio may be self-supplied in accordance with this SPP. Each Generating Unit must be subject to a PGA, QF PGA, or MSS Agreement. Any generating facility outside the ISO Control Area owned by the same entity is eligible to provide Remote Self-Supply to Station Power loads, subject to the terms of this SPP. Generating Units wishing to self-supply Station Power shall complete the application process specified in SPP 2.

SPP 1.2.2 Station Power may be self-supplied by a single corporate entity, government agency, or joint powers agency or other legal entity organized under the laws of the State of California. A Station Power Portfolio may not include any facilities that are owned by the owner's corporate affiliates. In the case of a joint powers agency, a Station Power Portfolio may not include facilities independently owned by one or more members or other legally distinct entities. If an entity owns a portion of a jointly owned Generating Unit, such ownership share may be included in a Station Power Portfolio up to the amount of the associated entitlement to Energy from the jointly-owned Generating Unit provided that: (i) the entity has the right to call upon that Energy for its own use; and (ii) the Energy entitlement is not characterized as a sale from the jointly owned Generating Unit to any of its joint owners.

SPP 1.2.3 Net Output from generating facilities outside the ISO Control Area may be included in a Station Power Portfolio and used as a source of Remote Self-Supply to serve Station Power of Generating Units in the ISO Control Area and part of the Station Power Portfolio, so long as the following conditions are fulfilled:

(a) Imports of Net Output must be scheduled using an interchange ID specified by the ISO;

(b) Import Schedules using such interchange ID do not exceed the available Net Output of such generating facilities in any hour;

(c) Firm transmission service to a Scheduling Point that assures delivery into the ISO Control Area is secured; and

(d) Meter data for generating facilities located outside the ISO Control Area shall be subject to ISO audit to verify performance in accordance with these requirements.

SPP 1.3 Limitations

SPP 1.3.1 This SPP neither expands opportunities for nor imposes additional conditions on permitted netting under Section 10.1.3 of this ISO Tariff.

SPP 1.3.2 Self-supply of Station Power shall be strictly voluntary. Nothing in this SPP is intended to: 1) preclude a Generating Unit from purchasing Station Power pursuant to an applicable retail rate or tariff; or 2) supersede otherwise applicable jurisdiction of a Local Regulatory Authority, except in the event of a conflict between federal and state tariff provisions, in which case the federal tariff provisions will control.

SPP 2 Station Power Requirements and Review

SPP 2.1 Applications to Self-Supply Station Power

SPP 2.1.1 An application to establish a Station Power Portfolio or to modify the configuration of Station Power meters or the Generating facilities included in a Station Power portfolio must be submitted according to the process specified by the ISO and posted on the ISO Home Page, and shall include the following information:

(a) One-line diagrams clearly showing the location and ownership of all Generating Units and Station Power meters, their connection to the ISO Controlled Grid or distribution system, and the status of breakers and switchgear for normal system operation.

(b) Identification of any generating facilities outside the ISO Control Area, to be used to provide Remote Self Supply of Station Power within the proposed Station Power Portfolio. No loads associated with generating facilities outside the ISO Control Area may be supplied under this SPP.

(c) Certification that the applicant is the sole owner of all generating facilities proposed to be included in the Station Power Portfolio, and that the applicant has the right to call on Energy for its own use from its ownership share of any jointly owned facilities that are proposed to be used to self supply Station Power.

(d) Demonstration that each Station Power meter is certified in accordance with the ISO Tariff.

(e) Verification that each Station Power meter is subject to a Meter Service Agreement for ISO Metered Entities, and that each Generating Unit is bound to the ISO Tariff by a PGA, QF PGA, or MSS Agreement.

(f) Verification that the applicant has arranged for terms of service with the responsible UDC or MSS Operator for the use of any distribution facilities required to self-supply Station Power.

SPP 2.1.2 On the ISO's written request, the applicant will provide additional information that the ISO reasonably determines is necessary to verify the planned operation of the Station Power Portfolio and meet the requirements of SPP 2.1.1.

SPP 2.2 ISO Monitoring and Review

SPP 2.2.1 The ISO will take the following actions with respect to each application to establish a Station Power Portfolio:

(a) The ISO shall post on the ISO Home Page a listing of the specific Station Power meters and Generating Units located in the ISO Control Area, and any generating facilities outside the ISO Control Area, that compose each Station Power Portfolio, and which are eligible to participate in the self-supply of Station Power in accordance with this SPP.

(b) The ISO will provide the appropriate UDC or MSS Operator and the Local Regulatory Authority with one-line diagrams and other information regarding each application.

(c) The ISO will make a determination in consultation with the UDC or MSS Operator and the Local Regulatory Authority on the factual question of whether distribution facilities are involved in the requested self-supply of Station Power. Any disputes regarding such determinations shall be subject to the dispute resolution procedures of this ISO Tariff.

(d) The ISO will verify metering schemes and assign unique load identifiers consistent with the ISO Data Templates and Validation Rules that the Scheduling Coordinator responsible for each meter will be required to use for scheduling and settlement.

