

9. OUTAGES.

9.1 Coordination and Approval for Outages.

The [ISO CAISO](#) shall have authority to coordinate and approve Outages and returns to service of all facilities comprised in the [ISO CAISO](#) Controlled Grid and Reliability Must-Run Units in accordance with Section [2.3.39.3](#). The [ISO CAISO](#) will coordinate and approve Maintenance Outages and coordinate responses to Forced Outages of all transmission facilities in the [ISO CAISO](#) Controlled Grid and Reliability Must-Run Units in accordance with this Section 9. Any scheduled Outages that are cancelled by [ISO CAISO](#) ~~real-time~~ [Real-Time](#) operations due to system requirements must be rescheduled with the [ISO CAISO](#) Outage Coordination Department in accordance with Section 9.3.

9.2 Responsibility for Authorized Work on Facilities.

The [ISO CAISO](#) shall have authority to approve requests by Participating TOs to work on all energized transmission equipment under the Operational Control of the [ISO CAISO](#).

9.3 Coordination of Outages and Maintenance.

9.3.1 [ISO CAISO](#) Outage Coordination Office.

The [ISO CAISO](#) Outage Coordination Office shall be established by the [ISO CAISO](#) and shall coordinate and approve Maintenance Outages of: (i) all facilities that comprise the [ISO CAISO](#) Controlled Grid and (ii) Participating Generators. The [ISO CAISO](#) shall additionally coordinate and approve Outages required for new construction and for work on de-energized and live transmission facilities (e.g., relay maintenance or insulator washing) and associated equipment. The [ISO CAISO](#) Outage Coordination Office will be operational Monday through Friday, except holidays. The Outage Coordination Office is located in Folsom. Each office and the areas of responsibility of that office are detailed in the most recent version of the applicable [ISO CAISO](#) Operating Procedures, which are posted on the [ISO CAISO Home Page Website](#).

9.3.1A Coordinating Maintenance Outages of UDC Facilities.

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Each UDC and the Participating TO with which it is interconnected shall coordinate their Outage requirements that will have an effect on their transmission interconnection prior to the submission by that Participating TO of its Maintenance Outage requirements under Section 9.3.

9.3.1.1 California Department of Water Resources.

The provisions of Section 9.3 shall apply to the California Department of Water Resources ("CDWR"). However, the [CAISO](#) shall be permitted to deny a requested Maintenance Outage or a requested change to an Approved Maintenance Outage, or cancel an Approved Maintenance Outage, relating to hydroelectric Generating Units owned and operated by the CDWR, only if, in the reasonable opinion of the [CAISO](#), the requested Maintenance Outage, Approved Maintenance Outage, or requested change to an Approved Maintenance Outage, is likely to have a detrimental effect on the reliable operation of the [CAISO](#) Controlled Grid. Furthermore, if CDWR informs the [CAISO](#) Outage Coordination Office that an action of the [CAISO](#) Outage Coordination Office, made pursuant to Section 9.3 ~~and/or the provisions of the Outage Coordination Protocol~~, will result in a violation of federal or state law affecting hydroelectric operations or compromise CDWR's ability to deliver water to its customers, the [CAISO](#) will use all other options at its disposal under Section 9.3 ~~and the Outage Coordination Protocol~~ in order to ensure the reliable operation of the [CAISO](#) Controlled Grid before rejecting a requested Maintenance Outage or a requested change to an Approved Maintenance Outage, or canceling an Approved Maintenance Outage, relating to the hydroelectric Generating Units owned and operated by the CDWR.

9.3.2 Requirement for Approval.

An Operator shall not take: (i) facilities that comprise the [ISOCAISO](#) Controlled Grid or (ii) Participating Generators out of service for the purposes of planned maintenance or for new construction or other work except as approved by the [ISOCAISO](#) Outage Coordination Office. The information relating to each Maintenance Outage submitted by a Participating Generator in accordance with Section 9.3.5 or by a Participating TO in accordance with Section 9.3.5 constitutes a request for a long-range Maintenance Outage and is not considered an Approved Maintenance Outage until the [ISOCAISO](#) has notified the Participating Generator of such approval pursuant to Section 9.3.6 or the Participating TO pursuant to Section 9.3.6.

9.3.3 Requests for Outages in Real-Time Operation.

Requests for Outages of: (i) facilities that comprise the [ISOCAISO](#) Controlled Grid or (ii) Participating Generators in ~~R~~real-~~T~~ime operation shall be made by the Operator to the [ISOCAISO](#) Control Center. The [ISOCAISO](#) will not approve any Outage request made within seventy-two (72) hours of the requested Outage start time unless: (i) the requested Outage could not have been reasonably foreseen and scheduled through the Outage coordination process provided in Section 9.3; and (ii) the requested Outage will not compromise [ISOCAISO](#) Controlled Grid reliability.

9.3.4 Single Point of Contact.

Requests for approvals and coordination of all Maintenance Outages (consistent with Section 9.3.1) will be through a single point of contact between the [ISOCAISO](#) Outage Coordination Office and each Operator. The Operator shall provide in its initial request and specify from time to time the identification of the single point of contact along with primary and alternate means of communication pursuant to the detailed procedures referred to in Section 9.3.6. ~~Information regarding planned outages for resources providing Regulatory Must Take Generation shall be provided to the ISO Outage Coordination Office by the Participating TO or UDC having an existing contract with such resource or by a Participating Generator. Information provided will be that obtained by the Participating TO, UDC or a Participating Generator pursuant to the terms of the existing agreement with the Regulatory Must Take Generation resource or as requested by the ISO. Scheduling and approvals of Maintenance Outages for resources providing Regulatory Must Take Generation shall continue to be coordinated as detailed in the applicable contract with the Participating TO or UDC, provided the Regulatory Must Take Generator has not executed a Participating Generator Agreement. If the Regulatory Must Take Generator has executed a Participating Generator Agreement, it shall comply with Section 9.3.5 and other provisions applicable to Participating Generators.~~

9.3.5 Method of Communications.

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The primary method of communication from an Operator to the [ISOCAISO](#) **with regard to maintenance and outage planning** will be as described in the Operating Procedure on the [ISOCAISO Home PageWebsite](#). Emergency capabilities, to be used only as a back-up if the primary communication method is unavailable, will include:

- (a) voice;
- (b) fax; and
- (c) electronic (E-mail, FTP file, etc.).

9.3.5.1 Confirmation.

When fax or electronic communication is utilized, confirmation from the [ISOCAISO](#) must be received by the Operator to validate the receipt of the request.

9.3.5.2 Communication of Approval or Rejection.

The [ISOCAISO](#) shall use the same methods in communicating the approval or rejection of an Outage request or approval of a request to change an Approved Maintenance Outage to the relevant Operator.

9.3-49.3.5.2A Information regarding planned outages for resources providing Regulatory Must-Take Generation shall be provided to the CAISO Outage Coordination Office by the Participating TO or UDC having an existing contract with such resource or by a Participating Generator. Information provided will be that obtained by the Participating TO, UDC or a Participating Generator pursuant to the terms of the existing agreement with the Regulatory Must-Take Generation resource or as requested by the CAISO. Scheduling and approvals of Maintenance Outages for resources providing Regulatory Must-Take Generation shall continue to be coordinated as detailed in the applicable contract with the Participating TO or UDC, provided the Regulatory Must-Take Generator has not executed a Participating Generator Agreement. If the Regulatory Must-Take Generator has executed a Participating Generator Agreement, it shall comply with Section 9.3.5 and other provisions applicable to Participating Generators.

9.3.6 Maintenance Outage Planning.

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Each Operator shall, by not later than October 15 each year, provide the [ISOCAISO](#) with a proposed schedule of all Maintenance Outages it wishes to undertake in the following year. The proposed schedule shall include all of the Operator's transmission facilities that comprise the [ISOCAISO](#) Controlled Grid and Participating Generators (including its Reliability Must-Run Units). In the case of a Participating TO's transmission facilities, that proposed schedule shall be developed in consultation with the UDCs interconnected with that Participating TO's system and shall take account of each UDC's planned maintenance requirements. The nature of the information to be provided and the detailed Maintenance Outage Planning Procedure shall be established by the [ISOCAISO](#). This information shall include:

The following information is required for each Generating Unit of a Participating Generator:

- (a) the Generating Unit name and Location Code;
- (b) the MW capacity unavailable;
- (c) the scheduled start and finish date for each Outage; and
- (d) where there is a possibility of flexibility, the earliest start date and the latest finish date, along with the actual duration of the Outage once it commences.

The following information is required for each transmission facility:

- (a) the identification of the facility and location;
- (b) the nature of the proposed Maintenance Outage;
- (c) the preferred start and finish date for each Maintenance Outage; and
- (d) where there is a possibility of flexibility, the earliest start date and the latest finish date, along with the actual duration of the Outage once it commences.

Either the [ISOCAISO](#), pursuant to Section 9.3.7, or an Operator, subject to Section 9.3.6.10, may at any time request a change to an Approved Maintenance Outage. An Operator may, upon seventy-two (72) hours advance notice, schedule with the [ISOCAISO](#) Outage Coordination Office a Maintenance Outage on its system, subject to the conditions of Sections 9.3.6.4A, 9.3.6.7, and 9.3.6.8.

9.3.6.1 Quarterly Updates.

9.3.6.1A Each Participating Generator will provide the [ISOCAISO](#) with quarterly updates of its long-range Outage schedule referred to in Section 9.3.6 for Generating Units and System Units by the close of business on the fifteenth (15th) day of each January, April, and July. These updates must identify known changes to any previously planned Generating Unit Outages and any additional Outages anticipated over the next twelve months from the time of this report. In this report, each Participating Generator must include all known planned Outages for the following twelve months.

9.3.6.1B Each Participating TO will provide the [ISOCAISO](#) with quarterly updates of the data provided under 9.3.6 by close of business on the fifteenth (15th) day of each January, April, and July. These updates must identify known changes to any previously planned [ISOCAISO](#) Controlled Grid facility Maintenance Outages and any additional Outages anticipated over the next twelve months from the time of the report. As part of this update, each Participating TO must include all known planned Outages for the following twelve months.

9.3.6.2 90 Day Look Ahead.

In addition to changes made at quarterly Outage submittals, each Participating Generator shall notify the [ISOCAISO](#) in writing of any known changes to a Generating Unit or System Unit Outage scheduled to occur within the next 90 days and may submit changes to its planned Maintenance Outage schedule at any time. Participating Generators must obtain the approval of the [ISOCAISO](#) Outage Coordination Office in accordance with Section 9. Such approval may be withheld only for reasons of System Reliability or security.

9.3.6.3 Timeframe for Scheduling Generation and Transmission Outages.

9.3.6.3.1 72 Hours Ahead for Generating Units.

An Operator may, upon seventy-two (72) hours advance notice (or within the notice period in the Operating Procedures posted on the CAISO Website), schedule with the CAISO Outage Coordination Office a Maintenance Outage for a Generating Unit on its system, subject to the conditions of Sections 9.3.6.4A, 9.3.6.7 and 9.3.6.8.

9.3.6.3.2 45-Days Ahead for Transmission Facilities.

An Operator may, upon forty five (45) days advance notice (or within the notice period in the Operating Procedures posted on the CAISO Website), schedule with the CAISO Outage Coordination Office a Maintenance Outage for transmission facilities on its system, subject to the conditions of Sections 9.3.6.4A, 9.3.6.7 and 9.3.6.8.

9.3.6.4 Changes to Planned Maintenance Outages.

A Participating TO may submit changes to its planned Maintenance Outage information at any time, provided, however, that if the Participating TO cancels an Approved Maintenance Outage after 5:00 a.m. of the day prior to the day upon which the Outage is scheduled to commence and the ISOCAISO determines that the change was not required to preserve System Reliability, the ISOCAISO may disregard the availability of the affected facilities in determining the availability of transmission capacity in the Day-Ahead Market. The ISOCAISO will, however, notify Market Participants and reflect the availability of transmission capacity in the Hour Ahead Market, HASP and RT Market as promptly as practicable.

9.3.6.4A The ISOCAISO Outage Coordination Office shall evaluate whether the requested Maintenance Outage or change to an Approved Maintenance Outage is likely to have a detrimental effect on the efficient use and reliable operation of the ISOCAISO Controlled Grid or the facilities of a Connected Entity. The ISOCAISO may request additional information or seek clarification from Participating Generators or Participating TOs of the information submitted in relation to a planned Generating Unit and System Unit Outage or a planned Maintenance Outage. This information may be used to assist the ISOCAISO in prioritizing conflicting requests for Outages.

9.3.6.4B ISOCAISO Analysis of Generating Unit Outage Plans.

9.3.6.4B.1 Calculation of Aggregate Generating Capacity.

The ISOCAISO will use the long-range Generating Unit or System Unit Outage schedule referenced in Section 9.3.6 and, as appropriate, additional approved Outage requests scheduled to start within 90 days, to calculate the aggregate Generation capacity projected to be available in the following time frames:

(a) on an annual and quarterly basis, the [ISOCAISO](#) will calculate the aggregate weekly peak Generation capacity projected to be available during each week of the following year and quarter, respectively; and

(b) on a monthly basis, the [ISOCAISO](#) will calculate the aggregate daily peak Generation capacity projected to be available during the month.

9.3.6.5 Withdrawal or Modification of Request.

The Operator of a Participating Generator or a Participating TO's Operator may withdraw a request at any time prior to actual commencement of the Outage. The Operator of a Participating Generator or Participating TO's Operator may modify a request at any time prior to receipt of any acceptance or rejection notice from the [ISOCAISO](#) Outage Coordination Office or pursuant to Sections 9.3.8.1, 9.3.8.2 and 9.3.8.3, but the [ISOCAISO](#) Outage Coordination Office shall have the right to reject such modified request for reasons of System Reliability, system security or market impact, because of the complexity of the modifications proposed, or due to insufficient time to assess the impact of such modifications.

9.3.6.6 Each Participating Generator or Participating TO which has scheduled a planned Maintenance Outage pursuant to Section 9.3.4 must schedule and receive approval of the Outage from the [ISOCAISO](#) Outage Coordination Office prior to initiating the Approved Maintenance Outage. The [ISOCAISO](#) Outage Coordination Office will review the Maintenance Outages to determine if any one or a combination of Maintenance Outage requests relating to [ISOCAISO](#) Controlled Grid facilities, Generating Units or System Units may cause the [ISOCAISO](#) to violate the Applicable Reliability Criteria. This review will take consideration of factors including, but not limited to, the following:

- (a) forecast peak Demand conditions;
- (b) other Maintenance Outages, previously Approved Maintenance Outages, and anticipated Generating Unit Outages;
- (c) potential to cause Congestion;
- (d) impacts on the transfer capability of Interconnections; and

(e) impacts on the market.

9.3.6.7 The [ISOCAISO](#) Outage Coordinator Office shall acknowledge receipt of each request to confirm or approve a Maintenance Outage for a Generation Unit, System Unit, or Aggregated Unit. Where the [ISOCAISO](#) Outage Coordination Office reasonably determines that the requested Maintenance Outage or the requested change to an Approved Maintenance Outage, when evaluated together with existing Approved Maintenance Outages, is not likely to have a detrimental effect on the efficient use and reliable operation of the [ISOCAISO](#) Controlled Grid, the [ISOCAISO](#) shall authorize the Maintenance Outage or change to the Approved Maintenance Outage, and shall so notify the requesting Operator and other entities who may be directly affected.

9.3.6.8 Where, in the reasonable opinion of the [ISOCAISO](#) Outage Coordination Office, the requested Maintenance Outage or requested change to an Approved Maintenance Outage is likely to have a detrimental effect on the efficient use and reliable operation of the [ISOCAISO](#) Controlled Grid, the [ISOCAISO](#) Outage Coordination Office may reject the requested Maintenance Outage or requested change to Approved Maintenance Outage. If in the [ISOCAISO](#)'s determination, any of the Maintenance Outages would cause the [ISOCAISO](#) to violate the Applicable Reliability Criteria, the [ISOCAISO](#) will notify the relevant Operator, and the Operator will then revise the proposed Maintenance Outage and inform the [ISOCAISO](#) of the proposed changes. The [ISOCAISO](#) Outage Coordination Office shall, in a rejection notice, identify the [ISOCAISO](#)'s reliability, security and market concerns which prompt the rejection and suggest possible remedies or schedule revisions which might mitigate any such concerns. The [ISOCAISO](#) Outage Coordination Office may provide each Operator in writing with any suggested amendments to those Maintenance Outage requests rejected by the [ISOCAISO](#) Outage Coordination Office. Any such suggested amendments will be considered as an [CAISO](#) maintenance request and will be approved in accordance with the process set forth in Section [9.3.3.79.3.7](#) of the [ISOCAISO](#) Tariff. The determination of the [ISOCAISO](#) Outage Coordination Office shall be final and binding on the Operator. If, within fourteen (14) days of having made its determination, the Operator requests the [ISOCAISO](#) Outage Coordination Office to provide reasons for its determination, it shall do so as soon as is reasonably practicable. The [ISOCAISO](#) will give reasons for informational purposes only and without affecting in any way the finality or validity of the determination.

9.3.6.9 Failure to Meet Requirements.

Any request to consider maintenance that does not meet the notification requirements contained in Sections 9.3.8.2 and 9.3.8.3 will be rejected without further consideration, unless Section 9.3.10 applies.

9.3.6.10 Cancellation of Approved Maintenance Outage. In the event an Operator of facilities forming part of the ISOCAISO Controlled Grid cancels an Approved Maintenance Outage after 5:00 a.m. of the day prior to the day upon which the Outage is scheduled to commence and the ISOCAISO determines that the change was not required to preserve System Reliability, the ISOCAISO may disregard the availability of the affected facilities in determining the availability of transmission capacity in the Day-Ahead Market, provided, however, that the ISOCAISO will, as promptly as practicable, notify Market Participants and reflect the availability of the affected facilities in determining the availability of transmission capacity in the ~~Hour-Ahead Market~~HASP and Real-Time Market.

9.3.7 Maintenance Outage Requests by the ISOCAISO.

The ISOCAISO Outage Coordination Office may at any time request a Maintenance Outage or a change to an Approved Maintenance Outage from an Operator if, in the opinion of the ISOCAISO Outage Coordination Office, the requested Maintenance Outage or change is required to secure the efficient use and reliable operation of the ISOCAISO Controlled Grid. In addition, the ISOCAISO Outage Coordination Office may, by providing notice no later than 5:00 a.m. of the day prior to the day upon which the Outage is scheduled to commence, direct the Operator to cancel an Approved Maintenance Outage, when necessary to preserve or maintain System Reliability or, with respect to Reliability Must-Run Units or facilities that form part of the ISOCAISO Controlled Grid, to avoid unduly significant market impacts that would arise ~~if~~if the Outage were to proceed as scheduled. The Operator, acting in accordance with Good Utility Practice, shall comply with the ISOCAISO's direction and the provisions of Sections 9.3.7.1 and 9.3.7.2 shall apply. The ISOCAISO shall give notice of any such direction to Market Participants prior to the deadline for submission of ~~initial Preferred Day-Ahead Schedules~~Day-Ahead Bids for the day on which the Outage was to have commenced. For purposes of this section and Section 9.3.3, an "unduly significant market impact" means an unplanned event or circumstance (e.g., unseasonable weather, a Forced Outage of a facility, or other occurrence) that adversely affects the competitive nature and efficient

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workings of the [ISOCAISO](#) Markets, and is of such severity that a prudent Operator would not have scheduled a Maintenance Outage of its facility if the unplanned event or circumstance could have been anticipated.

9.3.7.1 The Operator may: (1) refuse the request; (2) agree to the request; or (3) agree to the request subject to specific conditions. The Operator, acting in accordance with Good Utility Practice, shall make every effort to comply with requests by the [ISOCAISO](#) Outage Coordination Office. In the event that the Operator refuses the [ISOCAISO](#)'s request, it shall provide to the [ISOCAISO](#) Outage Coordination Office written justification for its position within seventy-two (72) hours.

9.3.7.2 In response the [ISOCAISO](#) Outage Coordination Office may: (1) overrule any refusal of a Maintenance Outage or a change to an Approved Maintenance Outage by an Operator, in which case the [ISOCAISO](#) Outage Coordination Office determination shall be final; (2) accept any changes or conditions proposed by the Operator, in which case the Maintenance Outage request or the request to change an Approved Maintenance Outage shall be deemed to be amended accordingly; or (3) reject the change or condition, in which case the [ISOCAISO](#) Outage Coordination Office and the Operator shall determine if acceptable alternative conditions or changes can be agreed. If the Operator and the [ISOCAISO](#) Outage Coordination Office cannot agree on acceptable alternative conditions or changes to the [ISOCAISO](#) Outage Coordination Office's request for a Maintenance Outage or change to an Approved Maintenance Outage, the [ISOCAISO](#) Outage Coordination Office determination shall be final. If the Operator and the [ISOCAISO](#) Outage Coordination Office cannot agree on acceptable alternative conditions or changes to the [ISOCAISO](#) Outage Coordination Office's request for a Maintenance Outage or change to an Approved Maintenance Outage, the [ISOCAISO](#) may notify the FERC of the dispute and take any other steps that are within its authority to maintain the reliability of the [ISOCAISO](#) Controlled Grid.

9.3.7.3 The [ISOCAISO](#) will compensate the applicable Participating TO or Participating Generator for any direct and verifiable costs that such Participating TO or Participating Generator incurs as a result of the [ISOCAISO](#)'s cancellation of an Approved Maintenance Outage pursuant to this Section 9.3.7. For purposes of this section, direct costs include verifiable labor and equipment rental costs that

have been incurred by the applicable Participating TO or Participating Generator solely as a result of the [ISOCAISO](#)'s cancellation of the Approved Maintenance Outage. Each Participating TO or Participating Generator must make a reasonable effort to avoid incurring any such direct costs through such measures as, but not limited to, the prompt cancellation of all contractual arrangements with third parties related to the Approved Maintenance Outage.

9.3.7.4 The amount used to compensate each applicable Participating TO and Participating Generator, as described in Section 9.3.7.3, shall be charged to the Scheduling Coordinators in proportion to their metered Demand (including exports) during the Settlement Period(s) of the originally scheduled Outage.

9.3.8 The [ISOCAISO](#) Outage Coordination Office shall provide notice to the Operator of the approval or disapproval of any requested Maintenance Outage. Additionally, the [ISOCAISO](#) Outage Coordination Office shall notify any Connected Entity that may in the reasonable opinion of the [ISOCAISO](#) Outage Coordination Office be directly affected by an Approved Maintenance Outage. The content of and procedures for such notice shall be established by the [ISOCAISO](#).

9.3.8.1 Data Required.

The Operator of a Participating Generator owned or controlled by a Participating Generator shall submit to the [ISOCAISO](#) pursuant to Section 9.3.4 its request to confirm the schedule of a planned Maintenance Outage or to change the schedule of a planned Maintenance Outage. Such request must be made to the [ISOCAISO](#) Outage Coordination Office by no later than 11:30 am three (3) working days prior to the starting date of the proposed Outage (or as specified on the [ISOCAISO Home Page Website](#)). Likewise, all Participating TOs shall submit a formal request to confirm or change an Approved Maintenance Outage with respect to any [ISOCAISO](#) Controlled Grid facility to the [ISOCAISO](#) Outage Coordination Office in accordance with Sections 9.3.8.2 and 9.3.8.3.

Such schedule confirmation request shall specify the following:

- (a) the Generating Unit or System Unit name and Location Code, or the identification of the transmission system element(s) to be maintained including location;

- (b) the nature of the maintenance to be performed;
- (c) the date and time the Outage is to begin;
- (d) the date and time the Outage is to be completed;
- (e) the time required to terminate the Outage and restore the Generating Unit to normal capacity or the transmission system to normal operation;
- (f) identification of primary and alternate telephone numbers for the Operator's single point of contact; and
- (g) in the case of a request for a change to an Approved Maintenance Outage, the date and time of the original Approved Maintenance Outage.

9.3.8.2 Three (3) Day Prior Notification.

Any request to confirm an Approved Maintenance Outage that may affect the transfer capability of any part of the [ISQCAISO](#) Controlled Grid must be submitted no later than 11:30 am at least three (3) working days prior to the starting date of the Approved Maintenance Outage (or as posted on the [ISQCAISO Home PageWebsite](#)). This Section applies to facilities as described on the [ISQCAISO Home PageWebsite](#).

Failure to submit a request for an Outage by the proper time may mean a delay in approval from the [ISQCAISO](#) or may cause that Outage to be designated as a Forced Outage based on the nearness of the request to the requested Outage date.

9.3.8.3 One (1) Day Prior Notification.

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Any request to confirm or change the Schedule for an Approved Maintenance Outage requiring only one day notice (as detailed on the [ISOCAISO Home Page Website](#)) must be submitted no later than 11:30 am at least one (1) day prior to the starting date of the Outage (or as specified on the [ISOCAISO Home Page Website](#)). Failure to submit a request for an Outage by the proper time may mean a delay in approval from the [ISOCAISO](#) or may cause that Outage to be designated as a Forced Outage.

9.3.8.4 Priority of Outage Requests.

Outage requests which are listed in the long-range maintenance schedules submitted to and approved by the [ISOCAISO](#) will be given a priority in the scheduling and approval of Outage requests over those which have not been listed.

9.3.8.5 Delay.

The [ISOCAISO](#) Outage Coordination Office may delay its approval of an Approved Maintenance Outage schedule if sufficient or complete information is not received by the [ISOCAISO](#) Outage Coordination Office within the time frames provided in Sections 9.3.8.2 and 9.3.8.3.

9.3.9 Final Approval, Delay and Withholding.

On the day on which an Approved Maintenance Outage is scheduled to commence, the Operator shall contact the [ISOCAISO](#) Control Center for final approval of the Maintenance Outage. No Maintenance Outage shall commence without such final approval (including the time of release, in hours and minutes) being obtained from the [ISOCAISO](#) Control Center whose decision shall be final. The [ISOCAISO](#) Outage Coordination Office may delay its approval of a scheduled Maintenance Outage for a Participating Generator if sufficient or complete information is not received by the [ISOCAISO](#) Outage Coordination Office within the time frames set forth in Section 9.3.8.1. The [ISOCAISO](#) Control Center shall have the authority to withhold a Final Approval for an Approved Maintenance Outage for reasons of System Reliability, security or system status of the [ISOCAISO](#) Controlled Grid or market impact. The [ISOCAISO](#) Control Center shall immediately notify the relevant Operator of its intention to withhold the Final Approval. The Generator Maintenance Outage or [ISOCAISO](#) Controlled Grid facility Maintenance Outage will then be rescheduled pursuant to this [ISOCAISO](#) Tariff.

9.3.10 Forced Outages.

9.3.10.1 Coordination of all Forced Outages (consistent with Section 9.3.4) will be through the single point of contact between the Operator and the [ISOCAISO](#) Control Center.

9.3.10.1A Each PTO shall report any change or potential change in equipment status of the PTO's transmission assets turned over to the control of the [ISOCAISO](#) or in equipment that affects transmission assets turned over to the control of the [ISOCAISO](#) immediately to the [ISOCAISO](#) (this will include line and station equipment, line protection, Remedial Action Schemes and communication problems, etc.). Each PTO shall also keep the [ISOCAISO](#) immediately informed as to any change or potential change in the PTO's transmission system that could affect the reliability of the [ISOCAISO](#) Controlled Grid. This would include, but is not limited to, adverse weather conditions, fires, bomb threats, system failures, etc.

9.3.10.2 Any Operator, upon identification of a situation likely to result in a Forced Outage within the next twenty-four (24) hours unless immediate corrective action is taken, where such action requires the removing from service or restricting an operating Generating Unit or removing a transmission facility from service, shall communicate directly with the [ISOCAISO](#) Control Center. All notifications of Forced Outages shall be communicated to the [ISOCAISO](#) Control Center with as much notice as possible in order that the necessary security analysis and [ISOCAISO](#) Controlled Grid assessments may be performed. If prior notice of a Forced Outage cannot be given, the Operator shall notify the [ISOCAISO](#) of the Forced Outage within thirty (30) minutes after it occurs. Any Operator, upon identification of a situation likely to result in a Forced Outage but of a nature not requiring a removal from service until some time more than twenty-four (24) hours in the future will be subject to the provisions of [Section 9 this ISO Tariff](#) with respect to any necessary Outage except the requirements imposing time limits for notification will be waived and the request will be expedited by the [ISOCAISO](#) provided notice is given as soon as possible.

9.3.10.3 The [ISOCAISO](#) Control Center shall coordinate any operational changes necessary to accommodate a Forced Outage and Market Participants shall comply with the [ISOCAISO](#)'s instructions given for that purpose.

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9.3.10.4 All Forced Outages shall be communicated by the [ISOCAISO](#) Control Center to Operators likely to be affected by the Outage using the same procedures adopted for Maintenance Outage coordination procedures.

9.3.10.5 Within forty-eight (48) hours of the commencement of a Forced Outage, the Operator shall provide to the [ISOCAISO](#) an explanation of the Forced Outage, including a description of the equipment failure or other cause and a description of all remedial actions taken by the Operator. Upon request of the [ISOCAISO](#), Operators, and where applicable, Eligible Customers, Scheduling Coordinators, UDCs and MSSs promptly shall provide information requested by the [ISOCAISO](#) to enable the [ISOCAISO](#) to review the explanation submitted by the Operator and to prepare reports on Forced Outages. If the [ISOCAISO](#) determines that any Forced Outage may have been the result of gaming or other questionable behavior by the Operator, the [ISOCAISO](#) shall submit a report describing the basis for its determination to the FERC. The [ISOCAISO](#) shall consider the following factors when evaluating the Forced Outage to determine if the Forced Outage was the result of gaming or other questionable behavior by the Operator: 1) if the Forced Outage coincided with certain market conditions such that the Forced Outage may have influenced market prices or the cost of payments associated with ~~out-of-sequence dispatches, out-of-market dispatches~~ [Exceptional Dispatches, or Real Time Market dispatches above the Marginal Proxy Clearing Price or Non-Emergency Clearing Price Limit, as applicable](#); 2) if the Forced Outage coincided with a change in the ~~bids~~ [Bids](#) submitted for any units or resources controlled by the Operator or the Operator's Scheduling Coordinator; 3) if the [ISOCAISO](#) had recently rejected a request for an outage for, or to shut down, the Generating Unit experiencing the Forced Outage; 4) if the timing or content of the notice of the Forced Outage provided to the [ISOCAISO](#) was inconsistent with subsequent reports of or the actual cause of the outage; 5) if the Forced Outage or the duration of the Forced Outage was inconsistent with the history or past performance of that Generating Unit or similar Generating Units; 6) if the Forced Outage created or exacerbated Congestion; 7) if the Forced Outage was extended with little or no notice; 8) if the Operator had other alternatives to resolve the problems leading to the Forced Outage; 9) if the Operator took reasonable action to minimize the duration of the Forced Outage; or 10) if the Operator failed to provide the [ISOCAISO](#) an explanation of the Forced

Outage within forty-eight (48) hours or failed to provide any additional information or access to the generating facility requested by the [ISOCAISO](#) within a reasonable time.

9.3.10.6 Other Control Areas.

The [ISOCAISO](#) Outage Coordination Office shall make all reasonable efforts to coordinate Outages involving other Control Areas or affecting an intertie, import or export capability not under the Operational Control of the [ISOCAISO](#) to the extent that they may affect the reliability of the [ISOCAISO](#) Controlled Grid.

9.4 Outage Coordination For New Facilities.

9.4.1 Coordination by [ISOCAISO](#).

The procedure to energize and place in service any new or relocated piece of equipment, connected to the [ISOCAISO](#) Controlled Grid, must be set out by the Operator or Connected Entity in a written procedure and coordinated by the [ISOCAISO](#) Outage Coordination Office.

9.4.2 Types of Work Requiring Coordination.

The types of work which the [ISOCAISO](#) will coordinate includes any new addition, replacement or modification to the [ISOCAISO](#) Controlled Grid, including:

- (a) transmission lines forming part of the [ISOCAISO](#) Controlled Grid;
- (b) equipment including circuit breakers, transformers, disconnects, reactive devices, wave traps, forming part of the [ISOCAISO](#) Controlled Grid;
- (c) Generating Unit interconnections; and
- (d) protection and control schemes, including RAS, SCADA, EMS, or AGC.

9.4.3 Uncomplicated Work.

When line rearrangements and/or station equipment work is uncomplicated and easily understood, the [ISOCAISO](#) Outage Coordination Office may determine that the work can be accomplished using Outages

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approved in accordance with Section 9.3.6. The [ISOCAISO](#) Outage Coordination Office will make this determination in coordination with the respective requesting Operator or Connected Entity.

9.4.4 Special Procedures for More Complex Work.

9.4.4.1 Responsibility for Preparation.

In cases to which 9.4.3 does not apply, it is the responsibility of the requesting Operator or Connected Entity to prepare a written procedure to enable the [ISOCAISO](#) to approve Outages in a manner that enables the necessary work to proceed. The [ISOCAISO](#) Outage Coordination Office must approve the procedure.

9.4.4.2 Information to be Provided to the [ISOCAISO](#).

The written procedure must be received by the [ISOCAISO](#) Outage Coordination Office a minimum of four (4) weeks prior to the start of procedure. Adequate drawings will be attached to the procedure to help clarify the work being performed and the Outages that will be required to complete the work must be specified. The procedure shall include all of the information referred to on the [ISOCAISO Home PageWebsite](#).

9.4.4.3 Approval of the Procedure.

Upon receipt of the procedure and drawings referred to in Section 9.4.4.2, the [ISOCAISO](#) Outage Coordination Office will review the procedure and notify the Operator or Connected Entity of any required modifications. The [ISOCAISO](#) Outage Coordination Office may, at its discretion, require changes to and more detail to be inserted in the procedure. The requesting Operator or Connected Entity will consult with other entities likely to be affected and will revise the procedure, following any necessary or appropriate discussions with the [ISOCAISO](#) to reflect the requirements of the [ISOCAISO](#). Following the [ISOCAISO](#) approval, an approved copy of the procedure will then be transmitted to the Operator or Connected Entity and the other entities likely to be affected.

9.4.4.4 Changes to Procedure.

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Once the procedure is approved by the [ISOCAISO](#) Outage Coordination Office any modifications to the procedure will require the requesting Operator or Connected Entity to notify the [ISOCAISO](#) Outage Coordination Office with as much lead time as possible of the recommended changes. The modified procedure will then have to be approved by the [ISOCAISO](#) Outage Coordination Office in accordance with Section 9.4.4.2 and 9.4.4.3.

9.4.4.5 Approval of Work Requiring Coordination.

No work can begin pursuant to any approved procedure unless approved by the [ISOCAISO](#) Outage Coordination Office.

9.5 Records.

The [ISOCAISO](#) and all Operators shall develop procedures to keep a record of ~~approved~~ [Approved](#) Maintenance Outages as they are implemented and to report the completion of ~~approved~~ [Approved](#) Maintenance Outages. Such records are available for inspection by Operators and Connected Entities at the [ISOCAISO](#) Outage Coordination Office. Only those records pertaining to the equipment or facilities owned by the relevant Operator or Connected Entity will be made available for inspection at the [ISOCAISO](#) Outage Coordination Office, and such records will only be made available provided notice is given in writing to the [ISOCAISO](#) fifteen (15) days in advance of the requested inspection date.

9.6 Facility Owner.

The Facility Owner shall remain solely and directly responsible for the performance of all maintenance work, whether on energized or de-energized facilities, including all activities related to providing a safe working environment.

10 METERING.

10.1 General Provisions. Applicability.

~~Unless otherwise expressly stated to the contrary, the requirements set forth in these Sections 10.1 to 10.5 inclusive apply only to ISO Metered Entities. If an ISO Metered Entity is also a Scheduling Coordinator, it shall be treated as an ISO Metered Entity for the purposes of Section 10 of the ISO Tariff. Such an ISO Metered Entity will not be required to enter into a Scheduling Coordinator Meter Service Agreement unless it represents any metered entities other than itself. A Scheduling Coordinator Meter Service Agreement entered into by an ISO Metered Entity shall only apply to those metered entities that the ISO Metered Entity represents; the Scheduling Coordinator Meter Service Agreement shall not apply to the ISO Metered Entity other than in its capacity as Scheduling Coordinator for those metered entities.~~

10.1.1 Role of the ISOCAISO.

The ISOCAISO is responsible for establishing and maintaining the revenue meter data acquisition and processing system (MDASRMDAPS). RMDAPSMIDAS will acquire revenue quality meter data for use in the ISOCAISO's Settlement and billing process. The ISOCAISO is also responsible for:

- (a) setting standards and procedures for the registration, certification, auditing, testing and maintenance of revenue quality meters and meter data servers; and
- (b) for establishing procedures for the collection, security, validation and estimation of Meter Data for metered entities that are subject to the ISOCAISO Tariff.

~~10.1.2~~ 1.6 Meter Data Retention by the ISOCAISO.

The ISO-CAISO will maintain a record of all:

- ~~(a) Revenue Quality Meter Data provided to it; and~~
- ~~(b) Settlement Quality Meter Data provided to it, as well as the; and~~
- ~~(c) Settlement Quality Meter Data it produced produces by it,;~~

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for a period of 18 months on site at the CAISO's facilities and for a period of 10 years in the CAISO's archive storage facilities. The CAISO will, on reasonable notice, provide a Scheduling Coordinator with access to Meter Data or Settlement Quality Meter Data provided that the Scheduling Coordinator requesting access represented the entity that submitted that data at the time the data was submitted to the CAISO.

