

DYNEGY COMMENTS ON

**Standard Capacity Product Amendment Filing
4th Replacement CAISO Tariff**

40.6.2 Real-Time Availability.

Resource Adequacy Resources that have received an IFM Schedule for Energy or Ancillary Services or a RUC Schedule ~~been committed by the CAISO in the Day-Ahead Market or the RUC~~ for all or part of their Resource Adequacy Capacity ~~or have submitted a Self-Schedule for part of their Resource Adequacy Capacity~~ must remain available to the CAISO through Real-Time, including any Resource Adequacy Capacity of such resources that is not included in an IFM Schedule or RUC Schedule, except for Resource Adequacy Capacity that is subject to Section 40.6.4 ~~capacity reflected in the Day-Ahead Schedule and any remaining capacity, for the scheduled and non-scheduled portions of their Resource Adequacy Capacity, subject to the provisions of Section 40.6.4.~~ Resource Adequacy Resources that do not have an IFM Schedule or a RUC Schedule for any of their Resource Adequacy Capacity for a given Trading Hour may be required to be available to the CAISO through Real-Time as specified in Sections 40.6.3 and 40.6.7. If such resources are required to be available to the CAISO through Real-Time in accordance with Sections 40.6.3 and 40.6.7, those Resource Adequacy Resources with Resource Adequacy Capacity that does not have an IFM Schedule or a RUC Schedule for a given Trading Hour must submit to the RTM for that Trading hour: (a) Energy Bids and Self-Schedules for the full amount of the available Resource Adequacy Capacity, including capacity for which it has submitted Ancillary Services Bids or Submissions to Self-Provide Ancillary Services; and (b) Ancillary Services Bids and Submissions to Self-Provide Ancillary Services for the full amount of the available Ancillary Service-certified Resource Adequacy Capacity and for each Ancillary Service for which the resource is certified, including capacity for which it has submitted Energy Bids and Self-Schedules. The CAISO will insert Generated Bids in accordance with Section 40.6.8 for any Resource Adequacy capacity subject to the above requirements for which the resource has failed to submit the appropriate bids to the RTM.

The CAISO will honor submitted Energy Self-Schedules of Resource Adequacy Capacity unless the CAISO is unable to satisfy 100% of its Ancillary Services requirements. In such cases, the CAISO may curtail all or a portion of a submitted Energy Self-Schedule to allow Ancillary Service-certified Resource Adequacy Capacity to be used to meet the Ancillary Service requirements. If the CAISO reduces a submitted Real-Time Energy Self-Schedule for Resource Adequacy Capacity when that capacity is

needed to meet an Ancillary Services requirement, the Ancillary Service Marginal Price for that capacity will be calculated in accordance with Sections 27.1.2 and 40.6.1.

40.6.3 Additional Availability Requirements for Short Start Units ~~and Dynamic System Resources.~~

A Short Start Units that is a Resource Adequacy Resource and that does not have an IFM Schedule or a RUC Schedule for any of its capacity for a given Trading Hour is required to participate in the Real Time Market in accordance with Section 40.6.2. Such a resource that is also a Use-Limited Resource subject to Section 40.6.4 is required, consistent with their applicable use plan, to submit Economic Bids or Self Schedules for Resource Adequacy Capacity into the Real Time Market.~~and Dynamic System Resources, unless a Dynamic System Resource is demonstrated to be incapable of meeting the definition of a Short Start Unit based on physical operating characteristics, that supply Resource Adequacy Capacity not committed under Section 40.6.1, and therefore are subject to Section 40.6.2, and Use-Limited Resources subject to Section 40.6.4 to the extent consistent with their applicable use plan, must submit Economic Bids or Self Schedules for the Resource Adequacy Capacity into the Real Time Market.~~

The CAISO may waive these availability obligations for a Short Start Units~~and Dynamic System Resources~~ that doeshave not have an IFM Schedule or a submitted a Self-Schedule or otherwise been selected in the IFM or RUC Schedule based on the procedure to be published on the CAISO Website.