SPP 2.2.2 The ISO shall promptly review each application to establish or modify a Station Power Portfolio. Within ten (10) Business Days after the submittal of the application, the ISO shall notify the applicant in writing that the application is complete, or shall list any specific deficiencies or additional information that the ISO reasonably requires to complete the application. The ISO shall use all reasonable efforts to make the changes necessary for the new or modified configurations to take effect and the Station Power Portfolio to begin self-supplying Station Power within twenty (20) Business Days after a complete application is submitted. In no event shall a Station Power Portfolio begin self-supplying Station Power until any and all required changes to the configuration of metering or other equipment are completed as required under SPP 6. The ISO will have an ongoing right to request additional information reasonably necessary to verify that conditions on the self-supply of Station Power as specified in this SPP are met.

SPP 3 Self-Supply Verification and ISO Charges

SPP 3.1 Self-Supply Verification

At the end of each Netting Period, the ISO will calculate the Net Output for each Generating Unit in the Station Power Portfolio. If the Net Output is positive, then all Station Power associated with that Generating Unit, other than load netted in accordance with this ISO Tariff, will have been served by On-Site Self Supply. Any positive Net Output from facilities in the Station Power Portfolio will be available to provide Remote Self Supply to any Generating Unit with negative Net Output. If the available Remote Self Supply is less than the aggregate negative Net Output in the Station Power Portfolio, then such shortfall will be deemed to have been served by Third Party Supply. The ISO will incorporate these determinations in its accounting and billing for the Netting Period by reassigning Station Power to unique load identifiers for Remote Self Supply and Third Party Supply, as required.

SPP 3.2 Charges on Metered Demand

Station Power that is not eligible for permitted netting in accordance with Section 10.1.3 of this ISO Tariff must be scheduled in accordance with the ISO Tariff, and will be assessed all charges applicable to metered Demand under the ISO Tariff, except as provided in SPP 4.1.

SPP 3.3 Administrative Charge

Scheduling Coordinators of Generating Units that have Station Power meters shall be assessed an administrative charge in accordance with Schedule 5 of Appendix F to the ISO Tariff.

SPP 4 Transmission Service

SPP 4.1 Station Power Load that is directly connected to the transmission facilities or directly connected to the Distribution System of a UDC or MSS Operator located in a PTO Service Territory and that is determined to have been served by On-Site Self Supply shall be deemed not to have used the ISO Controlled Grid and shall not be included in the Gross Load of the applicable UDC or MSS Operator. Station Power that is served by Wheeling service and that is determined to have been served by On-Site Self Supply shall be deemed not to have used the ISO Controlled Grid and shall not be included in the hourly schedules (in kWh) of the applicable Scheduling Coordinator that are subject to the Wheeling Access Charge.

SPP 4.2 Station Power Load that is directly connected to the transmission facilities or directly connected to the Distribution System of a UDC or MSS Operator located in a PTO Service Territory and that is determined to have been served by Remote Self-Supply or Third Party Supply shall be included in the Gross Load of the applicable UDC or MSS Operator. Station Power that is served by Wheeling service and that is determined to have been served by Remote Self-Supply or Third Party Supply shall be included in the hourly schedules (in kWh) of the applicable Scheduling Coordinator that are subject to the Wheeling Access Charge.

SPP 4.3 If the Generating Unit requires the use of distribution facilities or other facilities that are not part of the ISO Controlled Grid, then the Generating Unit will be subject to the appropriate charges of the applicable UDC, MSS Operator or owner of such non-ISO Controlled Grid Facilities.

SPP 5 ENERGY PRICING

All deviations between scheduled and metered Generation or Station Power will be settled at the applicable zonal price. The determination of Net Output and attribution of On-Site Self Supply, Remote Self Supply and Third Party Supply to serving Station Power under this SPP shall apply only to determine whether Station Power was self-supplied during the Netting Period and will have no effect on the price of Energy sold or consumed by any facility in the Station Power Portfolio.

SPP 6 METERING

SPP 6.1 In order to self-supply Station Power under this SPP, a Generating Unit must be subject to a Meter Service Agreement for ISO Metered Entities pursuant to ISO Tariff Section 10.3.1. A meter certified in accordance with the ISO Tariff is required for Station Power Load taken under the SPP. Separate metering is required for any on-site Load that does not meet the definition of Station Power. Under no circumstances may ineligible Loads be included in the meter data collected by the ISO from a Station Power meter.

SPP 6.2 Any costs associated with owning or operating metering or related facilities necessary to self-supply Station Power according to the terms of this SPP are the responsibility of the owner-applicant.

SPP 6.3 A single Scheduling Coordinator must represent the unique load identifiers assigned by the ISO for On-Site Self-Supply and Remote Self-Supply associated with each Station Power meter.