10.1.3 Netting.

10.1.3.1 Permitted Netting.

ISOCAISO Metered Entities and Scheduling Coordinators may, when providing Meter Data to the ISOCAISO, net MWh values for Generating Unit output and auxiliary Load equipment electrically connected to that Generating Unit at the same point provided that the Generating Unit is on-line and is producing sufficient output to serve all of that auxiliary Load equipment. For example, where a Generating Unit's auxiliary load equipment is served via a distribution line that is separate from the switchyard to which the Generating Unit is connected, that Generating Unit and auxiliary load equipment will not be considered to be electrically connected at the same point.

10.1.3.2 Prohibited Netting.

ISOCAISO Metered Entities or Scheduling Coordinators may not net values for Generating Unit output and Load. ISOCAISO Metered Entities or Scheduling Coordinators that serve third party Load connected to a Generating Unit's auxiliary system must add that third party Load to the Generating Unit's output. The ISOCAISO Metered Entity may add that third party Load to the Generating Unit's output either by means of a hard wire local meter connection between the metering systems of the third party Load and the Generating Unit or by requesting the ISOCAISO to use MDAS-RMDAPS to perform the addition. Scheduling Coordinators representing SC Metered Entities that Serve third party Load connected to the auxiliary system of a Generating Unit must ensure that those SC Metered Entities add the Energy consumed by such third parties to that Generating Unit's output so as to ensure proper settlement of that Generating Unit's gross output. The ISOCAISO Metered Entity or the Scheduling Coordinator must ensure that the third party Load has Metering Facilities that meet the standards referred to in the ISO Tariff Section 10 and the Business Practice Manuals.

10.110.1.4 Applicability Meter Service Agreements.

~~Unless otherwise expressly stated to the contrary, the requirements set forth in these Sections 10.1 to 10.5 inclusive apply only to ISO Metered Entities.~~ If an CAISO Metered Entity is also a Scheduling Coordinator, it shall be treated as an CAISO Metered Entity for the purposes of this Section 10 ~~of the ISO Tariff~~ and will be required to enter into a CAISO Meter Service Agreement. ~~Such a CAISO Metered Entity will not be required to enter into a Scheduling Coordinator Meter Service Agreement unless it represents any metered entities other than itself. A Scheduling Coordinator Meter Service Agreement entered into by an CAISO Metered Entity shall only apply to those metered entities that the CAISO Metered Entity represents; the Scheduling Coordinator Meter Service Agreement shall not apply to the CAISO Metered Entity other than in its capacity as Scheduling Coordinator for those other Scheduling Coordinator metered Metered entities Entities.~~

10.1.5 Access to Meter Data.

The ISOCAISO has complete authority over all rights of access to (and has authority to deny access to) the ISOCAISO's ~~revenue meter data acquisition and processing system RMDAPS and Settlement Quality Meter Data Systems~~ including servers (where used), interface equipment, and software needed to collect the relevant information for Settlement, billing and related purposes. Each Market Participant acknowledges this ISOCAISO authority as a condition of ISOCAISO Controlled Grid service and participation. For ISOCAISO Metered Entities, authority over the sealing of meters, and all related metering facilities, shall reside solely with the ISOCAISO for all ISOCAISO designated Meter Points, regardless of any remote electronic access that a CAISO Metered Entity or its Scheduling Coordinator may have provided to third parties, except as otherwise may be required by law, FERC, any Local Regulatory Authority or other provision of this ISOCAISO Tariff. Meter Data supplied by a CAISO Metered Entity shall be made available by the ISOCAISO to the Scheduling Coordinator representing such ISOCAISO Metered Entity and the other authorized users identified in its Meter Service agreement, but shall not be disclosed to any other third party except as may otherwise be required by law, FERC, any Local Regulatory Authority or other provision of this ISOCAISO Tariff. Access by third parties other than authorized users to Meter Data held by the ISOCAISO shall be coordinated through the Scheduling

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Coordinator representing the relevant ISOCAISO Metered Entity that supplied the data and shall not be obtained directly from the ISOCAISO on any basis including, without limitation, by ~~the polling of the ISO's revenue meter data acquisition and processing system via WEnet accessing the RMDAPS.~~

~~10.1.6~~ Data Retention by the ISO.

~~The ISO will maintain a record of all:~~

- ~~(a) Meter Data provided to it;~~
- ~~(b) Settlement Quality Meter Data provided to it; and~~
- ~~(c) Settlement Quality Meter Data produced by it,~~

~~for a period of 18 months on site at the ISO's facilities and for a period of 10 years in the ISO's archive storage facilities. The ISO will, on reasonable notice, provide an Scheduling Coordinator with access to Meter Data or Settlement Quality Meter Data provided that the Scheduling Coordinator requesting access represented the entity that submitted that data at the time the data was submitted to the ISO.~~

10.1.6 Failure of CAISO Facilities or Systems.

In the event facility and/or systems failures impact the CAISO's ability to accept, collect, and process Revenue Quality Meter Data or Settlement Quality Meter Data, alternative measures may be required by the CAISO, CAISO-Metered Entities, and Scheduling Coordinator Metered Entities. These measures will be maintained in the metering area of the CAISO Website.

10.2 Metering for CAISO Metered Entities.

Unless otherwise expressly stated to the contrary, the requirements set forth in Section 10.1 and 10.2 apply to CAISO Metered Entities. CAISO Metered Entities will either provide Revenue Quality Meter Data directly to the CAISO via Compatible Meter Data Systems or their revenue quality meters will be directly polled by the CAISO's RMDAPS as specified in this CAISO Tariff and Business Practice Manuals.

10.2.1 Responsibilities of ISOCAISO Metered Entities.

10.2.1.1 Duty to Provide Meter Data.

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~~ISOCAISO~~ Metered Entities shall ensure that Meter Data from their meters directly connected to the ~~ISOCAISO~~ Controlled Grid or at interconnections thereto, including interconnections between utility Service Areas which have separate UFE calculations, is made available to the ~~ISOCAISO revenue Meter Data acquisition and processing system RMDAPS~~ in accordance with the requirements of ~~these Sections 10.1 to 10.5 and Appendix O. Pursuant to this obligation, the ISO shall establish revenue metering protocols for such ISO Metered Entities and the Business Practice Manuals.~~

10.2.1.2 Format for Data Submission.

10.2.1.2.1 Data Provided Directly From ~~ISO Metered Meters~~ Entities.

~~ISOCAISO~~ Metered Entities must ensure that the Meter Data obtained by ~~MDAS the CAISO~~ directly from their revenue quality meters is raw, unedited and unaggregated Meter Data in kWh and kVarh values. The ~~ISOCAISO~~ will be responsible for the validation, editing and estimation of that Meter Data in order to produce Settlement Quality Meter Data.

10.2.1.2.2 Data Provided From Meter Data Servers.

~~ISOCAISO~~ Metered Entities or Scheduling Coordinators representing ~~ISOCAISO~~ Metered Entities must ensure that the Meter Data provided to ~~MDAS the CAISO~~ from a Compatible Meter Data ~~Server System~~ identifies the relevant ~~ISOCAISO~~ Metered Entity and is raw, unedited and unaggregated Meter Data in kWh and kVarh values. The ~~ISOCAISO~~ will be responsible for the validation, editing and estimation of that Meter Data in order to produce Settlement Quality Meter Data.

10.2.1.3 ~~Format for Data Requests~~ Access to Settlement Quality Meter Data.

Scheduling Coordinators may obtain Settlement Quality Meter Data relating to the ~~ISOCAISO~~ Metered Entities they represent by directly ~~accessing the Settlement Quality Meter data systems polling MDAS~~ using the Meter Data Request Formats. The ~~ISOCAISO~~ will use its best efforts to ensure that such data is made available to Scheduling Coordinators within 5 Business Days of the relevant Trading Day.

10.2.2 Duty to Install and Maintain Meters.

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~~The ISO may require ISOCAISO Metered Entities to install, at their cost, additional meters and relevant metering system components, including real-time metering, at ISO shall install and maintain, or cause to be installed and maintained, metering equipment and associated communication devices at CAISO-designated specified Meter Points to meet the requirements of this Section 10 and the applicable Business Practice Manuals. The CAISO may require CAISO Metered Entities to install, at the cost of CAISO Metered Entities, additional meters and relevant metering system components, including Real-Time metering, at CAISO-specified Meter Points or other locations as deemed necessary by the ISOCAISO, in addition to those connected to or existing on the ISOCAISO Controlled Grid at the ISOCAISO Operations Date, including requiring the metering of transmission interfaces connecting Zones. In directing the addition of meters and metering system components that would impose increased costs on a CAISO Metered Entity, the ISOCAISO shall give due consideration to whether the expected benefits of such equipment are sufficient to justify such increased costs. ISO Metered Entities, at their cost, shall install and maintain, or cause to be installed and maintained, metering equipment and associated communication devices at ISO-designated Meter Points to meet the requirements of this Section 10 and Appendix O.~~ Nothing in this Section 10 shall preclude ISOCAISO Metered Entities from installing additional meters, instrument transformers and associated communications facilities not deemed necessary by the CAISO at their own cost. A CAISO Metered Entity may not commence installing such additional metered facilities until the CAISO has approved the Metering Entity's Proposal for Installation. If a CAISO Metered Entity installs such additional metering, such metering must: (i) be installed and maintained at the CAISO Metered Entity's cost and (ii) not unduly interfere with the accuracy of any primary meter and, if that primary meter is directly polled by the CAISO, the CAISO's ability to poll directly that meter.

10.2.3 Metering Standards.

Each ISOCAISO Metered Entity shall ensure that each of its meters used to provide Meter Data to the ISOCAISO complies with the meter standards and accuracy requirements for meters set forth in Appendix J this Tariff and the applicable Business Practice Manuals. In relation to revenue quality meters, the ISOCAISO will publish on the ISOCAISO Home Page Website, for information purposes and without liability on the part of the ISOCAISO, a list of the types and manufacturers of revenue quality meters that

have been independently certified as meeting the standards for revenue quality meters referred to in the [ISOCAISO](#) Tariff.

10.2.4 Certification of Meters.

Each [ISOCAISO](#) Metered Entity that makes Meter Data available to the [ISOCAISO](#) shall ensure that metering facilities used to produce such Meter Data have been certified by the [ISOCAISO](#) as meeting the requirements of Sections ~~10.1 to 10.5 and Appendix O~~. Certification of the relevant metering facilities shall only be provided upon the production of such evidence as the [ISOCAISO](#) may reasonably require to demonstrate that the facilities in question have been documented, inspected and successfully tested by the [ISOCAISO](#) or an [CAISO](#) Authorized Inspector for conformance to the standards and accuracy requirements referred to in ~~Appendix J and Appendix O~~ the Business Practice Manuals and this Section 10. Meters of End-Use ~~ISO~~ Scheduling Coordinator Metered Entities in place as of the [ISOCAISO](#) Operations Date are deemed to be certified as in compliance with ~~Appendix J~~ this CAISO Tariff and the applicable Business Practice Manuals and such End-Users shall not be required to enter into meter service agreements with the [ISOCAISO](#) provided that their Scheduling Coordinators have entered into a meter service agreement with the [ISOCAISO](#). [ISOCAISO](#) certification pursuant to this Section 10.2.4 shall not relieve the [ISOCAISO](#) Metered Entity from the obligation to ensure that its metering facilities continue to remain in compliance with the requirements of ~~Sections 10.1 to 10.5 and Appendix O~~ this CAISO Tariff and the applicable Business Practice Manuals.

10.2.4.1 Requesting Certification.

An [CAISO](#) Metered Entity seeking certification of its Metering Facilities shall independently engage an [CAISO](#) Authorized Inspector to perform certification of its Metering Facilities. An [CAISO](#) Metered Entity may request the [ISOCAISO](#) to perform the certification of its Metering Facilities if it would be impractical or impossible for that [ISOCAISO](#) Metered Entity to engage an [CAISO](#) Authorized Inspector to perform the certification. The [ISOCAISO](#) may refuse any such request by an [CAISO](#) Metered Entity if it is of the opinion that it is not impractical or impossible for that [ISOCAISO](#) Metered Entity to engage an [CAISO](#) Authorized Inspector.

10.2.4.2 Certification by the [ISOCAISO](#).

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All requests made to the [ISOCAISO](#) to perform the certification of Metering Facilities must be made in accordance with the [Certification Process for Metering Facilities and ~~Technical-technical Specifications specifications~~ published in the Business Practice Manuals](#) and be accompanied by the documents referred to in the [applicable Business Practice Manual ~~Technical Specifications~~](#). If the [ISOCAISO](#) agrees to perform the certification of Metering Facilities, the [ISOCAISO](#) and that [ISOCAISO](#) Metered Entity will agree the terms and conditions on which the [ISOCAISO](#) will undertake the certification, including the assistance to be provided by the [ISOCAISO](#) Metered Entity, the responsibility for costs and the indemnities to be provided.

10.2.4.3 Criteria for Certification.

Subject to any exemption granted by the [ISOCAISO](#) ~~under this ISO Tariff~~, the criteria for certifying the Metering Facilities of [ISOCAISO](#) Metered Entities pursuant to the [ISOCAISO](#) Tariff are the criteria set forth in the [Technical Specifications ~~Business Practice Manuals~~](#).

10.2.4.4 Certificate of Compliance.

If the Metering Facilities satisfy the certification criteria [as specified in this CAISO Tariff and in the Business Practice Manuals](#) (after taking into account any exemptions to the certification criteria granted by the [ISOCAISO](#)), the [ISOCAISO](#) will:

- ~~(a)~~ — issue a Certificate of Compliance in respect of those Metering Facilities ~~and ; and~~
- ~~(b)~~ — provide the original Certificate of Compliance to the [ISOCAISO](#) Metered Entity that requested the certification of those Metering Facilities.

10.2.4.5 Obligation to Maintain Certification.

[ISOCAISO](#) Metered Entities must ensure that their Metering Facilities continue to comply with the certification criteria referred to in the [ISOCAISO](#) Tariff [and the Business Practice Manuals](#).

10.2.4.6 Revocation of Certification.

The [ISOCAISO](#) may revoke in full or in part any Certificate of Compliance if:

- (a) it has reasonable grounds to believe that all or some of the Metering Facilities covered by that Certificate of Compliance no longer meet the certification criteria for Metering Facilities contained in the [ISOCAISO](#) Tariff and the Business Practice Manuals; and
- (b) it has given written notice to the relevant [ISOCAISO](#) Metered Entity stating that it does not believe that the identified Metering Facilities meet the certification criteria (including the reasons for that belief) and that [ISOCAISO](#) Metered Entity fails to satisfy the [ISOCAISO](#), within the time period specified in the [ISOCAISO](#)'s notice, that the Metering Facilities meet the certification criteria.

If the [ISOCAISO](#) revokes in full or part a Certificate of Compliance, the relevant [ISOCAISO](#) Metered Entity may seek recertification of the relevant Metering Facilities by requesting certification ~~in accordance with Section 10.2.4.6~~. Such request must indicate that it relates to Metering Facilities in respect of which the [ISOCAISO](#) has previously revoked a Certificate of Compliance.

Subject to any exemption granted by the CAISO under this CAISO Tariff, the CAISO will not accept Revenue Quality Meter Data from a CAISO Metered Entity unless that Meter Data is produced by Metering Facilities that are certified in accordance with this CAISO Tariff and the CAISO Metered Entity has a current certificate of compliance.

10.2.4.7 Changes to Certified Metering Facilities.

The [ISOCAISO](#)'s approval must be obtained before any modifications or changes are made to any Metering Facilities of an [CAISO](#) Metered Entity which have been certified pursuant to the [ISOCAISO](#) Tariff. The [ISOCAISO](#) may, at its discretion, require those Metering Facilities to be recertified.

10.2.5 [ISOCAISO](#) Authorized Inspectors.

10.2.5.1 Published List of Inspectors.

The [ISOCAISO](#) will publish on the [ISOCAISO Home-PageWebsite](#), for informational purposes only, a list of the [ISOCAISO](#) Authorized Inspectors and details of the procedure for applying to become an [CAISO](#)

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Authorized Inspector. The [ISOCAISO](#) will, on request, provide a copy of that list to entities that do not have access to the [ISOCAISO Home Page Website](#).

10.2.5.2 Current Certificates.

It is the responsibility of the relevant [ISOCAISO](#) Metered Entity to ensure that any inspector it engages to undertake the certification of its Metering Facilities holds a current certificate of approval issued by the [ISOCAISO](#) which authorizes that inspector to carry out the duties of an [CAISO](#) Authorized Inspector.

10.2.6 Metering Communications.

The [ISOCAISO](#)'s ~~revenue meter data acquisition and processing system~~[RMDAPS](#) shall collect and process [Revenue Quality](#) Meter Data made available by [ISOCAISO](#) Metered Entities pursuant to meter service agreements. [Revenue Quality](#) Meter Data for [ISOCAISO](#) Metered Entities shall be made available to the [ISOCAISO](#)'s ~~revenue meter data acquisition and processing system~~[RMDAPS](#) either directly by the [ISOCAISO](#) Metered Entity or via a central data server which collects [Revenue Quality](#) Meter Data for various [ISOCAISO](#) Metered Entities provided that the central data server does not aggregate or adjust that ~~Meter D~~data. [Revenue Quality](#) Meter Data on the [ISOCAISO](#)'s ~~revenue meter data acquisition and processing system~~[RMDAPS](#) may be ~~accessed from the system's database by the ISO Settlement system, other ISO application programs, relevant Scheduling Coordinators and other authorized users as identified in the relevant meter service agreement ("other authorized users") subject to the ISO being satisfied that access by such authorized users will not adversely effect the security of data held by the ISO. ISO Metered Entities shall ensure that their metering facilities are compatible with the ISO revenue meter data acquisition and processing system for these purposes provided or made accessible to other CAISO systems as deemed necessary by the CAISO, subject to the CAISO being satisfied that such access by such authorized uses and/or systems will not adversely effect the security of the data held by the CAISO. CAISO Metered Entities shall ensure that their Metering Facilities are compatible with the CAISO's RMDAPS for these purposes.~~ The [ISOCAISO](#) may, at its discretion, exempt an [CAISO](#) Metered Entity from the requirement to make Meter Data directly available to the [ISOCAISO](#)'s ~~revenue meter data acquisition and processing system~~[RMDAPS](#), for example, where the installation of communication links is unnecessary, impracticable or uneconomic. The [ISOCAISO](#) shall maintain the

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~~revenue meter data acquisition and processing system RMDAPS~~ and remedy any faults occurring in such system. Scheduling Coordinators and other authorized users requiring Settlement Quality Meter Data for ~~ISOCAISO~~ Metered Entities ~~on whose behalf they Bid they schedule or supply~~ may obtain such data by ~~polling accessing~~ the ~~CAISO's Settlement Quality revenue m~~ Meter data ~~Data acquisition and processing systems via WEnet~~ in accordance with ~~Appendix O the CAISO Tariff and applicable Business Practice Manuals~~. Scheduling Coordinators and other authorized users shall not poll the ~~ISOCAISO~~ revenue meters ~~data acquisition and processing system~~ for any other purpose, unless specifically authorized in their ~~meter Meter service Service agreement Agreement~~. ~~During the period in which a Scheduling Coordinator is unable to poll directly the ISO revenue meter data acquisition and processing system, that Scheduling Coordinator will be responsible for providing the ISO with Settlement Quality Meter Data in accordance with Appendix O.~~

10.2.7 Meter Service Agreements for ~~ISOCAISO~~ Metered Entities.

~~10.2.7.1 Requirement for Meter Service Agreements.~~

The ~~ISOCAISO~~ shall establish ~~meter Meter service Service agreements Agreements~~ with ~~ISOCAISO~~ Metered Entities for the collection of Revenue Quality Meter Data. Such agreements shall specify that ~~ISOCAISO~~ Metered Entities shall make available to the ~~ISOCAISO's revenue meter data acquisition and processing system RMDAPS~~, Revenue Quality Meter Data meeting the requirements of ~~these Sections 10.1 to 10.5 inclusive and Appendix O~~. The ~~meter Meter service Service agreement Agreement~~ and the ~~ISO Tariff Appendix O this Section 10~~ shall specify the format of Meter Data to be submitted, which shall be identified by Transmission Owner, Distribution System, PNode, Zone, ISOCAISO Controlled Grid interface point and other information reasonably required by the ~~ISOCAISO~~. A Meter service agreement ~~s will identify other authorized users which are allowed to access the Settlement Quality Meter Data held by the ISO. The ISO will ensure that the relevant UDCs and TOs are included as other authorized users entered into by a CAISO metered entity shall only apply to those entities that the CAISO Metered Entity represents. Meter Service Agreements will identify other authorized users that are allowed to access the Settlement Quality Meter Data relating to the CAISO Metered Entities they represent that is held by the CAISO.~~

~~10.2.7.2~~ ISO Metered Entities.

~~ISO Metered Entities will either submit Meter Data directly to MDAS via Compatible Meter Data Servers or their revenue quality meters will be directly polled by MDAS.~~

~~10.2.7.3~~ Scheduling Coordinator Metered Entities.

~~Scheduling Coordinators must use Compatible Meter Data Servers to submit Settlement Quality Meter Data to the ISO for those Scheduling Coordinator Metered Entities that they represent. Scheduling Coordinators shall provide the ISO with the current password and any other information it needs to access, at all times, the Compatible Meter Data Servers of those Scheduling Coordinators so as to ensure the security of those servers. Each Scheduling Coordinator must also provide the ISO with the WEnet protocol address of the Scheduling Coordinator's file server with which MDAS will interface to obtain or provide Settlement Quality Meter Data.~~

10.2.8 Security and Meter Data Validation Procedures.

The ~~meter~~ Meter service Service agreement Agreement for each ISO/CAISO Metered Entity, this CAISO Tariff, and the ISO metering protocols applicable Business Practice Manuals shall ~~set out~~ specify, in such detail as the ISO/CAISO may deem necessary, the Meter Data security and validation procedures that the ISO/CAISO shall apply to the Meter Data made available by each ISO/CAISO Metered Entity. The ISO/CAISO may base the security and validation procedures on historical data or an appropriate alternative data source. The ISO/CAISO shall correct or replace or cause to be corrected or replaced inaccurate or missing data. The procedure may include data correction and substitution algorithms which shall estimate, substitute and flag such inaccurate or missing data. Any necessary correction or replacement shall be approved by the ISO/CAISO prior to the data being sent to the ISO/CAISO ~~for Settlement~~ settlement system purposes. Security and validation measures for existing Tie Point Meters shall be consistent with existing arrangements with the operators in adjacent Control Areas. Any additional measures or changes to the existing arrangements shall only be implemented upon mutual agreement of the ISO/CAISO and the operator in the adjacent Control Area.

10.2.8.1 Meter Site Security.

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Metering Facilities of [ISOCAISO](#) Metered Entities ~~(including communications devices) and must meet the following requirements:~~

~~(a) — secondary devices that could have any impact on the performance of the Metering Facilities must be sealed; and by the CAISO.~~

~~(b) — all Metering Facilities (including terminal servers and multiport devices) must be sealed.~~

10.2.8.2 Third Party Access to Meters.

(a) Local Access.

If an [CAISO](#) Metered Entity desires to grant a third party local access to its revenue quality meters, those meters must be equipped with ~~[ISOCAISO](#) certified RS-232 or optical ports and software approved communications capabilities in accordance with the applicable Business Practice Manuals.~~ The [ISOCAISO](#) may set the password and any other security requirements for locally accessing the revenue quality meters of [ISOCAISO](#) Metered Entities so as to ensure the security of those meters and their Meter Data. The [ISOCAISO](#) may alter the password and other requirements for locally accessing those meters from time to time as it determines necessary. The [ISOCAISO](#) must provide [ISOCAISO](#) Metered Entities with the current password and other requirements for locally accessing their revenue quality meters. [ISOCAISO](#) Metered Entities must not give a third party local access to its revenue quality meters or disclose to that third party the password to its revenue quality meters without the [ISOCAISO](#)'s prior approval which shall not unreasonably be withheld. [ISOCAISO](#) Metered Entities will be responsible for ensuring that a third party approved by the [ISOCAISO](#) to access its revenue quality meters only accesses the data it is approved to access and that the data are only accessed for the purposes for which the access was approved.

(b) Remote Access.

The [ISOCAISO](#) may set the password and any other security requirements for remotely accessing the revenue quality meters of [ISOCAISO](#) Metered Entities so as to ensure the security of those meters and their Meter Data. The [ISOCAISO](#) will alter the password and other requirements for remotely accessing

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those meters from time to time as it determines necessary. The [ISOCAISO](#) must provide [ISOCAISO](#) Metered Entities with the current password and other requirements for remotely accessing their revenue quality meters. [ISOCAISO](#) Metered Entities must not give a third party remote access to its revenue quality meters or disclose to that third party the password to its revenue quality meters without the [ISOCAISO](#)'s prior approval which shall not unreasonably be withheld. [ISOCAISO](#) Metered Entities will be responsible for ensuring that a third party approved by the [ISOCAISO](#) to access its revenue quality meters only accesses the data it is approved to access and that the data are only accessed for the purposes for which the access was approved.

10.2.8.3 Third Party Access Withdrawn.

If, in the reasonable opinion of the [ISOCAISO](#), access granted to a third party by a [CAISO](#) Metered Entity in any way interferes or impedes with the [ISOCAISO](#)'s ability to poll any revenue quality meter, the [ISOCAISO](#) may require that [ISOCAISO](#) Metered Entity to immediately withdraw any access granted to a third party.

10.2.8.4 MDAS-RMDAPS Security.

The [ISOCAISO](#) will provide any needed information to entities that are permitted to access MDASRMDAPS. ~~the access password and any other requirements needed to access MDAS.~~ The [ISOCAISO](#) must maintain the security and integrity of Revenue Quality Meter Data and Settlement Quality Meter Data received by MDAS brought into RMDAPS.

10.2.9 Validation, Editing and Estimating of Meter Data.

~~10.2.9.1~~ ISO Metered Entities.

Subject to any exemption granted by the [ISOCAISO](#), ~~Revenue Quality under Section 10.3.18, the raw~~ Meter Data ~~which that~~ [ISOCAISO](#) Metered Entities ~~submit~~ provide to the [ISOCAISO](#) will be processed ~~by MDAS~~ using the validation, editing and estimation procedures published ~~on in~~ the ISO Home Page Business Practice Manuals -from time to time in order to produce Settlement Quality Meter Data.

~~10.2.9.2~~ 10.2.9.1 Obligation to Assist.

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At the request of the ISOCAISO, ISOCAISO Metered Entities shall assist the ISOCAISO in correcting or replacing defective data and in detecting and correcting underlying causes for such defects. Such assistance shall be rendered in a timely manner so that the Settlement process is not delayed.

10.2.9.3 10.2.9.2 **Availability of Meter Data.**

Subject to any exemption granted by the ISOCAISO ~~under this ISO tariff~~, Meter Data must be recorded:

- (a) at 5-minute intervals by Loads and ~~Generators-Generating Units~~ providing Ancillary Services and/or ~~Supplemental-Imbalance~~ Energy; and
- (b) at 1-hour intervals by other ISOCAISO Metered Entities.

Meter Data will be collected regularly ~~by MDAS~~ in accordance with the frequency for collection determined by the ISOCAISO from time to time. The ISOCAISO may also collect Meter Data on demand. The ISOCAISO will issue such demands using voice communications. If the ISOCAISO issues a demand for Meter Data, the ISOCAISO Metered Entity from which the ISOCAISO demands that Meter Data must provide that Meter Data to the ISOCAISO within 10 minutes of receiving the demand from the ISOCAISO or, if that ISOCAISO Metered Entity has been granted an exemption from directly interfacing with ~~MDAS RMDAPS, pursuant to Section 10.3.18~~ within the time period specified in that exemption.

10.2.9.4 10.2.9.3 **Failure to Achieve Required Standards.**

Meter service agreements shall set out appropriate measures and rights the ISOCAISO may exercise upon any failure by the other party to meet the requirements for meter standards and accuracy set out in ~~these~~ this Sections ~~10.4 to 10.5 inclusive~~.

10.2.9.5 10.2.9.4 **CAISO Imposed Penalties and Sanctions.**

The CAISO shall have the authority to impose penalties and sanctions, including but not limited to suspension of trading rights, if an CAISO Metered Entity provides fraudulent metering data to the CAISO. Such penalties shall be approved by FERC.

10.2.10 **Low Voltage Side Metering.**

10.2.10.1 **Requirement for ISOCAISO Approval.**

~~After the ISO Operations Date, ISO~~CAISO Metered Entities may only install revenue quality meters on the low voltage side of step-up transformers if they have obtained the prior approval of the ~~ISO~~CAISO in accordance with Section 10.2.10 of the ~~ISO~~CAISO Tariff. ~~ISO~~CAISO Metered Entities that have installed low voltage side metering, whether such installation was before or after the ~~ISO~~CAISO Operations Date, shall apply the Transformer Loss Correction Factor in accordance with Section 10.2.10.4.

10.2.10.2 Request for Approval.

If a ~~an~~ CAISO Metered Entity wishes to install low voltage side metering, it shall submit a written request to the ~~ISO~~CAISO. That ~~ISO~~CAISO Metered Entity must:

- (a) request approval to apply the Transformer and/or Line Loss Correction Factor to its revenue quality meter or request approval to have ~~MDAS the CAISO~~ apply the Transformer and/or Line Loss Correction Factor;
- (b) provide detailed reasons to support the request for low side metering;
- (c) provide all of the information in relation to the Transformer and/or Line Loss Correction Factor required by the ~~Technical Specifications Business Practice Manuals~~; and
- (d) any other information reasonably requested by the ~~ISO~~CAISO.

10.2.10.3 ISOCAISO's Grounds for Approval.

The ~~ISO~~CAISO shall approve a request made under Section 10.2.10.2 only if the ~~ISO~~CAISO is satisfied that adequate accuracy and security of Meter Data obtained can be assured in accordance with Section 10.2.10 of the ~~ISO~~CAISO Tariff. The ~~ISO~~CAISO's rejection of such a request may be referred to the ~~ISO~~CAISO ADR Procedures if, after using all reasonable good faith efforts, the ~~ISO~~CAISO and a ~~an~~ CAISO Metered Entity are unable to reach agreement.

10.2.10.4 Application of Transformer and/or Line Loss Correction Factor.

~~ISO~~CAISO Metered Entities will apply the Transformer and/or Line Loss Correction Factor as set forth in the ~~Technical Specifications Business Practice Manuals~~. If the ~~ISO~~CAISO has approved a request from

a ~~CAISO~~ Metered Entity for ~~MDAS-RMDAPS~~ to apply the Transformer and/or Line Loss Correction Factor, ~~MDAS-RMDAPS~~ will apply the Transformer and/or Line Loss Correction Factor set forth in the ~~Technical Specifications~~ Business Practice Manuals. If ~~MDAS the CAISO is used to apply~~ applies the Transformer and/or Line Loss Correction Factor, the ~~ISOCAISO~~ may require the ~~ISOCAISO~~ Metered Entity to pay the reasonable costs incurred by it in applying the Transformer and/or Line Loss Correction Factor

10.2.11 Audit, Testing Inspection and Certification Requirements.

~~ISOCAISO~~ Metered Entities are subject to ~~ISOCAISO~~ audit, testing and certification requirements for their entire metering system(s), including all relevant communication facilities and instrument transformers. The ~~ISOCAISO~~ will have the right to either conduct any audit or test it considers necessary or to witness such audit or test carried out by the ~~ISOCAISO~~ Metered Entity or a ~~CAISO~~ Authorized Inspector engaged by the ~~ISOCAISO~~ Metered Entity or the ~~ISOCAISO~~ to carry out those audits or tests.

10.2.12 Exemptions ~~from ISO Metering Standards.~~

The ~~ISOCAISO~~ has the authority to grant exemptions from certain ~~ISOCAISO~~ metering standards for a ~~CAISO~~ Metered Entity provided the ~~ISOCAISO~~ annually publishes details of the criteria the ~~ISOCAISO~~ will use when considering an application for an exemption and details of specific exemptions which are available. A ~~CAISO~~ Metered Entity with an interim exemption shall provide site specific Settlement Quality Meter Data to the ~~ISOCAISO~~ in accordance with its meter service agreement and the ~~Appendix OCAISO Tariff~~. A Generator connected directly to a UDC Distribution System and that sells its entire output to the UDC in which the Generator is located is not subject to the audit, testing or certification requirements of the ~~ISOCAISO~~.

10.2.13 Maintenance of Metering Facilities.

10.2.13.1 Duty to Maintain Metering Facilities.

~~ISOCAISO~~ Metered Entities must maintain their Metering Facilities so that those Metering Facilities continue to meet the standards prescribed by the ~~ISOCAISO~~ Tariff ~~(including Appendix J)~~ and the applicable Business Practice Manuals.

If the Metering Facilities of an CAISO Metered Entity require maintenance in order to ensure that they operate in accordance with the requirements of the ISOCAISO Tariff the ISOCAISO Metered Entity shall notify the ISOCAISO by telephone or other means specified by the ISOCAISO of the need for such maintenance. The ISOCAISO Metered Entity must also inform the ISOCAISO of the time period during which such maintenance is expected to occur. During that period, the ISOCAISO Metered Entity or its authorized representative shall be entitled to access those sealed Metering Facilities to which access is required in order to undertake the required maintenance.

During periods for which no Meter Data is available from a meter which has a current Certificate of Compliance, the ISOCAISO will substitute estimated meter data for that ISOCAISO Metered Entity using the estimation procedures referred to in Section 10.2.9. That estimated meter data will be used by the ISOCAISO in its Settlement and billing process.

10.2.13.2 Repairs.

If a revenue quality meter of an CAISO Metered Entity requires repairs to ensure that it operates in accordance with the requirements of the ISOCAISO Tariff and the applicable Business Practice Manuals, the ISOCAISO Metered Entity must immediately notify the ISOCAISO of the need for repairing that meter and must ensure that those repairs are completed:

- (a) where there is no Check Meter installed, within 12 hours of the notification to the ISOCAISO; or
- (b) where there is a Check Meter installed, within 5 Business Days of the notification to the ISOCAISO.

During periods for which no Meter Data is available from a meter which has a current Certificate of Compliance, the ISOCAISO will substitute estimated meter data for that ISOCAISO Metered Entity using the estimation procedures referred to in Section 10.2.9. That estimated meter data will be used by the ISOCAISO in its Settlement and billing process.

In respect of Metering Facilities (other than a revenue quality meter) of an CAISO Metered Entity that need repair, the ISOCAISO Metered Entity shall notify the ISOCAISO of that need and, after

consultation with the [ISOCAISO](#) Metered Entity, the [ISOCAISO](#) will set the time period in which such repairs must be completed.

10.2.14 Installation of Additional Metering Facilities.

10.2.14.1 [ISOCAISO](#) Requirement to Install Additional Metering.

10.2.14.1.1 [ISOCAISO](#) Authority to Require Additional Metering Facilities.

The [ISOCAISO](#) has authority under Section 10.2.2 the [ISOCAISO](#) Tariff to require a [CAISO](#) Metered Entity to install Metering Facilities in addition to those Metering Facilities on the [ISOCAISO](#) Controlled Grid at the [ISOCAISO](#) Operations Date. In directing the addition of meters and metering system components that would impose increased costs on a [CAISO](#) Metered Entity, the [ISOCAISO](#) shall give due consideration to whether the expected benefits of such equipment are sufficient to justify such increased costs. A [CAISO](#) Metered Entity may not commence installing those additional Metering Facilities until the [ISOCAISO](#) has approved its Proposal for Installation.

10.2.14.1.2 Requirement to Install.

If the [ISOCAISO](#) determines that there is a need to install additional Metering Facilities on the [ISOCAISO](#) Controlled Grid, it will notify the relevant [ISOCAISO](#) Metered Entity of that need. The [ISOCAISO](#)'s notice to that [ISOCAISO](#) Metered Entity will include the following information:

- (a) the location of the Meter Point at which the additional Metering Facilities are required;
- (b) the date by which the [ISOCAISO](#) Metered Entity must install the relevant Metering Facilities;
- (c) the reason for the need to install the additional metering Facilities; and
- (d) any other information that the [ISOCAISO](#) considers relevant.

10.2.14.1.3 Obligations of [ISOCAISO](#) Metered Entity.

An [CAISO](#) Metered Entity that is notified by the [ISOCAISO](#) that it is required to install additional Metering Facilities must:

- (a) give the [ISOCAISO](#) written confirmation of receipt of that notice within 3 Business Days of receiving that notice;
- (b) submit a Proposal for Installation to the [ISOCAISO](#) within 45 Business Days of receiving that notice. The Proposal for Installation must set out the following information:
 - i. a description of the proposed Metering Facilities to be installed (which shall include all relevant schematic drawings and one-line drawings);
 - ii. a proposed timetable for the installation; and
 - iii. any other information requested by the [ISOCAISO](#) in the notice referred to in Section 10.2.14.1.2.

10.2.14.1.4 Approval or Rejection of a Proposal for Installation.

The [ISOCAISO](#) may either:

- (a) unconditionally approve;
- (b) conditionally approve; or
- (c) reject, a Proposal for Installation.

10.2.14.1.5 Unconditional Approval.

If the [ISOCAISO](#) unconditionally approves a Proposal for Installation, it will promptly notify the [ISOCAISO](#) Metered Entity that the Proposal for Installation has been approved. The [ISOCAISO](#) Metered Entity shall then commence installation of the Metering Facilities in accordance with the Proposal for Installation.

10.2.14.1.6 Conditional Approval.

(a) Notification of Conditional Approval.

If the [ISOCAISO](#) conditionally approves a Proposal for Installation, it will promptly notify the [ISOCAISO](#) Metered Entity that the Proposal for Installation has been conditionally approved and set out in that notice the conditions on which approval is granted and the time period in which each such condition must be satisfied by the [ISOCAISO](#) Metered Entity.

(b) Ability to Satisfy Conditions.

If the [ISOCAISO](#) Metered Entity disputes any condition imposed by the [ISOCAISO](#), the [ISOCAISO](#) Metered Entity must immediately notify the [ISOCAISO](#) of its concerns and provide the [ISOCAISO](#) with the reasons for its concerns. If the [ISOCAISO](#) Metered Entity gives the [ISOCAISO](#) such a notice, the [ISOCAISO](#) may amend or waive any of the conditions on which it granted its approval or it may require the [ISOCAISO](#) Metered Entity to satisfy other conditions. The [ISOCAISO](#) and the [ISOCAISO](#) Metered Entity will use all reasonable good faith efforts to reach agreement, and in the absence of agreement either entity may refer the dispute to the [ISOCAISO](#) ADR Procedures.

(c) Notification of Satisfaction of Conditions.

The [ISOCAISO](#) Metered Entity must promptly notify the [ISOCAISO](#) when each condition in the approval has been satisfied and provide to the [ISOCAISO](#) any information reasonably requested by the [ISOCAISO](#) as evidence that such condition has been satisfied.

(d) Confirmation of Satisfaction of Conditions.

If the [ISOCAISO](#) determines that a condition in the approval of the Proposal for Installation has been satisfied, it will give the [ISOCAISO](#) Metered Entity written confirmation that the condition has been satisfied.

(e) Unsatisfied Conditions.

If the [ISOCAISO](#) determines that a condition has not been satisfied after having received notice from an [CAISO](#) Metered Entity, the [ISOCAISO](#) will notify the [ISOCAISO](#) Metered Entity that it does not consider the condition satisfied and shall set out in that notice the reason(s) that it does not consider the condition satisfied. If, after using all reasonable good faith efforts, the [ISOCAISO](#) and the [ISOCAISO](#) Metered Entity are unable to agree on whether that condition is satisfied, either entity may refer the dispute to the [ISOCAISO](#) ADR Procedures.

10.2.14.1.7 Rejection.

If the [ISOCAISO](#) rejects a Proposal for Installation, it will promptly notify the [ISOCAISO](#) Metered Entity that the Proposal for Installation has been rejected and set out in that notice the reason for its rejection. The [ISOCAISO](#) Metered Entity must submit to the [ISOCAISO](#) a revised Proposal for Installation within 14 Business Days of receiving such notice of rejection. If the [ISOCAISO](#) rejects for a second time a Proposal for Installation submitted by an [CAISO](#) Metered Entity in respect of the same or similar notice issued by the [ISOCAISO](#) under Section 10.2.14.1.2, the [ISOCAISO](#) and the [ISOCAISO](#) Metered Entity will use all reasonable good faith efforts to reach agreement on the requirements and disputed items and in the absence of agreement either entity may refer the dispute to the [ISOCAISO](#) ADR Procedures.

10.2.14.1.8 [ISOCAISO](#) Metered Entities' Election to Install Additional Metering.

In accordance with Section 10.2.2 of the [ISOCAISO](#) Tariff, an [CAISO](#) Metered Entity may choose to install additional metering, including Check Meters. If an [CAISO](#) Metered Entity installs such additional metering, such metering must, unless the [ISOCAISO](#) agrees otherwise:

- (a) be installed and maintained at the [ISOCAISO](#) Metered Entity's cost;
- (b) be located on the [ISOCAISO](#) Metered Entity's side of any primary meter; and
- (c) not interfere with the accuracy of any primary meter and, if that primary meter is directly polled by the [ISOCAISO](#), the [ISOCAISO](#)'s ability to directly poll that meter.

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Any Meter Data produced by any such additional metering may be used by the [ISOCAISO](#) for Settlement and billing purposes in the event of the failure, or during tests or repairs of, the primary meter provided that such additional metering has a current Certificate of Compliance, the [ISOCAISO](#) Metered Entity gives the [ISOCAISO](#) prior verbal notice that such meter will be used and the period for which it will be used and, if the primary meter is directly polled by the [ISOCAISO](#), the additional metering must also be capable of being directly polled by the [ISOCAISO](#).

10.3 Metering for Scheduling Coordinator Metered Entities.

10.3.1 Applicability.

The requirements set forth in this Section 10.3 shall apply only to Scheduling Coordinators representing Scheduling Coordinator Metered Entities. The requirements in Section 10.1 also apply to Scheduling Coordinators. If a Scheduling Coordinator Metered Entity is also a Scheduling Coordinator, it shall be treated as a Scheduling Coordinator for the purposes of Section 10 of the [ISOCAISO](#) Tariff and any references to entities that such a Scheduling Coordinator represents shall be deemed to include that Scheduling Coordinator itself.

10.3.2 Responsibilities of Scheduling Coordinators and the ISOCAISO.

10.3.2.1 Duty to Provide Settlement Quality Meter Data.

Scheduling Coordinators shall ~~provide the ISO with Settlement Quality~~ be responsible for: (i) the collection of Meter Data for the Scheduling Coordinator Metered Entities it represents; (ii) the provision of Settlement Quality Meter Data to the CAISO; and (iii) ensuring that the Settlement Quality Meter Data supplied to the CAISO meets the requirements of Section 10. Scheduling Coordinators shall provide the CAISO with Settlement Quality Meter Data for all Scheduling Coordinator Metered Entities served by the Scheduling Coordinator for all of the Scheduling Coordinator Metered Entities served by the Scheduling Coordinator no later than the day specified in Section 10.3.6. Settlement Quality Meter Data for Scheduling Coordinator Metered Entities shall be either (1) an accurate measure of the actual consumption of Energy by each Scheduling Coordinator Metered Entity in each Settlement Period; ~~or~~ (2) for Scheduling Coordinator Metered Entities connected to a UDC Distribution System and meeting that Distribution System's requirement for load profiling eligibility, a profile of that consumption derived directly from an accurate cumulative measure of the actual consumption of Energy over a known period of time and an allocation of that consumption to Settlement Periods using the applicable Approved Load Profile; or (3) an accurate calculation by the Scheduling Coordinator representing Existing Contracts.

Scheduling Coordinators must use Compatible meter Data Systems to submit Settlement Quality Meter Data to the CAISO for those Scheduling Coordinator Metered Entities that they represent. Scheduling Coordinators shall provide the CAISO with the current password and any other information it needs to access, at all times the Compatible Meter Data Systems of those Scheduling Coordinators so as to ensure the security of those servers. Each Scheduling Coordinator must also provide the CAISO with connectivity to the Scheduling Coordinator's systems with which the CAISO will interface to obtain or prove Settlement Quality Meter Data.

10.3.2.2 Format for Data Submission.

Scheduling Coordinators shall submit Settlement Quality Meter Data to ~~MDAS for the~~ Settlement Quality Meter Data System for the Scheduling Coordinator Metered Entities they represent using one of the CAISO's approved ~~the~~ Meter Data Exchange Formats. Subject to any exemption granted by the

~~ISOCAISO~~ under Section 10.3.18, Scheduling Coordinators must ensure that Settlement Quality Meter Data submitted to the ~~ISOCAISO~~ is in intervals of:

~~(a)~~ — 5 minutes for Loads and Generators providing Ancillary Services and/or ~~Supplemental Imbalance~~ Energy; and

~~(b)~~ — 1 hour for other Scheduling Coordinator Metered Entities.

Each Scheduling Coordinator shall submit Settlement Quality Meter Data in either kWh or kVarh values for all of the Scheduling Coordinator Metered Entities that it schedules aggregated by:

- (a) ~~Demand Zone, Load group or bus for Demand~~ LAPS and PNode;
- (b) the relevant PNode unit for ~~Generation~~ Generating Units; or
- (c) the Scheduling Point for imports and exports.

~~The Settlement Quality Meter Data submitted by Scheduling Coordinators may be in either kWh or MWh values.~~

10.3.2.3 Format for Data Requests.

Scheduling Coordinators may obtain Settlement Quality Meter Data relating to the Scheduling Coordinator Metered Entities they represent by requesting extracts from ~~MDAS~~ the CAISO's Settlement Quality Meter Data Systems using the Meter Data Request Formats as published in the Business Practice Manuals. The ~~ISOCAISO~~ will ensure that such data is made available in a timely manner.

10.3.3 Loss Factors.

Where a Scheduling Coordinator Metered Entity is connected to a UDC's Distribution System, the responsible Scheduling Coordinator shall adjust the Meter Data by an estimated Distribution System loss factor to derive an equivalent ~~ISOCAISO~~ Controlled Grid level measure. Such estimated Distribution System loss factors shall be approved by the relevant Local Regulatory Authority prior to their use. The Scheduling Coordinator shall aggregate its equivalent ~~ISOCAISO~~ Controlled Grid-level Meter Data for Scheduling Coordinator Metered Entities

10.3.4 Load Profile Authorization.

Scheduling Coordinators shall be responsible for obtaining all necessary authorizations from Local Regulatory Authorities having jurisdiction over the use of profiled Meter Data in any Settlement process in which load profiles are used to allocate consumption to Settlement Periods.

10.3.5 Communication of Meter Data.

Each Scheduling Coordinator shall submit Settlement Quality Meter Data for Scheduling Coordinator Metered Entities to the [ISOCAISO in accordance with Section 11.29.24.1, Section 37.5, and applicable Business Practice Manuals.](#)

10.3.6 Timing of Meter Data Submission.

Scheduling Coordinators shall submit either hourly time-stamped Settlement Quality Meter Data for Scheduling Coordinator Metered Entities or profiled cumulative Settlement Quality Meter Data to the [ISOCAISO](#) for each Settlement Period in ~~an Operating Trading Day within forty-five (45) calendar days of that Trading Day~~ [according to the timelines established in the CAISO Payments Calendar.](#)

Scheduling Coordinators shall submit Settlement Quality Meter Data to the [ISOCAISO](#) when required to do so by this [ISOCAISO](#) Tariff and the [ISOCAISO](#) Payments Calendar. Scheduling Coordinators must also submit Settlement Quality Meter Data on demand. The [ISOCAISO](#) will issue such demands using voice communications. If the [ISOCAISO](#) issues a demand for Settlement Quality Meter Data, the Scheduling Coordinator from which the [ISOCAISO](#) demands that data must submit it to the [ISOCAISO](#) within 4 hours of receiving the demand from the [ISOCAISO](#).

10.3.7 Meter Standards.

Each Scheduling Coordinator, in conjunction with the relevant Local Regulatory Authority, shall ensure that each of its Scheduling Coordinator Metered Entities connected to and served from the Distribution System of a UDC shall be metered by a revenue meter complying with any standards of the relevant Local Regulatory Authority or, if no such standards have been set by that Local Regulatory Authority, the metering standards set forth in [Appendix J this CAISO Tariff and as further detailed in the Business Practice Manuals.](#)

10.3.8 Access to Meter Data.

The ISOCAISO has complete authority over rights of access to (and has authority to deny access to) its ~~revenue meter data acquisition and processing system including servers (where used), interface equipment, and software needed to accept Settlement Quality Meter Data from Scheduling Coordinator Metered Entities for Settlement Quality Meter Data Systems by Scheduling Coordinator Metered Entities for~~ Settlement, billing and related purposes. Each Scheduling Coordinator, on behalf of itself and ~~Market Participants~~ Scheduling Coordinator Metered Entities that it serves or represents, acknowledges this ISOCAISO authority as a condition of access to the ISOCAISO Controlled Grid. Meter Data of a Scheduling Coordinator Metered Entity remains the property of that Scheduling Coordinator Metered entity and shall be made available to third parties only with its express permission or as otherwise required by law or provided for in this CAISO Tariff.

~~10.3.8A~~ **Collection of Meter Data.**

~~10.3.8A.1~~ **Responsibility of Scheduling Coordinators.**

~~Each Scheduling Coordinator shall be responsible for the collection of Meter Data from the Scheduling Coordinator Metered Entities it represents and for ensuring that the Settlement Quality Meter Data supplied to the ISO meets the requirements of this Section 10.3~~

10.3.9 Certification of Meters.

Scheduling Coordinators shall ensure that revenue meters and related metering facilities of those Scheduling Coordinator Metered Entities whom they represent are certified in accordance with any certification criteria prescribed by the relevant Local Regulatory Authority or, if no such criteria have been prescribed by that Local Regulatory Authority, certified in accordance with this Section 10. Scheduling Coordinators shall upon request of the ISOCAISO supply promptly copies of all certificates issued by the relevant Regulatory Authority. The End Use Meter of an CAISO Metered Entity or a Scheduling Coordinator Metered Entity in place as of the ISOCAISO Operations Date is deemed to be certified in compliance with Appendix J this CAISO Tariff and Business Practice Manuals. Once certified, meters for Scheduling Coordinator Metered Entities need not be recertified provided such meters are maintained so as to meet the standards and accuracy requirements prescribed by any relevant Local Regulatory Authority or, if no such standards have been prescribed by that Local Regulatory Authority, such requirements as referred to in Appendix J the Business Practice Manuals and this Section 10. Recertification is not required by the ISOCAISO upon an election by a Scheduling Coordinator Metered Entity to change its Scheduling Coordinator from which it takes service.

10.3.10 Requirement for Audit and Testing.

(a) Audit and Testing by Scheduling Coordinator

Each Scheduling Coordinator shall at least annually conduct (or engage an independent, qualified entity to conduct) audits and tests of the Metering Facilities of the Scheduling Coordinator Metered Entities that it represents and the Meter Data provided to the Scheduling Coordinator in order to ensure compliance with all applicable requirements of any relevant Local Regulatory Authority. Scheduling Coordinators shall undertake any other actions that are reasonable necessary to ensure the accuracy and integrity of the Settlement Quality Meter Data provided by them to the ISOCAISO.

(b) Audit and Testing by ISOCAISO

Subject to any applicable Local Regulatory Authority requirements, the Metering Facilities and data handling and processing procedures of Scheduling Coordinators and Scheduling Coordinator Metered

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Entities are subject to audit and testing by the [ISOCAISO](#) or a [CAISO](#) Authorized Inspector in accordance with Section 10.3.14.2 of the [ISOCAISO](#) Tariff. Subject to any applicable Local Regulatory Authority requirements, the [ISOCAISO](#) will have the right to either conduct any audit or test it considers necessary or to witness such audit or test carried out by the Scheduling Coordinator, Scheduling Coordinator Metered Entity or a [CAISO](#) Authorized Inspector engaged by the Scheduling Coordinator, Scheduling Coordinator Metered Entity or the [ISOCAISO](#) to carry out those audits or tests.

10.3.11 Scheduling Coordinator to Ensure Certification.

If the relevant Local Regulatory Authority has not prescribed any certification criteria for the Metering Facilities of a Scheduling Coordinator Metered Entity, the Scheduling Coordinator representing that Scheduling Coordinator Metered Entity must promptly notify the [ISOCAISO](#) in writing that no such criteria have been prescribed. That Scheduling Coordinator will then be responsible for ensuring that the Scheduling Coordinator Metered Entities it represents obtain and maintain Certificates of Compliance in respect of all of the Metering Facilities of those Scheduling Coordinator Metered Entities in accordance with Section 10.2.4. Scheduling Coordinators must engage a [CAISO](#) Authorized Inspector to perform the certification of any Metering Facilities that are to be certified under the [ISOCAISO](#) Tariff.

10.3.12 Certification of Meter Data Servers.

Subject to any exemption granted by the [ISOCAISO](#), ~~under 10.3.18~~ the [ISOCAISO](#) will not accept Settlement Quality Meter Data relating to a Scheduling Coordinator Metered Entity from a meter data server unless that meter data server is a Compatible Meter Data Server.

10.3.12.1 Confirmation of Certification.

On the written request of the [ISOCAISO](#), each Scheduling Coordinator must give the [ISOCAISO](#) written confirmation that the Metering Facilities of each Scheduling Coordinator Metered Entity that it represents are certified in accordance with either the criteria of the relevant Local Regulatory Authority or the criteria prescribed by ~~this Section~~ [the CAISO Tariff and Business Practice Manuals](#) within 5 Business Days of receiving a request from the [ISOCAISO](#).

10.3.12.2 Deemed Certification.

~~In accordance with Section 10.3.9 of the ISO Tariff, those revenue quality meters of Revenue Quality meters of~~ Scheduling Coordinator Metered Entities that are subject to certification ~~pursuant to the ISO Tariff~~ and which were installed and operational as of the [ISOCAISO](#) Operations Date will be deemed to be certified for the purposes of the [ISOCAISO](#) Tariff. Revenue quality meters that have been fully installed as of the [ISOCAISO](#) Operations Date but which are not operational as of that date because they were undergoing maintenance or repairs will also be deemed to be certified in accordance with the [ISOCAISO](#) Tariff.

10.3.13 Meter Service Agreements for Scheduling Coordinator Metered Entities.

The [ISOCAISO](#) shall enter into ~~meter-Meter service-Service agreements-Agreements~~ with Scheduling Coordinators responsible for providing Settlement Quality Meter Data for Scheduling Coordinator Metered Entities to the [ISOCAISO](#). Such agreements shall specify that Scheduling Coordinators require their Scheduling Coordinator Metered Entities to adhere to the meter requirements set forth in this Section 10.3. A Meter Service Agreement entered into by a Scheduling Coordinator shall apply to the Scheduling Coordinator only in its capacity as Scheduling Coordinator for those Metered Entities.

10.3.14 Approval by Local Regulatory Authority of Security and Validation Procedures.

Scheduling Coordinators shall be responsible for obtaining any necessary approval of the relevant Local Regulatory Authority to its proposed security, validation, editing and estimation procedures. The [ISOCAISO](#) will not perform any validation, editing or estimating on the Settlement Quality Meter Data it receives from Scheduling Coordinators.

10.3.14.1 UDC and TO Agreements.

Each Scheduling Coordinator shall be responsible for obtaining any necessary consent from the UDCs on whose Distribution Systems or the Participating TOs on whose transmission facilities the Scheduling Coordinator has Scheduling Coordinator Metered Entities as is necessary to give effect to the procedures governing Meter Data validation and security and inspection and testing of metering facilities. Scheduling Coordinators must verify with the relevant UDC and/or Participating TO the identity of each Scheduling

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Coordinator Metered Entity they represent and must notify the UDC and/or Participating TO of any discrepancies of which they become aware.

10.3.14.2 ~~Scheduling Coordinator Metered Entity Certification, Testing and Audit Failure to Achieve Required Standards.~~

~~Subject to any Local Regulatory Authority requirements, Meter Service Agreements shall set out appropriate measures and rights the CAISO may exercise upon any failure by the other party to meet the requirements for meter standards set out in Section 10.3. the ISO reserves the right to inspect, test and otherwise audit the entire metering systems of the Scheduling Coordinator Metered Entity connected to the ISO Controlled Grid, from the Meter Data server to the metering system(s), and such systems shall be subject to ISO audits and tests. However, only the Meter Data server supplying the ISO is subject to ISO certification requirements.~~

~~The Scheduling Coordinator or its designated representative shall provide the ISO with all such information, assistance and cooperation the ISO reasonably requires in order to conduct such inspections, tests and audits.~~

10.3.14.3 ~~Failure to Achieve Required Standards.~~

~~Subject to any Local Regulatory Authority requirements, meter service agreements shall set out appropriate measures and rights the ISO may exercise upon any failure by the other party to meet the requirements for meter standards and accuracy set out in this Section 10.3.~~

10.3.14.4 ~~Data Access.~~

~~Meter Data of a Scheduling Coordinator Metered Entity remains the property of that Scheduling Coordinator Metered Entity and shall be made available to third parties only with its express permission or as otherwise required by law or provided for in this ISO Tariff. The ISO shall be granted access to Meter Data of Scheduling Coordinator Metered Entities obtained by Scheduling Coordinators.~~

10.3.15 Exemptions from ISOCAISO Metering Standards.

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The [ISOCAISO](#) has the authority to grant exemptions from certain [ISOCAISO](#) metering standards for Scheduling Coordinator Metered Entities that are subject to [ISOCAISO](#) metering standards provided the [ISOCAISO](#) annually publishes details of the criteria the [ISOCAISO](#) will use when considering an application for an exemption and details of specific exemptions which are available.

10.3.16 COMMUNICATIONS

10.3.16.1 Facilities Provided by the [ISOCAISO](#).

The [ISOCAISO](#) will provide the facilities referred to in this [Section](#) 10.3.16.1 to acquire Meter Data from [ISOCAISO](#) Metered Entities and receive Settlement Quality Meter Data from Scheduling Coordinators.

10.3.16.1.1 ~~RMDAPS~~ [RMDAPS](#) Master Station.

The ~~RMDAPS~~ [RMDAPS](#) master station will have a redundant configuration. The primary master station is located in Folsom, the redundant master station is located in Alhambra.

10.3.16.1.2 ~~WEnet~~ [CAISO's Secure Communication System](#).

~~RMDAPS~~ [RMDAPS](#) will use a ~~WEnet~~ [secure communication system](#) to acquire Meter Data from [ISOCAISO](#) Metered Entities and receive Settlement Quality Metered Data from Scheduling Coordinators.

~~WEnet is an ISO-provided Wide Area Network (WAN). WEnet will use the TCP/IP networking protocol.~~

~~10.3.16.1.3~~ [Points of Presence](#).

~~WEnet will have a Point of Presence (POP) in the general vicinity of most ISO Metered Entities and Scheduling Coordinators. The POP is the interface point between WEnet and the facilities provided by ISO Metered Entities and Scheduling Coordinators pursuant to 10.3.16.2 and 10.3.16.3.~~

~~10.3.16.1.4~~ [10.3.16.1.3](#) Facilities Failure.

In the event that the primary or redundant ~~RMDAPS~~ [RMDAPS](#) master station or ~~WEnet~~ [CAISO's secure communication system](#) fails, the procedures referred to in ~~Appendix A~~ [the applicable Business Practice Manual](#) will be followed by the [ISOCAISO](#), [ISOCAISO](#) Metered Entities and Scheduling Coordinators.

10.3.16.2 Facilities Provided by [ISOCAISO](#) Metered Entities.

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[ISOCAISO](#) Metered Entities must provide the telecommunication facilities referred to in 10.3.16.2.1 to 10.3.16.2.3 inclusive to connect their Compatible Meter Data Servers to the [WEnet POPCAISO's secure communication system](#).

10.3.16.2.1 Telecommunications Channels.

The [ISOCAISO](#) Metered Entity must provide one of the following types of telecommunication channels from the [WEnet POPCAISO's secure communication system](#) to its Compatible Meter Data Servers:

- (a) Digital leased line;
- (b) ISDN channel; or
- (c) frame relay channel.

With the [ISOCAISO](#)'s approval, the revenue quality meters of two or more [ISOCAISO](#) Metered Entities may be served by one telecommunications channel.

10.3.16.2.2 Router/Terminal Server.

[ISOCAISO](#) Metered Entities must provide router/terminal servers to interface the telecommunication channels to revenue quality meters. Each revenue quality meter will use an RS-232 interface nominally operating at 9600 bits/second.

10.3.16.2.3 Meter Data Server.

[ISOCAISO](#) Metered Entities must use a Compatible Meter Data Server to interface with [RMDAPSMDAS](#).

10.3.16.3 Facilities provided by Scheduling Coordinators.

Scheduling Coordinators must use a Compatible Meter Data Server to interface with [RMDAPSMDAS](#).

10.3.17 METER IDENTIFICATION.

10.3.17.1 Scheduling Coordinator Metered Entities.

If a Scheduling Coordinator Metered Entity is required to identify its revenue quality meters by the relevant:

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- (a) Local Regulatory Authority; or
- (b) UDC,

then the Scheduling Coordinator representing that Scheduling Coordinator Metered Entity must, at the [ISOCAISO](#)'s request, provide the [ISOCAISO](#) with a copy of that information within 5 Business Days of a request by the [ISOCAISO](#) in a format to be prescribed by the [ISOCAISO](#).

If a Scheduling Coordinator Metered Entity is not required by either the relevant Local Regulatory Authority or UDC to identify its revenue quality meters, the Scheduling Coordinator representing that Scheduling Coordinator Metered Entity shall maintain an accurate record of the revenue quality meter of each of the Scheduling Coordinator Metered Entities that it represents from time to time. The record maintained by Scheduling Coordinators must include the information set out in the ~~Technical Specifications~~applicable Business Practice Manuals. The Scheduling Coordinator must, at the [ISOCAISO](#)'s request, provide the [ISOCAISO](#) with a copy of any information contained in that record within 5 Business Days of a request by the [ISOCAISO](#) in a format to be prescribed by the [ISOCAISO](#).

10.3.18 EXEMPTIONS FROM COMPLIANCE.

10.3.18.1 Authority to Grant Exemptions.

In addition to the specific exemptions granted under the [ISOCAISO](#) Tariff, the [ISOCAISO](#) has the authority under the [ISOCAISO](#) Tariff to grant exemptions from compliance with certain requirements imposed by the [ISOCAISO](#) Tariff.

10.3.18.2 Guidelines for Granting Exemptions.

The [ISOCAISO](#) will use the following guidelines when considering applications for exemptions from compliance with the [ISOCAISO](#) Tariff.

- (a) Publication of Guidelines

The [ISOCAISO](#) will from time to time publish the general guidelines that it may use when considering applications for exemptions so as to achieve consistency in its reasoning and decision making and to give prospective applicants an indication of whether an application will be considered favorably.

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(b) Publication of Exemption Applications

The [ISOCAISO](#) will promptly publish on the [ISOCAISO Home Page Website](#) a description of each application it receives for an exemption.

(c) Publication of Decision

The [ISOCAISO](#) will publish on the [ISOCAISO Home Page Website](#) details of whether the application was approved or rejected by it and, if the [ISOCAISO](#) considers it appropriate, the reasons for rejecting the application.

(d) Class Exemptions

In addition to exemptions granted to individual entities, the [ISOCAISO](#) may grant exemptions that will apply to a class of entities. The [ISOCAISO](#) may grant class exemptions whether or not it has received any application for an exemption. The [ISOCAISO](#) will publish details of the class exemptions it has granted on the [ISOCAISO Home Page Website](#).

10.3.18.3 Procedure for Applying for Exemptions.

All applications to the [ISOCAISO](#) for exemptions from compliance with the requirements of the [ISOCAISO](#) Tariff must be made in writing addressed to the Meter and Data Acquisition Manager, Client Service Department. The [ISOCAISO](#) will confirm receipt of each application it receives within 3 Business Days of receiving the application. The [ISOCAISO](#) will decide whether to grant the exemption within 45 Business Days of receiving the application. At any time during that period, the [ISOCAISO](#) may require the applicant to provide additional information in support of its application. The applicant must provide such additional information to the [ISOCAISO](#) within 5 Business Days of receiving the request for additional information or within such other period as the [ISOCAISO](#) may notify to the applicant. If the [ISOCAISO](#) makes a request for additional information more than 40 Business Days after the date on which it received the application, the [ISOCAISO](#) will have an additional 7 Business Days after receiving that additional information in which to consider the application. If the applicant does not provide the additional information requested, the [ISOCAISO](#) may refuse the application in which case it will notify the applicant that its application has been rejected for failure to provide the additional information.

10.3.18.4 Information to be Included in the Application.

The application submitted to the [ISOCAISO](#) must provide:

- (a) a detailed description of the exemption sought (including specific reference to the relevant section(s) of the [ISOCAISO](#) Tariff giving the [ISOCAISO](#) authority to grant the exemption) and the facilities to which the exemption will apply;
- (b) a detailed statement of the reason for seeking the exemption (including any supporting documentation);
- (c) details of the entity(s) (if any) to which the exemption will apply;
- (d) details of the location (if any) to which the exemption will apply;
- (e) details of the period of time for which the exemption will apply (including the proposed start and finish dates of that period); and
- (f) any other information requested by the [ISOCAISO](#).

10.3.18.5 Permitted Exemptions.

10.3.18.5.1 Exemptions from Providing Meter Data Directly to [RMDAPSMIDAS](#).

- (a) General

The [ISOCAISO](#) has the authority under 10.2.6 of the [ISOCAISO](#) Tariff to exempt [ISOCAISO](#) Metered Entities from the requirement to make Meter Data directly available to the [ISOCAISO](#) via [RMDAPSMIDAS](#). In addition to the specific exemptions provided under [this Section](#) 10.3.18.5.1, the [ISOCAISO](#) may, at its discretion, grant such an exemption where it considers the requirement to install communication links (or related facilities) between the [ISOCAISO](#) Metered Entity and ~~WEnet~~ [CAISO's secure communication system](#) to allow the [ISOCAISO](#) to directly poll that [ISOCAISO](#) Metered Entity would be unnecessary, impractical or uneconomic.

- (b) Specific Exemptions Available

- i. Tie Points

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Meters located at tie points are exempted from the requirement that they be directly polled by the [ISOCAISO](#) provided that the meters at those tie points are revenue quality and they provide hourly, raw Meter Data to the [ISOCAISO](#)'s Power Management System.

The entities responsible for Tie Point Meters must designate a primary meter and the entity responsible for providing the relevant Meter Data to the [ISOCAISO](#). Meter Data from any other meter located at that tie point may be provided to the [ISOCAISO](#) in the event that the primary meter is unable to provide Meter Data to the [ISOCAISO](#).

Existing Tie Point Meters will be exempt from the metering standards referred to in the [ISOCAISO](#) Tariff, if such meters are only used to measure bi-directional Energy.

ii. Generation not Providing Regulation

[ISOCAISO](#) Metered Entities that are Generators or Participating Generators that are not directly connected to the [ISOCAISO](#) Controlled Grid and which do not provide Regulation may request the [ISOCAISO](#) for an exemption from the requirement that they be directly polled by the [ISOCAISO](#) in which case they will be treated as Scheduling Coordinator Metered Entities for the purposes of the [ISOCAISO](#) Tariff.

iii. Scheduling Coordinators inability to directly poll [RMDAPSMIDAS](#)

If a Scheduling Coordinator does not have the ability as at the [ISOCAISO](#) Operations Date to directly poll [RMDAPSMIDAS](#) for the Settlement Quality Meter Data of the [ISOCAISO](#) Metered Entities that it represents, that Scheduling Coordinator shall have a period of 12 months from the [ISOCAISO](#) Operations Date in which to install the necessary equipment to enable it to directly poll [RMDAPSMIDAS](#). During the period in which a Scheduling Coordinator is unable to directly poll [RMDAPSMIDAS](#), that Scheduling Coordinator will be responsible for providing the [ISOCAISO](#) with Settlement Quality Meter Data for its [ISOCAISO](#) Metered Entities in accordance with the [ISOCAISO](#) Tariff.

iv. Generator Profiling

The [ISOCAISO](#) may permit Generators and Participating Generators with Generating Units of less than 1 MW to use generator profiles, provided that such profiles are reconciled against revenue quality

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cumulative meters and the [ISOCAISO](#) has given prior approval to the use of the proposed generator profile. The revenue quality meters used by such Generators and Participating Generators will not be required to have a current Certificate of Compliance at the [ISOCAISO](#) Operations Date. However, such meters may be required to have a Certificate of Compliance within a time period prescribed by the [ISOCAISO](#) after consultation with the relevant Generator or Participating Generator.

v. Small Remote Generators

Remote Generators of less than 10 MW and capacity factors of less than 20% over the past three years, may be granted an exemption from the requirement to be directly polled by the [ISOCAISO](#) provided that the [ISOCAISO](#) is able to receive Meter Data for that Generator from a Compatible Meter Data Serve.

10.3.18.5.2 Exemptions from Meter Standards.

(a) General

The [ISOCAISO](#) has the authority under 10.2.12 of the [ISOCAISO](#) Tariff to exempt [ISOCAISO](#) Metered Entities from the requirement to comply with the meter standards referred to in the [ISOCAISO](#) Tariff.

(b) Specific Exemptions Available

i. Data Storage for Existing Meters

Revenue quality meters installed as at the [ISOCAISO](#) Operations Date are required to have 30 days data storage capacity (new revenue quality meters are required to have 60 days data storage capacity).

Existing revenue quality meters that otherwise comply with the meter standards referred to in the [ISOCAISO](#) Tariff but which do not have 30 days data storage will be exempted from that requirement if there is alternative time stamped meter data storage of 30 days or more.

ii. Voltage Transformers

[ISOCAISO](#) Metered Entities will be exempt from the requirement to install Voltage Transformers (VT) at 500 kV and higher voltage levels provided that those [ISOCAISO](#) Metered Entities install Capacity Coupled Voltage Transformers (CCVT) that meet the metering standards referred to in the [ISOCAISO](#) Tariff. The [ISOCAISO](#) Metered Entity must establish a testing program to ensure that the CCVT remains

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within the [ISOCAISO](#)'s accuracy requirements. A copy of such test program must be supplied to the [ISOCAISO](#) and the [ISOCAISO](#) may require amendments and/or additions to that program that it reasonably believes are necessary to ensure the accuracy of the CCVT.

iii. Loss Correction Factors

The [ISOCAISO](#) may grant a [CAISO](#) Metered Entity an exemption from compliance with the metering standards referred to and the [ISOCAISO](#) Tariff if, in the [ISOCAISO](#)'s sole discretion, applicable loss correction factors can be applied to existing meters without any materially adverse effect on the accuracy or security of the Meter Data obtained from such meters.

iv. 5 Minute Interval Data

Generators that are [ISOCAISO](#) Metered Entities and that provide Ancillary Services to the [ISOCAISO](#) will not be required to provide the [ISOCAISO](#) with 5 minute interval data until such time as specified by the [ISOCAISO](#). Until such time as the [ISOCAISO](#) requires 5 minute interval data, these entities will be required to provide the [ISOCAISO](#) with hourly interval data.

v. Request for Direct Polling

Scheduling Coordinators may request the [ISOCAISO](#) to grant an exemption from the requirement to provide Settlement Quality Meter Data to the [ISOCAISO](#) for Scheduling Coordinator Metered Entities they represent if those entities are Generators which have requested the [ISOCAISO](#), and the [ISOCAISO](#) has agreed to directly poll them for Meter Data. Such Generators will be treated as [ISOCAISO](#) Metered Entities and must comply with all of the requirements relating to [ISOCAISO](#) Metered Entities in accordance with the [ISOCAISO](#) Tariff. The Scheduling Coordinator representing such Generators will be required to apply the relevant distribution loss factors to that Generator's Meter Data (the Scheduling Coordinator may obtain that Meter Data from the [ISOCAISO](#)).

vi. QF Exemptions

If a QF sells all of its Energy (excluding any Energy consumed by auxiliary load equipment electrically connected to that QF at the same point or any Energy sold through "over the fence" arrangements as authorized by Section 218(b) of the California Public Utilities Code) and Ancillary Services to the UDC in

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whose Service Area it is located pursuant to an existing power purchase agreement (which is authorized under Section 218(b) of the California Public Utilities Code) and there is any inconsistency between that existing power purchase agreement, Section 10 of the [ISOCAISO](#) Tariff or Appendix J to the [ISOCAISO](#) Tariff, the existing power purchase agreement shall prevail to the extent of that inconsistency for the term of the agreement. In this context, an existing power purchase agreement shall mean an agreement which has been entered into and is effective as of December 20, 1995.

vii. Combining Generation

A metered entity may elect to meter a group of Generating Units which are electrically connected to the same point by combined total generation output or by individual Generating Unit provided that those Generating Units are Scheduled in the same fashion as they are metered and the Generating Units are not individually providing Ancillary Services.

10.3.18.5.3 Exemptions from Audit, Testing or Certification.

The [ISOCAISO](#) has the authority under 10.2.12 of the [ISOCAISO](#) Tariff to exempt [ISOCAISO](#) Metered Entities from the metering standards referred to in the [ISOCAISO](#) Tariff.

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11 ISOCAISO SETTLEMENTS AND BILLING.

~~11.1.1~~ 11.1 Settlement Principles.

The ISOCAISO shall calculate, account for and settle ~~transactions~~ Payments and Charges with Business Associates in accordance with the following principles:

~~11.1.2~~ The ~~ISO~~ shall be responsible for calculating Settlement balances for all transactions carried out by Scheduling Coordinators on the ISO Controlled Grid in each Settlement Period

~~11.1.3a)~~ The ~~ISO~~ shall carry out all Settlements in accordance with Meter Data provided pursuant to the requirements of Section 10 of this ISO Tariff. The CAISO shall be responsible for calculating Settlement balances for any penalty or dispute in accordance with the CAISO Tariff, and any transmission Access Charge to UDCs or MSSs and Participating TOs;

~~11.1.4b)~~ The ISOCAISO shall create and maintain computer back-up systems, including off-site storage of all necessary computer hardware, software, records and data at an alternative location that, in the event of a Settlement system breakdown at the primary location of the day-to-day operations of the ISOCAISO, could serve as an alternative location for day-to-day Settlement operations within a reasonable period of time; ~~and~~

~~11.1.5 c)~~ The ISOCAISO shall retain all Settlement data records for a period which, at least, allows for the re-run of data as required by this ISOCAISO Tariff and any adjustment rules of the Local Regulatory Authority governing the Scheduling Coordinators and their End-Use Customers and FERC;

~~11.2d)~~ Calculations of Settlements .

The ~~ISO~~ CAISO shall calculate, account for and settle, ~~all charges and payments~~ based on the Settlement Quality Meter Data it has received, or, if Settlement Quality Meter Data is not available, based on the best available information or estimate it has received, ~~the following charges in accordance with this ISO Tariff.~~ in accordance with the provisions in this Section 10 of the CAISO Tariff and the applicable Business Practice Manuals; and

~~e) Day-Ahead Schedules, RUC Awards and AS Awards shall be settled at the relevant LMP, RUC LMP, ASMPs, respectively. HASP Intertie Schedules shall be settled at the relevant HASP Intertie LMP at the relevant Scheduling Point. All Dispatch Instructions shall be deemed delivered and settled at relevant Real-Time Market prices. Deviations from Dispatch Instructions shall be settled as uninstructed deviations.~~

~~11.1.2 11.1.6~~ The ISOCAISO shall settle the following charges in accordance with ~~Section 11.2~~ of this ISOCAISO Tariff: (1) Grid Management Charge; ~~(2) Grid Operations Charge; (3) Ancillary Services charges; (4) Imbalance Energy charges; (5) Usage Charges; (6) High Voltage Access Charges and Transition Charges; (7) Wheeling Access Charges; (8) Voltage Support and Black Start charges; and Reliability Must-Run Charges; and (9) Default Interest Charges.~~ (2) Bid Cost Recovery; (3) IFM Charges and Payments, including Energy and Ancillary Services; (4) RUC Charges and Payments; (5) Real-Time Market Charges and Payments, including Energy and Ancillary Services; (6) HASP Charges and Payments, including Energy and Ancillary Services; (7) High Voltage Access Charges and Transition Charges; (8) Wheeling Access Charges; (9) Voltage Support and Black Start Charges; (10) Reliability Must-Run Charges; (11) Default Interest Charges; (12) CRR Charges and Payments, (13) Inter-SC Trades Charges and Payments; (14) Neutrality Adjustments; (15) FERC Annual Charges; (16) Distribution of Excess Marginal Losses; and (17) Miscellaneous Charges and Payments.

~~11.1.7~~11.1.3 **Financial Transaction Conventions and Currency.**

The following conventions have been adopted in defining sums of money to be remitted to or received by the ISOCAISO:

- (a) ~~where the ISO is to receive a sum of money under this Section, this is defined as a "Charge"~~Where the CAISO is to receive a sum of money in accordance with this CAISO Tariff, this is defined as a "Charge.";
- (b) ~~where~~Where the ISOCAISO is to required to pay a sum of money ~~under this Section~~in accordance with this Tariff, this is defined as a "Payment."

- (c) All financial transactions are denominated in United States dollars and cents.
- (d) All payments by the ISO/CAISO to ~~Scheduling Coordinators, Black Start Generators and Participating TOs~~Business Associates shall be made by Fed-Wire. All payments to the ISO/CAISO by ~~Scheduling Coordinators, Black Start Generators and Participating TOs~~Business Associates shall be made by Fed-Wire.

11.2A Calculations of Settlements.

The CAISO shall calculate, account for and settle, based on the Settlement Quality Meter Data it has received, or, if Settlement Quality Meter Data is not available, based on the best available information or estimate it has received, the following charges in accordance with this CAISO Tariff.

~~11.2.1 Grid Management Charge.~~

~~The Grid Management Charge will be levied in accordance with this Section and Appendix F, Schedule 1 of this ISO Tariff. The Charges shall accrue on a monthly basis.~~

~~11.2.2 Grid Operations Charge.~~

~~The Grid Operations Charge will be levied in accordance with Section 27.1.3 and Appendix F, Schedule 2 of this ISO Tariff. These charges shall accrue on a monthly basis.~~

~~11.2.2.1 ISO's Obligations.~~

~~11.2.2.1.1 FERC's Uniform System of Accounts.~~

~~The ISO shall maintain a set of financial statements and records in accordance with the FERC's Uniform System of Accounts.~~

~~11.2.2.1.2 [Not Used]~~

~~11.2.2.2 Costs Included in the Grid Management Charge.~~

~~11.2.2.2.1 [Not Used]~~

~~11.2.2.2.2 Operating Costs.~~

~~Budgeted annual operating costs, which shall include all staffing costs including remuneration of contractors and consultants, salaries, benefits and any incentive programs for employees, costs of~~

~~operating, replacing and maintaining ISO systems, lease payments on facilities and equipment necessary for the ISO to carry out its business, and annual costs of financing the ISO's working capital and other operating costs ("Operating Costs").~~

~~**11.2.2.2.3 — Financing Costs.**~~

~~The financing costs that are approved by the ISO Governing Board, including capital expenditures that may be financed over such period as the ISO Governing Board shall decide. Financing Costs shall also include the ISO start up and development costs standing to the credit of the ISO Memorandum Account plus any additional start up or development costs incurred after the date of Resolution E-3459 (July 17, 1996), plus any additional capital expenditure incurred by the ISO in 1998 ("Start Up and Development Costs"). The amortized amount to be included in the Grid Management Charge shall be equal to the amount necessary to amortize fully all Start Up and Development Costs over a period of five (5) years, or such longer period as the ISO Governing Board shall decide ("Financing Costs").~~

~~**11.2.2.2.4 — Operating and Capital Reserves Cost.**~~

~~The budgeted annual cost of pay-as-you-go capital expenditures and reasonable coverage of debt service obligations. Such reserves shall be utilized to minimize the impact of any variance between forecast and actual costs throughout the year ("Operating and Capital Reserves Costs").~~

~~**11.2.2.3 — Allocation of the Grid Management Charge Among Scheduling Coordinators.**~~

~~The costs recovered through the Grid Management Charge shall be allocated to the eight service charges that comprise the Grid Management Charge. If the ISO's revenue requirement for any service charge changes from the most recent FERC approved revenue requirement for that service charge, the costs recovered through that service charge shall be delineated in a filing to be made at FERC as set forth in Section 11.2.2.4. The eight service charges are as follows:~~

- ~~(1) — Core Reliability Services — Demand Charge,~~
- ~~(2) — Core Reliability Services — Energy Exports Charge~~
- ~~(3) — Energy Transmission Services Net Energy Charge,~~
- ~~(4) — Energy Transmission Services Uninstructed Deviations Charge,~~
- ~~(5) — Forward Scheduling Charge,~~
- ~~(6) — Congestion Management Charge,~~

~~(7) — Market Usage Charge, and~~

~~(8) — Settlements, Metering, and Client Relations Charge.~~

~~The eight charges shall be levied separately monthly in arrears on all Scheduling Coordinators based on the billing determinants specified below for each charge in accordance with formulae set out in Appendix F, Schedule 1, Part A of this Tariff, subject to the requirements set out in Appendix F, Schedule 1, Part F of this Tariff.~~

~~**11.2.2.3.1 — Core Reliability Services — Demand Charge.**~~

~~The Core Reliability Services — Demand Charge for a Scheduling Coordinator's Load that is not associated with Energy Exports is calculated using the Scheduling Coordinator's metered non-coincident peak hourly Demand during the month (in megawatts) less the volume of Energy Exports included in the Scheduling Coordinator's non-coincident peak hourly Demand for the month, if any; provided that if the Scheduling Coordinator's metered non-coincident peak hour during the month occurs during the hours ending 0100 through 0600, or during the hours ending 2300 through 2400 the rate shall be sixty-six (66) percent of the standard CRS rate. The standard rate for the Core Reliability Services — Demand Charge is determined by dividing the GMC costs allocated to this service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge determined to be in excess of what is recovered by that charge, by the total of the forecasted metered non-coincident peak hourly Demand for all months during the year (excluding the portion of such Demand associated with Energy Exports, if any), reduced by thirty-four (34) percent of the sum of all Scheduling Coordinators' metered non-coincident peak hour during the month occurs between the hour ending 2300 and the hour ending 0600, according to the formula in Appendix F, Schedule 1, Part A of this Tariff.~~

~~**11.2.2.3.2 — Core Reliability Services — Energy Exports Charge.**~~

~~The Core Reliability Services — Energy Exports Charge for the load associated with a Scheduling Coordinator's Energy Exports is calculated using the Scheduling Coordinator's metered volume of Energy Exports (in megawatt-hours); The rate for the Core Reliability Services — Energy Exports Charge is determined by dividing the GMC costs allocated to the Core Reliability Services service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge~~

~~determined to be in excess of what is recovered by that charge, according to the formula in Appendix F, Schedule 1, Part A of this Tariff.~~

~~**11.2.2.3.3 — Energy Transmission Services Net Energy Charge.**~~

~~The Energy Transmission Services Net Energy Charge for each Scheduling Coordinator is calculated using that Scheduling Coordinator's Metered Control Area Load (in megawatt-hours). The rate for the Energy Transmission Services Net Energy Charge is determined by dividing the GMC costs allocated to this service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge determined to be in excess of what is recovered by that charge, by the total forecasted Metered Control Area Load, according to the formula in Appendix F, Schedule 1, Part A of this Tariff.~~

~~**11.2.2.3.4 — Energy Transmission Services Uninstructed Deviations Charge.**~~

~~The Energy Transmission Services Uninstructed Deviations Charge for each Scheduling Coordinator is calculated using that Scheduling Coordinator's net uninstructed deviations by Settlement Interval. The rate for the Energy Transmission Services Uninstructed Deviations Charge is determined by dividing the GMC costs allocated to this service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge determined to be in excess of what is recovered by that charge, by the total forecasted net uninstructed deviations by Settlement Interval according to the formula in Appendix F, Schedule 1, Part A of this Tariff.~~

~~**11.2.2.3.5 — Forward Scheduling Charge.**~~

~~The Forward Scheduling Charge for each Scheduling Coordinator is calculated using the sum of that Scheduling Coordinator's Final Hour Ahead Schedules, including all awarded Ancillary Services bids, with a value other than 0.03 MW. The Forward Scheduling Charge attributable to Final Hour Ahead Schedules for Inter-Scheduling Coordinating Energy and Ancillary Service Trades for each Scheduling Coordinator is fifty (50) percent of the standard Forward Scheduling Charge. The rate for the Forward Scheduling Charge is determined by dividing the GMC costs allocated to this service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge determined to be in excess of what is recovered by that charge, by the total forecasted Final Hour Ahead~~

~~Schedules and awarded Ancillary Service bids submitted to the ISO, according to the formula in Appendix F, Schedule 1, Part A of this Tariff.~~

~~**11.2.2.3.6 — Congestion Management Charge.**~~

~~The Congestion Management Charge for each Scheduling Coordinator is calculated as the product of the rate for the Congestion Management Charge and the absolute value of the net scheduled inter-zonal flow (excluding flows pursuant to Existing Contracts) per path for that Scheduling Coordinator. The rate for the Congestion Management Charge is determined by dividing the GMC costs allocated to this service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge determined to be in excess of what is recovered by that charge, by the total forecasted inter-zonal scheduled flow (excluding flows pursuant to Existing Contracts) per path in MWh, according to the formula in Appendix F, Schedule 1, Part A of this Tariff.~~

~~**11.2.2.3.7 — Market Usage Charge.**~~

~~The Market Usage Charge for each Scheduling Coordinator is calculated using the absolute value of the Scheduling Coordinator's market purchases and sales of Ancillary Services, Supplemental Energy, Instructed Imbalance Energy, and net Uninstructed Imbalance Energy (with uninstructed deviations being netted by Settlement Interval). The rate for the Market Usage Charge is determined by dividing the GMC costs allocated to this service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge determined to be in excess of what is recovered by that charge, by the total forecasted number of market purchases and sales, according to the formula in Appendix F, Schedule 1, Part A of this Tariff.~~

~~**11.2.2.3.8 — Settlements, Metering, and Client Relations Charge.**~~

~~The Settlements, Metering, and Client Relations Charge for each Scheduling Coordinator is fixed at \$500.00 per month, per Scheduling Coordinator ID with an invoice value other than \$0.00 in the current trade month, as indicated in Appendix F, Schedule 1, Part A of this Tariff. Excess GMC costs related to the provision of these services that are not recovered through this charge are allocated to the other GMC service categories as specified above and in Appendix F, Schedule 1, Part E of this Tariff.~~

~~**11.2.2.4 — Calculation and Adjustment of the Grid Management Charge.**~~

~~The eight charges set forth in Section 11.2.2.3 that comprise the Grid Management Charge shall be calculated through the formula set forth in Appendix F, Schedule 1, Part A of this Tariff. The formula set forth in Appendix F, Schedule 1, Part C of this Tariff sums the Operating Costs (less any available expense recoveries), Financing Costs, and Operating and Capital Reserves Costs associated with each of the eight ISO service charges to obtain a total revenue requirement. This revenue requirement is allocated among the eight charges of the GMC through the application of the factors specified in Appendix F, Schedule 1, Part E of this Tariff.~~

~~The revenue requirement for each service then shall be divided by the forecast annual or periodic billing determinant volume to obtain a rate for each service, which will be payable by Scheduling Coordinators as set forth in Section 11.2.2.3. The rates so established will be adjusted annually, through the operation of the formula set forth in Appendix F, Schedule 1, Part A of this Tariff. The ISO shall post on its website each year, before the adjusted rates go into effect, as described in Appendix F, Schedule 1, Part D of this Tariff, data showing the rates adjusted to reflect any change in the annual revenue requirement, variance between forecast and actual costs for the previous year or period, or any surplus revenues from the previous year or period (as defined in Section 11.2.2.5), or the inability to recover from a Scheduling Coordinator its share of the Grid Management Charge, or any under-achievement of a forecast of the billing determinant volumes used to establish the rates. The circumstances under which the ISO is permitted to put the adjusted rates into effect without submitting a filing to the FERC are described in Appendix F, Schedule 1, Part D of this Tariff. Appendix F, Schedule 1, Part B of this Tariff sets forth the conditions under which a quarterly adjustment to the Grid Management Charge will be made.~~

~~**11.2.2.4.1 Credits and Debits of the Grid Management Charge.**~~

~~In addition to the adjustments permitted under Section 11.6.3.3, the ISO shall credit or debit, as appropriate, the account of a Scheduling Coordinator for any overpayment or underpayment of the Grid Management Charge that the ISO determines occurred due to error, omission, or miscalculation by the ISO or the Scheduling Coordinator.~~

~~**11.2.2.5 Operating and Capital Reserves Account.**~~

~~Revenues collected to fund the ISO financial operating reserves shall be deposited in an Operating and Capital Reserves Account until such account reaches a level specified by the ISO Governing Board. The Operating and Capital Reserves Account shall be calculated separately for each GMC service category (Core Reliability Services — Demand, Core Reliability Services — Energy Export, Energy Transmission Services — Net Energy, Energy Transmission Services — Uninstructed Deviations, Forward Scheduling, Congestion Management, Market Usage, and Settlements, Metering and Client Relations). The allocation factors, reassignments and reallocations specified in Schedule 1, Parts E and F, will be accounted for in the development of the Operating and Capital Reserves Account for each component. If the Operating and Capital Reserves Account as calculated for such service category is fully funded, surplus funds will be considered an offset to the revenue requirement of the next fiscal year.~~

~~11.2.3~~ **Ancillary Services.**

~~The ISO shall calculate, account for and settle charges and payments for Ancillary Services as set out in Sections 8.11.1 to 8.11.3A, 8.12.1 to 8.12.3A of this Tariff and Part C of Appendix N.~~

~~11.2.4~~ **Imbalance Energy.**

~~The ISO shall calculate, Dispatch and account for Imbalance Energy for each Dispatch Interval and settle Imbalance Energy in the Real Time Market for each Settlement Interval for the relevant Zone or Scheduling Point within the ISO Controlled Grid. Imbalance Energy is the difference between the Metered Quantity and the Energy that corresponds to the Final Hour Ahead Schedule. Instructed Imbalance Energy is the portion of Imbalance Energy that is produced or consumed due to Dispatch Instructions. The Instructed Imbalance Energy will be calculated based on all Dispatch Instructions taking into account applicable ramp rates and time delays. All Dispatch Instructions shall be deemed delivered. The remaining Imbalance Energy constitutes Uninstructed Imbalance Energy, and will be calculated based on the difference between the Metered Quantity and the Generator's Dispatched Operating Point.~~

~~11.2.4.1~~ **Net Settlements for Uninstructed Imbalance Energy.**

~~Uninstructed Imbalance Energy attributable to each Demand Take-Out Point, Generating Unit, System Unit or System Resource for which a Scheduling Coordinator has a Final Hour Ahead Schedule or Metered Quantity, for each Settlement Interval, shall be deemed to be sold or purchased, as the case may be, by the ISO and charges or payments for Uninstructed Imbalance Energy shall be settled by~~

~~debiting or crediting, as the case may be, the Scheduling Coordinator with an amount for each Settlement Interval in accordance with Section 34.9.2.1. Positive or negative Uninstructed Imbalance Energy as described in SABP Appendix D Section 2.1.1 shall be paid or charged the Resource-Specific Settlement Interval Ex Post Price or the Zonal Settlement Interval Ex Post Price, as the case may be.~~

~~**11.2.4.1.1 Settlement for Instructed Imbalance Energy.**~~

~~Instructed Imbalance Energy attributable to each Scheduling Coordinator in each Settlement Interval shall be deemed to be sold or purchased, as the case may be, by the ISO and charges or payments for Instructed Imbalance Energy shall be settled by debiting or crediting, as the case may be, the Scheduling Coordinator with an amount for each Settlement Interval in accordance with Section 34.9.~~

~~**11.2.4.1.1.1 Bid Cost Recovery for Generating Units, System Units, Dynamically Scheduled System Resources, and Curtailable Demand.**~~

~~The ISO shall determine, for each Trading Day, for each Generating Unit, System Unit, dynamically scheduled System Resource, and Curtailable Demand, Dispatched in the Real Time Market pursuant to Section 34.3.0, whether there exists a surplus or deficit in that resource's recovery of its Energy Bid costs, that are less than or equal to the Maximum Bid Level, through Instructed Imbalance Energy credits, as set forth in Section 11.2.4.1.1. This determination of market revenue surplus or deficit shall be calculated as the difference between: 1) the Instructed Imbalance Energy payment as based on the relevant Resource-Specific Settlement Interval Ex Post Price and 2) the resource's Energy Bid cost for each Settlement Interval. Bid cost recovery payment will be based on Settlement Intervals in which the resource: 1) did not recover its Energy Bid costs, and 2) generated or consumed an amount of Energy resulting from any Dispatch Instructions pursuant to Section 34.3.0. These Settlement Intervals will be netted against all Settlement Intervals in which the Instructed Imbalance Energy payments to the resource exceeded its Energy Bid costs. The resulting total bid cost recovery payment is then divided equally amongst the same Settlement Intervals to yield a per Settlement Interval bid cost recovery payment. Payments for unrecovered bid costs for portions of Energy associated with bids above the Maximum Bid Level will not be netted with other surpluses or deficits and are subject to recall if the such bids above have not been adequately justified pursuant to Section 39.2. Energy Bid cost recovery associated with Residual Energy~~

~~as provided for in Section 34.3.2.5 shall be based on the Energy Bids for the previous or next operating hour, whichever the case may be, upon which the Dispatch Instruction was based.~~

~~**11.2.4.1.1.2 — Bid Cost Recovery for System Resources.**~~

~~The ISO shall settle predispached Energy from System Resources based on each resource's Energy Bid costs for each Settlement Interval, for each System Resource submitting bids in the Real Time Market pursuant to Section 8.2.2. This Energy bid cost settlement shall be calculated as set forth in Sections D 2.1.2 and D 2.6.3 in Part B of Appendix T. Bid cost settlement shall apply to both incremental and decremental predispached Energy.~~

~~An uplift payment will be made as necessary for each Settlement Interval to assure that the System Resource recovers its Energy Bid costs for the quantity of Energy delivered. Payments for un-recovered bid costs for portions of Energy associated with bids above the Maximum Bid Level are subject to recall if such bids have not been adequately justified pursuant to Section 39.2.~~

~~**11.2.4.2 — Payment Options for ISO Dispatch Orders.**~~

~~With respect to all resources which have not bid into the Imbalance Energy or Ancillary Services markets but which have been dispatched by the ISO to avoid an intervention in market operations, to prevent or relieve a System Emergency, or to satisfy a locational requirement, the ISO shall calculate, account for and, if applicable, settle deviations from the Final Schedule submitted on behalf of each such resource, with the relevant Scheduling Coordinator for each Settlement Period for each such resource by application of either of the following payment options described below. For resources subject to a Reliability Must Run Contract, the ISO will dispatch such resources according to the terms of the RMR Contract, except as provided for below. In circumstances where an RMR Unit would be used to resolve Intra-Zonal Congestion and there are no such RMR Units available, a resource may be called upon and paid under this Section to resolve the Intra-Zonal Congestion.~~

~~By December 31 of each year for the following calendar year, each Scheduling Coordinator for a resource shall select one of the following payment options for each resource it schedules:~~

~~(a) the Uninstructed Imbalance Energy charge price as calculated in accordance with Section 34.9.2.4 (i.e., using the Hourly Ex Post Price) or~~

~~(b) a calculated price:~~

~~(i) for decremental dispatch orders that is an Energy payment to the ISO that is equal to the Market Clearing Price for the relevant Settlement Period for the applicable Energy market less verifiable daily gas imbalance charges, if any, that are solely attributable to the ISO's Dispatch Instruction and that the Scheduling Coordinator or Generator was not able to eliminate or reduce despite the application of best efforts, if the Scheduling Coordinator provides the resource's daily gas imbalance charges to the ISO within thirty (30) Business Days from the Settlement Period for which the resource is dispatched; and~~

~~(ii) for incremental dispatch orders is the sum of: 1) a capacity payment equal to the average Day Ahead Market prices for Spinning Reserve and Non Spinning Reserve for the three (3) most recent similar days for the same Settlement Period for which the resource is dispatched; 2) an Energy payment equal to the average calculated using the ISO Real Time Market Energy prices for the three (3) most recent similar days for the same Settlement Period for which the resource is dispatched; 3) such resource's verifiable Start-Up Costs, if the start-up was solely attributable to the ISO's Dispatch Instruction and if the Scheduling Coordinator provides the resource's Start-Up Costs to the ISO within thirty (30) Business Days from the Settlement Period for which the resource is dispatched; and 4) verifiable daily gas imbalance charges, if any, that are solely attributable to the ISO's Dispatch Instruction and that the Scheduling Coordinator or Generator was not able to eliminate or reduce despite the application of best efforts, if the Scheduling Coordinator provides the resource's daily gas imbalance charges to the ISO within thirty (30) Business Days from the Settlement Period for which the resource is dispatched. References to "similar days" in this Section refer to Business Days when the resource is dispatched on a Business Day and otherwise to days that are not Business Days.~~

~~To the extent a Scheduling Coordinator does not specify a payment option, the ISO will apply the payment provisions of the payment option described in Section 11.2.4.2(a).~~

~~_____ If the ISO Dispatches an RMR Unit that has selected Condition 2 of its RMR Contract to start-up or provide energy other than a start-up or energy requested pursuant to the RMR Contract, as provided in Section 5.2.9 of the ISO Tariff, the ISO shall pay as follows:~~

~~_____ (a) _____ if the Owner has elected Option A of Schedule G, two times the start-up cost specified in Schedule D to the applicable RMR Contract for any start-up incurred, and 1.5 times the rate specified in Equation 1a or 1b below times the amount of energy delivered in response to the ISO's instruction;~~

~~_____ (b) _____ if the Owner has elected Option B of Schedule G, three times the start-up cost specified in Schedule D to the applicable RMR Contract for any start-up incurred, and the rate specified in Equation 1a or 1b below times the amount of energy delivered in response to the ISO's instruction.~~

~~Equation 1a~~

~~$$\text{Energy Price (\$/MWh)} = \frac{(AX^3 + BX^2 + CX + D) * P * E}{X} \quad \text{---+ Variable O\&M Rate}$$~~

~~Equation 1b~~

~~$$\text{Energy Price (\$/MWh)} = \frac{A * (B + CX + De^{FX}) * P * E}{X} \quad \text{---+ Variable O\&M Rate}$$~~

~~Where:~~

- ~~□ for Equation 1a, A, B, C, D and E are the coefficients given in Table C1-7a of the applicable RMR Contract;~~
- ~~□ for Equation 1b, A, B, C, D, E and F are the coefficients given in Table C1-7b of the applicable RMR Contract;~~
- ~~□ X is the Unit output level during the applicable settlement period, MWh;~~
- ~~□ P is the Hourly Fuel Price as calculated by Equation C1-8 in Schedule C using the Commodity Prices in accordance with the applicable RMR Contract;~~
- ~~□ Variable O&M Rate (\\$/MWh): as shown on Table C1-18 of the applicable RMR Contract.~~

~~**11.2.4.2.1 Allocation of Costs Resulting From Dispatch Instructions.**~~

~~Pursuant to Section 11.2.4.1, the ISO may, at its discretion, Dispatch any Participating Generator, Participating Load and dispatchable System Resource that has not bid into the Imbalance Energy or~~

~~Ancillary Services markets, to avoid an intervention in market operations or to prevent or relieve a System Emergency. Such Dispatch may result from, among other things, planned and unplanned transmission facility Outages; bid insufficiency in the Ancillary Services and real-time Energy markets; and location-specific requirements of the ISO. The cost associated with each Dispatch instruction is broken into two components:~~

- ~~_____ a) _____ the portion of the Energy payment at or below the Market Clearing Price (“MCP”) for the Settlement Interval, and~~
- ~~_____ b) _____ the portion of the Energy payment above the MCP, if any, for the Settlement Interval.~~

~~For each Settlement Interval, costs above the MCP incurred by the ISO for such Dispatch instructions necessary as a result of a transmission facility Outage or in order to satisfy a location-specific requirement in that Settlement Interval shall be payable to the ISO by the Participating Transmission Owner in whose PTO Service Territory the transmission facility is located or the location-specific requirement arose. The costs incurred by the ISO for such Dispatch instructions for reasons other than for a transmission facility Outage or a location-specific requirement will be recovered in the same way as for Instructed Imbalance Energy.~~

~~11.2.4.2.1.1 Allocation of Costs from Out-Of-Market calls to Condition 2 RMR Units.~~

~~All costs associated with energy provided by a Condition 2 RMR Unit operating other than according to a dispatch notice issued under the RMR Contract shall be allocated in accordance with Section 11.2.4.2.1. Until either the RMR Contract Counted MWh, Counted Service Hours or Counted Start-ups exceed the relevant RMR Contract Service Limit, any cost incurred for energy provided under the RMR Contract above the rate specified in equation 1a or 1b as set forth in Section 11.2.4.2 shall be allocated in accordance with Section 11.2.4.2.1, not to the Responsible Utility.~~

~~Start-Up Costs for Condition 2 RMR Units providing service outside the RMR Contract, and any additional Start-Up Cost associated with a Condition 2 RMR Unit providing service under the RMR Contract when the unit's total service has exceeded an RMR Contract Service Limit but neither the RMR Contract Counted MWh, Counted Service Hours or Counted Start-ups have exceeded the applicable RMR~~

~~Contract Service Limit, shall be invoiced in accordance with Section 40.1.10.6 and collected in accordance with Section 40.1.10.1.~~

~~**11.2.4.2.2 Allocation of Above-MCP Costs For Accepted Bids.**~~

~~For each Settlement Interval, the at or below-MCP costs incurred as a result of accepted bids in the ISO Imbalance Energy Markets shall be allocated in accordance with 11.2.4.1. Allocation of above-MCP costs for accepted bids in the ISO Imbalance Energy Markets shall be in accordance with this Section 11.2.4.2.2 as follows.~~

~~**11.2.4.2.2.1 Allocation of Bid Costs Above the Maximum Bid Level.**~~

~~For each Settlement Interval, costs that are both above the MCP and above the Maximum Bid Level, incurred by the ISO as a result of Instructed Imbalance Energy and Dispatch instructions for reasons other than for a transmission facility Outage or a location-specific requirement shall be charged to Scheduling Coordinators as follows in a three-step process. First, each Scheduling Coordinator's charge shall be the lesser of:~~

~~_____ (a) the pro rata share of the total costs that are both above the MCP and above the Maximum Bid Level based upon the ratio of each Scheduling Coordinator's Net Negative Uninstructed Deviations to the total system Net Negative Uninstructed Deviations; or~~

~~_____ (b) the amount obtained by multiplying the Scheduling Coordinator's Net Negative Uninstructed Deviation for each Settlement Interval and a weighted average price. The weighted average price is equal to the total costs that are both above the MCP and above the Maximum Bid Level divided by the MWh delivered as a result of ISO instructions with a cost component above the MCP.~~

~~Second, any remaining unallocated costs shall be reduced pursuant to Section 11.2.4.1.2.~~

~~Third, any remaining unallocated costs shall be allocated amongst all Scheduling Coordinators in that Settlement Interval pro rata based on their metered Demand, including exports.~~

~~A Scheduling Coordinator shall be exempt from the first allocation step of costs that are both above the MCP and above the Maximum Bid Level in a Settlement Interval if the Scheduling Coordinator has sufficient incremental Energy bids from physically available resources in the Imbalance Energy market to cover its Net Negative Uninstructed Deviation in the given Settlement Interval and the prices of such Energy bids do not exceed the applicable **Maximum Bid Level as set forth in Section 39.2 of this Tariff.**~~

~~**11.2.4.2.2 Allocation of Bid Costs Above MCP and Below the Maximum Bid Level.**~~

~~For each Settlement Interval, the total unrecovered costs pursuant to Section 11.2.4.1.1.1 that are above the MCP and below the Maximum Bid Level for each Trading Day will be allocated pro-rata to each Scheduling Coordinator based on its metered Demand. For a Scheduling Coordinator of an MSS Operator that has elected to follow Load, allocation of such unrecovered costs will be based on net metered Demand.~~

~~**11.2.4.3 Unaccounted For Energy (UFE).**~~

~~For settlement purposes, UFE is treated as Imbalance Energy. For each Settlement Interval, the ISO will calculate UFE on the ISO Controlled Grid, for each utility Service Area for which separate UFE calculation is performed. The UFE will be settled as Imbalance Energy at the Zonal Settlement Interval Ex Post Price. UFE attributable to meter measurement errors, load profile errors, Energy theft, and distribution loss deviations will be allocated to each Scheduling Coordinator based on the ratio of their metered Demand (including exports to neighboring Control Areas) within the relevant utility Service Area to total metered Demand within the utility Service Area.~~

~~**11.2.4.4 High Voltage Access Charge.**~~

~~High Voltage Access Charges and Transition Charges will be levied in accordance with Section 26.1 of this ISO Tariff and Appendix F, Schedule 3.~~

~~**11.2.4.5 Participating Intermittent Resources.**~~

~~**11.2.4.5.1 Uninstructed Energy and Transmission Losses by Participating Intermittent Resources.**~~

~~Uninstructed Imbalance Energy associated with deviations by a Participating Intermittent Resource and Transmission Losses shall be settled as provided in this Section 11.2.4.5.1 for every Settlement Period in which such Participating Intermittent Resource meets the scheduling requirements established in the Appendix Q. In each Settlement Period such requirements are met, the Participating Intermittent Resource shall be exempt from the Uninstructed Deviation Penalty that otherwise would be determined in accordance with Section 11.2.4.1.2 and other charges (payments) for Uninstructed Imbalance Energy. Instead, the net Uninstructed Imbalance Energy in each Settlement Interval, together with the transmission loss obligation calculated in accordance with Section 27.2.1.1.1, shall be assigned to a~~

~~deviation account specific to each Participating Intermittent Resource. The net balance in each deviation account at the end of each calendar month shall be paid (or charged) to the Scheduling Coordinator for the associated Participating Intermittent Resource at the average price specified in Section 34.9.2.5 of the ISO Tariff. If the above-referenced scheduling requirements for Participating Intermittent Resources are not met, then charges (payments) for Uninstructed Imbalance Energy during such Settlement Periods shall be determined in accordance with Section 11.2.4.1.~~

~~**11.2.4.5.2 — Adjustment of Other Charges Related to Participating Intermittent Resources.**~~

~~Charges pursuant to Section 8.12.3A or Section 11.2.4.2.2 to Scheduling Coordinators representing Participating Intermittent Resources shall exclude the effect of uninstructed deviations by Participating Intermittent Resources that have scheduled in accordance with the ISO Protocols. The amount of such adjustments shall be accumulated and settled as provided in Section 11.2.4.5.3.~~

~~**11.2.4.5.3 — Allocation of Costs From Participating Intermittent Resources.**~~

~~The charges (payments) for Uninstructed Imbalance Energy that would have been calculated if the Settlement Interval deviations by each Participating Intermittent Resource were priced at the appropriate Dispatch Interval Ex Post Price shall be assigned to a monthly balancing account for all Participating Intermittent Resources in the ISO Control Area. The balance in such account at the end of each month shall be netted against the aggregate payments (charges) by Scheduling Coordinators on behalf of Participating Intermittent Resources pursuant to Section 11.2.4.5.1. The resulting balance, together with the adjustments to charges in each Settlement Interval or Settlement Period pursuant to Section 11.2.4.5.2 shall be assigned to each Scheduling Coordinator in the same proportion that such Scheduling Coordinator's aggregate Net Negative Uninstructed Deviations in that month bears to the aggregate Net Negative Uninstructed Deviations for all Scheduling Coordinators in the Control Area in that month.~~

~~**11.2.4.5.4 — Payment of Forecasting Fee.**~~

~~A fee to defray the costs of the implementation of the forecasting service for Participating Intermittent Resources shall be assessed to Scheduling Coordinators for Participating Intermittent Resources as specified in Schedule 4 of Appendix F.~~

~~**11.2.4.6 — [Not Used]**~~

~~**11.2.5 — Usage Charges.**~~

~~Usage Charges will be levied in accordance with Section 27.1.2.1 and Appendix N, Part E of this Tariff.~~

~~**11.2.6 Wheeling Through and Wheeling Out Transactions.**~~

~~The ISO shall calculate, account for and settle charges and payments for Wheeling Through and Wheeling Out transactions in accordance with Section 26.1.4 and Appendix N, Part C of this Tariff.~~

~~**11.2.7 Voltage Support and Black Start Charges.**~~

~~The ISO shall calculate, account for and settle charges and payments for Voltage Support and Black Start as set out in Sections 8.11.4, 8.11.5, 8.12.4, 8.12.5, and the SABP Charge Computation Manual Appendix N, Part G of this ISO Tariff.~~

~~**11.2.8 Reliability Must-Run Charges.**~~

~~The ISO shall calculate and levy the charges for Reliability Must-Run Contract costs in accordance with Section 30.6.1.1 of this ISO Tariff.~~

~~**11.2.9 Neutrality Adjustments.**~~

~~The ISO shall be authorized to levy additional charges or payments as special adjustments in regard to:~~

~~_____ (a) amounts required to round up any invoice amount expressed in dollars and cents to the nearest whole dollar amount in order to clear the ISO Clearing Account. These charges will be allocated amongst Scheduling Coordinators over an interval determined by the ISO and pro rata based on metered Demand (including exports) during that interval;~~

~~_____ (b) amounts in regard to penalties or sanctions which may be levied by the ISO in accordance with the ISO Tariff. These charges will be levied on the Market Participants liable for payment of the penalty or sanction;~~

~~_____ (c) amounts required to reach an accounting trial balance of zero in the course of the Settlement process in the event that the charges calculated as due from ISO Debtors are lower than payments calculated as due to the ISO Creditors for the same Trading Day. These charges will be allocated amongst the Scheduling Coordinators who traded on that Trading Day pro rata to their metered Demand (including exports) in MWh of Energy for that Trading Day. In the event that the charges due from ISO Debtors are higher than the payments due to ISO Creditors, the ISO shall~~

~~allocate a payment to the Scheduling Coordinators who traded on that Trading Day pro rata to their metered Demand (including exports) in MWh of Energy for that Trading Day;~~

~~(d) amounts required with respect to payment adjustments for regulating Energy as calculated in accordance with Section 8.11.1. These charges will be allocated amongst the Scheduling Coordinators who traded on that Trading Day pro rata to their metered Demand (excluding exports) in MWh for that Trading Day; and~~

~~(e) awards payable by or to the ISO pursuant to good faith negotiations or ISO ADR Procedures that the ISO is not able to allocate to or to collect from a Market Participant or Market Participants in accordance with Section 13.5.3. These charges will be allocated amongst Scheduling Coordinators over an interval determined by the ISO and pro rata based on metered Demand (including exports) during that interval.~~

~~**11.2.9.1** The total annual charges levied under Section 11.2.9 shall not exceed \$0.095/MWh, applied to Gross Loads in the ISO Control Area and total exports from the ISO Controlled Grid, unless: (a) the ISO Governing Board reviews the basis for the charges above that level and approves the collection of charges above that level for a defined period; and (b) the ISO provides at least seven days' advance notice to Scheduling Coordinators of the determination of the ISO Governing Board.~~

~~**11.2.10** **Payments Under Section 40.3.1 Contracts.**~~

~~The ISO shall calculate and levy charges for the recovery of costs incurred under contracts entered into by the ISO under the authority granted in Section 40.3.1 in accordance with Section 40.3.1.8 of this ISO Tariff.~~

~~**11.2.11.1** **Obligation for FERC Annual Charges.**~~

~~**11.2.11.1.1** Each Scheduling Coordinator shall be obligated to pay for the FERC Annual Charges for its use of the ISO Controlled Grid to transmit electricity, including any use of the ISO Controlled Grid through Existing Contracts scheduled by the Scheduling Coordinator. Any FERC Annual Charges to be assessed by FERC against the ISO for such use of the ISO Controlled Grid shall be assessed against Scheduling Coordinators at the FERC Annual Charge Recovery Rate, as determined in accordance with this Section 11.2.11. Such assessment shall be levied monthly against all Scheduling Coordinators based upon each Scheduling Coordinator's metered Demand and exports.~~

~~11.2.11.1.2~~ Scheduling Coordinators may elect, each year, to pay the FERC Annual Charges assessed against them by the ISO either on a monthly basis or an annual basis. Scheduling Coordinators that elect to pay FERC Annual Charges on a monthly basis shall make payment for such charges within five (5) Business Days after issuance of the monthly invoice. The FERC Annual Charges will be issued to Market Participants once a month, on the first business day after the final market and Grid Management Charge invoices are issued for the trade month. Once the final FERC Annual Charge Recovery Rate is received from FERC in the Spring/Summer of the following year, a supplemental invoice will be issued. Scheduling Coordinators that elect to pay FERC Annual Charges on an annual basis shall make payment for such charges within five (5) Business Days after the ISO issues such supplemental invoice. Scheduling Coordinators that elect to pay FERC Annual Charges on an annual basis shall maintain either an Approved Credit Rating, as defined with respect to either payment of the Grid Management Charge, or payment of other charges, or shall maintain security in accordance with Section 12.1.