40.6.4 Additional Availability Requirements for Use-Limited Resources.

40.6.4.1 Registration of Use-Limited Resources.

Hydroelectric Generating Units and Participating Load, including Pumping Load, are deemed to be Use-Limited Resources for purposes of this Section 40 and are not required to submit the application described in this Section 40.6.4.1. Scheduling Coordinators for other Use-Limited Resources, ~~other than for hydroelectric Generating Units and Participating Load, including Pumping Load,~~ must provide the CAISO an application in the form specified on the CAISO Website requesting registration of a specifically identified resource as a Use-Limited Resource. This application shall include specific operating data and supporting documentation including, but not limited to;

- (1) a detailed explanation of why the resource is subject to operating limitations;

- (2) historical data to show attainable MWhs for each 24-hour period during the preceding year, including, as applicable, environmental restrictions for NOx, SOx, or other factors; and
- (3) further data or other information as may be requested by the CAISO to understand the operating characteristics of the unit.

Within five (5) Business Days after receipt of the application, the CAISO will respond to the Scheduling Coordinator as to whether or not the CAISO agrees that the facility is eligible to be a Use-Limited Resource. If the CAISO determines the facility is not a Use-Limited Resource, the Scheduling Coordinator may challenge that determination in accordance with the CAISO ADR Procedures.

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40.6.5.1 Additional Availability Requirements for Dynamic Resource-Specific System Resources.

A Dynamic Resource-Specific System Resource that supplies Resource Adequacy Capacity, and is not otherwise a Use-Limited Resource under Section 40.6.4, will be subject ~~to the requirements of Sections 40.6.1 and 40.6.2 and~~ either Section 40.6.3 as a Short Start Unit or Section 40.6.7 as a Long Start Unit based upon the Dynamic Resource-Specific System Resource's registered physical operating characteristics.

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40.6.5 Additional Availability Requirements for System Resources.

In the IFM, the multi-hour block constraints of a System Resource, other than a System Resource capable of submitting a Dynamic Schedule or a Resource-Specific System Resource, are honored in the optimization. ~~Such a Multi-hour block System Resource that are not capable of submitting a Dynamic Schedule and are is also a~~ Resource Adequacy Resources must be capable of hourly ~~selection scheduling~~ by the CAISO in RUC if it is not fully ~~committed-scheduled~~ in the IFM. If such a Resource Adequacy Resource is selected in the RUC, the CAISO will schedule the resource in the HASP for each hour of the resource's RUC schedule without regard to the multi-hour block constraint that was submitted to the IFM ~~System Resource must be dispatchable in those hours in the HASP and Real Time~~

~~Market.~~ For an existing System Resources that provides Resource Adequacy Capacity with-through a call-option that expires prior to the completion-close of the IFM, such a System Resources listed on a Resource Adequacy Plan must be reported to the CAISO for consideration in the Extremely Long-Start Commitment Process.

40.6.5.1 Additional Availability Requirements for Dynamic Resource-Specific System Resources.

A Dynamic or Non-Dynamic Resource-Specific System Resource that supplies Resource Adequacy Capacity, and is not otherwise a Use-Limited Resource under Section 40.6.4, will be subject to the requirements of Sections 40.6.1 and 406.2 and either Section 40.6.3 as a Short Start Unit or Section 40.6.7 as a Long Start Unit based upon the Dynamic Resource-Specific System Resource's registered physical operating characteristics.

40.6.5.2 Dynamic Non-Resource-Specific System Resources

A Dynamic non-Resource-Specific System Resource that provides Resource Adequacy Capacity will be subject to the provisions of 40.6.1 and 40.6.2.

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~~40.6.7 Availability Requirements for Long Start Units.~~

~~40.6.7.1 Release of Long Start Units.~~

Long Start Units not committed in the Day-Ahead Market will be released from any further obligation to submit Self-Schedules or Bids for the relevant Operating Day. Scheduling Coordinators for Long Start Units are not precluded from self-committing the unit after the Day-Ahead Market and submitting a Self-Schedule for Wheeling-Out in the HASP, unless precluded by terms of their contracts.

~~40.6.7.2 Obligation of Long Start Units to Offer Remaining Capacity in Real-Time.~~

~~Long Start Units that have been committed by the CAISO in the Day-Ahead Market or the RUC for part of their Resource Adequacy Capacity or have submitted a Self-Schedule for part of their Resource Adequacy Capacity must remain available to the CAISO through Real-Time for the full value of their Resource Adequacy Capacity.~~

40.6.8 Use of Generated Bids.

Prior to completion of the Day-Ahead Market, the CAISO will determine if ~~dispatchable~~ Resource Adequacy Capacity subject to the requirements of Section 40.6.1 and for which the CAISO has not received notification of an Outage from Resource Adequacy Resources has not been reflected in a Bid and will insert a Generated Bid for ~~such any dispatchable Resource Adequacy Capacity that is not reflected in a Bid~~ into the CAISO Day-Ahead Market ~~and for which the CAISO has not received notification of an Outage~~. Prior to running the Real-Time Market, the CAISO will determine if Resource Adequacy Capacity subject to the requirements of Section 40.6.2 and for which the CAISO has not received notification of an Outage has not been reflected in a Bid and will insert a Generated Bid for such capacity into the Real-Time Market. In addition, the CAISO will determine if all dispatchable Resource Adequacy Capacity from Short Start Units, not otherwise selected in the IFM or RUC, is reflected in a Bid into the Real-Time Market ~~HASP~~ and will insert a Generated Bid for any remaining dispatchable Resource Adequacy Capacity for which the CAISO has not received notification of an Outage. A Generated Bid for Energy will equal the resources Default Energy Bid. A Generated Bid for Ancillary Services will equal zero dollars (\$0/MW-hour). Notwithstanding any of the provisions of Section 40.6.8 set forth above, the CAISO will not insert any Bid for a Resource Adequacy Resource that is a Use-Limited Resource.

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40.9. Availability Standards, Non-Availability Charges, and Availability Incentive Payments.

40.9.1 General.

Except for the exemptions specified in Section 40.9.2, the CAISO will track the availability of Resource Adequacy Capacity during the Availability Assessment Hours of each month, as specified in Section 40.9.3, in order to determine the amount of Resource Adequacy Capacity that was available to the CAISO. Each non-exempt Resource Adequacy Resource will be subject to the Availability Standards determined in accordance with either Section 40.9.4 or 40.9.7, whichever is applicable, for each month during each Resource Adequacy Compliance Year, starting with the 2010 Resource Adequacy Compliance Year. Scheduling Coordinators for Resource Adequacy Resources will be subject to Non-Availability Charges or Availability Incentive Payments as specified in either Section 40.9.4 or Section 40.9.7, whichever is applicable. MW values or percentages used by the CAISO in this Section 40.9 will be calculated to no less than two decimal places.

40.9.2 Exemptions.

The following exemptions apply to the CAISO's Availability Standards program of this Section 40.9:

- (1) Resources with a Pmax less than one (1.0) MW will not be used to determine Availability Standards, will not be subject to Non-Availability Charges or Availability Incentive Payments, and will not be subject to the additional Outage reporting requirements of this Section 40.9.
- (2) Resource Adequacy Capacity that was procured under a contract that was either executed or submitted to the applicable Local Regulatory Authority for approval prior to January 1, 2009, and is associated with specific Generating Units or System Resources, will not be subject to Non-Availability Charges or Availability Incentive Payments. Such contracted Resource Adequacy Capacity, except for non Resource-Specific System Resources, will be included in the development of Availability Standards and will be subject to any Outage reporting requirements necessary for this purpose. The exemption will apply only for the initial term of the contract and to the MW capacity quantity and Resource Adequacy Resources specified in the contract prior to January 1, 2009. The exemption shall terminate upon the conclusion of the initial contract term. Exempt contracts may be re-assigned or undergo novation on or after January 1, 2009, but the exemption shall not apply for any extended contract term, increased capacity quantity or additional resource(s) beyond those specified in the contract prior to January 1, 2009. Scheduling Coordinators for Resource Adequacy Resources subject to these contracts will be required to certify the start date of the contract, the expiration date, the resource ID(s), and the amount of Resource Adequacy Capacity associated with each resource ID included in the contract.
- (3) Demand response, wind resources, solar resources, and Qualifying Facilities will not be used to determine Availability Standards, will not be subject to Non-Availability Charges or Availability Incentive Payments, and will not be subject to the additional Outage reporting requirements of this Section 40.9.

- (4) Resource Adequacy Capacity provided through contracts for Energy from non-specified resources delivered within the CAISO Balancing Authority Area will not be used to determine Availability Standards, will not be subject to Non-Availability Charges or Availability Incentive Payments, and will not be subject to the additional Outage reporting requirements of this Section 40.9; and
- (5) Resource Adequacy Resources of a Modified Reserve Sharing LSE or a Load following MSS will be used to determine the Availability Standards and will be subject to any Outage reporting requirements necessary for this purpose. Non-Local Capacity Area Resource Adequacy Resources of a Modified Reserve Sharing LSE or a Load following MSS will not be subject to Non-Availability Charges or Availability Incentive Payments, but those entities shall remain responsible for any other applicable deficiency payments under this CAISO Tariff or the applicable MSS Agreement.

Exclusions from the Availability Standards and Outage reporting requirements established in this Section 40.9 are for this Section 40.9 alone and do not affect any other obligation arising under the CAISO Tariff.

40.9.3 Availability Assessment Hours.

The CAISO shall establish Availability Assessment Hours applicable for each month of each Resource Adequacy Compliance Year, starting with Resource Adequacy Compliance Year 2010, in order to assess the extent to which each Resource Adequacy Resource has met the Availability Standards of this Section 40.9. The Availability Assessment Hours shall be a pre-defined set of hours in each month corresponding to the operating periods when high demand conditions typically occur and when the availability of Resource Adequacy Capacity is most critical to maintaining system reliability. The Availability Assessment Hours shall be comprised of five hours of each non-weekend, non-federal holiday day, and will vary by season as necessary such that, based on historical actual load data, the coincident peak load hour typically falls within the five-hour range each day during the month. The CAISO shall determine the Availability Assessment Hours for each month of the next Resource Adequacy Compliance year on an annual basis prior to the start of each Resource Adequacy Compliance Year and shall specify them in the Business Practice Manual.

40.9.4 Availability Determinations.

This Section 40.9.4 addresses availability assessment for all Resource Adequacy Capacity, including the Resource Adequacy Capacity of Resource-Specific System Resources, subject to the Section 40.9 Availability Standards program; however, this Section 40.9.4 does not apply to Resource Adequacy Capacity provided by non-Resource-Specific System Resources which are addressed in Section 40.9.7.

40.9.4.1 Availability Standard.

The CAISO shall calculate and publish the monthly Availability Standards for the next Resource Adequacy Compliance Year in accordance with the schedule set forth in the Business Practice Manual. For Resource Adequacy Compliance Year 2010, the monthly Availability Standards applicable to Resource Adequacy Resources subject to this Section 40.9.4 will be based on the historical availability of Resource Adequacy Resources during the Availability Assessment Hours of the corresponding months during the period from June 2006 through December 2008. For subsequent years, the monthly Availability Standards will be based on historical availability over the previous three years. Each monthly Availability Standard will be calculated as the sum of the available Resource Adequacy Capacity of the included Resource Adequacy Resources across all the Availability Assessment Hours of the month, divided by the sum of the designated Resource Adequacy Capacity for the same set of hours and resources, and multiplied by 100 to obtain a number between zero and 100 percent. For the purpose of determining the available Resource Adequacy Capacity in each month, the CAISO will use the Outage information reported in SLIC and, when available, the Outage reports submitted pursuant to Section 40.9.5. To ensure consistency between the calculation of the monthly Availability Standard and the calculation of each resource's monthly availability, the data utilized for both calculations will be in accordance with the provisions of Sections 40.9.4.2. All Resource Adequacy Resources except for the following will be included in the calculation of the Availability Standards:

- (1) Resource Adequacy Resources exempted in Section 40.9.2;
- (2) Non-Resource-Specific System Resources;
- (3) Use-Limited Resources, until 2011 for Resource Adequacy Compliance Year 2012 at which time, Use-Limited Resources will be included in the set of Resource Adequacy Resources used to determine the Availability Standards; and

(4) Resources between 1 MW and 10 MW subject to the reporting requirements of Section 40.9.5, until such time that the CAISO has received the outage reports and can begin to utilize the data.

40.9.4.2 Availability Calculation for a Resource Adequacy Resource.

The CAISO will calculate the monthly availability for each Resource Adequacy Resource subject to this Section 40.9.4 as the sum of the hourly available Resource Adequacy Capacity of the resource over all Availability Assessment Hours of the month, divided by the sum of the hourly Resource Adequacy Capacity of the resource as designated in the Supply Plan for the resource for those hours, and multiplied by 100 to obtain a number between zero and 100%.

A Resource Adequacy Resource will be determined to be less than 100% available in a given month if it has any Forced Outages, non-ambient de-rates, or temperature-related ambient de-rates that impact the availability of its designated Resource Adequacy Capacity during the Availability Assessment Hours of that month. Maintenance Outages and Scheduled Maintenance taken in a month will not decrease the Resource Adequacy Resource's calculated availability. Outages properly submitted for temperature-related ambient derates for a Use Limited Resource will be counted against its availability only until such time as the Use Limited Resource reaches its energy limit constraint, at which time such Outages or derates will no longer count against the availability of the Use Limited Resource for the relevant month.

The start and end times used in calculating the availability of each resource each month will be the Outage time reported in the SLIC system or through the alternative reporting process of Section 40.9.5 for resources not included in the SLIC system.

40.9.4.2.1 Substitute Capacity.

A Scheduling Coordinator may substitute capacity that is not Resource Adequacy Capacity for its Resource Adequacy Capacity that is on a Forced Outage or de-rate in order to mitigate the impact of the Forced Outage or de-rate on its availability calculation. Such substitution will be accepted by the CAISO in accordance with the following procedures.

(1) For Local Capacity Area Resources. A Scheduling Coordinator providing Resource Adequacy Capacity to satisfy a Local Capacity Area requirement may pre-qualify alternate

resources by providing a prequalification request in accordance with the form and schedule specified in the Business Practice Manual. If the alternate resource is located at the same bus as the Resource Adequacy Resource it would replace and has similar operational characteristics, the CAISO will approve the pre-qualification request as a substitute resource for use in the subsequent Resource Adequacy Compliance Year. Additionally, when a Local Capacity Area Resource Adequacy Resource subsequently has a Forced Outage or de-rate, the Scheduling Coordinator may request to substitute a non-pre-qualified resource. The CAISO will grant the request if the alternate resource is (i) located at the same bus and meets the CAISO's operational needs, or (ii) if not located at the same bus, is located in the same Local Capacity Area, and which meets the CAISO's effectiveness and operational needs, including size of resource, as determined by the CAISO in its reasonable discretion.

(2) Non-Local Capacity Area Resources (Resource Adequacy Resources designated to meet system requirements). If a Resource Adequacy Resource that is not also a Local Capacity Area Resource has an outage that would count against its availability, the Scheduling Coordinator for that resource may, prior to the close of the IFM, request to substitute a non-Resource Adequacy Resource to be used in the place of the original resource. The CAISO shall approve the request if the substitute resource provides the same MW quantity of deliverable capacity as the original Resource Adequacy Resource.

40.9.4.2.2 Accounting for De-Rates.

In accounting for a de-rate of a unit that has not committed 100% of its Net Qualified Capacity in its Monthly Supply Plan, the CAISO will follow the following principles:

(1) Any de-rate will be applied first to any non Resource Adequacy Capacity of the resource; and

(2) Any de-rate to Resource Adequacy Capacity will be applied pro-rata to any contract capacity exempt under Section 40.9.2(2) and any non-exempt Resource Adequacy Capacity commitment from that resource.

40.9.5 Outage Reporting.

Scheduling Coordinators for Generating Units or Resource-Specific System Resources that are also Resource Adequacy Resources with a maximum output capability of 1 MW or more, but which do not meet the requirement to provide information on Forced Outages in accordance with Section 9.3.10, shall provided equivalent availability-related information in the form and on the schedule specified in the Business Practice Manuals. This information shall identify all Forced Outages, non-ambient de-rates, and temperature-related ambient de-rates that have occurred over the previous calendar month and shall contain all relevant details needed to enable the CAISO to perform the availability calculation for the resource in accordance with Section 40.9.4, including: the start and end times of any Outages or de-rates, the MW availability in all Availability Assessment Hours, and the causes of any Forced Outages or de-rates. Scheduling Coordinators for Resource Adequacy Resources whose maximum output capability is 10 MW or more shall report Outage-related information in accordance with the reporting obligations in Section 9.3.10.

40.9.6 Non-Availability Charges and Availability Incentive Payments.

A Resource Adequacy Resource that is subject to the availability assessment in accordance with Section 40.9.4 and whose monthly availability calculation under Section 40.9.4.2 is more than two and a half percent (2.5 %) below the monthly Availability Standard will be subject to a Non-Availability Charge for the month. A Resource Adequacy Resource subject to Section 40.9.4 whose availability calculation under Section 40.9.4.2 is more than two and a half percent (2.5 %) above the monthly Availability Standard will be eligible for an Availability Incentive Payment for the month.

40.9.6.1 Determination of Resource Adequacy Capacity Subject to Non-Availability Charge.

The amount of Resource Adequacy Capacity of a Resource Adequacy Resource subject to the Non-Availability Charge will be determined as follows:

- (1) A Scheduling Coordinator for a Resource Adequacy Resource with actual availability calculated in accordance with Section 40.9.4.2 that is less than fifty percent (50%) for a given month will have the Non-Availability Charge applied to the entire Resource Adequacy Capacity of the resource.

(2) A Resource Adequacy Resource with actual availability calculated in accordance with Section 40.9.4.2 that is greater than fifty percent (50%) but less than the Availability Standard minus two and a half percent (2.5 %) for a given month will have the Non-Availability Charge assessed to that portion of its Resource Adequacy Capacity equal to the Availability Standard minus two and a half percent (2.5 %) minus the resource's actual availability for the month calculated in accordance with Section 40.9.4.2.

(3) No Non-Availability Charge will be applied when a Resource Adequacy Resource's actual availability, calculated in accordance with Section 40.9.4.2 for a given month, is equal to or greater than the Availability Standard less two and a half percent (2.5 %).

(4) Any Forced Outage, non-ambient de-rate, or temperature-related ambient de-rates of a resource that the CAISO has accepted as a substitute for a Resource Adequacy Resource in accordance with Section 40.9.4.2.1 will be applied in calculating the availability of the Resource Adequacy Resource for which it is substituting.

40.9.6.2 Determination of the Non-Availability Charge.

The per-MW Non-Availability Charge rate will be the Monthly ICPM Capacity Payment price as specified in Schedule 6 of Appendix F of this CAISO Tariff. The Non-Availability Charge for a Resource Adequacy Resource shall be determined by multiplying the resource's capacity subject to the Non-Availability Charge calculated in accordance with Section 40.9.6.1 by the Non-Availability Charge rate.