SPP 7 PROVISION OF DATA TO UDC OR MSS OPERATOR

The ISO will provide the applicable UDC or MSS Operator with the amount of On-Site Self Supply, Remote Self-Supply, and Third Party Supply serving Station Power at the granularity required to allow the UDC or MSS Operator to assess charges, if any, under the applicable retail tariff(s).

Coordinator, it shall be treated as an ISO Metered Entity for the purposes of Section 10 of the ISO Tariff. Such an ISO Metered Entity will not be required to enter into a Scheduling Coordinator Meter Service Agreement unless it represents any metered entities other than itself. A Scheduling Coordinator Meter Service Agreement entered into by an ISO Metered Entity shall only apply to those metered entities that the ISO Metered Entity represents; the Scheduling Coordinator Meter Service Agreement shall not apply to the ISO Metered Entity other than in its capacity as Scheduling Coordinator for those metered entities.

10.1.1 Role of the ISO.

The ISO is responsible for establishing and maintaining the revenue meter data acquisition and processing system (MDAS). MDAS will acquire revenue quality meter data for use in the ISO's Settlement and billing process. The ISO is also responsible for:

(a) setting standards and procedures for the registration, certification, auditing, testing and maintenance of revenue quality meters and meter data servers; and

(b) for establishing procedures for the collection, security, validation and estimation of Meter Data for metered entities that are subject to the ISO Tariff.

10.1.3 Netting.

10.1.3.1 Permitted Netting.

In addition to any netting that ISO Metered Entities representing Qualifying Facilities are authorized to undertake pursuant to a QF PGA, such ISO Metered Entities may also, when providing Meter Data to the ISO, net values for Generating Unit output and auxiliary Load equipment electrically connected to that Generating Unit at the same point provided that the Generating Unit is a Qualifying Facility, is on-line, and is producing sufficient output to serve all of that auxiliary Load equipment. For example, where a Generating Unit's auxiliary load equipment is served via a distribution line that is separate from the switchyard to which the Generating Unit

is connected, that Generating Unit and auxiliary load equipment will not be considered to be electrically connected at the same point.

10.1.3.2 Prohibited Netting.

ISO Metered Entities representing Generating Units that are not Qualifying Facilities may self-supply Station Power as provided in the Station Power Protocol, but may not net values for Generating Unit output and Load, including the Load of auxiliary Load equipment electrically connected to that Generating Unit at the same point. ISO Metered Entities that serve third party Load connected to a Generating Unit's auxiliary system must add that third party Load

to the Generating Unit's output. The ISO Metered Entity may add that third party Load to the Generating Unit's output either by means of a hard wire local meter connection between the metering systems of the third party Load and the Generating Unit or by requesting the ISO to use MDAS to perform the addition. The ISO Metered Entity must ensure that the third party Load has Metering Facilities that meet the standards referred to in the ISO Tariff.

10.1.5 Access to Meter Data.

The ISO has complete authority over all rights of access to (and has authority to deny access to) the ISO's revenue meter data acquisition and processing system including servers (where used), interface equipment, and software needed to collect the relevant information for Settlement, billing and related purposes. Each Market Participant acknowledges this ISO authority as a condition of ISO Controlled Grid service and participation. For ISO Metered Entities, authority over the sealing of meters, and all related metering facilities, shall reside solely with the ISO for all ISO designated Meter Points, regardless of any remote electronic access that an ISO Metered Entity or its Scheduling Coordinator may have provided to third parties, except as otherwise may be required by law, FERC, any Local Regulatory Authority or other provision of this ISO Tariff. Meter Data supplied by an ISO Metered Entity shall be made available by the ISO to the Scheduling Coordinator representing such ISO Metered Entity and the other authorized users identified in its Meter Service agreement, but shall not be disclosed to any other third party except as may otherwise be required by law, FERC, any Local Regulatory Authority or other provision of this ISO Tariff. Access by third parties other than authorized users to Meter Data held by the ISO shall be coordinated through the Scheduling Coordinator representing the relevant ISO Metered Entity that supplied the data and shall not be obtained directly from the ISO on any basis including, without limitation, by the polling of the ISO's revenue meter data acquisition and processing system via WEnet.

10.1.6 Data Retention by the ISO.

The ISO will maintain a record of all:

(a) Meter Data provided to it;

to the Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable, of the Participating TO; provided, however, that the owner of the planned Generating Unit, or its designee, shall be required to mitigate any adverse impact on reliability of the ISO Controlled Grid consistent with the Standard Large Generator Interconnection Procedures. In addition, each Participating TO will provide to the ISO a copy of the system impact study used to determine the impact of a planned Generating Unit on the Distribution System and the ISO Controlled Grid pursuant to a request to interconnect under the applicable Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable.