~~11.2.11.2~~ **FERC Annual Charge Trust Account.**

All funds collected by the ISO for FERC Annual Charges shall be deposited in the FERC Annual Charge Trust Account. The FERC Annual Charge Trust Account shall be an interest-bearing account separate from all other accounts maintained by the ISO, and no other funds shall be commingled in it at any time. The ISO shall disburse funds from the FERC Annual Charge Trust Account in order to pay the FERC any and all FERC Annual Charges assessed against the ISO.

~~11.2.11.3~~ **Determination of the FERC Annual Charge Recovery Rate.**

~~11.2.11.3.1~~ The FERC Annual Charge Recovery Rate shall be set at the projected total FERC Annual Charge obligation with regard to transactions on the ISO Controlled Grid during the year in which the FERC Annual Charge Recovery Rate is collected, adjusted for interest projected to be earned on the monies in the FERC Annual Charge Trust Account ("Annual Charge Obligation"), divided by the projected Demand and exports during that year for all entities subject to assessment of FERC Annual Charges by the ISO ("Annual Charge Demand"). The FERC Annual Charge Recovery Rate for the period from January 1, 2001 until the first adjustment of the FERC Annual Charge Recovery Rate goes into effect

~~shall be posted on the ISO Home Page at least fifteen (15) days in advance of the date on which the initial rate will go into effect.~~

~~**11.2.11.3.2** — The ISO may adjust the FERC Annual Charge Recovery Rate on a quarterly basis, as necessary, to reflect the net effect of the following:~~

~~(a) — the difference, if any, between actual Annual Charge Demand and projected Annual Charge Demand during the year to date;~~

~~(b) — the difference, if any, between the projections of the Annual Charge Obligation and the Annual Charge Demand upon which the charge for the year is based and the ISO's most current projections of those values, provided that the projection of the Annual Charge Obligation may only be adjusted on an annual basis for changes in the Federal Energy Regulatory Commission's budget for its electric regulatory program or changes in the projected total transmission volumes subject to assessment of FERC Annual Charges;~~

~~(c) — the difference, if any, between actual and projected interest earned on funds in the FERC Annual Charge Trust Account; and~~

~~(d) — any positive or negative balances of funds collected for FERC Annual Charges in a previous year after all invoices for FERC Annual Charges for that year have been paid by the ISO, other than those that are addressed through the mechanism described in Section 11.2.11.3.4.~~

~~**11.2.11.3.3** — The adjusted FERC Annual Charge Recovery Rate shall take effect on the first day of the calendar quarter. The ISO shall publish all data and calculations used by the ISO as a basis for such an adjustment on the ISO Home Page at least fifteen (15) days in advance of the date on which the new rate shall go into effect.~~

~~**11.2.11.3.4** — If the FERC Annual Charges assessed by FERC against the ISO for transactions on the ISO Controlled Grid during any year exceed or fall short of funds collected by the ISO for FERC Annual Charges with respect to that year by a range of 10% or less, the ISO shall take such under- or over-recovery into account through an adjustment to the FERC Annual Charge Recovery Rate in accordance with Section 11.2.11.3.2. Any deficiency of available funds necessary to pay for any assessment of FERC Annual Charges payable by the ISO may be covered by an advance of funds from the ISO's Grid Management Charge, provided any such advanced funds will be repaid. If the ISO's collection of funds~~

~~for FERC Annual Charges with respect to any year results in an under or over recovery of greater than 10%, the ISO shall either assess a surcharge against all active Scheduling Coordinators for the amount under-recovered or shall issue a credit to all active Scheduling Coordinators for the amount over-recovered. Such surcharge or credit shall be allocated among all active Scheduling Coordinators based on the percentage of each active Scheduling Coordinators metered Demand and exports during the relevant year. For purposes of this section, an "active Scheduling Coordinator" shall be a Scheduling Coordinator certified by the ISO in accordance with Section 4.5.1 of this ISO Tariff at the time the ISO issues a surcharge or credit under this section. The ISO will issue any surcharges or credits under this section within 60 days of receiving a FERC Annual Charge assessment from the FERC.~~

~~**11.2.11.4 Credits and Debits of FERC Annual Charges Collected from Scheduling Coordinators.**~~

~~In addition to the surcharges or credits permitted under Sections 11.2.11.3 or 11.6.3.3 of this ISO Tariff, the ISO shall credit or debit, as appropriate, the account of a Scheduling Coordinator for any over or under-assessment of FERC Annual Charges that the ISO determines occurred due to the error, omission, or miscalculation by the ISO or the Scheduling Coordinator.~~

~~**11.2.12** The ISO shall calculate the amount due from each UDC or MSS, or from a Scheduling Coordinator delivering Energy for the supply of Gross Load not directly connected to the facilities of a UDC or MSS, for the High Voltage Access Charge and Transition Charge in accordance with operating procedures posted on the ISO Home Page. These charges shall accrue on a monthly basis.~~

~~**11.2.13 Emissions and Start-Up Fuel Cost Charges.**~~

~~The ISO shall calculate, account for and settle charges and payments for Emissions Costs and Start-Up Fuel Costs in accordance with Sections 40.1.9 and 40.1.10 of this ISO Tariff.~~

~~**11.2.14** The ISO shall calculate, charge and disburse all collected default Interest in accordance with the ISO Tariff.~~

~~**11.2A Auditing**~~

~~All of the data, information, and estimates the ISO uses to calculate these amounts shall be subject to the auditing requirements of Section 10.2.11 of the ISO Tariff. The ISO shall calculate these amounts using~~

~~the software referred to in Section 11.4.4 except in cases of system breakdown when it shall apply the procedures set out in 11.9a (Emergency Procedures).~~

11.2 Settlement of Day-Ahead Market Transactions.

~~All transactions in the IFM and RUC as specified in the Day-Ahead Schedule, AS Awards and RUC Awards, respectively, are financially binding and will be settled based on the Day-Ahead LMP, ASMP or RUC LMP for the relevant Location for the specific resource identified in the Bid. The CAISO will settle the costs of Demand, capacity, Energy and Ancillary Services as separate settlement Charges and Payments for each Settlement Period of the Day-Ahead Schedule, Day-Ahead AS Award or RUC Award, as appropriate.~~

11.2.1 IFM Settlements.

11.2.1.1 IFM Payments For Supply of Energy.

~~For each Settlement Period for which the CAISO clears Energy transactions in the IFM, the CAISO shall pay the relevant Scheduling Coordinator for the MWh quantity of Supply of Energy from all Generating Units, Participating Loads, and System Resources in an amount equal to the IFM LMP at the applicable PNode multiplied by the MWh quantity specified in the Day-Ahead Schedule for Supply.~~

11.2.1.2 IFM Charges for Demand at LAPS.

~~For each Settlement Period that the CAISO clears Energy transactions in the IFM, except as specified in Section 30.5.3.2 and except for Participating Loads, which shall be subject to the Charges specified in 11.2.1.3, the CAISO shall charge Scheduling Coordinators for the MWh quantity of Demand scheduled at an individual LAP in the Day-Ahead Schedule, in an amount equal to the IFM LMP for the applicable LAP multiplied by the MWh quantity scheduled in the Day-Ahead Schedule at the relevant LAP.~~

11.2.1.3 IFM Charges for Demand by Participating Loads.

~~For each Settlement Period that the CAISO clears Energy transactions in the IFM for Demand by Participating Loads, the CAISO shall charge the Scheduling Coordinators an amount equal to the MWh quantity of Demand scheduled in the Day-Ahead Schedule for the relevant Participating Load at the PNode, multiplied by the IFM LMP at that PNode.~~

11.2.1.4 IFM Charges for Energy Exports at Scheduling Points.

For each Settlement Period that the CAISO clears Energy transactions in the IFM, the CAISO shall charge Scheduling Coordinators for the Energy export MWh quantity at individual Scheduling Points scheduled in the Day-Ahead Schedule, an amount equal to the IFM LMP for the applicable Scheduling Point multiplied by the MWh quantity at the individual Scheduling Point scheduled in the Day-Ahead Schedule.

11.2.1.5 IFM Congestion Credit for ETCs, TORs, and Converted Rights.

For all source and sink pairs associated with a valid and balanced ETC Self-Schedule, TOR Self-Schedule or Converted Rights Self-Schedule, the CAISO shall not impose any Charge or make any Payment to the Scheduling Coordinator related to the MCC associated with such self-schedules. For each Scheduling Coordinator, the CAISO shall determine the applicable IFM Congestion Credit, which can be positive or negative, as sum of the products of the quantity scheduled in the Day-Ahead Schedule and the MCC at each source and sink associated with that Scheduling Coordinator's valid and balanced ETC, TOR, and Converted Rights Self-Schedules.

11.2.1.6 Allocation of IFM Marginal Losses Surplus Credit.

On each Settlement Statement, the CAISO shall apply the distribution of the IFM Marginal Losses Surplus Credit to each Scheduling Coordinator for the period of each settlement statement. For each Settlement Period, the IFM Marginal Losses Surplus Credit shall be the product of the IFM Marginal Losses Surplus rate (\$/MWh) and the MWh of Measured Demand for the relevant Scheduling Coordinator. The IFM Marginal Losses Surplus rate shall be equal to the total IFM Marginal Losses Surplus (\$) divided by the sum of the total MWh of Measured Demand in the CAISO Control Area for the relevant Settlement Period. For each Settlement Period of the IFM the CAISO shall calculate the total IFM Marginal Losses Surplus as the difference between: (1) the Net Hourly Energy Charge; and (2) the total IFM Congestion Charges which do not include Congestion Charges Credits collected by the CAISO as specified in Section 11.2.1.5. The Net Hourly Energy Charge is determined as the total Charges to all Demand minus total Payments to all Supply as specified in Sections 11.2.1.1, 11.2.1.2, 11.2.1.3 and 11.2.4.

11.2.2 Calculation of Hourly RUC Compensation.

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For each Settlement Period and resource, Scheduling Coordinators shall receive RUC Compensation, which is the sum of the RUC Availability Payment as determined pursuant to Section 11.2.2.1 and the RUC Bid Cost Recovery Amount as determined in Section 11.8.3.

11.2.2.1 Settlement of RUC Availability Payment.

Scheduling Coordinators shall receive RUC Availability Payments for all eligible capacity awarded in the RUC process. Resource Adequacy Capacity and capacity from RMR Units Dispatched under its RMR Contract in the DAM are not eligible for RUC Availability Payments. The RUC Availability Payment shall be calculated for each resource based on the product of the RUC Price and the RUC Availability Quantity for the relevant Settlement Period.

11.2.2.2 Rescission of RUC Availability Payment

Rescission of all or a portion of the RUC Availability Payment for a resource shall be settled in accordance with Section 8.10.8.

11.2.3 IFM Energy Charges and Payments for Metered Subsystems.

11.2.3.1 Gross Energy Settlement for Metered Subsystems.

For Scheduling Coordinators that submit Bids for MSS Operators that have selected gross Energy Settlement, CAISO shall settle the MSS Demand and MSS Supply in the Day-Ahead Schedules pursuant to Section 11.2.3.1.1 and 11.2.3.1.2.

11.2.3.1.1 IFM Charges for MSS Demand Under Gross Energy Settlement.

The CAISO shall charge Scheduling Coordinators that submit Bids for MSS Operators that have selected or are subject to gross Energy Settlement an amount equal to the product of the MWh quantity of Demand in its Day-Ahead Schedule at the corresponding MSS LAP and the Default LAP Price. The Default LAP Price shall be for the LAP within which the relevant MSS LAP is located.

11.2.3.1.2 IFM Payments for MSS Supply Under Gross Energy Settlement.

The CAISO shall pay Scheduling Coordinators that submit Bids for MSS Operators that have selected or are subject to gross Energy Settlement an amount equal to the product of the MWh quantity of Supply in its Day-Ahead Schedule at the corresponding PNode and the applicable resource-specific LMP at that PNode.

11.2.3.2 Net Energy Settlement for Metered Subsystems.

For Scheduling Coordinators that submit Bids for MSS Operators that have selected net Energy Settlement, the CAISO shall settle the net MSS Demand and MSS Supply in the Day-Ahead Schedules pursuant to Section 11.2.3.2.1 and 11.2.3.2.2.

11.2.3.2.1 IFM Charges for MSS Demand Under Net Energy Settlement.

The CAISO shall charge Scheduling Coordinators that submit Bids for MSS Operators that have selected net Energy Settlement an amount equal to the product of the net MSS Demand in the Day-Ahead Schedule and the MSS LAP Price. The net MSS Demand is the quantity of MSS Demand that exceeds MSS Generation for the applicable MSS.

11.2.3.2.2 IFM Payments for MSS Supply Under Net Energy Settlement.

The CAISO shall pay Scheduling Coordinators that submit Bids for MSS Operators that have selected net Energy Settlement an amount equal to the product of the net MSS Supply in the Day-Ahead Schedule and the weighted average price of all IFM LMPs for all applicable PNodes within the relevant MSS. The net MSS Supply is the quantity of MSS Generation that exceeds the MSS Demand for the applicable MSS. The weights used to compute the weighted average LMPs shall be equal to MSS generation scheduled in the Day-Ahead Schedule.

11.2.4 CRR Settlements.

CRR Holders shall be paid or charged for Congestion costs depending on the type of CRRs held by the CRR Holder, the direction of Congestion as measured through the IFM, and the LMP as calculated in the IFM. CRRs shall be funded through the revenues associated with the IFM Congestion Charge, CRR Obligation Charges, and the CRR Balancing Account. The CRR Payments and CRR Charges shall be settled first on a daily basis for each Settlement Period of the DAM. The CAISO shall pro-rate CRR Payments and CRR Charges for each Settlement Period, if there is an insufficiency of funds during that Settlement Period from the IFM Congestion Charge pursuant to Section 11.2.4.1. A monthly true up and, if necessary, an annual true up will then be conducted, on both CRR Payments and CRR Charges in the clearing of the CRR Balancing Account pursuant to Section 11.2.4.4.1 and 11.2.4.4.2.

11.2.4.1 Calculation of the IFM Congestion Charge.

For each Settlement Period of the IFM, the CAISO shall calculate the IFM Congestion Charge as the IFM MCC for Demand minus the IFM MCC for Supply. The IFM MCC for Demand is the sum of the products of the IFM MCC and the MWh of Demand scheduled in the Day-Ahead Schedule at all the applicable PNodes, Scheduling Points and Aggregated Pricing Nodes for the Settlement Period. The IFM MCC for Supply is the sum of the products of the IFM MCC and the MWh of Supply scheduled in the Day-Ahead Schedule at all the applicable PNodes and Scheduling Points for the Settlement Period.

11.2.4.1.2 Calculation of IFM Congestion Fund.

For each Settlement Period of the IFM, the CAISO shall determine the IFM Congestion Fund, which shall consist of the funds available to pay CRR Holders in any Settlement Period as follows:

- (a) The CAISO shall add to the IFM Congestion Fund the IFM Congestion Charge computed as described in Section 11.2.4.1, minus any IFM Congestion Credits as specified in Section 11.2.1.5;
- (b) The CAISO shall add to the IFM Congestion Fund any CRR Obligation Charges calculated pursuant to Sections 11.2.4.2.2 and 11.2.4.2.3.

11.2.4.2 Settlement Calculation for the Different CRR Types.

For the purposes of determining the CRR Payments and CRR Charges based on the various CRR Types, the CAISO shall calculate the Settlement of CRRs as described in this Section 11.2.4.2. When CRR Source or CRR Sink is a LAP, the Load Distribution Factors used in the IFM will be used to calculate the LAP Price at which CRR Payments or CRR Charges will be settled. When CRR Source or CRR Sink is a Trading Hub the weighting factors used in the IFM and the CRR Allocation and Auction processes will also be used to settle CRR Payments and CRR Charges.

11.2.4.2.1 Point-to-Point CRR Options.

For each CRR Holder, the CAISO shall calculate a CRR Payment for each Point-to-Point CRR Option held by the CRR Holder equal to the product of: 1) the MCC at the CRR Sink minus the MCC at the CRR Source; and 2) the MW quantity of the CRR; if that amount is positive. If the resulting amount is negative, the CAISO shall not assess a Charge for the relevant CRR Holder for the negative amount. The full CRR Payment calculated pursuant to this process shall be subject to pro-ration as described in 11.2.4.4.

11.2.4.2.2 Point-to-Point CRR Obligations.

For each CRR Holder, the CAISO shall calculate a CRR Payment for each Point-to-Point CRR Obligation held by the CRR Holder, equal to the product of: 1) the MCC at the CRR Sink minus the MCC at the CRR Source; and 2) the MW quantity of the CRR; if that amount is positive. If the resulting amount is negative, the CAISO shall calculate a CRR Charge for the relevant CRR Holder equal to that negative amount. The full CRR Payment calculated pursuant to this process shall be subject to pro-ration as described in 11.2.4.4.

11.2.4.2.3 Multi-Point CRR.

For each CRR Holder, the CAISO shall calculate a CRR Payment for each Multi-Point CRR held by the CRR Holder, equal to the sum of the MCCs at each CRR Sink weighted by their associated MWh quantities as specified by the CRR, minus (2) the sum of the MCCs at each CRR Source weighted by their associated MWh quantities as specified by the CRR. If the calculated amount is positive, the CAISO shall calculate a payment for the Multi-Point CRR. If the result of this calculated amount is negative, the CAISO will calculate a CRR Charge for the Multi-Point CRR. The full CRR Payment calculated pursuant to this process shall be subject to pro-ration as described in 11.2.4.4.

11.2.4.3 Payments and Charges for Monthly and Annual Auctions.

The CAISO shall charge CRR Holders for the market clearing price for CRRs obtained through the clearing of the CRR Auction as described in Section 36.13.6. To the extent the CRR Holder purchases a CRR through a CRR Auction that has a negative value, the CAISO shall pay the CRR Holder for taking the applicable CRR. The CAISO shall net all revenue received and payments made through this process and shall allocate all positive revenue to the Participating TOs in proportion to the Participating TO's Transmission Revenue Requirement.

11.2.4.4 Hourly CRR Settlement.

For each Settlement Period, the IFM Congestion Funds calculated in Section 11.2.4.1.2 will be used to pay CRR Holders that are owed CRR Payments. If the IFM Congestion Fund is sufficient to make the required CRR Payments for the Settlement Period, all CRR Holders shall be paid and charged fully

according to their entitlements. If the IFM Congestion Fund is insufficient to make the required CRR Payments, then CRR Payments and CRR Charges shall be pro-rated by a ratio equal to the total hourly amount of IFM Congestion Funds divided by the net of CRR Payments and CRR Charges for that Settlement Period. Any surplus revenue for the Settlement Period after making all hourly CRR Payments will go the CRR Balancing Account for use in the end-of-month clearing and end-of-year clearing of the CRR Balancing Account processes pursuant to Section 11.2.4.4.1 and 11.2.4.4.2. Any revenue shortfalls (or amounts not fully paid) and charge shortfalls (or amounts not fully charged) for the Settlement Period, will be tracked for further Settlement during the end-of-month clearing process as described in Section 11.2.4.4.1. The hourly Settlement of CRRs for each CRR Holder will be based on the type of CRR holdings as described in Section 11.2.4.2. The CRR Holder's hourly CRR Settlement amount, which may be subject to pro-ration if necessary as described in this Section, will be the net of the holder's CRR Payments for CRR Options or CRR Obligations, and the holder's CRR Charges for CRR Obligations out of these holdings.

11.2.4.4.1 Monthly Clearing of the CRR Balancing Account.

At the end of each month, if the CRR Balancing Account contains a balance sufficient to cover all hourly revenue shortfalls for that month, then these revenue shortfalls shall be fully satisfied and the CRR Holder shall be paid using the balance in the CRR Balancing Account according to their Payment rights that accrue out of the hourly CRR Settlement process pursuant to Section 11.2.4.4. If the balance in the CRR Balancing Account is not sufficient to satisfy all revenue shortfalls for the month, then these shortfalls shall be partially satisfied through the monthly clearing process. Those with charge shortfall (or reduction) in the hours of the trading month shall contribute to the partial satisfaction of the revenue shortfalls, using an equal pro-ration. The equal ratio to be used will be the available funds in the CRR Balancing Account divided by the net total hourly shortfalls - the net of remaining revenue shortfalls and remaining charge shortfalls - for the month. Any remaining shortfalls will be carried forward for the end-of-the year clearing process pursuant to Section 11.2.4.4.2. Any revenue surplus after the end-of-month clearing will remain in the CRR Balancing Account for use in the end-of-the year clearing process pursuant to Section 11.2.4.4.2.

11.2.4.4.2 Yearly Clearing of the CRR Balancing Account.

At the end of each CRR Annual Cycle, if the yearly CRR Balancing Account a positive balance, it shall be used to satisfy any remaining revenue shortfalls up to the amount of shortfall. If the CRR Balancing Account, at the time of yearly clearing, does not contain sufficient revenue or no revenue at all, to satisfy all the remaining revenue shortfalls, then these revenue shortfalls shall be reduced pro rata. The equal ratio to be used will be the available funds in the CRR Balancing Account divided by the total of remaining hourly shortfalls – the net of remaining revenue shortfalls and remaining charge shortfalls - for the year. If after the yearly clearing there remains a revenue surplus in the yearly CRR Balancing Account, this remaining revenue shall be allocated pro rata to the Participating Transmission Owners based on their Transmission Revenue Requirement over the one-year CRR Term. Unpaid claims become ineligible for further recourse and are written off, and any remaining charge shortfalls are also written off after this yearly clearing process.

11.2.4.5 CRR Balancing Account.

The CRR Balancing Account shall accumulate: (1) any surplus revenue generated from Hourly CRR Settlements as described in Section 11.2.4.4, (2) any surplus revenue that remains from the monthly clearing of the CRR Balancing Account as described in Section 11.2.4.4.1, and (3) any surplus revenue that remains from yearly clearing of the CRR Balancing Account as described in Section 11.2.4.4.2. Interest accruing due to the CRR Balancing Account shall be at the CAISO's received interest rate and shall be credited to the CRR Balancing Account.

11.2.5 Payment by Out-of Control Area Load to Obtain CRRs Through the CRR Allocation Process.

Pursuant to Section 36.9, an entity that serves Load outside of the CAISO Control Area will be eligible to participate in the CRR Allocation process if such entity has made a pre-payment to the CAISO and has met the requirements in Section 36.9. The prepayment amount shall equal the MW of CRR requested times the Wheeling Access Charge associated with the Scheduling Point corresponding to the CRR Sink times the number of hours in the period for each requested CRR MW amount. Such prepayment will be made three (3) Business Days in advance of the submission of CRR nominations to the CRR Allocation.

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Within thirty (30) days following the completion of the relevant CRR Allocation process, the CAISO shall reimburse such entity representing the Out-of-Control-Area-Load the amount of money pre-paid for any CRRs that were not allocated to the entity. For the amount of CRRs that were allocated to the entity, the CAISO will exempt the Scheduling Coordinator for such entity from the WAC for any Real-Time Interchange export schedules at the Scheduling Point corresponding to the sink of each allocated CRR, on an hourly basis for the period for which the CRR is defined, until the pre-paid funds are exhausted. At the end of the period for which the CRR is defined any remaining balance will be allocated to the PTOs in accordance with Section 26.1.4.3.

To the extent the pre-paid balance amount is exhausted prior to the end of the duration of the awarded CRR, the Scheduling Coordinator designated by the CRR Holder that has been allocated CRRs pursuant to Section 36.9 will be charged for the WAC in accordance with Section 26.1.4.

11.3 **[Not Used]**

~~11.3~~ **Billing and Payment Process.**

~~The ISO will calculate for each charge the amounts payable by the relevant Scheduling Coordinator, Black Start Generator or Participating TO for each Settlement Period of the Trading Day, and the amounts payable to that Scheduling Coordinator, Black Start Generator or Participating TO for each charge for each Settlement Period of that Trading Day and shall arrive at a net amount payable for each charge by or to that Scheduling Coordinator, Black Start Generator or Participating TO for each charge for that Trading Day. Each of these amounts will appear in the Preliminary and Final Settlement Statements that the ISO will provide to the relevant Scheduling Coordinator, Black Start Generator or Participating TO.~~

~~The eight components of the Grid Management Charge will be included in the Preliminary Settlement Statement and Final Settlement Statement with the other types of charges referred to in Section 11.2, but~~

~~a separate invoice for the Grid Management Charge, stating the rate, billing determinant volume, and total charge for each of its eight components, will be issued by the ISO to the Scheduling Coordinator.~~

~~**11.3.1** The billing and payment process shall be based on the issuance of Preliminary and Final Settlement Statements for each Settlement Period in each Trading Day.~~

~~**11.3.2** Payment for the charges referred to in Section 11.1.6 of the ISO Tariff (except for the charges payable under long term contracts) for each Trading Day in each calendar month shall be made five (5) Business Days after issuance of the Preliminary Settlement Statement for the last day of the relevant calendar month. Payment for adjustments will be made five (5) Business Days after issuance of the Final Settlement Statement for the last day of the relevant month. Payments for FERC Annual Charges will be made in accordance with Section 17 of this ISO Tariff.~~

~~**11.3.3** **Prepayments.**~~

~~(a) A Scheduling Coordinator may choose to pay at an earlier date than the Payment Date specified in the ISO Payments Calendar by way of prepayment provided it notifies the ISO by electronic means before submitting its prepayment.~~

~~(b) Prepayment notifications must specify the dollar amount prepaid.~~

~~(c) Prepayments must be made by Scheduling Coordinators via Fed-Wire into their ISO prepayment account designated by the ISO. The relevant Scheduling Coordinator shall grant the ISO a security interest on all funds in its ISO prepayment account.~~

~~(d) On any Payment Date the ISO shall be entitled to cause funds from the relevant Scheduling Coordinator's ISO prepayment account to be transferred to the ISO Clearing Account in such amounts as may be necessary to discharge in full that Scheduling Coordinator's payment obligation arising in relation to that Payment Date.~~

~~(e) Any funds held in the relevant Scheduling Coordinator's ISO prepayment account shall be treated as part of that Scheduling Coordinator's Security.~~

~~(f) Interest (or other income) accruing on the relevant Scheduling Coordinator's ISO prepayment account shall inure to the benefit of that Scheduling Coordinator and shall be added to the balance of its ISO prepayment account on a monthly basis.~~

~~(g) Funds held in an ISO prepayment account by a Scheduling Coordinator may be recouped, offset or applied by the ISO to any outstanding financial obligations of that Scheduling Coordinator to the ISO or to other Scheduling Coordinators under this ISO Tariff.~~

~~11.3.4 System Failure.~~

~~11.3.4.1 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.~~

~~11.3.4.2 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.~~

11.4 HASP Settlement of Scheduling Points.

The CAISO shall settle both incremental and decremental Energy at the relevant Scheduling Points for all Non-Dynamic System Resources based on the HASP Intertie LMP in accordance with Section 11.4.1 and 11.4.2. Energy dispatched using HASP Intertie Schedules is accounted as Instructed Imbalance Energy and its costs shall be included in the Real-Time Market Settlements in accordance with Section 11.5.

11.4.1 HASP Settlement for Exports.

~~For each Settlement Period that the CAISO clears Energy transactions at Scheduling Points in HASP, the settlement for such transactions will be the CAISO HASP Intertie Pre-Dispatch LMP multiplied by the MWh quantity of Export scheduled at the individual Scheduling Point in excess of or less than the Day-Ahead Schedule, respectively.~~

~~**11.4.2 HASP Settlement for Imports.**~~

~~For each Settlement Period that the CAISO clears Energy transactions at Scheduling Points for all Non-Dynamic System Resources in HASP, the CAISO shall pay or charge Scheduling Coordinators for each System Resource an amount equal to the HASP Intertie LMP multiplied by the MWh quantity of Import scheduled at the individual Scheduling Point in excess of or less than the Import at that Scheduling Point scheduled in the Day-Ahead Schedule, respectively.~~

~~**11.4 General Principles for Production of Settlement Statements.**~~

~~**11.4.1 Basis of Settlement.**~~

~~The basis of each Settlement Statement shall be the debiting or crediting of an account in the name of the relevant Scheduling Coordinator in the general ledger set up by the ISO to reflect all transactions, charges or payments settled by the ISO.~~

~~**11.4.2 [Not Used]**~~

~~**11.4.3 Data Files.**~~

~~Settlement Statements relating to each Scheduling Coordinator shall be accompanied by a data file of supporting information that includes the following for each Settlement Period of the Trading Day on a Zone-by-Zone basis:~~

- ~~_____ (a) the aggregate quantity (in MWh) of Energy supplied or withdrawn by the Metered Entities represented by the Scheduling Coordinator;~~
- ~~_____ (b) the aggregate quantity (in MW) and type of Ancillary Services capacity provided or purchased;~~

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~~_____ (c) the relevant prices that the ISO has applied in its calculations;~~

~~_____ (d) details of the Scheduled quantities of Energy and Ancillary Services
accepted by the ISO in the Day-Ahead Market and the Hour-Ahead Market;~~

~~_____ (e) details of Imbalance Energy and penalty payments; and~~

~~_____ (f) detailed calculations of all fees, charges and payments allocated
amongst Scheduling Coordinators and each Scheduling Coordinator's share.~~

~~11.4.4 Settlement Software.~~

~~The ISO Settlement software shall be audited by an independent firm of auditors competent to carry out audits of such software to determine its consistency with the ISO Tariff. In any dispute regarding Settlement calculations, a certificate of such firm of auditors that the ISO software is consistent with the ISO Tariff shall be prima facie proof that the charges shown in a Settlement Statement have been calculated in a method consistent with the ISO Tariff. Nothing in this section will be deemed to establish the burden of proof with respect to Settlement calculations in any proceeding.~~

11.5 Real-Time Market Settlements.

The CAISO shall calculate and account for Imbalance Energy for each Dispatch Interval and settle Imbalance Energy in the Real-Time Market for each Settlement Interval for each resource within the CAISO Control Area and all System Resources Dispatched in Real-Time. Imbalance Energy consists of IIE and UIE. IIE includes Energy associated with HASP Intertie Schedules. IIE is settled pursuant to Section 11.5.1. and UIE is settled pursuant to Section 11.5.2. In addition, the CAISO shall settle UFE as part of the Real-Time Market Settlements. To the extent that the sum of the Settlement Amounts for IIE, UIE, and UFE does not equal zero, the CAISO will assess Charges or make Payments for the resulting differences to all Scheduling Coordinators based on a pro rata share of their Measured Demand for the relevant Settlement Interval.

11.5.1 Instructed Imbalance Energy Settlements.

For each Settlement Interval, IIE consists of the following types of Energy: (1) Energy dispatched through the Real-Time Market optimization process; (2) Energy from HASP Intertie Schedules as defined in Section 11.4; (3) Residual Imbalance Energy; (4) Minimum Load Energy from units Dispatched in Real-Time; (5) Energy related to Exceptional Dispatches; (6) Energy from Regulation; (7) Standard Ramping Energy; (8) Ramping Energy Deviation; (9) Rerate Energy; (10) Real-Time Self-Scheduled Energy; and (11) MSS Load Following Energy. Payments and Charges for IIE attributable to each resource in each Settlement Interval shall be settled by debiting or crediting, as appropriate, the specific Scheduling Coordinator's IIE Settlement Amount. The Settlement Amounts for the Standard Ramping Energy and the MSS Load Following Energy shall be zero. The Settlement Amounts for Energy dispatched through the

Real-Time Market optimization, Minimum Load Energy from units Dispatched in the Real-Time, Energy from Regulation, Ramping Energy Deviation, Rerate Energy, and Real-Time Self-Scheduled Energy shall be calculated as the product of the sum of all of these types of Energy and the Resource-Specific Settlement Interval LMP. The remaining Settlement Amounts are determined as follows: (1) Settlement Amounts for the Energy from the HASP Intertie Schedules is settled per Section 11.4; (2) Settlement Amounts for Residual Imbalance Energy are determined pursuant to Section 11.5.5.; and (3) Settlement amounts for Exceptional Dispatches are settled pursuant to Section 11.5.6.

11.5.1.1 Total IIE Settlement Amount.

The total IIE Settlement Amount (\$) per Settlement Interval for each Scheduling Coordinator is the sum of the Settlement Amounts for the Standard Ramping Energy, MSS Load Following Energy, Energy Dispatched through the Real-Time Market optimization, the Minimum Load Energy from units Dispatched in the Real-Time, Energy from Regulation, Ramping Energy Deviation, Rerate Energy, Real-Time Self-Schedule Energy, Residual Imbalance Energy, and the portion of Settlement Amounts for Exceptional Dispatches pursuant to Sections 11.5.6.

11.5.1.2 Total IIE Quantity.

The total IIE quantity (MWh) per Settlement Interval for each Scheduling Coordinator is the sum of Standard Ramping Energy, MSS Load Following Energy, Energy dispatched through the Real-Time Market optimization, Minimum Load Energy from units Dispatched in the Real-Time, Energy from Regulation, Ramping Energy Deviation, Rerate Energy and Real-Time Self-Scheduled Energy, Residual Imbalance Energy and Exceptional Dispatches.

11.5.2 Uninstructed Imbalance Energy.

Scheduling Coordinators shall be paid or charged a UIE Settlement Amount for each LAP, PNode or Scheduling Point for which the CAISO calculates a UIE quantity. UIE quantities are calculated for each resource that has a Day-Ahead Schedule, HASP Intertie Schedule, Dispatch Instruction, Real-Time Interchange schedule or Metered Quantity. The CAISO shall account for UIE in two categories: (1) Tier 1 UIE is accounted as the quantity deviation from the resource's IIE; and (2) Tier 2 UIE is accounted as the quantity deviation from the resource's Day-Ahead Schedule. For Generating Units, System Units, Physical Scheduling Plants, System Resources and the Demand Response portion of a Participating

Load, the Tier 1 UIE Settlement Amount is calculated for each Settlement Interval as the product of its Tier 1 UIE quantity and its Resource-Specific Tier 1 UIE Settlement Interval Price as calculated per Section 11.5.2.1, and the Tier 2 UIE Settlement Amount is calculated for each Settlement Interval as the product of its Tier 2 UIE quantity and the simple average of the relevant Dispatch Interval LMPs. The Tier 2 UIE Settlement Amount for Demand, the Base Load of a Participating Load and net MSS Demand is calculated for the Trade Hour as the sum of (1) the product of the hourly Tier 2 UIE quantity and the Hourly Real-Time LAP Price and (2) the Hourly UIE Adjustment Amount as described in Section 11.5.2.2.

11.5.2.1 Resource Specific Tier 1 UIE Settlement Interval Price.

The Resource-Specific Tier 1 UIE Settlement Interval Price is calculated as the resource's total IIE Settlement Amount calculated pursuant to Section 11.5.1.1 for that Settlement Interval divided by its total IIE quantity (MWh) calculated pursuant to Section 11.5.1.2.

11.5.2.2 Hourly UIE Adjustment Amount.

The Hourly Real-Time LAP Price will apply to Demand, the Base Load portion of a Participating Load, and net MSS Demand for Settlement of Imbalance Energy, except as provided in Section 30.5.3.2. The Hourly Real-Time LAP Price is calculated as the load deviation weighted average of the hourly average of the Dispatch Interval LMPs for the LAP in the relevant Trading Hour.

For Demand, the Base Load of a Participating Load and net MSS Demand, the Hourly UIE Adjustment Amount is calculated as the product of the hourly Tier 2 UIE quantity and the Hourly LAP UIE Adjustment Price, in the case of a positive hourly Tier 2 UIE quantity, or the product of the hourly Tier 2 UIE quantity and the negative of the Hourly LAP UIE Adjustment Price, in the case of a negative hourly UIE quantity.

The Hourly LAP UIE Adjustment Price is calculated as the ratio of the following quantities:

- (1) the difference of (a) the load deviation weighted-average of the hourly average of the Dispatch Interval LMPs for the LAP and (b) the load-weighted average of the Hourly Real-Time LMP Price where the weights for (b) are each Scheduling Coordinator's Imbalance Energy quantity in the Trading Hour in the LAP; and
- (2) the sum of the absolute values of each Scheduling Coordinator's Imbalance Energy quantity for the Trading Hour in the relevant LAP.

The Hourly UIE Adjustment Amount is to account for Energy quantity cancellations in the denominator of the calculation of the Hourly Real-Time LAP Price.

11.5.3 Unaccounted For Energy (UFE).

For each Settlement Interval, the CAISO will calculate UFE in the CAISO Control Area, and for each utility Service Area for which the IOU or Local Public Utility Owned Electric Utility has requested separate UFE calculation and has met the requirements applicable to a CAISO Metered Entity. The UFE will be settled as Imbalance Energy at the Settlement Interval Locational Marginal Price calculated for each utility Service Area for which UFE is calculated separately. UFE attributable to meter measurement errors, load profile errors, Energy theft, and distribution loss deviations will be allocated to each Scheduling Coordinator based on the ratio of its metered CAISO Demand within the relevant utility Service Area for which UFE is calculated separately plus its Real-Time Interchange export schedules from the relevant Utility Service Area to total metered CAISO Demand within that utility Service Area plus its Real-Time Interchange export schedules from the relevant Utility Service Area.

11.5.4 Real-Time Prices for Imbalance Energy.

11.5.4.1 Application and Calculation of Dispatch Interval LMPs.

Payments to suppliers of Imbalance Energy will be based on Resource-Specific Settlement Interval LMPs. The Resource-Specific Settlement Interval LMPs are established using Dispatch Interval LMPs. Dispatch Interval LMPs will apply to Generating Units, System Units, Physical Scheduling Plants, dynamically scheduled System Resources, and the Demand Response portion of a Participating Load for settlement of Imbalance Energy. The Dispatch Interval LMP will be calculated at each PNode associated with such resource irrespective of whether the resource at that PNode has received Dispatch Instructions. The Dispatch Interval LMPs are then used to calculate a Resource-Specific Settlement Interval LMP and a Resource Specific Tier 1 UIE Settlement Interval Price for each Generating Unit, System Unit, Physical Scheduling Plant, dynamically scheduled System Resource, and Participating Load within the CAISO Controlled Grid.

11.5.5 Settlement Amount for Residual Imbalance Energy.

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For each Settlement Interval, Residual Imbalance Energy Settlement Amounts shall be the product of the MWh of Residual Imbalance Energy for that Settlement Interval and the Bid that led to the Residual Imbalance Energy from the relevant Dispatch Interval in which the resource was Dispatched.

11.5.6 Settlement Amounts for IIE from Exceptional Dispatch.

For each Settlement Interval, IIE Settlement Amount from each type of Exceptional Dispatch described in Section 34.9 is calculated as the sum of the products of the relevant IIE quantity for the Dispatch Interval and the relevant settlement price for the Dispatch Interval for each type of Exceptional Dispatch as further described below.

11.5.6.1 Settlement for IIE from Exceptional Dispatches used for System Emergency Conditions, to Avoid Market Intervention, Overgeneration Conditions or to Prevent or Relieve Imminent System Emergencies.

The Exceptional Dispatch settlement price for incremental IIE that is delivered as a result of an Exceptional Dispatch for System Emergency conditions, to avoid an intervention in market operations, mitigate Overgeneration conditions, or to prevent or relieve an imminent System Emergency, including forced start-ups and shutdowns, is the higher of the Resource-Specific Settlement Interval LMP, Energy Bid Price or the Default Energy Bid price, if applicable and the Energy that does not have an Energy Bid Price, or the negotiated price as applicable to System Resources. Costs for incremental Energy for this type of Exceptional Dispatch are settled in two Payments: (1) incremental Energy is first settled at the Resource-Specific Settlement Interval LMP and included in the total IIE Settlement Amount described in Section 11.5.1.1; and (2) second, the incremental Energy Bid cost in excess of the applicable LMP at the relevant Location is settled per Section 11.5.6.1.1. The Exceptional Dispatch Settlement price for decremental IIE not associated with an Energy Bid that is delivered as a result of an Exceptional Dispatch Instruction to avoid an intervention in market operations, or to prevent or relive a System Emergency is the minimum of the Resource-Specific Settlement Interval LMP, Energy Bid Price, or the negotiated price, if applicable and the Energy that does not have an Energy Bid Price. All Energy costs for decremental IIE associated with this type of Exceptional Dispatch are included in the total IIE Settlement Amount described in Section 11.5.1.1.

11.5.6.1.1 Settlement of Excess Costs for Exceptional Dispatches used for Emergency Conditions, to Avoid Market Intervention, and Avoid an Imminent System Emergencies.

The Excess Cost Payment for incremental Exceptional Dispatches used for emergency conditions, to avoid Market intervention, or avoid an imminent System Emergencies is calculated for each resource for each Settlement Interval as the cost difference between the Settlement amount calculated pursuant to Section 11.5.6.1 for the applicable Exceptional Dispatch at the Resource-Specific Settlement Interval LMP and one of the following three costs: (1) the Resource's Energy Bid Cost, (2) the Default Energy Bid cost, or (3) the Energy cost at the negotiated price, if applicable, for the relevant Exceptional Dispatch.

11.5.6.2 Settlement of IIE from Exceptional Dispatches caused by Modeling Limitations.

11.5.6.2.1 Exceptional Dispatches Not Associated with an Energy Bid for Transmission-Related Modeling Limitations.

The Exceptional Dispatch Settlement price for IIE not associated with an Energy Bid that is consumed or delivered as a result of an Exceptional Dispatch to mitigate or resolve Congestion as a result of a transmission-related modeling limitation in the FNM is the maximum of the Resource-Specific Settlement Interval LMP, Energy Bid Price or the Default Energy Bid price, if applicable and the Energy that does not have an Energy Bid Price, or the negotiated price as applicable to System Resources. Costs for incremental Energy for this type of Exceptional Dispatch are settled in two Payments: (1) incremental Energy is first settled at the Resource-Specific Settlement Interval LMP and included in the total IIE Settlement Amount described in Section 11.5.1.1; and (2) second, the incremental Energy Bid costs in excess of the applicable LMP at the relevant Location are settled per Section 11.5.6.2.3. The Exceptional Dispatch Settlement price for decremental IIE for this type of Exceptional Dispatch is the minimum of the Resource-Specific Settlement Interval LMP Energy Bid Price or the Default Energy Bid price, if applicable and the Energy that does not have an Energy Bid Price, or the negotiated price as applicable to System Resources. Costs for decremental IIE associated with this type of Exceptional Dispatch are settled in two Payments: (1) decremental Energy is first settled at the Resource-Specific Settlement Interval LMP and included in the total IIE Settlement Amount described in Section 11.5.1.1;

and (2) second, the decremental Energy Bid costs in excess of the applicable LMP at the relevant Location are settled per Section 11.5.6.2.3.

11.5.6.2.2 Exceptional Dispatches Associated with an Energy Bid for Transmission-Related Modeling Limitations.

The Exceptional Dispatch Settlement price for incremental IIE associated with an Energy Bid that is consumed or delivered as a result of an Exceptional Dispatch to mitigate or resolve Congestion as a result of a transmission-related modeling limitation in the CAISO FNM is the maximum of the Resource-Specific Settlement Interval LMP or the Energy Bid Price. Costs for incremental Energy for this type of Exceptional Dispatch are settled in two Payments: (1) incremental Energy is first settled at the Resource-Specific Settlement Interval LMP and included in the total IIE Settlement Amount described in Section 11.5.1.1; and (2) second, the incremental Energy Bid costs in excess of the applicable LMP at the relevant Location are settled per Section 11.5.6.2.3. The Exceptional Dispatch Settlement price for decremental IIE for this type of Exceptional Dispatch is the minimum of the Resource-Specific Settlement Interval LMP or the Bid price. Costs for decremental IIE associated with this type of Exceptional Dispatch are settled in two Payments: (1) decremental Energy is first settled at the Resource-Specific Settlement Interval LMP and included in the total IIE Settlement Amount described in Section 11.5.1.1; and (2) second, the decremental Energy Bid costs in excess of the applicable LMP at the relevant Location is settled per Section 11.5.6.2.3.

11.5.6.2.3 Settlement of Excess Costs for Exceptional Dispatches used for Transmission-Related Modeling Limitations

The Excess Cost Payment for Exceptional Dispatches used for Transmission modeling issues is calculated for each Resource for each Settlement Interval as the cost difference between the Settlement amount calculated pursuant to Section 11.5.6.2.1 or 11.5.6.2.2 for the applicable Exceptional Dispatch at the Resource-Specific Settlement Interval LMP and one of the following three costs: (1) the Resource's Energy Bid Cost, 2) the Default Energy Bid cost, or 3) the Energy cost at the negotiated price, if applicable, for the relevant Exceptional Dispatch.

11.5.6.2.4 Exceptional Dispatches for Non-Transmission-Related Modeling Limitations

The Exceptional Dispatch Settlement price for incremental IIE that is consumed or delivered as a result of an Exceptional Dispatch to mitigate or resolve Congestion that is not a result of a transmission-related modeling limitation in the FNM is the maximum of the Resource-Specific Settlement Interval LMP, Energy Bid Price or the Default Energy Bid price, if applicable and the Energy that does not have an Energy Bid Price, or the negotiated price as applicable to System Resources. All costs for incremental Energy for this type of Exceptional Dispatch will be included in the total IIE Settlement Amount described in Section 11.5.1.1. The Exceptional Dispatch Settlement price for decremental IIE for this type of Exceptional Dispatch is the minimum of the Resource-Specific Settlement Interval LMP, Energy Bid Price or the Default Energy Bid price, if applicable and the Energy does not have an Energy Bid Price, or the negotiated price as applicable to System Resources. All costs for decremental IIE associated with this type of Exceptional Dispatch are included in the total IIE Settlement Amount described in Section 11.5.1.1.

11.5.6.2.5 [Not Used]

11.5.6.2.5 Allocation of Exceptional Dispatch Excess Cost Payments.

11.5.6.2.5.1 Allocation of Exceptional Dispatch Excess Cost Payments to PTOs.

The total Excess Cost Payments calculated pursuant to Section 11.5.6.2.3 for the IIE from Exceptional Dispatches instructed as a result of a transmission-related modeling limitation in the FNM in that Settlement Interval shall be charged to the Participating Transmission Owner in whose Participating TO Service Territory the transmission-related modeling limitation is located. If the modeling limitation affects more than one Participating TO, the Excess Cost Payments shall be pro-rata allocated in proportion to the Participating TO's Transmission Revenue Requirement.

11.5.6.2.5.2 Allocation of Exceptional Dispatch Costs to Scheduling Coordinators.

Excess Cost Payments for the Exceptional Dispatches used for Emergency Conditions to avoid market intervention and System Emergencies as determined pursuant to Section 11.5.6.1.1 shall be charged to Scheduling Coordinators as follows in a two-step process. First, each Scheduling Coordinator's charge shall be the lesser of:

- i. the pro rata share of total Excess Cost Payment based upon the ratio of each Scheduling Coordinator's Net Negative Uninstructed Deviations to the total system Net Negative Uninstructed Deviations; or
- ii. the amount obtained by multiplying the Scheduling Coordinator's Net Negative Uninstructed Deviation for each Settlement Interval and a weighted average price. The weighted average price is equal to the total Excess Cost Payments to be allocated divided by the MWh of Exceptional Dispatch Energy associated with the Excess Cost Payment.

Second, any remaining unallocated costs shall be allocated to all Scheduling Coordinators pro-rata based on their Measured Demand. For a Scheduling Coordinator of an MSS Operator that has elected to follow Load, allocation of this second category of Excess Cost Payments will be based on net metered Demand.

A Scheduling Coordinator shall be exempt from the Step one of the Excess Cost Payment allocation for a Settlement Interval if the Scheduling Coordinator has sufficient incremental Energy bids from physically available resources in the Real-Time Energy Market to cover its Net Negative Uninstructed Deviation in the given Settlement Interval and the prices of such Energy bids do not exceed the applicable maximum Bid level as set forth in Section 39 of this Tariff.

11.5.6.3 Settlement for IIE from Exceptional Dispatches for RMR Units.

11.5.6.3.1 Pricing for Exceptional Dispatch of RMR Units.

~~11.2.4.2~~ If the ~~ISO-CAISO~~ Dispatches an RMR Unit that has selected Condition 2 of its RMR Contract to ~~startStart-up-Up~~ or provide ~~energy-Energy~~ other than a start-up or energy ~~requested~~ pursuant to the RMR Contract, ~~as provided in Section 5.2.9 of the ISO Tariff~~, the ~~CA~~ISO shall pay as follows:

(a) if the Owner has elected Option A of Schedule G, two times the ~~startStart-up-Up~~ cost specified in Schedule D to the applicable RMR Contract for any ~~startStart-up-Up~~ incurred, and 1.5 times the rate specified in Equation 1a or 1b below times the amount of ~~energy-Energy~~ delivered in response to the ~~ISO's instruction~~Dispatch Instructions;

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(b) if the Owner has elected Option B of Schedule G, three times the ~~start~~Start-up Up cost specified in Schedule D to the applicable RMR Contract for any ~~start~~Start-up-Up incurred, and the rate specified in Equation 1a or 1b below times the amount of ~~energy~~Energy delivered in response to the ~~ISO's instruction~~Dispatch Instruction.

Equation 1a

$$\text{Energy Price (\$/MWh)} = \frac{(AX^3 + BX^2 + CX + D) * P * E}{X} + \text{Variable O\&M Rate}$$

Equation 1b

$$\text{Energy Price (\$/MWh)} = \frac{A * (B + CX + De^{FX}) * P * E}{X} + \text{Variable O\&M Rate}$$

Where:

- for Equation 1a, A, B, C, D and E are the coefficients given in Table C1-7a of the applicable RMR Contract;
- for Equation 1b, A, B, C, D, E and F are the coefficients given in Table C1-7b of the applicable RMR Contract;
- X is the Unit output level during the applicable settlement period, MWh;
- P is the Hourly Fuel Price as calculated by Equation C1-8 in Schedule C using the Commodity Prices in accordance with the applicable RMR Contract;

Variable O&M Rate (\$/MWh): as shown on Table C1-18 of the applicable RMR Contract.

11.5.6.3.2 11.2.4.2.1.1 _____ Allocation of Costs from ~~Out-Of-Market calls~~ Exceptional Dispatch Calls to Condition 2 RMR Units.

a) _____ All costs associated with ~~energy~~Energy provided by a Condition 2 RMR Unit operating other than according to a dispatch notice issued under the RMR Contract shall be allocated in accordance with Section 11.2.4.2.111.5. Until either the RMR Contract Counted MWh, Counted Service Hours or Counted ~~Start-ups~~Ups exceed the relevant RMR Contract Service Limit, any cost incurred for ~~energy~~Energy

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provided under the RMR Contract above the rate specified in equation 1a or 1b as set forth in Section ~~11.2.4.2~~11.5.6.3.1 shall be allocated in accordance with Section ~~11.2.4.2~~11.5.1, not to the Responsible Utility.

b) Start-Up Costs for Condition 2 RMR Units providing service outside the RMR Contract, and any additional Start-Up Cost associated with a Condition 2 RMR Unit providing service under the RMR Contract when the unit's total service has exceeded an RMR Contract Service Limit but neither the RMR Contract Counted MWh, Counted Service Hours or Counted Start-ups under the RMR Contract have exceeded the applicable RMR Contract Service Limit, shall be ~~invoiced in accordance with Section~~ treated similar to costs under Section 11.840.1.10.6 and collected in accordance with Section 40.1.10.1.

11.5.6.4 Settlement of IIE from Exceptional Dispatches used for Ancillary Services Testing and PreCommercial Operations Testing For Generating Units.

The Exceptional Dispatch Settlement price for incremental IIE that is consumed or delivered as a result of an Exceptional Dispatch for purposes of Ancillary Services testing or pre-commercial operations testing for Generating Units is the maximum of the Resource-Specific Settlement Interval LMP or the Energy Bid Price, if Energy is associated with an Energy Bid. All Energy costs for these types of Exceptional Dispatch will be included in the IIE Settlement Amount described in Section 11.5.1.1.

11.5.6.5 Settlement of IIE from Black Start and Voltage Support.

All IIE Settlement Amounts associated with Black Start and Voltage Support are derived pursuant to Section 11.10.

11.5.6.6 Settlement of IIE from Exceptional Dispatches for HASP and Real-Time ETC and TOR Schedules

The Exceptional Dispatch Settlement price for IIE from HASP and Real-Time ETC and TOR Supply Schedules shall be the Resource-Specific Settlement Interval LMP. The Settlement Amount for this type of Exceptional Dispatch shall be calculated as the product of the sum of all of these types of Energy and the Resource-Specific Settlement Interval LMP.

11.5.7 HASP and RTM Congestion Credit for ETCs, TORs.

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The CAISO shall not apply Charges or Payments to Scheduling Coordinators related to the MCC associated with all source and sink pairs associated with valid and balanced ETC Self-Schedules or TOR Self-Schedules. The balanced portion will based on the difference between: (1) minimum of the metered CAISO Demand, ETC or TOR Self-Schedule submitted in the HASP, or the Existing Contract maximum capacity as specified in the TRTC Instructions; and (2) the Day-Ahead Schedule. For each Scheduling Coordinator, the CAISO shall determine for each Settlement Interval the applicable HASP and Real-Time Market Congestion Credit for Imbalance Energy, which can be positive or negative, as sum of the product of the relevant MWh quantity and the MCC at each source and sink associated with the valid and balanced portions of that Scheduling Coordinator's ETC or TOR Self-Schedules. For all exports and imports settled in the HASP, the CAISO shall use the MWh quantity specified in the HASP Intertie Schedule. For all Demand settled in the Real-Time Market the CAISO shall use the metered CAISO Demand associated with the applicable ETC or TOR. For all Supply settled in the Real-Time Market the CAISO shall use the quantity specified in the Dispatch Instructions.

11.5.7.1 Allocation of the HASP and RTM Congestion Credit for ETCs, TORs

The HASP and Real-Time Market Congestion Credit calculated pursuant to 11.5.7 shall be allocated to all Scheduling Coordinators based on their Measured Demand excluding Metered Load and IIE quantities from Supply at all source and sink pairs associated with valid and Balanced ETC Self-Schedules or TOR Self-Schedules.

~~11.5 Calculation in the Event of Lack of Meter Data for the Balancing of Market Accounts.~~

~~Settlements shall not be cleared for final processing until the accounting trial balance is zero. In order to publish a Settlement Statement, the ISO may use estimated, disputed or calculated Meter Data. When actual verified Meter Data is available and all of the disputes raised by Scheduling Coordinators during the validation process described in Section 11.7 of this ISO Tariff have been determined, the ISO shall recalculate the amounts payable and receivable by the affected Scheduling Coordinators or by all~~

~~Scheduling Coordinators, if applicable, as soon as reasonably practical and shall show any required adjustments as a debit or credit in the next Settlement Statement.~~

11.6 [Not Used]

~~11.6 Settlements Cycle.~~

~~11.6.1 Timing of the Settlements Process.~~

~~11.6.1.1 Preliminary Statements.~~

~~The ISO shall provide to each Scheduling Coordinator, Black Start Generator or Participating TO for validation a Preliminary Settlement Statement for each Trading Day in accordance with the ISO Payments Calendar. Each Preliminary Settlement Statement will include a statement of:~~

- ~~(a) the amount payable or receivable by the Scheduling Coordinator, Black Start Generator or Participating TO for each charge referred to in Section 11.2 for each Settlement Period in the relevant Trading Day;~~
- ~~(b) the total amount payable or receivable by that Scheduling Coordinator, Black Start Generator or Participating TO for each charge for all Settlement Periods in that Trading Day after the amounts payable and the amounts receivable under (a) have been netted off pursuant to Section 11.3; and~~
- ~~(c) the components of each charge in each Settlement Period except for information contained in the Imbalance Energy Report referred to in Section 11.6.1.1.~~

~~Each Preliminary Settlement Statement shall also be accompanied by a breakdown of the components of the Imbalance Energy Charge (the "Imbalance Energy Report").~~

~~11.6.1.2~~ ~~Each Scheduling Coordinator, Black Start Generator or Participating TO shall have a period of eight (8) Business Days from the issuance of a Preliminary Settlement Statement during which it may review the Preliminary Settlement Statement and notify the ISO of any errors. No later~~

~~than fifty one (51) Business Days after the Trading Day to which it relates, the ISO shall issue a Final Settlement Statement to each Scheduling Coordinator for that Trading Day.~~

~~**11.6.1.2A — Final Statements.**~~

~~The ISO shall provide to each Scheduling Coordinator, Black Start Generator or Participating TO a Final Settlement Statement in accordance with the ISO Tariff and the ISO Payments Calendar. The Final Settlement Statement shall be in a format similar to that of the Preliminary Settlement Statement and shall include all the information provided in the Preliminary Settlement Statement as amended following the validation procedure.~~

~~**11.6.1.3** — Each Scheduling Coordinator, Black Start Generator or Participating TO shall have a period of ten (10) Business Days from the issuance of the Final Settlement Statement during which it may review the Incremental Changes on the Final Settlement Statement and notify the ISO of any errors. No later than twenty five (25) Business Days from the date of issuance of the Final Settlement Statement, the ISO shall incorporate any required corrections in a subsequent Preliminary Settlement Statement.~~

~~**11.6.2 — Basis for Billing and Payment.**~~

~~The Preliminary and the Final Settlement Statements shall constitute the basis for billing and associated automatic funds transfers in accordance with this ISO Tariff. The Preliminary Settlement Statement shall constitute the basis for billing and associated automatic funds transfers for all charges in the first instance. The Final Settlement Statement shall constitute the basis for billing and associated automatic funds transfers for adjustments to charges set forth in the Preliminary Settlement Statement. Each Scheduling Coordinator shall pay any net debit and shall be entitled to receive any net credit shown in an invoice on the Payment Date, whether or not there is any dispute regarding the amount of the debit or credit.~~

~~**11.6.2.1 — Elimination of Invoices under \$10.00.**~~

~~Preliminary and final invoices either due to or from any Market Participant for amounts less than \$10.00 will be adjusted to \$0.00 and no amount will be due to or from that Market Participant for that invoice.~~

~~**11.6.3 — Settlement Statement Re-runs and Post Final Adjustments.**~~

~~The ISO is authorized to perform Settlement Statement Re-runs following approval of the ISO Governing Board. A request to perform a Settlement Statement Re-run may be made at any time by a Scheduling Coordinator by notice in writing to the ISO Governing Board. The ISO Governing Board shall, in considering whether to approve a request for a Settlement Statement Re-run, determine in its reasonable discretion, whether there is good cause to justify the performance of a Settlement Statement Re-run.~~

~~**11.6.3.1** If a Settlement Statement Re-run is ordered by the ISO Governing Board, the ISO shall arrange to have the Settlement Statement Re-run carried out as soon as is reasonably practicable following the ISO Governing Board's order, subject to the availability of staff and computer time, compatible software, appropriate data and other resources.~~

~~**11.6.3.2.** The cost of a Settlement Statement Re-run shall be borne by the Scheduling Coordinator requesting it, unless the Settlement Statement Re-run was needed due to a clerical oversight or error on the part of the ISO staff.~~

~~**11.6.3.3** Where a Settlement Statement Re-run indicates that the accounts of Scheduling Coordinators should be debited or credited to reflect alterations to Settlements previously made under this ISO Tariff, for those Scheduling Coordinators affected by the statement re-run, the ISO shall reflect the amounts to be debited or credited in the next Preliminary Settlement Statements that it issues following the Settlement Statement Re-run to which the provisions of this Section 11 apply.~~

~~**11.6.3.4** Reruns, post closing adjustments and the financial outcomes of Dispute Resolution may be invoiced separately from monthly market activities. The ISO shall provide a market notice at least 30 days prior to such invoicing identifying the components of such invoice.~~

11.7 [Not Used]

~~**11.7 Confirmation and Validation.**~~

~~**11.7.1 Confirmation.**~~

~~It is the responsibility of each Scheduling Coordinator to notify the ISO if it fails to receive a Preliminary Settlement Statement or a Final Settlement Statement on the date specified for the publication of such Settlement Statement in the ISO Payments Calendar. Each Scheduling Coordinator shall be deemed to have received its Settlement Statement on the dates specified, unless it notifies the ISO to the contrary.~~

~~**11.7.2 Validation.**~~

~~Each Scheduling Coordinator, Black Start Generator, or Participating TO shall have the opportunity to review the terms of the Preliminary Settlement Statements that it receives. The Scheduling Coordinator, Black Start Generator, or Participating TO shall be deemed to have validated each Preliminary Settlement Statement unless it has raised a dispute or reported an exception within eight (8) Business Days from the date of issuance. Once validated, a Preliminary Settlement Statement shall be binding on the Scheduling Coordinator, Black Start Generator or Participating TO to which it relates, unless the ISO performs a Settlement re-run pursuant to Section 11.6.3 of this ISO Tariff.~~

~~The notice of dispute, if any, shall state clearly the Trading Day, the issue date of the Preliminary Statement, the item disputed, the reasons for the dispute, the amount claimed (if appropriate) and shall be accompanied with all available evidence reasonably required to support the claim.~~

~~**11.7.3 Validation of Final Settlement Statements.**~~

~~Each Scheduling Coordinator, Black Start Generator or Participating TO shall have the opportunity to review the Incremental Changes that appear on the Final Settlement Statement that it receives. The Scheduling Coordinator, Black Start Generator or Participating TO shall be deemed to have validated the Incremental Changes on each Final Settlement Statement unless it has raised a dispute or reported an exception regarding those Incremental Changes within ten (10) Business Days from the date of issuance. Once validated, the Incremental Changes on the Final Settlement Statement shall be binding on the Scheduling Coordinator, Black Start Generator or Participating TO to which it relates, unless the ISO performs a Settlement re-run pursuant to Section 11.6.3 of this ISO Tariff.~~

~~The notice of dispute shall state clearly the Trading Day, the issue date of the Final Settlement Statement, the item disputed, the reasons for the dispute, the amount claimed (if appropriate) and shall be accompanied with all available evidence reasonably required to support the claim.~~

~~**11.7.4 Recurring Disputes or Exceptions.**~~

~~A Scheduling Coordinator, Black Start Generator or Participating TO may request the ISO to treat as recurring a dispute or exception raised in accordance with Sections 11.7.2 and 11.7.3 above, if a dispute or exception would apply to subsequent Preliminary and Final Settlement Statements. A request for recurring treatment may be made for any valid reason provided that subsequent Preliminary and Final Settlement Statements would be affected, including but not limited to, that the disputed calculation will recur, or that a disagreement as to policy will affect calculations in subsequent Preliminary and Final Settlement Statements. If a Scheduling Coordinator, Black Start Generator or Participating TO wishes to request that the ISO treat a dispute as recurring, it shall, in the notice, clearly indicate that it requests such treatment and set forth in detail the reasons that support such treatment. To the extent possible, the Scheduling Coordinator, Black Start Generator or Participating TO shall state the types of charges and dates to which the dispute will apply, and provide estimates of the amounts that will likely be claimed on each date.~~

~~The ISO shall make a determination on such a request within five (5) Business Days of receipt. To preserve its right to dispute an item, a Scheduling Coordinator, Black Start Generator or Participating TO must continue to raise a dispute or report an exception until it is notified by the ISO that the ISO agrees to treat the dispute or exception as recurring. If the ISO grants a request to treat a dispute or exception as recurring, the dispute raised or exception reported by the Scheduling Coordinator, Black Start Generator or Participating TO shall be deemed to apply to every subsequent Preliminary and Final Settlement Statement provided to the Scheduling Coordinator, Black Start Generator or Participating TO from the date that the ISO grants the request for recurrent treatment until: a) ninety (90) days have elapsed, unless the ISO indicates a different expiration date on its response to the request, in which case the expiration date stated by the ISO, in its response or b) the dispute or exception is resolved, whichever is shorter. The ISO may deny a request that the ISO treat a dispute as recurring for any valid reason, including~~

~~because the request is not adequately specific as to the basis for recurring treatment or the subsequent calculations that will be affected.~~

~~**11.7.5 Amendment.**~~

~~Regarding a dispute related to a Preliminary Settlement Statement, if the ISO agrees with the amount claimed, it shall incorporate the relevant data into the Final Settlement Statement. Regarding a dispute related to an Incremental Change in a Final Settlement Statement, the ISO shall make a determination on the dispute no later than twenty-five (25) Business Days from the issuance of the Final Settlement Statement, and, if the ISO agrees with the amount claimed, shall incorporate the relevant data into the next available Preliminary Settlement Statement.~~

~~**11.7.6 ISO Contact.**~~

~~If the ISO does not agree with the amount claimed or if it requires additional information, it shall make reasonable efforts (taking into account the time it received the notice of dispute and the complexity of the issue involved) to contact the relevant Scheduling Coordinator, Black Start Generator or Participating TO to resolve the issue before issuing the Final Settlement Statement. If it is not possible to contact the relevant party, the ISO shall issue the Final Settlement Statement without taking into account the dispute notice.~~

~~**11.7.7 Payment Pending Dispute.**~~

~~Each Scheduling Coordinator, Black Start Generator or Participating TO which receives an invoice shall pay any net debit and shall be entitled to receive any net credit shown in the invoice on the Payment Date, whether or not there is any dispute regarding the amount of the debit or credit. The provisions of Section 13 (Dispute Resolution) of the ISO Tariff shall apply to the disputed amount.~~

~~**11.8 Bid Cost Recovery.**~~

~~For purposes of determining the Unrecovered Bid Cost Uplift Payments for each Bid Cost Recovery Eligible Resource as determined in Section 11.8.5 and the allocation of Unrecovered Bid Cost Uplifts for each Settlement Interval, the CAISO shall sequentially calculate the Bid Costs, which can be positive (IFM, RUC or Real-Time Market Bid Cost Shortfall) or negative (IFM, RUC or Real-Time Market Bid Cost~~

Surplus) in the IFM, RUC and the Real-Time Market, as the algebraic difference between the respective IFM, RUC or Real-Time Market Bid Cost and the IFM, RUC or Real-Time Market Market Revenues, which is netted across the CAISO Markets. All Bid Costs shall be based on mitigated Bids as specified in Section 39.7.

11.8.1 CAISO Determination of Self-Commitment Periods.

For the purposes of identifying the periods during which a Bid Cost Recovery Eligible Resource is deemed self-committed and thus ineligible for Start-Up Costs, Minimum Load Costs, IFM Load Reduction Initiation Cost for Participating Loads, IFM Minimum Curtailable Demand for Participating Loads, and IFM Pump and Participating Load Shut-Down Cost, the CAISO derives the Self-Commitment Periods as described below. The IFM and RUC Self-Commitment Periods will be available as part of the Day-Ahead Market results provided to the applicable Scheduling Coordinator. The Interim Real-Time Market Self-Commitment Periods as reflected in the HASP will be available as part of the HASP results for the relevant Trading Hour as provided to the applicable Scheduling Coordinator. The Final Real-Time Market Self-Commitment Period is determined ex-post for Settlements purposes.

11.8.1.1 IFM Self-Commitment Period.

An IFM Self-Commitment Period for a Bid Cost Recovery Eligible Resource shall consist of one or more sets of consecutive Trading Hours during which the relevant Bid Cost Recovery Eligible Resource has either a Self-Schedule or, except for AS Self-Provision for Non-Spinning Reserve by a Fast Start Unit resources, has a non-zero amount of Self-Provided Ancillary Services. An IFM Self-Commitment Period for a Bid Cost Recovery Eligible Resource may not be less than the relevant Minimum Run Time (MAT), rounded up to the next hour. Consequently, if a Bid Cost Recovery Eligible Resource first self-commits in hour h of the Trading Day, the self-commitment will be extended to hour h + MAT. Two IFM Self-Commitment Periods for a Bid Cost Recovery Eligible Resource may not be apart by less than the relevant Minimum Down Time (MDT) (rounded up to the next hour). Consequently, if a Bid Cost Recovery Eligible Resource has submitted a Self-Schedule or Self-Provided Ancillary Services in hours h and h + n, and n is less than the MDT, the IFM Self-Commitment Period will be extended to the hours in between h and h + n inclusive. The number of IFM Self-Commitment Periods for a Bid Cost Recovery Eligible

Resource within a Trading Day cannot exceed the relevant Maximum Daily Start-Ups (MDS), or MDS + 1 if the first IFM Self-Commitment Period is the continuation of an IFM or RUC Commitment Period from the previous Trading Day. Consequently, if a Bid Cost Recovery Eligible Resource has submitted a Self-Schedule or Self-Provided Ancillary Services, such that after applying the preceding two rules, the number of disjoint Self Commitment Periods for the Operating Day exceeds the Maximum Daily Start-Ups (MDS), or MDS + 1 if the first IFM Self-Commitment Period is the continuation of an IFM or RUC Commitment Period from the previous Trading Day, the disjoint Self Commitment Periods with smallest time gap in between will be joined together to bring down the number of disjoint Self Commitment Periods to MDS or MDS +1 as relevant.

11.8.1.2 Real-Time Self-Commitment Period.

A Real-Time Market Self-Commitment Period for a Bid Cost Recovery Eligible Resource shall consist of all consecutive Dispatch Intervals not in an IFM Commitment Period or a RUC Commitment Period where the Bid Cost Recovery Eligible Resource has a Self-Schedule or, except for Self-Provided Ancillary Services for Non-Spinning Reserve by a Fast Start Unit, has a non-zero amount of Self-Provided Ancillary Services. A Real-Time Market Self-Commitment Period for a Bid Cost Recovery Eligible Resource may not be less than the relevant MUT (rounded up to the next 15-minute Commitment Interval) when considered jointly with any adjacent IFM Self Commitment period. Consequently, if a Bid Cost Recovery Eligible Resource self-commits at time h , the self-commitment will be extended to Commitment Interval $h + MUT$, unless an IFM or RUC Commitment Period exists starting after hour h , in which case the self-commitment will be extended to Commitment Interval $h + \min(MUT, t)$. A Real-Time Market Self-Commitment Period for a Bid Cost Recovery Eligible Resource may not be apart from an IFM or RUC Commitment Period by less than the relevant MDT (rounded up to the next 15-min Commitment Interval). Consequently, if a Bid Cost Recovery Eligible Resource self-commits at time $T1$ and has a RUC Schedule at time $T2 < T1$, the Real-Time Market Self-Commitment Period will be extended to the interim Commitment Intervals if $T1 - T2 < MDT$. The number of Real-Time Market Self-Commitment Periods for a Bid Cost Recovery Eligible Resource within a Trading Day, when considered jointly with any adjacent IFM Self Commitment period, may not exceed the relevant MDS (or MDS + 1 if the first Real-Time Market Self-Commitment Period is the continuation of a Real-Time Market Commitment Period from the previous

Trading Day). Consequently, if a Bid Cost Recovery Eligible Resource self-commits at time T1 and has a RUC Schedule at time T2 > T1, the Real-Time Market Self-Commitment Period will be extended to the interim Commitment Intervals if an additional Real-Time Market Start-Up at T1 would violate the MDS constraint.

11.8.2 IFM Bid Cost Recovery Amount.

For purposes of determining the IFM Unrecovered Bid Cost Uplift Payments as determined in Section 11.8.5, and the purposes of allocating Net IFM Bid Cost Uplift as described in Section 11.8.6.4 the CAISO shall calculate the IFM Bid Cost Shortfall or the IFM Bid Cost Surplus as the algebraic difference between the IFM Bid Cost and the IFM Market Revenues for each Settlement Interval. The IFM Bid Costs shall be calculated pursuant to Section 11.8.2.1 and the IFM Market Revenues shall be calculated pursuant to Section 11.8.2.2.

11.8.2.1 IFM Bid Cost Calculation.

For each Settlement Interval, the CAISO shall calculate IFM Bid Cost for each Bid Cost Recovery Eligible Resource as the algebraic sum of the IFM Start-Up Cost (or the IFM Load Reduction Initiation Cost for Participating Loads), IFM Minimum Load Cost (or the IFM Minimum Curtailable Demand for Participating Loads), IFM Pump and Participating Load Shut-Down Cost, IFM Pump and Participating Load Bid Cost, IFM Energy Bid Cost, and IFM AS Bid Cost. The IFM Bid Cost for Bid Cost Recovery Eligible Resources, except Participating Loads, for any Settlement Interval is set to zero if the Bid Cost Recovery Eligible Resource has an Uninstructed Imbalance Energy (UIE) magnitude in that Settlement Interval in excess of the greater: (1) of five (5) MWh divided by the number of Settlement Intervals in the Trading Hour; or (2) 3% of its maximum capacity divided by the number of Settlement Intervals in a Trading Hour. The IFM Bid Cost for a Participating Load for any Settlement Interval is set to zero if the Participating Load has an Uninstructed Imbalance Energy (UIE) magnitude in that Settlement Interval in excess of the greater: (1) of five (5) MWh divided by the number of Settlement Intervals in the Trading Hour; or (2) 3% of the difference between the Base Load and the Real-Time Market Self-Schedule.

