

ATTACHMENT A

Such bids shall be subject to the cost justification requirements and potential refunds, as set forth in Section 2.5.23.3.5.

2.5.23.3.1.2 Limitation During Non-System Emergency Periods

Notwithstanding any other provision of the ISO Tariff, during hours in which the ISO has not declared a System Emergency, the BEEP Interval Ex Post Price, if greater than zero, shall not exceed the "Non-Emergency Clearing Price Limit" as defined in this Section 2.5.23.3.1.2, or, if less than zero, shall not be less than zero minus the Non-Emergency Clearing Price Limit. The "Non-Emergency Clearing Price Limit" shall equal 85% of the highest hourly Zonal Marginal Proxy Clearing Price calculated in accordance with Section 2.5.23.3.1.1 from among those Settlement Periods during the last Stage 1 System Emergency for which the Stage 1 System Emergency (but not a Stage 2 or Stage 3 System Emergency) existed for the entire Settlement Period. If any Scheduling Coordinator submits a bid from a resource eligible to set the Market Clearing Price in accordance with Section 2.5.23.3.8 for the supply of Imbalance Energy during an hour in which the ISO has not declared a System Emergency that: (i) exceeds the Non-Emergency Clearing Price Limit; and (ii) is dispatched by the ISO to provide Imbalance Energy, then the Market Clearing Price for the applicable BEEP Interval (the "Non-Emergency Clearing Price") shall be equal to the Non-Emergency Clearing Price Limit. If the marginal bid accepted by the ISO for the supply of Imbalance Energy during an hour in which the ISO has not declared a System Emergency is less than the Non-Emergency Clearing Price Limit, then the marginal bid accepted by the ISO shall, subject to Section 2.5.23.3.8, establish the Non-Emergency Clearing Price.

All bids for the supply of Imbalance Energy during non-System Emergency periods submitted by Scheduling Coordinators for resources that do not meet the requirements set forth in Section 2.5.23.3.8 to be eligible to set the Market Clearing Price shall be bids deemed by the ISO to be paid the Non-Emergency Clearing Price. Scheduling Coordinators for Generating Units, System Units, and System Resources that submit bids above the Non-Emergency Clearing Price for the

9.2.5 FTR Holders shall be entitled to priority in the scheduling of Energy in the Day-Ahead Market as specified in Section 9.7.

9.2.6 Any entity, with the exception of the ISO, shall be eligible to acquire FTRs by participating in the ISO's auction of FTRs, as described in Section 9.4, or by purchasing FTRs in secondary markets. To participate in the ISO's auction of FTRs, an entity must either be a certified Scheduling Coordinator or have met financial requirements equivalent to the financial certification criteria required of all Scheduling Coordinators. An entity may not acquire FTRs with a total value that exceeds the financial security provided by that entity to the ISO. In addition, an FTR Bidder must have, or have access to, the necessary technical equipment to participate in the electronic auction.

9.2.7 All entities which acquire FTRs by participating in the ISO's auction of FTRs, as described in Section 9.4, directly from the ISO pursuant to Section 9.4.3, or by purchasing FTRs in secondary markets, must register as an FTR Holder with the ISO. To complete this registration, the FTR Holder must notify the ISO, through the form specified for that purpose by the ISO, of all Affiliates of the FTR Holder that are themselves FTR Holders or Market Participants. The requirement that an FTR Holder notify the ISO of all Affiliates that are FTR Holders or Market Participants is continuing for as long as the FTR Holder owns FTRs, and FTR Holders must provide the ISO with supplemental notification concerning FTR Holders and/or Market Participants that become affiliated with the FTR Holder or Affiliates that subsequently become FTR Holders or Market Participants in order to satisfy this requirement.

9.3 Maximum Number of Firm Transmission Rights

9.3.1 On each Inter-Zonal Interface and direction combination for which FTRs are issued, the ISO shall issue a number of FTRs that is less than or equal to the difference between:

20.3.4 Disclosure

Notwithstanding anything in this Section 20.3 to the contrary,

- (a) The ISO: (i) shall publish individual bids for Supplemental Energy, individual bids for Ancillary Services, and individual Adjustment Bids, provided that such data are published no sooner than six (6) months after the Trading Day with respect to which the bid or Adjustment Bid was submitted and in a manner that does not reveal the specific resource or the name of the Scheduling Coordinator submitting the bid or Adjustment Bid, but that allows the bidding behavior of individual, unidentified resources and Scheduling Coordinators to be tracked over time; and (ii) may publish data sets analyzed in any public report issued by the ISO or by the Market Surveillance Committee, provided that such data sets shall be published no sooner than six (6) months after the latest Trading Day to which data in the data set apply, and in a manner that does not reveal any specific resource or the name of any Scheduling Coordinator submitting bids or Adjustment Bids included in such data sets.
- (b) If the ISO is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence pursuant to this Section 20.3, the ISO may disclose such information; provided, however, that as soon as the ISO learns of the disclosure requirement and prior to making such disclosure, the ISO shall notify any affected Market Participant of the requirement and the terms thereof. The Market Participant may, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement and the ISO shall provide such information and assistance as is necessary to enable the Market Participant to conduct such challenge or defense.