40.9.6.3 Availability Incentive Payment.

Scheduling Coordinators for Resource Adequacy Resources that achieve monthly availability that is more than two and a half percent (2.5%) above the monthly Availability Standard are eligible to receive the monthly Availability Incentive Payment. This payment will be funded entirely through the monthly Non-Availability Charges assessed for the same month. For each resource eligible for the Availability Incentive Payment, its eligible capacity will be that portion of its designated Resource Adequacy Capacity equal to its actual availability calculated in accordance with Section 40.9.4.2 minus the Availability Standard percent minus two and a half percent (2.5%). The monthly Availability Incentive Payment rate will equal the total Non-Availability Charges assessed for the month divided by the total Resource

Adequacy Capacity eligible to receive the Availability Incentive Payment that month, provided that the Availability Incentive Payment rate shall not exceed three times the Non-Availability Charge rate. The Availability Incentive Payment the CAISO shall pay to for each eligible resource will equal the product of its eligible capacity and the Availability Incentive Payment rate. Any remaining Non-Availability Charge funds that are not distributed to eligible Resource Adequacy Resources will be credited against the Real-Time neutrality charge for that Trade Month in accordance with Section 11.5.2.3.

40.9.6.4 Monthly Settlement.

The CAISO shall calculate and settle Non-Availability Charges and Availability Incentive Payments on a Trade Month basis so that all Non-Availability Charges collected for a Trade Month are allocated in accordance with Section 40.9.6.3 for that same Trade Month.

40.9.7 Availability Assessment for Resource Adequacy Capacity Provided by Non-Resource-Specific System Resources.

Non-Resource-Specific System Resources that provide Resource Adequacy Capacity will comprise a distinct category for purposes of the CAISO's Availability Standards program. This category will have its own Availability Standards and availability calculations, as well as a separate account for setting Non-Availability Charges and Availability Incentive Payments.

40.9.7.1 Availability Standard for Non-Resource-Specific System Resources Providing Resource Adequacy Capacity.

The monthly Availability Standard for a non-Resource-Specific System Resource will be 100 % of the resource's designated Resource Adequacy Capacity for the month, to be provided in the form of Economic Bids or Self-Schedules at the resource's designated Scheduling Point submitted to the IFM for all Availability Assessment Hours. Resources that achieve less than the 100 % Availability Standard will be subject to Non-Availability Charges. Resources that achieve the 100 % target will be eligible for Availability Incentive Payments. Non-Resource-Specific System Resources will not be included in the calculation of the Availability Standards for other Resource Adequacy Resources as determined in Section 40.9.4.

40.9.7.2 Availability Calculation for Non-Resource-Specific System Resources Providing Resource Adequacy Capacity.

The availability of Resource Adequacy Capacity provided by a non-Resource-Specific System Resource will be measured by its hourly offers of Economic Bids or Self-Schedules to provide Energy or, if certified

to provide Ancillary Services, [Bids for or] Self-Provision of Ancillary Service capacity into the CAISO Day-Ahead Market in accordance with the requirements of Section 40.6, for all of the Availability Assessment Hours. Specifically, the resource's availability will be calculated as the sum of the MW-hours reflected in the resource's submitted Day-Ahead Economic Bids and Self-Schedules over all Availability Assessment Hours, divided by the sum of the resource's designated Resource Adequacy Capacity for all Availability Assessment Hours, times 100 to obtain a number between zero and 100 percent. The Scheduling Coordinator for Resource Adequacy Capacity provided by non-Resource-Specific System Resources is expected to secure sufficient transmission rights to deliver the Resource Adequacy Capacity to its designated CAISO Scheduling Point. If in any given Availability Assessment Hour, the CAISO does not fully accept the Economic Bids or Self-Schedules submitted by the Scheduling Coordinator for the Resource Adequacy Capacity provided by non-Resource-Specific System Resources, the Scheduling Coordinator for that resource shall be deemed to have met its availability obligation for that hour.