11.8.2.1.1 IFM Start-Up Cost.

The IFM Start-Up Cost for any IFM Commitment Period shall equal to the Start-Up Costs submitted by the Scheduling Coordinator to the CAISO for the IFM divided by the number of Settlement Intervals in the applicable IFM Commitment Period. For each Settlement Interval, only the IFM Start Cost in a CAISO IFM Commitment Period is eligible for Bid Cost Recovery. The following rules shall apply sequentially to qualify the IFM Start-Up Cost in an IFM Commitment Period:

- a) The IFM Start-Up Cost for an IFM Commitment Period shall be zero if there is an IFM Self-Commitment Period within or overlapping with that IFM Commitment Period.
- b) The IFM Start-Up Cost for an IFM Commitment Period shall be zero if the Bid Cost Recovery Eligible Resource is manually pre-dispatched under an RMR Contract prior to the Day-Ahead Market or the resource is flagged as an RMR Dispatch in the Day-Ahead Schedule in the Day-Ahead Market anywhere within the applicable IFM Commitment Period.
- c) The IFM Start-Up Cost for an IFM Commitment Period shall be zero if there is no actual Start-Up at the start of the applicable IFM Commitment Period because the IFM Commitment Period is the continuation of an IFM or RUC Commitment Period from the previous Trading Day.
- d) The IFM Start-Up Cost for an IFM Commitment Period shall be zero if the Start-Up is delayed by the Real-Time Market past the IFM Commitment Period in question or cancelled by the Real-Time Market before the startup process has started.
- e) If an IFM Start-Up is terminated in the Real-Time within the applicable IFM Commitment Period through an Exceptional Dispatch Shut-Down Instruction issued while the Bid Cost Recovery Eligible Resource was Starting Up, the IFM Start-Up Cost for that IFM Commitment Period shall be prorated by the ratio of the Start-Up time before termination over the total IFM Start-Up time.
- f) The IFM Start-Up Cost is qualified if an actual Start-Up occurs within the applicable IFM Commitment Period. An actual Start-Up is detected between two consecutive Settlement Intervals when the relevant metered Energy in the applicable Settlement Intervals increases from below the Minimum Load Energy and reaches or exceeds the relevant Minimum Load

Energy. The Minimum Load Energy is the product of the relevant Minimum Load and the duration of the Settlement Interval.

- g) The IFM Start-Up Cost will be qualified if an actual Start-Up occurs earlier than the start of the IFM Commitment Period if the advance start-up is as a result of a Start-Up instruction issued in a RUC or Real-Time Market process subsequent to the IFM, or the advance Start-Up is uninstructed but is still within the same Trading Day and the Bid Cost Recovery Eligible Resource actually stays on until the targeted IFM Start-Up.

11.8.2.1.2 IFM Minimum Load Cost.

The Minimum Load Cost for the applicable Settlement Interval shall be the Minimum Load Cost submitted to the CAISO in the IFM divided by the number of Settlement Intervals in a Trading Hour. For each Settlement Interval, only the IFM Minimum Load Cost in a CAISO IFM Commitment Period is eligible for Bid Cost Recovery. The IFM Minimum Load Cost for any Settlement Interval is zero if: (1) the Settlement Interval is in an IFM Self Commitment Period for the Bid Cost Recovery Eligible Resource; (2) the Bid Cost Recovery Eligible Resource is manually pre-dispatched under an RMR Contract prior to the Day-Ahead Market or the resource is flagged as an RMR Dispatch in the Day-Ahead Schedule for the applicable Settlement Interval; or (3) the Bid Cost Recovery Eligible Resource is not actually on during the applicable Settlement Interval. A Bid Cost Recovery Eligible Resource is detected as not actually being On if the metered Energy in that Settlement Interval less than the relevant MLE within the Tolerance Band.

11.8.2.1.3 IFM Pump and Participating Load Shut-Down Cost.

For Pumped-Storage Hydro Units and Participating Load only, the IFM Pump and Participating Load Shut-Down Costs for each Settlement Interval shall be equal to the relevant Pump and Participating Load Shut-Down Cost submitted to CAISO in the IFM -divided by the number of Settlement Intervals in a Trading Hour in which shut down is to occur if the unit is committed by the IFM not to pump and actually does not operate in pumping mode in that Settlement Interval (as detected by Metered data).

11.8.2.1.4 IFM Pump and Participating Load Bid Cost

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For Pumped Storage Hydro Units and Participating Load only, the IFM Pump and Participating Load Cost for the applicable Settlement Interval shall be the Pumping and Participating Load Bid Cost submitted to the CAISO in the IFM divided by the number of Settlement Intervals in a Trading Hour. The Pump and Participating Load Cost is negative. The Pump and Participating Load Cost is included in IFM Bid Cost computation for a Pumped-Storage Hydro Unit and Participating Load committed by the IFM to pump or serve Load, if it actually operates in pumping mode or serves Load in that Settlement Interval.

11.8.2.1.5 IFM Energy Bid Cost.

For any Settlement Interval, the IFM Energy Bid Cost shall be the integral of the relevant Energy Bid submitted to the IFM, if any, from the Bid Cost Recovery Eligible Resource's Minimum Load up to the relevant MWh scheduled in the Day-Ahead Schedule, divided by the number of Settlement Intervals in a Trading Hour.

11.8.2.1.6 IFM AS Bid Cost.

For any Settlement Interval, the IFM AS Bid Cost shall be the product of the IFM AS Award from each accepted IFM AS Bid and the relevant AS Bid Price, divided by the number of Settlement Intervals in a Trading Hour.

11.8.2.2 IFM Market Revenue.

For any Settlement Interval in a CAISO IFM Commitment Period the IFM Market Revenue for a Bid Cost Recovery Eligible Resource is the algebraic sum of: (1) the product of the MWh, in the relevant Day-Ahead Schedule in that Trading Hour where for Pumped Storage Hydro Units and Participating Load operating in the pumping mode or serving Load, the MWh is negative, and the relevant IFM LMP, divided by the number of Settlement Intervals in a Trading Hour; and (2) the product of the IFM AS Award from each accepted IFM AS Bid and the relevant Resource-Specific ASMP, divided by the number of Settlement Intervals in a Trading Hour. For any Settlement Interval in a IFM Self-Commitment Period the IFM Market Revenue for a Bid Cost Recovery Eligible Resource is the algebraic sum of: (1) the product of the MWh above the greater of Minimum Load and Self-Scheduled Energy, in the relevant Day-Ahead Schedule in that Trading Hour and the relevant IFM LMP, divided by the number of Settlement Intervals in

a Trading Hour; and (2) the product of the IFM AS Award from each accepted IFM AS Bid and the relevant Resource-Specific ASMP, divided by the number of Settlement Intervals in a Trading Hour.

11.8.3 RUC Bid Cost Recovery Amount.

For purposes of determining the RUC Unrecovered Bid Cost Uplift Payments as determined in Section 11.8.5 and for the purposes of allocating Net RUC Bid Cost Uplift as described in Section 11.8.6.5, the CAISO shall calculate the RUC Bid Cost Shortfall or the RUC Bid Cost Surplus as the algebraic difference between the RUC Bid Cost and the RUC Market Revenues for each Bid Cost Recovery Eligible Resource for each Settlement Interval. The RUC Bid Costs shall be calculated pursuant to Section 11.8.3.1 and the RUC Market Revenues shall be calculated pursuant to Section 11.8.3.2.

11.8.3.1 RUC Bid Cost Calculation.

For each Settlement Interval, the CAISO shall determine the RUC Bid Cost for a Bid Cost Recovery Eligible Resource as the algebraic sum of the RUC Start-Up Cost, RUC Minimum Load Cost and RUC Availability Bid Cost. The RUC Bid Cost for a Bid Cost Recovery Eligible Resource except Participating Loads for a Settlement Interval is zero if the Bid Cost Recovery Eligible Resource has an Uninstructed Imbalance Energy (UIE) magnitude in that Settlement Interval in excess of: (1) 5 MWh divided by the number of Settlement Intervals in the Trading Hour; or (2) 3% of its maximum capacity divided by the number of Settlement Intervals in a Trading Hour. The RUC Bid Cost for a Participating Loads for any Settlement Interval is set to zero if the Bid Cost Recovery Eligible Resource has an Uninstructed Imbalance Energy (UIE) magnitude in that Settlement Interval in excess of the greater: (1) of five (5) MWh divided by the number of Settlement Intervals in the Trading Hour; or (2) 3% of the difference between the Base Load and the Real-Time Market Self-Schedule.

11.8.3.1.1 RUC Start-Up Cost.

The RUC Start-Up Cost for any Settlement Interval in a RUC Commitment Period shall consist of Start-Up Cost of the Bid Cost Recovery Eligible Resource submitted to the CAISO for the applicable RUC Commitment Period divided by the number of Settlement Intervals in the applicable RUC Commitment Period. For each Settlement Interval, only the RUC Start Cost in a CAISO RUC Commitment Period is

eligible for Bid Cost Recovery. The following rules shall be applied in sequence and shall qualify the RUC Start-Up Cost in a RUC Commitment Period:

- a) The RUC Start-Up Cost for a RUC Commitment Period is zero if there is an IFM Commitment Period within that RUC Commitment Period.
- b) The RUC Start-Up Cost for a RUC Commitment Period is zero if the Bid Cost Recovery Eligible Resource is manually pre-dispatched under an RMR Contract prior to the Day-Ahead Market or is flagged as an RMR Dispatch in the Day-Ahead Schedule anywhere within that RUC Commitment Period.
- c) The RUC Start-Up Cost for a RUC Commitment Period is zero if there is no RUC Start-Up at the start of that RUC Commitment Period because the RUC Commitment Period is the continuation of an IFM or RUC Commitment Period from the previous Trading Day.
- d) The RUC Start-Up Cost for a RUC Commitment Period is zero if the Start-Up is delayed beyond the RUC Commitment Period in question or cancelled by the Real-Time Market prior to the Bid Cost Recovery Eligible Resource starting its start-up process.
- e) If a RUC Start-Up is terminated in the Real-Time within the applicable RUC Commitment Period through an Exceptional Dispatch Shut-Down Instruction issued while the Bid Cost Recovery Eligible Resource is starting up the, RUC Start-Up Cost is prorated by the ratio of the Start-Up Time before termination over the RUC Start-Up Time.
- f) The RUC Start-Up Cost for a RUC Commitment Period is qualified if an actual Start-Up occurs within that RUC Commitment Period.
- g) The RUC Start-Up Cost shall be qualified if an actual Start-Up occurs earlier than the start of the RUC Start-Up, if the relevant Start-Up is still within the same Trading Day and the Bid Cost Recovery Eligible Resource actually stays on until the RUC Start-Up, otherwise the Start-Up Cost is zero for the RUC Commitment Period.

11.8.3.1.2 RUC Minimum Load Cost.

The Minimum Load Cost for the applicable Settlement Interval shall be the Minimum Load Cost of the Generating Bid Cost Recovery Eligible Resource divided by the number of Settlement Intervals in a Trading Hour. For each Settlement Interval, only the RUC Minimum Load Cost in a CAISO RUC Commitment Period is eligible for Bid Cost Recovery. The RUC Minimum Load Cost for any Settlement Interval is zero if: (1) the Bid Cost Recovery Eligible Resource is manually pre-dispatched under an RMR Contract or the resource is flagged as an RMR Dispatch in the Day-Ahead Schedule in that Settlement Interval; (2) the Bid Cost Recovery Eligible Resource is not actually on in the applicable Settlement Interval, indicated by metered Energy in that Settlement Interval less than the relevant MLE; or (3) the applicable Settlement Interval is included in an IFM Commitment Period.

11.8.3.1.3 RUC Availability Bid Cost.

The product of the RUC Award with the relevant RUC Availability Bid price, divided by the number of Settlement Intervals in a Trading Hour.

11.8.3.2 RUC Market Revenues.

For any Settlement Interval, the RUC Market Revenue for a Bid Cost Recovery Eligible Resource is the RUC Availability Payment as specified in Section 11.2.2.1 all divided by the number of Settlement Intervals in a Trading Hour.

11.8.4 RTM Bid Cost Recovery Amount.

For purposes of determining the Real-Time Market Unrecovered Bid Cost Uplift Payments as determined in Section 11.8.5, and for the purposes of allocation of Net Real-Time Market Bid Cost Uplift as described in Section 11.8.6.6 the CAISO shall calculate the Real-Time Market Bid Cost Shortfall or the Real-Time Market Bid Cost Surplus as the algebraic difference between the Real-Time Market Bid Cost and the Real-Time Market Market Revenues for each Settlement Interval. The Real-Time Market Bid Costs shall be calculated pursuant to Section 11.8.4.1 and the Real-Time Market Market Revenues shall be calculated pursuant to Section 11.8.4.2.

11.8.4.1 RTM Bid Cost Calculation.

For each Settlement Interval, the CAISO shall calculate Real-Time Market Bid Cost for each Bid Cost Recovery Eligible Resource, as the algebraic sum of the Real-Time Market Start-Up Cost (or the Real-Time Market Load Reduction Initiation Cost for Participating Loads), Real-Time Market Minimum Load Cost (or the Real-Time Market Minimum Curtailable Demand for Participating Loads), Real-Time Market Pump Shut-Down Cost, Real-Time Market Energy Bid Cost, and Real-Time Market AS Bid Cost. The Real-Time Market Bid Cost for a Bid Cost Recovery Eligible Unit except Participating Loads for a Settlement Interval is zero if the Bid Cost Recovery Eligible Resource has an Uninstructed Imbalance Energy (UIE) magnitude in that Settlement Interval in excess of 5 MWh divided by the number of Settlement Intervals in a Trading Hour or 3% of its maximum capacity divided by the number of Settlement Intervals in a Trading Hour. The Real-Time Market Bid Cost for a Participating Loads for any Settlement Interval is set to zero if the Participating Load has an Uninstructed Imbalance Energy (UIE) magnitude in that Settlement Interval in excess of the greater: (1) of five (5) MWh divided by the number of Settlement Intervals in the Trading Hour; or (2) 3% of the difference between the Base Load and the Real-Time Market Self-Schedule.

11.8.4.1.1 RTM Start-Up Cost.

For each Settlement Interval of the applicable Real-Time Market Commitment Period, the Real-Time Market Start-Up Cost shall consist of the Start-Up Cost of the Generating Bid Cost Recovery Eligible Resource submitted to the CAISO for the Real-Time Market divided by the number of Settlement Intervals in the applicable Real-Time Market Commitment Period. For each Settlement Interval, only the Real-Time Market Start-Up Cost in a CAISO Real-Time Market Commitment Period is eligible for Bid Cost Recovery. The following rules shall be applied in sequence and shall qualify the Real-Time Market Start-Up Cost in a Real-Time Market Commitment Period:

- a) The Real-Time Market Start-Up Cost is zero if there is a Real-Time Market Self-Commitment Period within the Real-Time Market Commitment Period.
- b) The Real-Time Market Start-Up Cost is zero if the Bid Cost Recovery Eligible Resource has been manually pre-dispatched under an RMR Contract or the resource is flagged as an RMR

Dispatch in the Day-Ahead Schedule or Real-Time Market anywhere within that Real-Time Market Commitment Period.

c) The Real-Time Market Start-Up Cost is zero if there is no Real-Time Market Start-Up at the start of that Real-Time Market Commitment Period because the Real-Time Market Commitment Period is the continuation of an IFM or RUC Commitment Period from the previous Trading Day.

d) If a Real-Time Market Start-Up is terminated in the Real-Time within the applicable Real-Time Market Commitment Period through an Exceptional Dispatch Shut-Down Instruction issued while the Bid Cost Recovery Eligible Resource is starting up the Real-Time Market Start-Up Cost is prorated by the ratio of the Start-Up Time before termination over the Real-Time Market Start-Up Time.

e) The Real-Time Market Start-Up cost shall be qualified if an actual Start-Up occurs within that Real-Time Market Commitment Period.

f) The Real-Time Market Start-Up Cost for a Real-Time Market Commitment Period shall be qualified if an actual Start-Up occurs earlier than the start of the Real-Time Market Start-Up, if the relevant Start-Up is still within the same Trading Day and the Bid Cost Recovery Eligible Resource actually stays on until the Real-Time Market Start-Up, otherwise the Start-Up Cost is zero for the RUC Commitment Period.

11.8.4.1.2 RTM Minimum Load Cost.

The Real-Time Market Minimum Load Cost is the Minimum Load Cost of the Bid Cost Recovery Eligible Resource submitted to the CAISO for the Real-Time Market divided by the number of Settlement Intervals in a Trading Hour. For each Settlement Interval, only the Real-Time Market Start-Up Cost in a CAISO Real-Time Market Commitment Period is eligible for Bid Cost Recovery. The Real-Time Market Minimum Load Cost for any Settlement Interval is zero if: (1) the Settlement Interval is included in a Real-Time Market Self Commitment period for Bid Cost Recovery Eligible Resource; (2) the Bid Cost Recovery Eligible Resource has been manually dispatched under an RMR contract or the resource has been flagged as an RMR Dispatch in the Day-Ahead Schedule or the Real-Time Market in that Settlement

Interval; (3) the Bid Cost Recovery Eligible Resource is not actually on in that Settlement Interval; or (4) that Settlement Interval is included in an IFM or RUC Commitment Period.

11.8.4.1.3 RTM Pump and Participating Load Shut-Down Cost.

The Real-Time Market Pumping and Participating Load Cost is the relevant Pump and Participating Load Shut-Down Cost submitted by the Scheduling Coordinator for Pumped Storage Hydro Units and Participating Load committed by the Real-Time Market to stop pumping and serving Load and actually does not operate in pumping mode or serve Load in that Settlement Interval, divided by the number of Settlement Intervals in a Trading Hour.

11.8.4.1.4 RTM Pumping and Participating Load Bid Cost.

For Pumped Storage Hydro Units and Participating Load only, the Real-Time Market Pumping and Participating Load Cost for the applicable Settlement Interval shall be the Pumping and Participating Load Bid Cost submitted to the CAISO in the divided by the number of Settlement Intervals in a Trading Hour. The Pumping and Participating Load Cost is negative since it represents the amount the entity is willing to pay to pump or serve Load. The Pumping and Participating Load Cost is included in Real-Time Market Bid Cost computation for a Pumped-Storage Hydro Unit and Participating Load committed by the Real-Time Market to pump or serve Load, if it actually operates in pumping mode or serves Load in that Settlement Interval.

11.8.4.1.5 RTM Energy Bid Cost.

For any Settlement Interval, the Real-Time Market Energy Bid Cost for the Bid Cost Recovery Eligible Resource shall be computed as the sum of the products of each Instructed Imbalance Energy (IIE) portion, except Standard Ramping Energy, Residual Imbalance Energy, Exceptional Dispatch Energy, and Regulating Energy, with the relevant Energy bid prices, if any, for each Dispatch Interval in the Settlement Interval.

11.8.4.1.6 RTM AS Bid Cost.

For each Settlement Interval, the Real-Time Market AS Bid Cost shall be the product of the average Real-Time Market AS Award from each accepted AS Bid submitted in the Settlement Interval for the Real-Time

Market, reduced by any relevant Tier-1 No Pay capacity in that Settlement Interval (but not below zero), with the relevant AS Bid price. The average Real-Time Market AS Award for a given AS in a Settlement Interval is the sum of the 15-min Real-Time Market AS Awards in that Settlement Interval, each divided by the number of 15-min Commitment Intervals in a Trading Hour and prorated to the duration of the Settlement Interval (10/15 if the Real-Time Market AS Award spans the entire Settlement Interval, or 5/15 if the Real-Time Market AS Award spans half the Settlement Interval).

11.8.4.2 RTM Market Revenue Calculations.

11.8.4.2.1 For each Settlement Interval in a CAISO Real-Time Market Commitment period, the Real-Time Market Market Revenue for a Bid Cost Recovery Eligible Resource is the algebraic sum of the following:

- a) The sum of the products of the Instructed Imbalance Energy (including Energy from Minimum Load of Bid Cost Recovery Eligible Resources committed in RUC where for Pumped Storage Hydro Units and Participating Load operating in the pumping mode or serving Load, the MWh is negative), except Standard Ramping Energy, Residual Imbalance Energy, Exceptional Dispatch Energy, and Regulating Energy, with the relevant Real-Time Market LMP, for each Dispatch Interval in the Settlement Interval;
- b) The product of the Real-Time Market AS Award from each accepted Real-Time Market AS Bid in the Settlement Interval with the relevant ASMP, divided by the number of 15-min Commitment Intervals in a Trading Hour (4), and prorated to the duration of the Settlement Interval.
- c) The relevant Tier-1 No Pay charges for that Bid Cost Recovery Eligible Resource in that Settlement Interval.

11.8.4.2.2 For each Settlement Interval in a non-CAISO Real-Time Market Commitment period, the Real-Time Market Market Revenue for a Bid Cost Recovery Eligible Resource is the algebraic sum of the following:

- a) The sum of the products of the Instructed Imbalance Energy (excluding the Energy from Minimum Load of Bid Cost Recovery Eligible Resources committed in RUC), except, HASP Self-Scheduled Energy, Standard Ramping Energy, Residual Imbalance Energy, Exceptional Dispatch Energy, and Regulating Energy, with the relevant Real-Time Market LMP, for each Dispatch Interval in the Settlement Interval;
- b) The product of the Real-Time Market AS Award from each accepted Real-Time Market AS Bid in the Settlement Interval with the relevant ASMP, divided by the number of 15-min Commitment Intervals in a Trading Hour (4), and prorated to the duration of the Settlement Interval.
- c) The relevant Tier-1 No Pay charges for that Bid Cost Recovery Eligible Resource in that Settlement Interval.

11.8.5 Unrecovered Bid Cost Uplift Payment.

Scheduling Coordinators shall receive an Unrecovered Bid Cost Uplift Payment for a Bid Cost Recovery Eligible Resource if the net of all IFM, RUC, and Real-Time Market Bid Cost Shortfalls and Surpluses for that Bid Cost Recovery Eligible Resource over a Trading Day is positive.

11.8.6 System-wide IFM, RUC and RTM Bid Cost Uplift Allocation.

11.8.6.1 Determination of IFM, RUC and RTM Bid Cost Uplift.

For each Settlement Interval, the CAISO shall determine the IFM, RUC and Real-Time Market Uplift for purposes of allocating the IFM, RUC and Real-Time Market Bid Cost Uplift as follows:

- (i) The IFM Bid Cost Uplift shall be the net of the IFM Bid Cost -Shortfalls and IFM Bid Cost Surpluses for a Settlement Interval of all Bid Cost Recovery Eligible Resources with Unrecovered Bid Cost Uplift Payments.
- (ii) The RUC Bid Cost Uplift shall be the net of the RUC Bid Cost Shortfalls and RUC Bid Cost Surpluses for a Settlement Interval of all Bid Cost Recovery Eligible Resources with Unrecovered Bid Cost Uplift Payments.

(iii) The Real-Time Market Bid Cost Uplift shall be the net of the Real-Time Market Bid Cost Shortfalls and Real-Time Market Bid Cost Surpluses for a Settlement Interval of all Bid Cost Recovery Eligible Resources with Unrecovered Bid Cost Uplift Payments.

11.8.6.2 Sequential Netting of IFM, RUC and RTM Bid Cost Uplift.

For each Settlement Interval, the Net IFM, RUC or Real-Time Market Bid Cost Uplift is determined for the purposes of allocating Net IFM, RUC or Real-Time Market Bid Cost Uplift by the following netting rules applied sequentially:

(i) The Net IFM Bid Cost Uplift, if positive, is reduced to the greater of zero or any positive IFM Bid Cost Uplift offset by Negative Real-Time Market Bid Cost Uplift first and offset by any Negative RUC Bid Cost Uplift.

(ii) The Net RUC Bid Cost Uplift is equal to the greater of zero or any positive RUC Bid Cost Uplift offset by any remaining Negative Real-Time Market Bid Cost Uplift after netting Negative Real-Time Market Bid Cost Uplift in (i) and offset by any Negative IFM Bid Cost Uplift.

(iii) The Net Real-Time Market Bid Cost Uplift is equal to the greater of zero or any positive Real-Time Market Bid Cost Uplift offset by any remaining Negative RUC Bid Cost Uplift after netting Negative RUC Bid Cost Uplift in (i) above and any remaining Negative IFM Bid Cost Uplift after netting Negative IFM Bid Cost Uplift in (ii).

11.8.6.3 Determination of Total Positive CAISO Markets Uplifts.

Any negative IFM, RUC or Real-Time Market Bid Cost Uplifts are set to \$0 and any positive Net IFM Bid Cost Uplifts, RUC Bid Cost Uplifts, or Real-Time Market Bid Cost Uplifts are further reduced by the uplift ratio in 11.8.6.3(iii) to determine the Total CAISO Markets Uplift as follows:

(i) The Total CAISO Markets Uplift is determined as the sum of the Net IFM Bid Cost Uplift, the Net RUC Bid Cost Uplift, and the Net Real-Time Market Bid Cost Uplift, for all Settlement Intervals in the IFM, RUC and Real-Time Market.

(ii) The Total Positive CAISO Market Uplift, is determined as the sum of the positive IFM Bid Cost Uplift, positive RUC Bid Cost Uplift and positive Real-Time Market Bid Cost Uplift, for all Settlement Intervals in the IFM, RUC and Real-Time Market.

(iii) The uplift ratio is equal to the Total CAISO Markets Uplift divided by the Total Positive CAISO Market Uplift.

11.8.6.4 Allocation of Net IFM Bid Cost Uplift.

For each Trading Hour of the IFM the, Hourly Net IFM Bid Cost Uplift is determined as the sum over the Settlement Intervals in that Trading Hour of the product of any positive Net IFM Bid Cost Uplift remaining in the Settlement Interval after the sequential netting in Section 11.8.6.2 and the application of the uplift ratio as determined in 11.8.6.3. The Hourly Net IFM Bid Cost Uplift is allocated in two tiers as follows:

(i) In the first tier, the Hourly Net IFM Bid Cost Uplift is allocated to Scheduling Coordinators in proportion to their IFM Load Uplift Obligation. The Scheduling Coordinator shall be charged an amount equal to the Hourly Net IFM Bid Cost Uplift divided by the IFM Load Uplift Obligation. The IFM Load Uplift Obligation for each Scheduling Coordinator is the difference between the total Demand scheduled in the Day-Ahead Schedule and the scheduled Generation from the Self-Schedules in the Day-Ahead Schedule, plus imports scheduled in the Day-Ahead Schedule, adjusted by any applicable Inter-SC Trades of IFM Load Uplift Obligations, but with an IFM Bid Cost Uplift rate not exceeding the ratio of the Hourly Net IFM Bid Cost Uplift divided by the sum of all hourly Generation scheduled in the Day-Ahead Schedule and IFM AS Awards for all Scheduling Coordinators from CAISO-Committed Bid Cost Recovery Eligible Resources in that Trading Hour.

(ii) In the second tier, Scheduling Coordinators will be charged for an amount equal to any remaining Hourly Net IFM Bid Cost Uplift for the Trading Hour in proportion to the Scheduling Coordinator's Measured Demand.

11.8.6.5 Allocation of Net RUC Bid Cost Uplift.

For each Trading Hour of the IFM the, Hourly Net RUC Bid Cost Uplift is determined as the sum over the Settlement Intervals in that Trading Hour of the product of any positive Net RUC Bid Cost Uplift remaining in the Settlement Interval after the sequential netting in Section 11.8.6.2 and the application of the uplift ratio as determined in 11.8.6.3. The Hourly Net RUC Bid Cost Uplift is allocated in two tiers as follows:

- (i) In the first tier, the Hourly Net RUC Bid Cost Uplift is allocated to Scheduling Coordinators based on their Net Negative CAISO Demand Deviation in that Trading Hour. The Scheduling Coordinator shall be charged an amount equal to the Hourly Net RUC Bid Cost Uplift divided by the Net Negative CAISO Demand Deviation in that Trading Hour, but at a RUC Bid Cost Uplift rate not exceeding the ratio of the Hourly Net RUC Bid Cost Uplift divided by the RUC Capacity in that Trading Hour.
- (ii) In the second tier, the Scheduling Coordinator shall be charged an amount equal to any remaining Hourly Net RUC Bid Cost Uplift in proportion to the Scheduling Coordinator's Measured Demand in any Trading Hour.

11.8.6.6 Allocation of Net RTM Bid Cost Uplift.

The Hourly Net Real-Time Market Uplift is computed for the Trading Hour as the product of the uplift ratio in 11.8.6.3 and the sum over all Settlement Intervals of the Trade Hour of any positive Net Real-Time Market Uplift after the sequential netting in Section 11.8.6.2. The Hourly Real-Time Market Uplift is allocated to Scheduling Coordinators in proportion to their Measured Demand for the Trading Hour. Accordingly, each Scheduling Coordinator shall be charged an amount equal to their Measured Demand times the Real-Time Market Uplift rate, where the Real-Time Market Uplift Rate is computed as the Net Real-Time Market Uplift amount divided by the sum of Measured Demand across all Scheduling Coordinators for the Trading Hour.

11.8 Payment Procedures.

11.8.1 All Payments to Be Made Through the ISO.

~~All Scheduling Coordinators shall discharge their obligations to pay the amounts owed by them and shall receive payments of all amounts owed to them under this ISO Tariff only through the ISO.~~

~~11.8.2 Accounts to be Established.~~

~~The ISO is authorized to establish and maintain bank accounts held in trust for Market Participants and obtain lines of credit and other banking facilities (not exceeding an aggregate amount set by the ISO Governing Board) necessary for the operation of its Settlement and billing procedures. Unless otherwise specified in this Tariff the ISO will recover all costs incurred in connection with these ISO banking facilities through the appropriate component of the Grid Management Charge. The ISO shall establish and operate the following accounts:~~

~~**11.8.2.1** An ISO Clearing Account to and from which all payments are made;~~

~~**11.8.2.2** An ISO Reserve Account from which any debit balances on the ISO Clearing Account at the close of banking business on each Business Day shall be settled or reduced in accordance with this ISO Tariff. The ISO shall use the security provided by a Scheduling Coordinator pursuant to Section 12.1 of this ISO Tariff, if necessary, to clear any debit balances on the ISO Reserve Account that may arise as a result of that Scheduling Coordinator's failure to pay an amount due under this ISO Tariff.~~

~~**11.8.2.2.a** An ISO Surplus Account.~~

~~**11.8.2.3** Such other accounts as the ISO deems necessary or convenient for the purpose of efficiently implementing the funds transfer system under this ISO Tariff. The ISO shall notify Market Participants of the establishment of such accounts through the ISO Home Page.~~

~~**11.8.2.4** Accounts of the Scheduling Coordinators and Participating TOs.~~

~~Each Scheduling Coordinator and each Participating TO shall establish and maintain a Settlement Account at a commercial bank located in the United States and reasonably acceptable to the ISO which can effect money transfers via Fed Wire where payments to and from the ISO Clearing Account shall be made in accordance with this ISO Tariff. Scheduling Coordinators may, but will not be required to, maintain separate accounts for receipts and payments. Each Scheduling Coordinator shall notify the ISO of its account details and of any changes to those details in accordance with the provisions of its Scheduling Coordinator Agreement. Participating TOs will notify the ISO of their Settlement Account details in accordance with Section 2.2.1 of their Transmission Control Agreement and may notify the ISO~~

~~from time to time of any changes by giving at least 7 days written notice before the new account becomes operational.~~

~~**11.8.3 Declaration of Trust.**~~

~~All ISO Accounts established pursuant to Section 11.8.2 of this ISO Tariff shall be opened and operated by the ISO on trust for Market Participants, in accordance with this ISO Tariff. Each such account shall be maintained at a bank or other financial institution in California and shall bear a name indicating that it is a trust account.~~

~~**11.8.4 No Co-Mingling.**~~

~~The ISO shall not co-mingle any funds standing to the credit of an ISO Account with its other funds and shall promptly withdraw any amounts paid into an ISO Account representing amounts paid for the account of the ISO.~~

~~**11.8.5 Use of Accounts.**~~

~~**11.8.5.1 Clearing Account**~~

~~(a) Subject to Section 11.3.3 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 Section 11.3.3.~~

~~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 Accounts maintained by the ISO Creditors, the aggregate amounts determined by the ISO to be available for payment to ISO Creditors for value by close of business on the Payment Date if no ISO Debtors are in default. If an ISO Debtor is in default and until all defaulting amounts have been collected, the ISO shall make payments as soon as practical within five (5) business days of the collection~~

~~date posted in the ISO Payments Calendar. 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.~~

~~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.~~

~~11.8.5.2~~ **Reserve Account.**

~~The ISO Reserve Account shall be available to the ISO for the purpose of providing funds to clear the ISO Clearing Account in the event that there are insufficient funds in the ISO Clearing Account to pay ISO Creditors. 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 Section 11.12.2.2.~~

~~If the ISO Reserve Account is drawn upon, the ISO shall as soon as possible thereafter take any necessary steps against the defaulting Scheduling Coordinator, including making any calculations or taking any other appropriate action, to replenish the ISO Reserve Account including drawing on any credit support provided by the defaulting Scheduling Coordinator pursuant to Section 12.1 of this ISO Tariff or serving demands on any defaulting Scheduling Coordinators with an Approved Credit Rating.~~

~~The proceeds of drawings under any line of credit or other credit facility of the ISO Reserve Account shall be held on trust for ISO Creditors. If the Reserve Account is replenished as provided for in 11.8.5.2.1, any credits shall be held on trust for all ISO Creditors.~~

~~11.8.5.2.1~~ **Replenishing the ISO Reserve Account Following Payment Default.**

~~If the ISO has debited the ISO Reserve Account then:~~

- ~~(a) If, after the ISO has debited the ISO Reserve Account on a Payment Date, the ISO Bank receives a remittance from an ISO Debtor which has not been (but should have been, if it had been received on a timely basis) credited to~~

~~the ISO Clearing Account by 10:00 am on the Payment Date and which required the debiting of the ISO Reserve Account, such remittance shall be credited to the ISO Reserve Account.~~

~~(b) The proceeds of any enforcement of Security and/or amounts recovered under proceedings shall be credited to the ISO Reserve Account.~~

~~(c) If after taking reasonable action the ISO determines that the Default Amount (or any part) and/or Interest cannot be recovered, such amounts shall be deemed to be owing by those Market Participants who were ISO Creditors on the relevant Payment Date pro rata to the net payments they received on that Payment Date and shall be accounted for by way of a charge in the next Settlement Statements of those ISO Creditors. Such charge shall be credited to the Reserve Account.~~

~~11.8.5.3 Surplus Account.~~

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

~~(a) Any amounts paid to the ISO in respect of penalties or sanctions referred to in Section 11.2.9 shall be credited to the Surplus Account, subject, however, to Section 11.8.5.3 (b).~~

~~(b) The funds referred to in Section 11.8.5.3 (a) pertaining to penalties or sanctions as provided in Section 11.2.9 shall first be applied towards any expenses, loss or costs incurred by the ISO except for that portion of those amounts collected pursuant to EP 9.4. Any excess after such application will be credited to the Surplus Account pursuant to Section 11.8.5.3 (a).~~

~~(c) The funds referred to in Section 11.8.5.3 (a) pertaining to default interest referred to in Section 11.12.1 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 Section 11.8.5.3 (a).~~

~~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.~~

11.9 Inter-SC Trades.

11.9.1 Inter-SC Trades of Energy.

~~Inter-SC Trades of Energy in the Day-Ahead Market will be settled separately from Inter-SC Trades of Energy in the HASP. Both the Day-Ahead and HASP Inter-SC Trades of Energy will be settled on an hourly basis and the two respective Settlement amounts between the two parties for each market shall net to zero. All MWh quantities of Physical Trades submitted to the CAISO for Settlement in the Day-Ahead Market and validated pursuant to Section 28.1.5 shall be settled at the Day-Ahead LMP at the relevant PNode. All unvalidated MWh quantities of Physical Trades and all MWh quantities associated with other Inter-SC Trades of Energy submitted for Settlement in the Day-Ahead shall be settled at the Day Ahead LMP at the relevant Aggregated Price Node. All MWh quantities of Physical Trades submitted to the CAISO for Settlement in the HASP and validated shall be settled at the simple average of Dispatch Interval LMP at the relevant Pricing Node. All unvalidated MWh quantities of Physical Trades and all MWh quantities associated with Inter-SC Trades of Energy submitted to for Settlement in HASP shall be settled at the relevant Real-Time Price for the Trading Hub or the Aggregated Pricing Node.~~

11.9 Invoices.

~~The ISO shall prepare and send to each Scheduling Coordinator, Black Start Generator or Participating TO two invoices for each calendar month. The first invoice will be based on the Preliminary Settlement Statements and the second invoice will be based on the Final Settlement Statement(s). Each invoice will~~

~~show amounts which are to be paid by or to each Scheduling Coordinator, Black Start Generator or Participating TO, the Payment Date, being the date on which such amounts are to be paid or received and details of the ISO Clearing Account to which any amounts owed by Scheduling Coordinators, Black Start Generator or Participating TO are to be paid.~~

~~A separate invoice for the Grid Management Charge, stating the rate, billing determinant volume and total charge for each of its eight components, will be issued by the ISO to the Scheduling Coordinator. A separate invoice for Interest, issued on the preliminary invoice date, stating the total charges for each Trade Month in which interest is charged, will be issued by the ISO.~~

~~Reruns, post closing adjustments and the financial outcomes of Dispute Resolution may be invoiced separately from monthly market activities. The ISO shall provide a market notice at least 30 days prior to such invoicing identifying the components of such invoice.~~

~~**11.9A — Emergency Procedures.**~~

~~**11.9A.1 — Use of Estimated Data.**~~

~~In the event of an emergency or a failure of any of the ISO software or business systems, the ISO may use estimated Settlement Statements and invoices and may implement any temporary variation of the timing requirements relating to the Settlement and billing process contained in the ISO Tariff. Details of the variation and the method chosen to produce estimated data, Settlement Statements and invoices will be published on the ISO Home Page.~~

~~**11.9A.2 — Payment of Estimated Statements and Invoices.**~~

~~When estimated Settlement Statements and invoices are issued by the ISO, payments between the ISO and Market Participants shall be made on an estimated basis and the necessary corrections shall be made by the ISO as soon as practicable. The corrections will be reflected as soon as practicable in later Settlement Statements and invoices issued by the ISO in the manner set forth in Section 11.5 of the ISO Tariff. Failure to make such estimated payments shall result in the same consequences as a failure to make actual payments.~~

~~**11.9A.3 — Validation and Correction of Estimated Statements and Invoices.**~~

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~~The ISO shall use its best efforts to verify the estimated data and to make the necessary corrections as soon as practicable. The corrections will be reflected as soon as practicable in later Settlement Statements and invoices issued by the ISO.~~

~~11.9A.4~~ **Estimated Statements to be Final.**

~~In the event that the ISO is of the opinion that, despite its best efforts, it is not possible for it to verify the estimated data because actual data is not reasonably expected to become available to the ISO in the foreseeable future, the ISO shall consult with the Market Participants in order to develop the most appropriate substitute data including using data provided by Market Participants. Following such determination of substitute data, the ISO shall send to the relevant Market Participants revised Settlement Statements and Invoices. The provisions of Section 11.7.6 shall apply to payment of revised invoices issued in accordance with these emergency procedures. Failure to make payments of such revised invoices shall result in the same consequences as a failure to make actual payments.~~

11.10 Settlements for Ancillary Services.

11.10.1 8.1.1 Settlements for Contracted Ancillary Services.