The ISO shall provide such information and/or assistance to the affected Market Participant seeking to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

- (c) If FERC or its staff during the course of an investigation or otherwise, requests information from the ISO that is otherwise required to be maintained in confidence pursuant to the ISO Tariff, the ISO shall provide the requested information to the FERC or its staff within the time provided for in the information request. In providing the information to FERC or its staff, the ISO shall request that the information be treated as confidential and non-public and that the information be withheld from public disclosure pursuant to 18 C.F.R. § 388.112. The ISO shall notify any affected Market Participant(s) if it is notified by FERC or its staff that a request for disclosure of, or decision to disclose, confidential information has been received, at which time the ISO and the affected Market Participant may respond before such information would be made public.
- (d) If the California Electricity Oversight Board or its staff during the course of an investigation or otherwise, requests information from the ISO that is otherwise required to be maintained in confidence pursuant to the ISO Tariff, the ISO shall provide the requested information to the California Electricity Oversight Board or its staff within the time provided for in the information request provided that the agency has adequate confidentiality arrangements in place. The California Electricity Oversight Board will be deemed to have adequate confidentiality arrangements in place if it is legally bound, by virtue of applicable law, regulation, adoption of a protective order, entering into a confidentiality agreement or any other valid means: (1) not to disclose to the public information that it obtains from the ISO that the ISO designates as confidential, unless it

first: (i) provides the ISO notice of any potential disclosure; (ii) provides the ISO (and any affected Market Participant) at least five Business Days after the notice of potential disclosure to formally protest the disclosure; (iii) provides the ISO notice of any final decision to proceed with the disclosure; and (iv) delays disclosure for five Business Days subsequent to notice to the ISO of a final decision to disclose and (2) not to disclose to another agency information that it obtains from the ISO that the ISO designates as confidential, unless the other agency has adequate confidentiality arrangements in place. In providing the information to the California Electricity Oversight Board or its staff, the ISO shall request that the information be treated as confidential and non-public and that the information be withheld from public disclosure. The ISO shall notify any affected Market Participant(s) when it is notified by the California Electricity Oversight Board or its staff, that a request for disclosure of, or decision to disclose, confidential information has been received, at which time the ISO and the affected Market Participant may respond before such information would be made public, pursuant to the applicable state agency confidentiality arrangements.

20.4 Staffing and Training To Meet Obligations.

The ISO shall engage sufficient staff to perform its obligations under this ISO Tariff in a satisfactory manner consistent with Good Utility Practice. The ISO shall make its own arrangements for the engagement of all staff and labor necessary to perform its obligations hereunder and for their payment. The ISO shall employ (or cause to be employed) only persons who are appropriately qualified, skilled and experienced in their respective trades or occupations. ISO employees and contractors shall abide by the ISO Code of Conduct for employees contained in the ISO bylaws and approved by FERC.

20.5 Accounts and Reports.

The ISO shall notify Market Participants of any significant change in the accounting treatment or methodology of any costs or any change in the accounting procedures, which is expected to result in a significant cost increase to any Market Participant. Such notice shall be given at the earliest possible time, but no later than, sixty (60) days before implementation of such change.

20.6 Titles.

The captions and headings in this ISO Tariff are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the rates, terms, and conditions of this ISO Tariff.

20.7 Applicable Law and Forum.

This ISO Tariff shall be governed by and construed in accordance with the laws of the State of California, except its conflict of laws provisions. Market Participants irrevocably

<u>BEEP Software</u>	The balancing energy and ex post pricing software which is used by the ISO to determine which Ancillary Service and Supplemental Energy resources to Dispatch and to calculate the Ex Post Prices.
<u>Black Start</u>	The procedure by which a Generating Unit self-starts without an external source of electricity thereby restoring power to the ISO Controlled Grid following system or local area blackouts.
<u>Black Start Generator</u>	A Participating Generator in its capacity as party to an Interim Black Start Agreement with the ISO for the provision of Black Start services, but shall exclude Participating Generators in their capacity as providers of Black Start services under their Reliability Must-Run Contracts
<u>Bulk Supply Point</u>	A UDC metering point.
<u>Business Day</u>	A day on which banks are open to conduct general banking business in California.
<u>California Electricity Oversight Board</u>	The Agency established pursuant to Article 2 of Assembly Bill No. 1890 or any successor in interest to the responsibilities of such agency.
<u>C.F.R.</u>	Code of Federal Regulations.
<u>Conditional Energy Bids</u>	A Bid for Energy to serve Demand at or below a specified price.
<u>Congestion</u>	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.
<u>Congestion Management</u>	The alleviation of Congestion in accordance with Applicable ISO Protocols and Good Utility Practice.

