

SCHEDULES AND BIDS PROTOCOL (SBP)

SBP 1 OBJECTIVES, DEFINITIONS AND SCOPE

SBP 1.1 Objectives

The objectives of this Protocol are:

- (a) to require the provision of scheduling data to enable the ISO to undertake its scheduling process as described in the ISO Tariff and in the Scheduling Protocol (SP) taking into account the exercise of Firm Transmission Rights and rights under Existing Contracts for transmission service;
- (b) to require the provision of Ancillary Services Schedules and bidding data required by the ISO to enable the ISO to conduct its Ancillary Services auction as described in the ISO Tariff and in the SP; and
- (c) to specify the contents of Schedules and to specify in detail the bidding data referred to in the ISO Tariff. The scheduling process and timing of the submission of data referred to are set forth in the SP.

SBP 1.2 Definitions

SBP 1.2.1 Master Definitions Supplement

Any word or expression defined in the Master Definitions Supplement to the ISO Tariff shall have the same meaning where used in this Protocol. A reference to a Section or an Appendix is to a Section or an Appendix of the ISO Tariff unless otherwise specified. References to SBP are to this Protocol or to the stated paragraph of this Protocol.

SBP 1.2.2 Special Definitions for this Protocol

In this Protocol, the following words and expressions shall have the meanings set opposite them:

“Existing Rights” as defined in Section 2.4.4.1.1 of the ISO Tariff,
“Converted Rights” as defined in Section 2.4.4.2.1 of the ISO Tariff
shall have the same meanings where used in this Protocol.

notification messages to review the detailed list of errors, make changes, and resubmit the Schedule if it is still within the timing requirements of the SP. The SC is also notified of successful validation via WEnet.

SBP 2.3 The Generation section of a Balanced Schedule, and any associated Adjustment Bids, must accurately reflect the physical capability of each Generating Unit identified in the Schedule (including each Generating Unit's ability to ramp from one hour to the next). For example, a 500 MW Generating Unit specified with a ramp rate of 2 MW/min and an operating point of 100 MWh for the current operating hour is not physically capable of generating 300 MWh in the next operating hour. Likewise, Adjustment Bids submitted for a Generating Unit, applicable to a particular operating hour, should be physically achievable within the applicable operating hour.

SBP 3 EXISTING CONTRACTS FOR TRANSMISSION SERVICE

SBP 3.1 Application of SBP 3 to Rights under Existing Contracts

SBP 3.1.1 Existing Rights

The provisions of Sections 2.4.3 and 2.4.4 of the ISO Tariff shall, with respect to the exercise of Existing Rights following the ISO Operations Date, be implemented in accordance with this SBP 3 and such other operational protocols as may be developed on a case by case basis pursuant to these sections. The objective of this SBP 3 is to properly treat Existing Rights in accordance with the ISO Tariff and to minimize the need for other operational protocols.

SBP 3.1.2 Converted Rights

This SBP 3 shall have no application to the exercise of Converted Rights other than as set forth in Section 2.4.4.3 of the ISO Tariff.

SBP 3.2 Responsible Participating Transmission Owners

For each Existing Contract, the party providing transmission service (the "Responsible PTO") shall be responsible for the submission of transmission rights/curtailment instructions ("instructions") to the ISO under this SBP on behalf of the holders of Existing Rights, unless the parties to the Existing Contract agree otherwise. For the purposes of this Protocol, such otherwise agreed party will be acting in the role of Responsible PTO. In accordance with

- (i) type(s) of service, by rights holder, by Existing Contract (firm, conditional firm, or non-firm), with priorities for firm and conditional firm transmission services indicated in Schedules using Adjustment Bids as described in the SP;
- (j) amount of transmission service, by rights holder, by Existing Contract expressed in MW;
- (k) for Day-Ahead scheduling purposes, the time of the day preceding the Trading Day at which the SC submits Schedules to the ISO referencing the Existing Contract(s) identified in the instructions;
- (l) for Hour-Ahead or real time scheduling purposes, the number of minutes prior to the start of the Settlement Period of delivery at which the SC may submit Schedule adjustments to the ISO regarding the Existing Rights under the Existing Contract(s) identified in the instructions;
- (m) whether or not real time modifications to Schedules associated with Existing Rights are allowed at any time during the Settlement Period;
- (n) Service period(s) of the Existing Contract(s);
- (o) any special procedures which would require curtailments to be implemented by the ISO in any manner different than that specified in SBP 3.3.2. Any such instructions submitted to the ISO must be clear, unambiguous, and not require the ISO to make any judgments or interpretations as to the meaning, intent, results, or purpose of the curtailment procedures or the Existing Contract (otherwise, they will not be accepted by the ISO); and
- (p) any special procedures relating to curtailments during emergency conditions. Any such instructions submitted to the ISO must be clear, unambiguous, and not require the ISO to make any judgments or interpretations as to the meaning, intent, results, or purpose of the curtailment procedures or the Existing Contract (otherwise, they will not be accepted by the ISO).

SBP 3.3.2 Curtailment under Emergency and Non-Emergency Conditions

SBP 3.3.2.1 Emergency Conditions

To the extent practicable, the ISO shall allocate necessary curtailments of Existing Rights or Non-Converted Rights under emergency conditions in accordance with the instructions submitted by the Responsible PTO pursuant to SBP 3.3.1. If

circumstances prevent the ISO's compliance with such instructions, the ISO shall allocate such curtailments in a non-discriminatory manner consistent with Good Utility Practice.

SBP 3.3.2.2 Non-Emergency Conditions

Unless otherwise specified by the Responsible PTO in the instructions that it submits to the ISO under SBP 3.3.1, the ISO will allocate any necessary curtailments under non-emergency conditions, *pro rata*, among holders of Existing Rights, at particular Scheduling Points and/or on