25.3 Maintenance of Encumbrances.

No new Generating Unit shall adversely affect the ability of the applicable Participating TO to honor its Encumbrances existing as of the time an Interconnection Customer submits its Interconnection Request to the ISO. The applicable Participating TO, in consultation with the ISO, shall identify any such adverse effect on its Encumbrances in the Interconnection System Impact Study performed under Section 7 of the LGIP or under Section 5.1 of ISO Tariff Appendix W, as applicable. To the extent the applicable Participating TO determines that the connection of the new Generating Unit will have an adverse effect on Encumbrances, the Interconnection Customer shall mitigate such adverse effect.

26 TRANSMISSION RATES AND CHARGES.

26.1 Access Charges.

All Market Participants withdrawing Energy from the ISO Controlled Grid shall pay Access Charges in accordance with this Section 26.1 and Appendix F, Schedule 3, except as provided in SPP 4.1. Prior to the transition date determined under Section 4 of Schedule 3 to Appendix F, the Access Charge for each Participating TO shall be determined in accordance with the principles set forth in this Section 26.1 and in Section 5 of the TO Tariff. The Access Charge shall comprise two components, which together shall be designed to recover each Participating TO's Transmission Revenue Requirement. The first component shall be the annual authorized revenue requirement associated with the transmission facilities and Entitlements turned over to the Operational Control of the ISO by a Participating TO approved by FERC.

The second component shall be based on the Transmission Revenue Balancing Account (TRBA), which shall be designed to flow

26.1.4 Wheeling.

Any Scheduling Coordinator or other such entity scheduling a Wheeling transaction shall pay to the ISO the product of (i) the applicable Wheeling Access Charge, and (ii) the total hourly schedules of Wheeling in kilowatt-hours for each month at each Scheduling Point associated with that transaction, except as provided in SPP 4.1. Schedules that include Wheeling transactions shall be subject to the Congestion Management procedures and protocols in accordance with Sections 27.1.1 and 27.1.2.

26.1.4.1 Wheeling Access Charge.

The Wheeling Access Charge shall be determined by the TAC Area and transmission ownership or Entitlement, less all Encumbrances, associated with the Scheduling Point at which the Energy exits the ISO Controlled Grid. The Wheeling Access Charge for Scheduling Points contained within a single TAC Area, that are not joint facilities, shall be equal to the High Voltage Access Charge for the applicable TAC Area in accordance with Section 3 of Appendix F plus the applicable Low Voltage Access Charge if the Scheduling Point is on a Low Voltage Transmission Facility. Wheeling Access Charges shall not apply for Wheeling under a bundled non-economy Energy coordination agreement of a Participating TO executed prior to July 9, 1996.

26.1.4.2 Wheeling Over Joint Facilities.

To the extent that more than one Participating TO owns or has Entitlement to transmission capacity, less all Encumbrances, exiting the ISO Controlled Grid at a Scheduling Point, the Scheduling Coordinator shall pay the ISO each month a rate for Wheeling at that Scheduling Point which reflects an average of the Wheeling Access Charge applicable to those Participating TOs, weighted by the relative share of such ownership or Entitlement to transmission capacity, less all Encumbrances, at such Scheduling Point. If the Scheduling Point is located at High Voltage Transmission Facilities, the Wheeling Access Charge will consist of a High Voltage Wheeling Access Charge component. Additionally, if the Scheduling Point is located at Low Voltage Transmission Facilities, the applicable Low Voltage Wheeling Access Charge component will be added to the Wheeling Access Charge. The methodology for developing the weighted average rate for Wheeling at each Scheduling Point is set forth in Appendix H.

	account, and determining the price for mitigating Congestion for flows on Congested paths. The formula for determining the Congestion Management Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.
Congestion Zone	A Zone identified as an Active Zone in Appendix I of the ISO Tariff.
Connected Entity	A Participating TO or any party that owns or operates facilities that are electrically interconnected with the ISO Controlled Grid.
Constrained Output Generation	Generating resources with only two viable operating states: (a) off-line or (b) operating at their maximum output level.
Constraints	Physical and operational limitations on the transfer of electrical power through transmission facilities.
Contingency	Disconnection or separation, planned or forced, of one or more components from an electrical system.
Control Area	An electric power system (or combination of electric power systems) to which a common AGC scheme is applied in order to: i) match, at all times, the power output of the Generating Units within the electric power system(s), plus the Energy purchased from entities outside the electric power system(s), minus Energy sold to entities outside the electric power system, with the Demand within the electric power system(s); ii) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice; iii) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and iv) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.
Control Area Gross Load	For the purpose of calculating and billing Minimum Load Costs, Emission Costs Charge and Start-Up Fuel Costs Charge, Control Area Gross Load is all Demand for Energy within the ISO Control Area. Control Area Gross Load shall not include Energy consumed by: (a) Station Power that is netted pursuant to Section 10.1.3 (b) Load that is isolated electrically from the ISO Control Area (*i.e.*, Load that is not synchronized with the ISO Control Area).
Control Area Operator	The person responsible for managing the real-time operations of a

	Control Area.
Converted Rights	Those transmission service rights as defined in Section 16.21A.1 of the ISO Tariff.
Core Reliability Services - Demand Charge	A component of the Grid Management Charge that provides for the recovery of the ISO's costs of providing a basic, non-scalable level of reliable operation for the ISO Control Area and meeting regional and national reliability requirements. The formula for determining the Core Reliability Services – Demand Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.
Core Reliability Services – Energy Export Charge	A component of the Grid Management Charge that provides for the recovery of the ISO's costs of providing a basic, non-scalable level of reliable operation for the ISO Control Area and meeting regional and national reliability requirements. The formula for determining the Core Reliability Services – Energy Exports Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.
CPUC	The California Public Utilities Commission, or its successor.
Critical Protective System	Facilities and sites with protective relay systems and Remedial Action Schemes that the ISO determines may have a direct impact on the ability of the ISO to maintain system security and over which the ISO exercises Operational Control.
CTC (Competition Transition Charge)	A non-bypassable charge that is the mechanism that the California Legislature and the CPUC mandated to permit recovery of costs stranded as a result of the shift to the new market structure.
Curtailable Demand	Demand from a Participating Load that can be curtailed at the direction of the ISO in the real-time Dispatch of the ISO Controlled Grid. Scheduling Coordinators with Curtailable Demand may offer it to the ISO to meet Non-Spinning Reserve or Replacement Reserve requirements.
Day 0	The Trading Day to which the Settlement Statement or Settlement

Good Utility Practice	Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region
Grid Management Charge	The ISO monthly charge on all Scheduling Coordinators that provides for the recovery of the ISO's costs listed in Section 11.2.2.2 through the eight service charges described in Section 11.2.2.3 calculated in accordance with the formula rate set forth in Appendix F, Schedule 1, Part A of this Tariff. The eight charges that comprise the Grid Management Charge consist of: 1) the Core Reliability Services - Demand Charge, 2) the Core Reliability Services – Energy Exports Charge, 3) the Energy Transmission Services Net Energy Charge, 4) the Energy Transmission Services Uninstructed Deviations Charge, 5) the Forward Scheduling Charge, 6) the Congestion Management Charge, 7) the Market Usage Charge, and 8) the Settlements, Metering, and Client Relations Charge.
Grid Operations Charge	An ISO charge that recovers Redispatch costs incurred due to Intra-Zonal Congestion in each Zone. These charges will be paid to the ISO by the Scheduling Coordinators, in proportion to their metered Demand within, and metered exports from, the Zone to a neighboring Control Area.
Gross Load	For the purposes of calculating the transmission Access Charge, Gross Load is all Energy (adjusted for distribution losses) delivered for the supply of End-Use Customer Loads directly connected to the transmission facilities or directly connected to the Distribution System of a UDC or MSS Operator located in a PTO Service Territory. Gross Load shall exclude 1) Load with respect to which the Wheeling Access Charge is payable, 2) Load that is exempt form

	the Access Charge pursuant to SPP 4.1, and the portion of the Load of an individual retail customer of a UDC or MSS Operator that is served by a Generating Unit that: (a) is located on the customer's site or provides service to the customers site through arrangements as authorized by Section 218 of the California Public Utilities Code; (b) is a qualifying small power production facility or qualifying cogeneration facility, as those terms are defined in the FERC's regulations implementing Section 201 of the Public Utility Regulatory Policies Act of 1978; and (c) secures Standby Service from a Participating TO under terms approved by a Local Regulatory Authority or FERC, as applicable, or can be curtailed concurrently with an outage of the Generating Unit serving the Load. Gross Load forecasts consistent with filed TRR will be provided by each Participating TO to the ISO.
High Voltage Access Charge	The Access Charge applicable under Section 26.1 to recover the High Voltage Transmission Revenue Requirements of each Participating TO in a TAC Area.
High Voltage Transmission Facility	A transmission facility that is owned by a Participating TO or to which a Participating TO has an Entitlement that is represented by a Converted Right, that is under the ISO Operational Control, and that operates at a voltage at or above 200 kilovolts, and supporting facilities, and the costs of which are not directly assigned to one or more specific customers.
High Voltage Transmission Revenue Requirement	The portion of a Participating TO's TRR associated with and allocable to the Participating TO's High Voltage Transmission Facilities and Converted Rights associated with High Voltage Transmission Facilities that are under the ISO Operational Control.
High Voltage Wheeling Access Charge	The Wheeling Access Charge associated with the recovery of a Participating TO's High Voltage Transmission Revenue Requirements in accordance with Section 26.1.
Host Control Area	The Control Area in which a System Resource subject to this ISO Tariff is connected to the electric grid. The Host Control Area may, or may not, be directly interconnected with the ISO Control Area.
Hour-Ahead	Relating to an Hour-Ahead Market or an Hour-Ahead Schedule.