SABP 6.3 Payment Process

SABP 6.3.1 Use of the ISO Clearing Account

- (a) Subject to SABP 6.1.2 each ISO Debtor shall remit to the ISO Clearing Account the amount shown on the invoice as payable by that ISO Debtor for value not later than 10:00 am on the Payment Date.
- (b) On the Payment Date the ISO shall be entitled to cause the transfer of such amounts held in a Scheduling Coordinator's ISO prepayment account to the ISO Clearing Account as provided in SABP 6.1.2(c).

SABP 6.3.1.2 Distribution to ISO Creditors

The ISO shall calculate the amounts available for distribution to ISO Creditors on the Payment Date and shall give irrevocable instructions to the ISO Bank to remit from the ISO Clearing Account to the relevant Settlement Account maintained by each ISO Creditor for same day value the amounts determined by the ISO to be available for payment to each ISO Creditor. If required, the ISO shall instruct the ISO Bank to transfer amounts from the ISO Reserve Account to enable the ISO Clearing Account to clear by the close of banking business on the Payment Date.

SABP 6.3.1.3 Grid Management Charge

The ISO is authorized to instruct the ISO Bank to debit the ISO Clearing Account and transfer to the relevant ISO account sufficient funds to pay in full the Grid Management Charge falling due on any Payment Day with priority over any other payments to be made on that or on subsequent days out of the ISO Clearing Account.

SABP 6.4 Use of the ISO Reserve Account

If there are insufficient funds in the ISO Clearing Account to pay ISO Creditors and clear the account on any Payment Date, due to payment default by one or more ISO Debtors, the ISO shall transfer funds from the ISO Reserve Account to the ISO Clearing Account to clear it by close of banking business on that Payment Date pursuant to SABP 6.7.2.

SABP 6.5 Use of the ISO Surplus Account

SABP 6.5.1 Establishment

The ISO shall establish and maintain a bank account in accordance with this Protocol denominated the "ISO Surplus Account".

SABP 6.5.2 Other Funds Used in the ISO Surplus Account.

- (a) Any amounts paid to the ISO in respect of acts or defaults giving rise to default interest referred to in SABP 6.10.5 or penalties referred to in SABP 3.1.1 shall be credited to the Surplus Account.

- (b) The funds referred to in SABP 6.5.2(a) pertaining to Penalties as provided in SABP 3.1.1 shall first be applied towards any expenses, loss or costs incurred by the ISO.
Any

excess will be credited to the Surplus Account pursuant to SABP 6.5.2(a).

- (c) The funds referred to in SABP 6.5.2(a) pertaining to default interest referred to in SABP 6.10.5 shall first be applied towards any unpaid creditor balances for the trade month in which the default interest was assessed and second to any other unpaid creditor balances. Only after all unpaid creditor balances are satisfied in full will any excess funds pertaining to default interest be credited to the Surplus Account pursuant to SABP 6.5.2(a).

SABP 6.5.3 Distribution of Funds

In the event that there are funds in the ISO Surplus Account in excess of an amount to be determined by the ISO Governing Board and noticed by the ISO to Market Participants, the amount of such excess will be distributed to Scheduling Coordinators using the same method of apportioning the refund as the method employed in apportioning the liability for the Grid Management Charge.

SABP 6.5.4 Trust

All amounts standing to the credit of the ISO Surplus Account will be held at all times on trust for Market Participants in accordance with this Protocol.

SABP 6.6 System Failure

SABP 6.6.1 At ISO Debtor's Bank

If any ISO Debtor becomes aware that a payment will not, or is unlikely to be, remitted to the ISO Bank by 10:00 am on the relevant Payment Date for any reason (including failure of the Fed-Wire or any computer system), it shall immediately notify the ISO, giving full details of the payment delay (including the reasons for the payment delay). The ISO Debtor shall make all reasonable efforts to remit payment as soon as possible, by an alternative method if necessary, to ensure that funds are received for value no later than 10:00 am on the Payment Date, or as soon as possible thereafter.

SABP 6.6.2 At the ISO's Bank

In the event of failure of any electronic transfer system affecting the ISO Bank, the ISO shall use reasonable efforts to establish alternative methods of remitting funds to the ISO Creditors' Settlement Accounts by close of banking business on that Payment Date, or as soon as possible thereafter. The ISO shall notify the ISO Debtors and the ISO Creditors of occurrence of the system failure and the alternative methods and anticipated time of payment.

SABP 6.7 Payment Default

Subject to SABP 6.8, if by 10:00 am on a Payment Date the ISO, in its reasonable opinion, believes that all or any part of any amount due to be remitted to the ISO Clearing Account by any Scheduling

Coordinator will not or has not been remitted and there are insufficient funds in the relevant Scheduling Coordinator's ISO prepayment account (the amount of insufficiency being referred to as the "Default Amount"), the ISO shall take the following actions to enable the ISO Clearing Account to clear not later than the close of banking business on the relevant Payment Date: