

GLOSSARY

For a fuller glossary of terms, see the ISO Tariff or the California ISO website at:
<http://www.caiso.com/aboutus/glossary/index.html>

AGC (Automatic Generation Control)

Generation equipment that automatically responds to signals from the ISO's EMS control in real time to control the power output of electric generators within a prescribed area in response to a change in system frequency, tieline loading, or the relation of these to each other, so as to maintain the target system frequency and/or the established interchange with other areas within the predetermined limits.

Automated Notification, Acknowledgement & Logging Operations Program Environment ("ANALOPE")

A proposed electronic notification system to contact all winning bids resulting from the ISO imbalance energy auctions in an efficient and timely manner.

Balance of Business Systems ("BBS")

The computer and other systems to support the following business processes: 1) Settlements to calculate payments owed between the ISO and SCs for imbalances, congestion and Ancillary Services, 2) Billing and Credit to support accounting, invoicing, payment and collection of these payments; 3) General accounting systems and administrative functions associated with daily ISO operations.

Congestion

A condition that occurs when there is insufficient Available Transfer Capacity to implement all Preferred Schedules simultaneously or, in real time, to serve all Generation and Demand. "Congested" shall be construed accordingly.

Connected Entity

A Participating TO or any party that owns or operates facilities that are electrically interconnected with the ISO Controlled Grid.

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.

Cost Shifting

A transfer of costs from one group of customers to another or from one utility to another.

Electronic Data Interchange ("EDI")

Electronic exchange of information in a generally standardized format.

EMS (Energy Management System)

A computer control system used by electric utility dispatchers to monitor the real time performance of the various elements of an electric system and to control Generation and transmission facilities.

Existing Rights

Those transmission service rights defined in Section 2.4.4.1.1 of the ISO Tariff.

Existing Contracts ("ETC") or ("E.C.")

The contracts which grant transmission service rights in existence on the ISO Operations Date (including any contracts entered into pursuant to such contracts) as may be amended in accordance with their terms or by agreement between the parties thereto from time to time.

Generator Communications Project ("GCP")

A communications interface between the ISO's EMS system and generators to support direct control of generators providing

Grid Management Charge

regulation services.

The ISO monthly charge on all Scheduling Coordinators that is intended to recover the ISO's startup and development costs and the costs associated with the ongoing operation and maintenance, including financing costs, of the ISO Controlled Grid which shall be calculated as set out in Section 8 of the ISO Tariff.

IOU

An investor owned electric utility.

ISO (Independent System Operator)

The California Independent System Operator Corporation, a state chartered, nonprofit corporation that controls the transmission facilities of all Participating TOs and dispatches certain Generating Units and Loads.

ISO ADR Procedures or ("ADR")

The procedures for resolution of disputes or differences set out in Section 13 of the ISO Tariff, as amended from time to time.

ISO Controlled Grid

The system of transmission lines and associated facilities of the Participating TOs that have been placed under the ISO's Operational Control.

ISO Governing Board

The Board of Governors established to govern the affairs of the ISO.

Market Participant

An entity, including a Scheduling Coordinator, who participates in the Energy marketplace through the buying, selling, transmission, or distribution of Energy or Ancillary Services into, out of, or through the ISO Controlled Grid.

Market Surveillance Committee

The Market Surveillance Committee of the California ISO is an independent advisory group of industry experts who:

1. Provide independent review of market performance and market power problems
2. Develop a record of structural problems and propose corrective action

Metering Data Acquisition System ("MDAS")

3. Review rule changes, penalties, and sanctions
System at the ISO which collects metering data from all generators and others connected directly to the transmission lines, tie points, and zonal interface points. Refers to the metering standards, data servers, interface equipment, databases and software that allow the ISO to collect the data.

Metering Service Agreement ("MSA")

Agreement required under Section 10.6.7 of the ISO Tariff between the ISO and each SC responsible for providing Settlement Quality Meter Data for SC Metered Entities that it represents.

Meter Data

Energy usage data collected by a metering device or as may be otherwise derived by the use of Approved Load Profiles.

MSS (Metered Subsystem)

A system of an Existing Operating Entity as at the ISO Operations Date which has been operating for a number of years subsumed within the ISO Controlled Grid and encompassed by revenue quality meters at each interface point with the ISO Controlled Grid which is operated in accordance with Existing Contracts and an Existing Operating Agreement.

NERC

The North American Electric Reliability Council or its successor.

New Firm Use ("NFU")

Transmission schedules submitted to the ISO which are not covered by Existing Transmission Contracts.

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 WSCC operating criteria.

Participating Generator Agreement ("PGA")

An agreement between the ISO and a Participating Generator.

Participating Seller or Participating Generator

A Generator or other seller of Energy or Ancillary Services.

PMS (Power Management System)- See EMS

The ISO computer control system used to monitor the real time

performance of the various elements of the ISO Controlled Grid, control Generation, and perform operational power flow studies.

Participating Transmission Owner ("PTO")

An owner of a transmission system which has transferred operating control of its assets over to the ISO.

Reliability Must-Run Contract ("RMR") Contract

A contract entered into by the ISO with a Generator which operates a Generating Unit giving the ISO the right to call on the Generator to generate Energy and/or provide Ancillary Services from the Generating Unit as and when this is required to ensure the reliability of the ISO Controlled Grid.

SCADA (Supervisory Control and Data Acquisition)

A computer system that allows an electric system operator to remotely monitor and control elements of an electric system.

Scheduling Coordinator ("SC")

An entity certified by the ISO for the purposes of undertaking the functions specified in Section 2.2.6 of the ISO Tariff.

Scheduling Applications ("SA")

A component of the ISO's computer systems which is used to assess the state of the transmission system, evaluate Preferred Schedules submitted by SCs and to establish committed operating schedules. Includes congestion/transmission management software necessary to assist in congestion management and to determine the transmission price associated with the use of congested inter-zonal transmission paths.

Scheduling Infrastructure ("SI")

A component of the ISO computer systems which provides the information management services needed by the scheduling system. It refers to the hardware, software and databases that allow the ISO to collect, validate, store, transfer, archive and audit the energy and Ancillary Services schedules nominated or accepted by the ISO from Scheduling Coordinators.

Settlement

Process of financial settlement for products and services purchased and sold undertaken by the ISO under Section 11 of

the ISO Tariff. Each Settlement will involve a price and a quantity.

Settlement Statement

Either or both of a Preliminary Settlement Statement or Final Settlement Statement.

System Reliability

A measure of an electric system's ability to deliver uninterrupted service at the proper voltage and frequency.

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.

ISO Restructuring Trust

ISO Restructuring Trust, established by order of the California Public Utilities Commission on August 2, 1996 Decision No. 96-08-038

WSCC (Western System Coordinating Council)

The Western Systems Coordinating Council or its successor.