	ISO Tariff.
ISO Documents	The ISO Tariff, ISO bylaws, and any agreement entered into between the ISO and a Scheduling Coordinator, a Participating TO or any other Market Participant pursuant to the ISO Tariff.
ISO Governing Board	The Board of Governors established to govern the affairs of the ISO.
ISO Home Page	The ISO internet home page at http://www.caiso.com/ or such other internet address as the ISO shall publish from time to time.
ISO Invoice	The invoices issued by the ISO to the Responsible Utilities or RMR Owners based on the Revised Estimated RMR Invoice and the Revised Adjusted RMR Invoice.
ISO Market	Any of the markets administered by the ISO under the ISO Tariff, including, without limitation, Imbalance Energy, Ancillary Services, and FTRs.
ISO Memorandum Account	The memorandum account established by each California IOU pursuant to California Public Utilities Commission Order D. 96-08-038 date August 2, 1996 which records all ISO startup and development costs incurred by that California IOU.
ISO Metered Entity	(a) any one of the following entities that is directly connected to the ISO Controlled Grid: i. a Generator other than a Generator that sells all of its Energy (excluding any Station Power that is netted pursuant to Section 10.1.3) and Ancillary Services to the UDC in whose Service Area it is located; ii. an Eligible Customer; or iii. an End-User other than an End-User that purchases all of its Energy from the UDC in whose Service Area it is located; and (b) any one of the following entities: i. a Participating Generator; ii. a Participating TO in relation to its Tie Point Meters with other TOs or Control Areas; iii. a Participating Load; iv. a Participating Intermittent Resource; or v. a utility that requests that UFE for its Service Area be calculated separately, in relation to its meters at points of connection of its Service Area with the systems of other utilities.

ISO Metered Entity Meter Service Agreements	The meter service agreements between the ISO and ISO Metered Entities.
ISO Operations Date	The date on which the ISO first assumes Operational Control of the ISO Controlled Grid.
ISO Outage Coordination Office	The office established by the ISO to coordinate Maintenance Outages in accordance with Section 9.3 of the ISO Tariff.
ISO Payments Calendar	A calendar published by the ISO showing the dates on which Settlement Statements will be published by the ISO and the Payment Dates by which invoices issued under the ISO Tariff must be paid.
ISO Protocols	The rules, protocols, procedures and standards promulgated by the ISO (as amended from time to time) to be complied with by the ISO Scheduling Coordinators, Participating TOs and all other Market Participants in relation to the operation of the ISO Controlled Grid and the participation in the markets for Energy and Ancillary Services in accordance with the ISO Tariff.
ISO Register	The register of all the transmission lines, associated facilities and other necessary components that are at the relevant time being subject to the ISO's Operational Control.
ISO Reserve Account	The account established for the purpose of holding cash deposits which may be used in or towards clearing the ISO Clearing Account.
ISO Security Amount	The level of security provided in accordance with Section 12.1 of the ISO Tariff by an Scheduling Coordinator Applicant who does not have an Approved Credit Rating. The ISO Security Amount may be separated into two components: (i) the level of security required to secure payment of the Grid Management Charge; and (ii) the level of security required to secure payment of all charges other than the Grid Management Charge.
ISO Surplus Account	The account established by the ISO pursuant to Section 11.8.5.3.
ISO Tariff	The California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time.

Must-Offer Generator	All entities defined in Section 40.1.1 of the ISO Tariff
Native Load	Load required to be served by a utility within its Service Area pursuant to applicable law, franchise, or statute.
NERC	The North American Electric Reliability Council or its successor.
Net FTR Revenue	The sum of: 1) the revenue received by the New Participating TO from the sale, auction, or other transfer of the FTRs provided to it pursuant to Section 36.4.3 FTR, or any substantively identical successor provision of the ISO Tariff; and 2) for each hour: a) the Usage Charge revenue received by the New Participating To associated with its Section 36.4.3 FTRs; minus b) Usage Charges that are: i) incurred by the Scheduling Coordinator for the New Participating TO under ISO Tariff Section 27.1.2.1.4 ii) associated with the New Participating TO's Section 36.4.3 FTRs, and iii) incurred by the New Participating TO for its energy transactions but not incurred as a result of the use of the transmission by a third-party and minus c) the charges paid by the New Participating TO pursuant to Section 27.1.2.1.7, to the extent such charges are incurred by the Scheduling Coordinator of the New Participating TO on Congested Inter-Zonal Interfaces that are associated with the Section 36.4.3 FTRs provided to the New Participating TO. The component of New FTR Revenue represented by item 2) immediately above shall not be less than zero for any hour.
Net Negative Uninstructed Deviation	The real-time change in Generation or Demand associated with underscheduled Load (i.e., Load that appears unscheduled in real time) and overscheduled Generation (i.e., Generation that is scheduled in forward markets and does not appear in real time). Deviations are netted for each Settlement Interval, apply to a Scheduling Coordinator's entire portfolio, and include Load, Generation, imports and exports.
Net Output	The gross Energy output from a Generating Unit less the Station Power requirements for such Generating Unit during the Netting Period, or the Energy available to provide Remote Self-Supply from a generating facility in another Control Area during the Netting Period.

Netting Period A calendar month, representing the interval over which the Net Output of one or more generating resources in a Station Power Portfolio is available to be attributed to the self-supply of Station Power in that Station Power Portfolio.

Network Upgrades The additions, modifications, and upgrades to the ISO Controlled Grid required at or beyond the Point of Interconnection to accommodate the interconnection of the Large Generating Facility to the ISO Controlled Grid. Network

	Upgrades shall consist of Delivery Network Upgrades and Reliability Network Upgrades.
New High Voltage Facility	A High Voltage Transmission Facility of a Participating TO that is placed in service after the beginning of the transition period described in Section 4 of Schedule 3 of Appendix F, or a capital addition made and placed in service after the beginning of the transition period described in Section 4.2 of Schedule 3 of Appendix F to an Existing High Voltage Facility.
New Participating TO	A Participating TO that is not an Original Participating TO.
Nomogram	A set of operating or scheduling rules which are used to ensure that simultaneous operating limits are respected, in order to meet NERC and WECC operating criteria.
Non-Participating Generator	A Generator that is not a Participating Generator.
Non-Participating TO	A TO that is not a party to the TCA or for the purposes of Sections 16.1 and 16.2 of the ISO Tariff the holder of transmission service rights under an Existing Contract that is not a Participating TO.
Non-Spinning Reserve	The portion of off-line generating capacity that is capable of being synchronized and Ramping to a specified load in ten minutes (or load that is capable of being interrupted in ten minutes) and that is capable of running (or being interrupted) for at least two hours.
NRC	The Nuclear Regulatory Commission or its successor.
NRC (Standards)	The reliability standards published by the NRC from time to time.
On-Site Self-Supply	Energy from a Generating Unit that is deemed to have self-supplied all or a portion of its associated Station Power load without use of the ISO Controlled Grid during the Netting Period.
Operating Procedures	Procedures governing the operation of the ISO Controlled Grid as the ISO may from time to time develop, and/or procedures that Participating TOs currently employ which the ISO adopts for use.
Operating Reserve	The combination of Spinning and Non-Spinning Reserve

required to meet WECC and NERC requirements for reliable operation of the ISO Control Area.

	voltage or security support of the ISO or a local area.
Reliability Must-Run Unit (RMR Unit)	A Generating Unit which is the subject of a Reliability Must-Run Contract.
Reliability Network Upgrades	The transmission facilities at or beyond the Point of Interconnection necessary to interconnect a Large Generating Facility safely and reliably to the ISO Controlled Grid, which would not have been necessary but for the interconnection of the Large Generating Facility, including Network Upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of the Large Generating Facility to the ISO Controlled Grid. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's WECC rating.
Reliability Services Costs	The costs associated with services provided by the ISO: 1) that are deemed by the ISO as necessary to maintain reliable electric service in the ISO Control Area; and 2) whose costs are billed by the ISO to the Participating TO pursuant to the ISO Tariff. Reliability Services Costs include costs charged by the ISO to a Participating TO associated with service provided under an RMR Contract (Section 30.6.1.2), local out-of-market dispatch calls (Section 11.2.4.2.1) and Minimum Load Costs associated with units committed under the must-offer obligation for local reliability requirements (Section 40.1.6.1.4)
Remote Self-Supply	Positive Net Output from generating resources in the Station Power Portfolio that is deemed to have self-supplied Station Power load of other Generating Units in the Station Power Portfolio during the Netting Period, where such self-supply requires use of the ISO Controlled Grid.
REMnet	The Wide Area Network through which the ISO acquires Meter Data.
Replacement Reserve	Generating capacity that is dedicated to the ISO, capable of starting up if not already operating, being synchronized to the ISO Controlled Grid, and Ramping to a specified operating level within a sixty (60) minute period, the output of which can be

continuously maintained for a two hour period. Also, Curtailable Demand that is capable of being curtailed within sixty minutes and that can remain curtailed for two hours.

Resource-Specific The Resource-Specific Settlement Interval Ex Post Price will

	costs of High Voltage Transmission Facilities.
Standby Service	Service provided by a Participating TO that also provides retail electric service, which allows a Standby Service Customer, among other things, access to High Voltage Transmission Facilities for the delivery of backup power on an instantaneous basis to ensure that Energy may be reliably delivered to the Standby Service Customer in the event of an outage of a Generating Unit serving the customer's Load.
Standby Service Customer	A retail End-Use Customer of a Participating TO that also provides retail electric service that receives Standby Service and pays a Standby Rate.
Standby Transmission Revenue	The transmission revenues, with respect to cost of both High Voltage Transmission Facilities and Low Voltage Transmission Facilities, collected directly from Standby Service Customers through charges for Standby Service.
Start-Up Cost Charge	The charge determined in accordance with Section 40.1.10.
Start-Up Cost Demand	The level of Demand specified in Section 40.1.10.3.
Start-Up Cost Invoice	The invoice submitted to the ISO in accordance with Section 40.1.10.6.
Start-Up Cost Trust Account	The trust account established in accordance with Section 40.1.10.2.
Start-Up Costs	The cost incurred by a particular Generating Unit from the time of first fire, the time of receipt of an ISO Dispatch instruction, or the time the unit was last synchronized to the grid, whichever is later, until the time the generating unit reaches its minimum operating level. Start-Up Costs are determined as the sum of (1) the cost of auxiliary power used during the start-up and (2) the number that is determined multiplying the actual amount of fuel consumed by the proxy gas price as determined by Equation C1-8 (Gas) of the Schedules to the Reliability Must-Run Contract for the relevant Service Area (San Diego Gas & Electric Company, Southern California Gas Company, or Pacific Gas and Electric Company), or, if the Must-Offer Generator is not served from one of those three Service Areas, from the nearest of those three Service Areas.
Station Power	Energy for operating electric equipment, or portions thereof, located on the Generating Unit site owned by the same entity that owns the