40.9.7.3 Determination of Non-Availability Charges and Availability Incentive Payments for Non-Resource-Specific System Resources Providing Resource Adequacy Capacity.

Non-Resource-Specific System Resources that provide Resource Adequacy Capacity and that fail to meet the 100 % Availability Standard for a given month shall be assessed a Non-Availability Charge. This charge for a resource shall apply to that portion of the resource's designated Resource Adequacy Capacity equal to 100 % minus its actual availability calculated in accordance with Section 40.9.7.2. The Non-Availability Charge will then equal the resource's applicable capacity that is unavailable multiplied by the a Non-Availability Charge rate equal to the Monthly ICPM Capacity Payment price as specified in Schedule 6 of Appendix F of this CAISO Tariff.

Funds collected for Non-Availability Charges pursuant to this Section 40.9.7.3 in a Trade Month will be used to provide Availability Incentive Payments to non-Resource-Specific System Resources providing Resource Adequacy Capacity that achieve 100 % availability for that same Trade Month. The funds will be distributed to each such resource in proportion to the resource's share of the total Resource Adequacy Capacity provided by non-Resource-Specific System Resources that achieve the 100 % Availability Standard.

Any Availability Incentive Payment to a non-resource specific System Resource providing Resource Adequacy Capacity under this Section 40.9.7 3 will be capped at three times the Non-Availability Charge rate multiplied by the amount of the resource's Resource Adequacy Capacity. Any remaining monthly surplus of Non-Availability Charges from non-Resource-Specific System Resources providing Resource Adequacy Capacity in a Trade Month will be credited against the Real-Time neutrality charge for that Trade Month in accordance with Section 11.5.2.3. Only revenues received from the assessment of Non-Availability Charges to non-Resource-Specific System Resources providing Resource Adequacy Capacity will be used to fund Availability Incentive Payments for non-Resource-Specific System Resources providing Resource Adequacy Capacity.

40.9.8 Reporting

The CAISO will, in accordance with the schedule specified in the Business Practice Manual, provide an informational report that will be posted on the CAISO Website and include the following information: (1) the Availability Standard value for each month of the year and (2) information on the average actual availability each month of Resource Adequacy Resources, the total amount of Non-Availability Charges assessed and the total amount of Availability Incentive Payments made.

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CAISO Tariff Appendix A

Master Definitions Supplement

Availability Assessment Hours

The hours of the month specified in accordance with Section 40.9.3 which the CAISO will utilize for applying the Availability Standards program of Section 40.9.

Availability Incentive Payment

The monthly payment that the CAISO may make to a Resource Adequacy Resource under the Availability Standards program in accordance with Section 40.9.

Availability Standards

The standard established in accordance with Section 40.9.4 and 40.9.7 to determine if a Resource Adequacy Resource is subject to Non-Availability Charges or Availability Incentive Payments.

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Availability Incentive Rate

The monthly dollars per MW rate calculated by dividing the total Non-

Availability Charges assessed for a given month by the total Resource Adequacy Capacity that is eligible to receive the Availability Incentive Payment for that month.

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Non-Availability Charge

The monthly charge that the CAISO may assess to a Resource Adequacy Resource under the Availability Standards program in accordance with Section 40.9.

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Resource Adequacy Capacity or RA Capacity

The ~~generation-supply~~ capacity of a Resource Adequacy Resource listed on a Resource Adequacy Plan and a Supply Plan.

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Resource Adequacy Resource

A resource that is ~~required to offer~~ designated in a Supply Plan to provide Resource Adequacy Capacity. The criteria for determining the types of resources that are eligible to provide Qualifying Capacity may be established by the CPUC or other applicable Local Regulatory Authority and provided to the CAISO.

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