

5.11 Must-OfferSelling Obligations

5.11.1 Applicability

The requirements of Section 5.11 shall apply to (a) all Participating Generators, and (b) all persons, regardless of whether the person is a “public utility” as defined in Section 201 of the Federal Power Act, that own or control one or more non-hydroelectric Generating Units, System Units or System Resources located in California from which energy or capacity is either: (i) sold through any market operated by the ISO, or (ii) transmitted over the ISO Controlled Grid. Each person described in this Section 5.11.1 is referred to in the ISO Tariff as a “Must-Offer Generator.” The requirements of this Section 5.11 shall apply to all non-hydroelectric Generating Units located in California that are owned or controlled by a Must-Offer Generator.

5.11.2 Available Generation

For the purposes of this Section 5.11, a Must-Offer Generator’s “Available Generation” from a non-hydroelectric Generating Unit shall be: (a) the Generating Unit’s maximum operating level adjusted for any outages or reductions in capacity reported to the ISO in accordance with Section 2.3 or 5.11.3 and for any limitations on the Generating Unit’s operation under applicable law, including contractual obligations, which shall be reported to the ISO, (b) minus the Generating Unit’s scheduled operating point as identified in the ISO’s Final Hour-Ahead Schedule, (c) minus the Generating Unit’s capacity committed to provide Ancillary Services to the ISO either through the ISO’s Ancillary Services market or through self provision by a Scheduling Coordinator, and (d) minus the capacity of the Generating Unit committed to deliver Energy or provide Operating Reserve to the Must-Offer Generator’s Native Load.

5.11.3 Reporting Requirements for Non-Participating Generators

So that the ISO may determine the Available Generation of all Must-Offer Generators, Must-Offer Generators that are not Participating Generators shall be required to file with the ISO, for each non-hydroelectric Generating Unit located in California they own or control: (i) the Unit’s minimum operating level; (ii) the Unit’s maximum operating level; and (iii) the Unit’s ramp rates at all operating levels; and (iv) such other information the ISO determines is necessary to determine available generation and to dispatch Must-Offer Generators. In addition, Must-Offer Generators

that are not Participating Generators must, consistent with the notification obligations of Participating Generators and in order to comply with the intent of this Section 5.11, notify the ISO, as soon as practicable, of any Planned Maintenance Outages, Forced Outages, Force Majeure Event outages or any other reductions in their maximum operating levels.

5.11.4 Obligation To Offer Available Capacity

All Must-Offer Generators shall offer to sell in the ISO's [Real Time Market for Imbalance Energy market](#), in all hours, all their Available Generation as defined in Section 5.11.2.

5.11.5 Submission of Bids and Applicability of the Proxy Price

For each Operating Hour, Must-Offer Generators shall submit Supplemental Energy bids for all of their Available Generation to the ISO in accordance with Section 2.5.22.4. In addition, the ISO shall calculate for each gas-fired Must-Offer Generator, in accordance with Section 2.5.23, a Proxy Price for Energy. [Subject to Section 2.5.23.3.8,](#) in hours in which the ISO has declared a System Emergency, any submitted bids that are priced above the Marginal Proxy Clearing Price for the [BEEP Intervals](#)hour, as determined in accordance with Section 2.5.23.3.1.1, will be paid as bid if accepted by the ISO. [Subject to Section 2.5.23.3.8, in hours in which the ISO has not declared a System Emergency, any submitted bids that are priced above the Non-Emergency Clearing Price for the BEEP Intervals, as determined in accordance with Section 2.5.23.3.1.2, will be paid as bid if accepted by the ISO.](#) If, under this section, a Must-Offer Generator is paid as-bid, such bids will be subject to the cost-justification procedures established by FERC and may be subject to refund, as determined by FERC.

If a Must-Offer Generator fails to submit a Supplemental Energy bid for any portion of its Available Generation for [any BEEP Interval](#)an-hour, the unbid quantity of the Must-Offer Generator's Available Generation will be deemed by the ISO to be bid at the Must-Offer Generator's Proxy Price for that hour if: [\(i\) the applicable Generating Unit is a gas-fired unit and \(ii\) the Must-Offer Generator has provided the ISO with adequate data in compliance with Sections 2.5.23.3.3 and 5.11.3 for the applicable Generating Unit.](#) For all other Generating Units owned or controlled by a Must-Offer Generator, the unbid quantity of the Must-Offer Generator's Available Generation will be deemed by the ISO to be bid to receive: [\(i\) the Marginal Proxy](#)

Clearing Price, as determined in accordance with Section 2.5.23.3.1.1, during System Emergencies or (ii) the Non-Emergency Clearing Price, as determined in accordance with Section 2.5.23.3.1.2, during non-System Emergency periods ~~the Market Clearing Price for that hour~~. In

order to dispatch resources providing Imbalance Energy in proper merit order, the ISO will insert this unbid quantity into the Must-Offer Generator's Supplemental Energy bid curve above any lower-priced segments of the bid curve and below any higher-priced segments of the bid curve as necessary to maintain a non-decreasing bid curve over the entire range of the Must-Offer Generator's Available Generation.

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