Generating Unit, which electrical equipment is used exclusively for the production of Energy and any useful thermal energy associated with the production of Energy by the Generating Unit; and for the incidental heating, lighting, air conditioning and office equipment needs of buildings, or portions thereof, that are owned by the same entity that owns the Generating Unit; located on the Generating Unit site; and used exclusively in connection with the production of Energy and any useful thermal energy associated with the production of Energy by the Generating Unit. Station Power includes the Energy associated with motoring a hydroelectric Generating Unit to keep the unit synchronized at zero real power output to provide Regulation or Spinning Reserve. Station Power does not include any Energy used to power synchronous condensers; used for pumping at a pumped storage facility; or provided during a Black Start procedure. Station Power does not include Energy to serve loads outside the ISO Control Area.

Station Power Portfolio One or more generating resources eligible to self-supply Station Power, including Generating Units in the ISO Control Area, and generating facilities outside the ISO Control Area, all of which are owned by the same entity.

Suggested Adjusted The output of the ISO's initial Congestion Management for each

	Controlled Grid.
System Unit	One or more individual Generating Units and/or Loads within a Metered Subsystem controlled so as to simulate a single resource with specified performance characteristics, as mutually determined and agreed to by the MSS Operator and the ISO. The Generating Units and/or Loads making up a System Unit must be in close physical proximity to each other such that the operation of the resources comprising the System Unit does not result in significant differences in flows on the ISO Controlled Grid.
TAC Area	A portion of the ISO Controlled Grid with respect to which Participating TOs' High Voltage Transmission Revenue Requirements are recovered through a High Voltage Access Charge. TAC Areas are listed in Schedule 3 of Appendix F.
Take-Out Point	The metering points at which a Scheduling Coordinator Metered Entity or ISO Metered Entity takes delivery of Energy.
Tax Exempt Debt	Municipal Tax Exempt Debt or Local Furnishing Bonds.
Tax Exempt Participating TO	A Participating TO that is the beneficiary of outstanding Tax Exempt Debt issued to finance any electric facilities, or rights associated therewith, which are part of an integrated system including transmission facilities the Operational Control of which is transferred to the ISO pursuant to the TCA.
TCA (Transmission Control Agreement)	The agreement between the ISO and Participating TOs establishing the terms and conditions under which TOs will become Participating TOs and how the ISO and each Participating TO will discharge their respective duties and responsibilities, as may be modified from time to time.
Technical Specifications	Parts B to G (inclusive) of Appendix O.
Third Party Supply	Energy that is deemed to have been purchased from third parties to supply Station Power load during the Netting Period
Tie Point Meter	A revenue meter, which is capable of providing Settlement Quality Meter Data, at a Scheduling Point or at a boundary between UDCs within the ISO Controlled Grid.
TO (Transmission Owner)	An entity owning transmission facilities or having firm contractual

ISO TARIFF APPENDIX F

SCHEDULE 5

STATION POWER CHARGES

The ISO shall assess a charge of $500 to the Scheduling Coordinator representing the owner of one or more Generating Units that submits an application to establish a Station Power Portfolio or to change the configuration of Station Power meters or the generating facilities included in a Station Power Portfolio. If the generating facilities in a single Station Power Portfolio are scheduled by more than one Scheduling Coordinator, then the Scheduling Coordinator representing the most installed capacity shall be assessed the application charge.

A charge of $200 will be assessed to the SC of Generating Units that have Station Power meters each time the ISO is required to shift meter data to a unique load identifier pursuant to the Station Power Protocol. For example, if a Scheduling Coordinator has two Station Power meters, and both Remote Self Supply and Third Party Supply is attributed to each Station Power meter in a single Netting Period, then the ISO must shift meter data to a total of four unique load identifiers and the charge would be $800 in that month (2 meters X 2 load IDs X $200).

All revenue collected by the ISO pursuant to this Schedule 5 shall be considered "Other Revenues" and applied as a credit to the Grid Management Charge revenue requirement in accordance with Schedule 1 of Appendix F.