~~Based on the prices and quantities determined in accordance with this Section, the~~ The CAISO shall operate a daily Settlement function for Ancillary Services it contracts for with Scheduling Coordinators. The Scheduling Coordinators supplying Ancillary Services will be paid based on the prices and quantities determined in accordance with this Section 11.10.

~~_____ The CAISO shall calculate imbalances between scheduled, instructed and actual quantities of Energy provided based upon Meter Data obtained pursuant to Section 10. Schedules between Control Areas shall be deemed as being delivered in accordance with Good Utility Practice. Dynamic schedules shall be integrated over time through the operating hour and the MWh quantity obtained by such integration shall be deemed to be the associated scheduled interchange for that operating hour. The difference between actual and scheduled interchange shall then be addressed in accordance with the WECC and NERC inadvertent interchange practices and procedures. Following this practice, all dynamic schedules for Ancillary Services provided to the CAISO from System Resources in other Control Areas~~

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~~shall be deemed delivered to the CAISO. The difference between the Energy requested by the CAISO and that actually delivered by the other Control Area shall then be accounted for and addressed through the WECC and NERC inadvertent interchange practices and procedures.~~

~~Separate payments shall be calculated for each Settlement Period for each Generating Unit, System Unit, System Resource and Curtailable Demand. The CAISO shall then calculate a total daily payment for each Scheduling Coordinator for all the Generating Units, System Units, System Resources and Curtailable Demand that it represents for each Settlement Period.~~

11.10.1.1 Ancillary Services in DAM.

The IFM calculates hourly Day-Ahead Ancillary Service Awards and establishes Ancillary Service Marginal Prices ("ASMPs") for the accepted Regulation Up, Regulation Down, Spinning and Non-Spinning Reserve Bids. Payments to Scheduling Coordinators shall be equal to the ASMP for the each Ancillary Service multiplied by the quantity of the capacity awarded for the Ancillary Service. The ASMP is marginal cost of providing an Ancillary Service in the relevant resource location (\$/MW); it reflects the sum of the AS Bid and Energy opportunity cost of the marginal resources establishing the ASMP. The ASMPs provide (i) a price no lower than their capacity Bid and (ii) the foregone opportunity cost of using the awarded capacity to supply Energy in IFM. The foregone opportunity cost of Energy is measured only as the difference between the established IFM LMP and the resource's Energy Bid at the Pricing Node (e.g., if the resource's Energy Bid is higher than the established LMP, the opportunity cost is \$0). Suppliers with Self-Provided Ancillary Services are not eligible to receive ASMPs; Self-Provided Ancillary Services are priced at the User Rate for the service being self-provided.

11.10.1.1.1 Congestion Charges for Day-Ahead Intertie Ancillary Service Awards

Suppliers of Day-Ahead Ancillary Services Awards over the Interties also are charged for Congestion if the Award is at a congested Scheduling Point. The Charge shall be equal to the Shadow Price of the applicable congested Scheduling Point multiplied by the quantity of the Ancillary Service Award for the Settlement Period.

11.10.1.2 Ancillary Services Provided in HASP.

For Ancillary Services provided from System Resources in the HASP, hourly pre-dispatch schedules, awards, and prices are established in HASP optimization. Suppliers of Ancillary Services from System Resources are paid an amount equal to the product of the simple average of the ASMPs computed the four 15-minute intervals of HASP for the each Ancillary Service times the quantity of the capacity awarded for the Ancillary Service for the Settlement Period. Scheduling Coordinators for resources Awarded Ancillary Services in the Day Ahead Market that are unable to satisfy their Ancillary Services Obligation obligation due to an outage or derate, may use the HASP to substitute another resource to provide the Awarded Ancillary Service. The Scheduling Coordinator for the substituting resource must: (a) submit an outage notification to the CAISO indicating that the awarded resource is not available, and (b) provide another resource to fulfill the awarded Ancillary Service. The substitution must clear the co-optimization in HASP (including Ancillary Service Regional Limits) and the substitution will be exposed to a price difference between the ASMPs, or if self provided, between the ASMP and the user rate, if any. Suppliers of Awarded Ancillary Services at the Scheduling Point in HASP are charged the simple average of the 15 minute MCC using the relevant Shadow Price of the applicable congested Scheduling Point.

11.10.1.2.1 Congestion Charges for HASP Intertie Ancillary Service Awards

Suppliers of HASP Ancillary Services Awards at Scheduling Points are also charged for Congestion if the Award is at a congested Scheduling Point. The Charge shall be equal to the simple average of the 15 minute shadow price of the applicable congested Scheduling Point multiplied by the quantity of the Ancillary Service Award for the Settlement Period.

11.10.1.3 Ancillary Services Provided in Real-Time.

For Ancillary Services provided from Resources internal to the CAISO Control Area in the Real-Time Market, the RTUC process that is performed every 15 minutes establishes fifteen (15) minute Ancillary Service Schedules, Awards, and prices for the upcoming quarter of the Operating Hour. Suppliers of Ancillary Services from Resources internal to the CAISO Control Area are paid a price equal to $\frac{1}{4}$ of the 15 minute ASMP (in \$/MW/h) in each 15 minute interval for the each Ancillary Service times the amount of the capacity awarded (MW) for the Ancillary Service in the relevant Ancillary Services

Region. Suppliers with Ancillary Service Awards receive the ASMP at the resource's location. Suppliers that self-provide Ancillary Services in the Real-Time Market are not eligible to receive ASMP; rather to the extent the self-provision is qualified it will be valued at the user rate for the relevant service (i.e., will either reduce the Ancillary Services Obligation or receive the user rate if it exceeds the Scheduling Coordinator's Ancillary Service obligation).

11.10.1.4 8.11.4 Voltage Support.

The total payments for each Scheduling Coordinator shall be the sum of the short-term procurement payments, based on opportunity cost, as described in Section 8.5.6.28-5-9, and the payments under long-term contracts.

11.10.1.58-11.5 Black Start.

Quantities. The following quantities shall be used in the Settlement process:

$EnQBS_{ijt}$ = Energy output from Black Start made by Generating Unit i from Scheduling Coordinator j (or Black Start Generator j, as the case may be) for Settlement Period t, pursuant to the CAISO's order to produce.

Prices. The prices used in the Settlement process are those described in the contracts referred to in Section 8.5.6.38-5-10.

$Adjustment$ = penalty described in Section 8.10.2.47.

Payments. Scheduling Coordinators for owners of Reliability Must-Run Units (or Black Start Generators, as the case may be) shall receive the following payments for Energy output from Black Start facilities:

$$BSEN_{ijt} = (EnQBS_{ijt} * EnBid_{ijt}) + BSSUP_{ijt-Adjustment}$$

where $BSSUP_{ijt}$ is the start-up payment for a Black Start successfully made by Generating Unit i of Scheduling Coordinator j (or Black Start Generator j) in Trading Interval t calculated in accordance with the applicable Reliability Must-Run Contract (or the Interim Black Start Agreement as the case may be).

11.10.1.6 Inadvertent Interchange between Control Areas.

The CAISO shall calculate imbalances between scheduled, instructed and actual quantities of Energy provided based upon Meter Data obtained pursuant to Section 10. Schedules between Control Areas shall be deemed as being delivered in accordance with Good Utility Practice. Dynamic Schedules shall be integrated over time through the Operating Hour and the MWh quantity obtained by such integration shall be deemed to be the associated scheduled Interchange for that Operating Hour. The difference between actual and scheduled Interchange shall then be addressed in accordance with the WECC and NERC inadvertent interchange practices and procedures. Following this practice, all Dynamic Schedules for Ancillary Services provided to the CAISO from Dynamic System Resources in other Control Areas shall be deemed delivered to the CAISO. The difference between the Energy requested by the CAISO and that actually delivered by the other Control Area shall then be accounted for and addressed through the WECC and NERC inadvertent Interchange practices and procedures.

8.1211.10.2 _____ Settlement for User Charges for Ancillary Services.

~~(a)~~—The CAISO shall determine a separate hourly user rate for Regulation Down Reserve, Regulation Up Reserve, Spinning Reserve, and Non-Spinning Reserve ~~and Replacement Reserve for each Settlement Period purchased in the Day-Ahead Market, and in the Hour-Ahead Market purchased for each Settlement Period.~~ The hourly user rates for Regulation Down, Regulation Up, Spinning, and Non-Spinning Reserve include the cost incurred by the CAISO across all the DAM, HASP, and the Real-Time Market to procure this service. In computing the user rate for each service the quantity (MW) and costs of any substituting Ancillary Service will be treated as if they are costs and MW associated with the Ancillary Service need they are being used to fulfill. Each rate will be charged to Scheduling Coordinators on a volumetric basis applied to each Scheduling Coordinator's obligation for the specific Ancillary Service concerned which it has not self-provided, as adjusted by any Inter-Scheduling Coordinator Ancillary Service Trades.

_____ Each Scheduling Coordinator's obligation for Regulation Down Reserve, Regulation Up Reserve, Spinning Reserve, and Non-Spinning Reserve ~~and Replacement Reserve for each Zone~~ shall be calculated in accordance with this Section ~~8.6.1~~, notwithstanding any adjustment to the quantities of each Ancillary Service purchased by the CAISO in accordance with Section ~~8.2.3.68.2.3.5~~. The cost of Voltage

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Support and Black Start shall be allocated to Scheduling Coordinators as described in Sections

~~8.12.411.10.7 and 8.12.511.10.8. Quantities and rates for the Hour-Ahead Markets shall be calculated by substituting the Hour-Ahead quantities and prices in the relevant formulae (including self-provided quantities of the Ancillary Service) except that the user rates for Regulation, Spinning Reserve, Non-Spinning Reserve and Replacement Reserve capacity shall be calculated by dividing the net payments made by the ISO for each service by the MW quantity purchased for each service. The net payments are the total payments for each service net of sums payable by Scheduling Coordinators who have bought back in the Hour-Ahead Regulation, Spinning Reserve, Non-Spinning Reserve or Replacement Reserve capacity, as the case may be, which they had sold to the ISO in the Day-Ahead Market.~~

Ancillary Services obligations ~~may be negative, and credits for an individual Scheduling Coordinator (before taking into account Self-Provided Ancillary Services) or Inter-SC Trades of Ancillary Services) may be negative. Credits~~ for such negative obligations will be in accordance with the rates calculated in ~~Sections 8.12.1, 8.12.2, 8.12.3 and 8.12.3A~~this Section 11.10.2, except that a Scheduling Coordinator's credit shall be reduced pro rata to the extent the sum of the negative obligations of all Scheduling Coordinators with the negative Ancillary Services Obligation (before self-provision or Inter-SC Trade) exceeds the obligation of all Scheduling Coordinators with positive obligation net of Self-Provided Ancillary Services, as specified in Section 11.10.5 by the greater of: a) the amount of any Self-Provided Ancillary Services scheduled from resources which are deemed to meet the CAISO's Ancillary Services standards and which are not subject to the certification and testing requirements of the CAISO Tariff; or b) if the CAISO has no incremental requirement to be met in the HASP and Real-Time Markets for an Ancillary Service, the incremental amount of such service scheduled by that Scheduling Coordinator in the HASP and Real-Time Markets.

~~The ISO will allocate the Ancillary Services capacity charges, for both Day-Ahead and Hour-Ahead Markets, on a Zonal basis if the Day-Ahead Ancillary Services market is procured on a Zonal basis. The ISO will allocate the Ancillary Services capacity charges, for both the Day-Ahead and Hour-Ahead Markets, on an ISO Control Area wide basis if the Day-Ahead Ancillary Services market is defined on an ISO Control Area wide basis.~~

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~~(b) — If, in any Settlement Period, the net procurement quantity of Regulation Up, Regulation Down, Spinning Reserve, or Non-Spinning Reserve or Replacement Reserve is purchased by the CAISO in the Day-Ahead Market or the Hour-Ahead Market DAM, HASP, and the Real-Time Market due to the operation of Section 8.2.3.6 8.2.3.5 is zero, then in lieu of the user rate for that Ancillary Service type will be zero. determined in accordance with Section 8.12.1, 8.12.2, 8.12.3, or 8.12.3A, as applicable, the user rate for the affected Ancillary Service for that Settlement Period shall be determined as follows:~~

~~—— (i) — If the affected market is a Day-Ahead Market, the user rate for the affected Ancillary Service shall be set at the lowest capacity reservation price for an unaccepted qualified capacity bid in the Day-Ahead Market for the same Settlement Period for that Ancillary Service or for another Ancillary Service that meets the requirements for the affected Ancillary Service. If there are no such unaccepted bids, the user rate for the affected Ancillary Service shall be the lowest Market Clearing Price for the same Settlement Period established in the Day-Ahead Market for another Ancillary Service that meets the requirements for the affected Ancillary Service.~~

~~(ii) — If the affected market is an Hour-Ahead Market, the user rate for the affected Ancillary Service shall be set at the lowest capacity reservation price for an unaccepted qualified capacity bid in the Hour-Ahead Market for the same Settlement Period for that Ancillary Service or for another Ancillary Service that meets the requirements for the affected Ancillary Service. If there are no such unaccepted bids, the user rate for the affected Ancillary Service shall be the user rate for the same Ancillary Service in the Day-Ahead Market in the same Settlement Period.~~

~~—— (c) — With respect to each Settlement Period, in addition to the user rates determined in accordance with this Section s 8.12.1 through 8.12.3A or Section 8.12(b), as applicable 11.10.2, each Scheduling Coordinator shall be charged an additional amount equal to its proportionate share, based on total purchases by Scheduling Coordinators of Regulation Down, Regulation Up, Spinning Reserve, and Non-Spinning Reserve and Replacement Reserve of the amount, if any, by which (i) the total payments to Scheduling Coordinators pursuant to this Section 8.11.1 through 8.11.3A 11.10.2 for the DAM, HASP, and the Real-Time Market, for the Day-Ahead Market and Hour-Ahead Market and all Zones, exceed (ii) the total amounts charged to Scheduling Coordinators pursuant to this Section 8.12.1 through 8.12.3A 11.10.2, for the Day-Ahead Market and Hour-Ahead Market and all Zones DAM, HASP, and the~~

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Real-Time Market. If total amounts charged to Scheduling Coordinators exceed the total payments to Scheduling Coordinators, each Scheduling Coordinator will be refunded its proportionate share, based on total purchases by Scheduling Coordinators of Regulation Down, Regulation Up, Spinning Reserve, and Non-Spinning Reserve ~~and Replacement Reserve~~.

With respect to each Settlement Period, in addition to Ancillary Service charges at the applicable user rates determined in accordance with this Section 11.10.2, each Scheduling Coordinator shall be charged additional neutrality adjustment amounts for each Ancillary Service type pursuant to Sections 11.10.2.4, 1.10.2.2.3, 11.10.3.3, and 11.10.4.3 and a neutrality adjustment amount for upward Ancillary Service types pursuant to Section 11.14.

11.10.2.1 Regulation Service.

Regulation Up Reserve and Regulation Down Reserve charges shall be calculated separately.

11.10.2.1.1 Regulation Down Reserve.

The charges an Scheduling Coordinator must pay for Regulation Down Reserve for each Settlement Period of the Trade Day are based upon the product of Scheduling Coordinator's hourly obligation for Regulation Down Reserve (MW) and the hourly user rate for Regulation Down Reserve (\$/MW).

11.10.2.1.2 Hourly User Rate for Regulation Down Reserve.

The hourly User Rate for Regulation Down is the total Regulation Down Cost (\$) for each Settlement Period divided by the total Net Procurement of Regulation Down by the CASIO (MW) for each Settlement Period. The CAISO's Regulation Down Reserve Cost is equal to: (i) the revenues paid to the suppliers of the total awarded Regulation Down Reserve capacity in the DAM, HASP, and Real-Time Markets for the Settlement Period, minus, (ii) the payments rescinded in the Settlement Period due to the unavailability of the Regulation Down under any of the provisions of Section 8.10.8 of the Tariff. The Net Procurement of Regulation Down Reserves is equal to: (i) the amount (MW) of total awarded Regulation Down Reserve capacity in the Day-Ahead, HASP, and Real-Time Markets for the Settlement Period, minus, (ii) the Regulation Down Reserve capacity associated with payments rescinded for the Settlement Period pursuant to any of the provisions of Section 8.10.8 of the Tariff.

11.10.2.1.3 Hourly Obligation for Regulation Down Reserve.

Each Scheduling Coordinator's hourly obligation for Regulation Down is determined as follows: the Scheduling Coordinator's metered CAISO Demand multiplied by the Scheduling Coordinator's Ancillary Services Obligation percentage for Regulation Down, reduced by accepted Self-Provided Ancillary Services specified as Regulation Down, plus or minus any Regulation Down Reserve Obligations for the hour acquired or sold through Inter-SC Trades of Ancillary Services.

11.10.2.1.4 Regulation Down Neutrality Adjustment

For each Settlement Period, the difference between the Regulation Down Cost determined in 11.10.2.1.2 and the total revenue collected from all Scheduling Coordinators in the Regulation Down Charge pursuant to Section 11.10.2.1.1 shall be allocated to all Scheduling Coordinators in proportion to their Regulation Down Obligation quantity.

11.10.2.2 Regulation Up.

The Charges an SC must pay for Regulation Up for each Settlement Period of the Trade Day are based upon the product of SC's hourly obligation for Regulation Up (MW) and the hourly user rate for Regulation Up (\$/MW).

11.10.2.2.1 Hourly User Rate for Regulation Up.

The hourly User Rate for Regulation Up is the total Regulation Up Cost (\$) for each Settlement Period divided by the total Net Procurement of Regulation Up by the CASIO (MW) for each Settlement Period.

The CAISO's Regulation Up Cost is equal to: (i) the revenues paid to the suppliers of the total awarded Regulation Up capacity in the Day-Ahead, HASP, and Real-Time Markets for the Settlement Period, minus, (ii) the payments rescinded in the Settlement Period due to the unavailability of the Regulation Up under any of the provisions of Section 8.10.8 of the Tariff.

The Net Procurement of Regulation Up is equal to: (i) the amount (MWs) of total awarded Regulation Up capacity in the Day-Ahead, HASP, and Real-Time Markets for the Settlement Period, minus, (ii) the Regulation Up capacity associated with payments rescinded for the Settlement Period, pursuant to any of the provisions of Section 8.10.8 of the Tariff.

11.10.2.2.2 Hourly Obligation for Regulation Up.

Each Scheduling Coordinator's hourly obligation for Regulation Up is determined as follows: (a) the Scheduling Coordinator's metered CAISO Demand multiplied by the Scheduling Coordinator's Ancillary Services Obligation percentage for Regulation Up, reduced by accepted Self-Provided Ancillary Services specified as Regulation Up, plus or minus any Regulation Up Reserve Obligations for the hour acquired or sold through Inter-SC Trades of Ancillary Services

11.10.2.2.3 Regulation Up Neutrality Adjustment

For each Settlement Period, the difference between the Regulation Up Net Requirement at the hourly Regulation Up User Rate determined in Section 11.10.2.2.2 and the total revenue collected from all Scheduling Coordinators in the Regulation Up Charge pursuant to Section 11.10.2.2.1 shall be allocated to all Scheduling Coordinators in proportion to their Regulation Up Obligation quantity. The Regulation Up Net Requirement is the Real-Time Regulation Up Requirement net of the sum of Effective Qualified Regulation Up Self-Provision over all resources.

11.10.3 Spinning Reserves.

The charges an SC must pay for Spinning Reserves for each Settlement Period of the Trade Day are based upon the product of SC's hourly obligation for Spinning Reserves (MW) and the hourly user rate for Spinning Reserves (\$/MW).

If the Scheduling Coordinator's Operating Reserve Obligation (before self provision or Inter-SC Trade of Spinning or Non-Spinning Reserve) is negative, the SC may be entitled to a credit rather than a charge. In that case, the quantity of the SC's Negative Operating Reserve Obligation (before self provision and Inter-SC trade) shall be multiplied by the Negative Operating Reserve Obligation Credit Adjustment Factor (NOROCAF) computed for the Trading Hour as specified in section 11.10.5.

11.10.3.1 Hourly User Rate for Spinning Reserves.

The hourly User Rate for Spinning Reserves is the ratio of: 1) sum of the portion of Spinning Reserve Cost used to meet the spin requirement and the portion of Regulation Up cost that can substitute for Spinning Reserve and 2) the Net Procurement quantity of Spinning Reserves by the CAISO (\$/MW).

The cost of Regulation Up substituting for Spinning Reserve is the user rate for Regulation Up multiplied by the quantity of Regulation Up used to satisfy the Spinning Reserve requirement.

The CAISO's Spinning Reserve Cost is equal to: (i) the revenues paid to the suppliers of the total awarded Spinning Reserve capacity in the Day-Ahead, HASP, and Real-Time Markets, minus, (ii) the payments rescinded due to either the failure to conform to Dispatch Instructions or the unavailability of the Spinning Reserves under Section 8.10.8 of the CAISO Tariff. The Net Procurement of Spinning Reserves is equal to: (i) the amount (MWs) of total awarded Spinning Reserve capacity in the Day-Ahead, HASP, and Real-Time Markets, minus, (ii) the Spinning Reserve capacity associated with payments rescinded pursuant to any of the provisions of Section 8.10.8 of the CAISO Tariff. The amount (MW) of awarded Spinning Reserve capacity includes the amounts (MW) associated with any Regulation Up Reserve capacity used as Spinning Reserve under Section 8.2.3.5 of this Tariff.

11.10.3.2 Hourly Obligation for Spinning Reserves.

Each Scheduling Coordinator's hourly obligation for Spinning Reserves is determined as follows: the Scheduling Coordinator's total Ancillary Services Obligation for Operating Reserve for the hour multiplied by the ratio of the CAISO's total Ancillary Services Obligation for Spinning Reserves in the hour to the CAISO's total Operating Reserve obligations in the hour, (and if negative, multiplied by NOROCAF), reduced by the accepted Self-Provided Ancillary Services for Spinning Reserves, plus or minus any Spinning Reserve Obligations for the hour acquired or sold through Inter-SC Trades of Ancillary Services.

The Scheduling Coordinator's total Operating Reserve Obligation for the hour is the sum of 5% of its Real-Time Demand (except the Demand covered by firm purchases from outside the CAISO Control Area) met by Generation from hydroelectric resources plus 7% of its Demand (except the Demand covered by firm purchases from outside the CAISO Control Area) met by Generation from non-hydroelectric resources, plus 100% of any Interruptible Imports and on-demand obligations which it schedules.

11.10.3.3 Spinning Reserve Neutrality Adjustment

For each Settlement Period, the difference between the Spinning Reserve Net Requirement at the hourly Spinning Reserve user rate determined in Section 11.10.3.1 and the total revenue collected from all Scheduling Coordinators in the Spinning Reserve Charge pursuant to Section 11.10.3 shall be allocated to all Scheduling Coordinators in proportion to their Spinning Reserve Obligation quantity. The Spinning Reserve Net Requirement is the Real-Time Spin Requirement net of the sum of Effective Qualified Spin Self-Provision over all Resources.

11.10.4 Non-Spinning Reserves.

The charges an SC must pay for Non-Spinning Reserves for each Settlement Period of the Trade Day are based upon the product of SC's hourly obligation for Non-Spinning Reserves (MWs) and the hourly user rate for Non-Spinning Reserves (\$/MW).

If the Scheduling Coordinator's Operating Reserve Obligation (before self provision or Inter-SC Trade of Spinning or Non-Spinning Reserves) is negative, the Scheduling Coordinator may be entitled to a credit rather than a charge. In that case the quantity of the Scheduling Coordinator's Negative Non-Spinning Reserve Obligation (before self provision and Inter-SC trade) shall be multiplied by the Negative Operating Reserve Obligation Credit Adjustment Factor (NOROCAF) computed for the Trading Hour as specified in Section 11.10.5.

11.10.4.1 Hourly User Rate for Non-Spinning Reserves.

The hourly User Rate for Non-Spinning Reserves is calculated as the ratio of: i) the sum of the portion of the Non-Spinning Reserve Cost used to met the Non-Spin Requirement and a portion of the Regulation Up and Spinning Reserve costs that can substitute for Non-Spinning Reserve and ii) the Net Procurement quantity of Non-Spinning Reserves by the CAISO (\$/MW). The CAISO's Non-Spinning Reserve Cost includes the costs associated with any Regulation Up Reserve or Spinning Reserve capacity used as Non-Spinning Reserve under Section 8.2.3.5 of this CAISO Tariff.

The CAISO's Non-Spinning Reserve Cost is equal to: (i) the revenues paid to the suppliers of the total awarded Non-Spinning Reserve capacity in the Day-Ahead, HASP, and Real-Time Markets, minus, (ii) the payments rescinded due to either the failure to conform to CAISO Dispatch Instructions or the unavailability of the Non-Spinning Reserves under Section 8.10.8 of the Tariff. The Net Procurement of Non-Spinning Reserves is equal to: (i) the amount (MWs) of total awarded Non-Spinning Reserve

capacity in the Day-Ahead, HASP, and Real-Time Markets, minus, (ii) the Non-Spinning Reserve capacity associated with payments rescinded pursuant to any of the provisions of Section 8.10.8 of the Tariff. The amount (MW) of awarded Spinning Reserve capacity includes the amounts (MW) associated with any Regulation Up Reserve or Spinning Reserve capacity used as Non-Spinning Reserve under Section 8.2.3.5 of this Tariff.

11.10.4.2 Hourly Obligation for Non-Spinning Reserves.

Each Scheduling Coordinator's hourly obligation for Non-Spinning Reserves is (a) the product of the Scheduling Coordinator's total Operating Reserve Obligation for the hour (multiplied by NOROCAF if negative) and (b) the ratio of the CAISO's total Non-Spinning Reserve obligations in the hour to the CAISO's total Operating Reserve obligations in the hour (plus or minus any Non-Spinning Reserve Obligations for the hour acquired through Inter-SC Trades of AS).

The Scheduling Coordinator's total Operating Reserve Obligation for the hour is the sum of 5% of its Real-Time Demand (except the Demand covered by firm purchases from outside the CAISO Control Area) met by Generation from hydroelectric resources plus 7% of its Demand (except the Demand covered by firm purchases from outside the CAISO Control Area) met by Generation from non-hydroelectric resources, plus 100% of any Interruptible Imports, plus 5% (if hydro) or 7% (if thermal) of any unit-contingent or dynamic imports which it schedules.

11.10.4.3 Non-Spinning Reserve Neutrality Adjustment

For each Settlement Period, the difference between the Non-Spinning Reserve Net Requirement at the hourly Non-Spinning Reserve user rate determined in Section 11.10.4.1 and the total revenue collected from all Scheduling Coordinators in the Non-Spinning Reserve Charge pursuant to Section 11.10.2.3 shall be allocated to all Scheduling Coordinators in proportion to their Non-Spinning Reserve Obligation quantity. The Non-Spinning Reserve Net Requirement is the Real-Time Non-Spin Requirement net of the sum of Effective Qualified Non-Spin Self-Provision over all Resources.

11.10.5 Negative Operating Reserve Obligation Credit Adjustment Factor (NOROCAF)

In exceptional cases, it may happen that the net total quantity of Operating Reserve Obligations of all Scheduling Coordinators in a Trading Hour after accounting for qualified self provision is negative. In

this case the net negative Operating Reserve Obligation is not usable by the CAISO, since Self-Provided Ancillary Service is qualified before IFM based on CAISO's estimate of firm imports. In such a case, the Negative Operating Reserve Obligations of all Scheduling Coordinators with Negative Operating Reserve Obligation is reduced pro rata. This is done by computing the Negative Operating Reserve Credit Adjustment Factor (NOROCAF) as the lower of 1 or the ratio of (a) net total quantity of Operating Reserve Obligations of all Scheduling Coordinators with positive Operating Reserve Obligation net of qualified self provision of Operating Reserves, but before any Inter-SC trades of Ancillary Services, and (b) the sum of Negative Operating Reserve Obligations of all Scheduling Coordinators with Negative Operating Reserve Obligation before considering any Self-Provided Ancillary Services or inter-SC trade of AS.

11.10.6 Upward Ancillary Services Neutrality Adjustment

For each Settlement Period the difference between the Upwards Ancillary Service cost and the product of the total Ancillary Service Net Requirements at the relevant Ancillary Service user rate will be allocated to all Scheduling Coordinators in proportion to their Upward Ancillary Service obligation. The Upwards Ancillary Service cost is the sum of the Regulation Up, Spinning and Non-Spinning cost describe in 11.10.2.2, 11.10.3 and 11.10.4. The Ancillary Service Net Requirement is the sum of the Real-Time Regulation Up Net Requirement in Section 11.10.2.2.3, Spinning Net Requirement in Section 11.10.3.2 and Non-Spinning Net Requirement in Section 11.10.4.1.

~~8.12.4~~11.10.7 Voltage Support.

The short-term market Voltage Support user rate for Settlement Period t for Zone x shall be calculated as follows:

$$VSSTRate_xt = \frac{\sum_{i,j} VSST_{xijt}}{\sum_j QChargeVS_{xjt}}$$

$VSST_{xijt}$ = Voltage Support payment to Scheduling Coordinator j in respect of Generating Unit i in Zone x in the short-term market applicable to Settlement Period t.

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$QChargeVS_{xjt}$ = charging quantity for Voltage Support for Scheduling Coordinator j for Settlement Period t in Zone x equal to the total metered Demand in Zone x (including exports to neighboring Control Areas and excluding metered Demand inside an MSS) by Scheduling Coordinator j for Settlement Period t.

The monthly long-term Voltage Support contract user rate for Settlement Period t for Zone x shall be calculated as follows:

$$VSLTRate_{xm} = \frac{\sum_{i,j} VSLT_{xijm}}{\sum_{jm} QChargeVS_{xjt}}$$

where:

$VSLT_{xijm}$ = long-term Voltage Support contract payment to Scheduling Coordinator j for owner of Reliability Must-Run Unit i in Zone x for month m.

The short-term market Voltage Support charges for Settlement Period t payable by Scheduling Coordinator j will be calculated as follows:

$$VSSTCharge_{jt} = VSSTRate_t * QChargeVS_{jt}$$

where $VSSTCharge_{jt}$ is the amount payable by Scheduling Coordinator j for short-term market Voltage Support for Settlement Period t.

$VSSTRate_t$ is the short-term market Voltage Support user rate for Settlement Period t. The monthly long-term Voltage Support contract charge for month m payable by Scheduling Coordinator j will be calculated as follows:

$$VSLTCharge_m = VSLTRate_m * \sum_m QChargeVS_{jt}$$

where $VSLTCharge_m$ is the amount payable by Scheduling Coordinator j for long-term Voltage Support for month m.

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$VSLTRate_m$ is the monthly long-term Voltage Support contract user rate charged by the [CAISO](#) to Scheduling Coordinators for month m.

~~8.12.511.10.8~~ Black Start.

$QChargeBlackstart_{jt}$ = charging quantity for Black Start for Scheduling Coordinator j for Settlement Period t equal to the total metered Demand (excluding exports to neighboring Control Areas and metered Demand of a MSS) by Scheduling Coordinator j for Settlement Period t.

The Black Start Energy payment user rate for Settlement Period t will be calculated as follows:

$$BSRate_t = \frac{\sum_{i,j} BSEn_{ijt}}{\sum_j QChargeBlackstart_{jt}}$$

where $BSEn_{ijt}$ is the [CAISO](#) payment to Scheduling Coordinator j for owner of Reliability Must-Run Unit (or to Black Start Generator j, as the case may be) for Generating Unit i providing Black Start Energy in Settlement Period t.

The Black Start Energy user charge for Settlement Period t for Scheduling Coordinator j will be calculated as follows:

$$BSCharge_{jt} = BSRate_t * QChargeBlackStart_{jt}$$

~~11.10~~ Instructions for Payment.

~~Each Scheduling Coordinator shall remit to the ISO Clearing Account the amount shown on the invoice as payable by that Scheduling Coordinator for value not later than 10:00 a.m. on the Payment Date.~~

~~11.1111.13~~ [Not Used] ~~11.2.4.4~~ High Voltage Access Charges and Transition Charges.

High Voltage Access Charges and Transition Charges will be levied in accordance with Section 26.1 of this [CAISO Tariff](#) and Appendix F, Schedule 3 [of this CAISO Tariff](#).

~~11.11~~ ISO's Responsibilities.

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~~On the due date for payment of amounts shown in an invoice, the ISO shall ascertain whether all amounts required to be remitted to the ISO Clearing Account have been credited to it. If any such amount has not been so credited, it shall ascertain which Scheduling Coordinators have failed to pay the amount owed by them and it may take steps to recover any overdue amount.~~

11.2.4.5.11.12 _____ **Participating Intermittent Resources.**

11.2.4.5.11.12.1 _____ **Uninstructed Energy ~~and Transmission Losses~~ by Participating Intermittent Resources.**

Uninstructed Imbalance Energy associated with deviations by a Participating Intermittent Resource ~~and Transmission Losses~~ shall be settled as provided in this Section ~~11.2.4.5.11.12.1~~ for every Settlement Period in which such Participating Intermittent Resource meets the scheduling requirements established in the ~~Appendix Q Eligible Intermittent Resources Protocol. In each Settlement Period such requirements are met, the Participating Intermittent Resource shall be exempt from the Uninstructed Deviation Penalty that otherwise would be determined in accordance with Section 11.2.4.1.2 and other charges (payments) for Uninstructed Imbalance Energy. Instead, t~~The net Uninstructed Imbalance Energy in each Settlement Interval, ~~together with the transmission loss obligation calculated in accordance with Section 27.2.1.1.1,~~ shall be assigned to a deviation account specific to each Participating Intermittent Resource. The net balance in each deviation account at the end of each calendar month shall be paid (or charged) to the Scheduling Coordinator for the associated Participating Intermittent Resource at the average price specified in Section ~~34.9.2.534.19.2.5~~ of the CAISO Tariff. If the above-referenced scheduling requirements for Participating Intermittent Resources are not met, then charges (payments) for Uninstructed Imbalance Energy during such Settlement Periods shall be determined in accordance with Section ~~11.2.4.1 11.5.2.~~

11.2.4.5.311.12.2 _____ **Allocation of Costs From Participating Intermittent Resources.**

The charges (payments) for Uninstructed Imbalance Energy that would have been calculated if the Settlement Interval deviations by each Participating Intermittent Resource were priced at the appropriate ~~Dispatch Resource Specific Settlement~~ Interval ~~Ex Post Price~~ LMP shall be assigned to a monthly balancing account for all Participating Intermittent Resources in the CAISO Control Area. The balance in

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such account at the end of each month shall be netted against the aggregate payments (charges) by Scheduling Coordinators on behalf of Participating Intermittent Resources ~~pursuant to Section 11.2.4.5.1.~~ The resulting balance, ~~together with the adjustments to charges in each Settlement Interval or Settlement Period pursuant to Section 11.2.4.5.2,~~ shall be assigned to each Scheduling Coordinator in the same proportion that such Scheduling Coordinator's aggregate Net Negative Uninstructed Deviations in that month bears to the aggregate Net Negative Uninstructed Deviations for all Scheduling Coordinators in the Control Area in that month.

~~11.2.4.5.4~~**11.12.3** Payment of Forecasting Fee.

A fee to defray the costs of the implementation of the forecasting service for Participating Intermittent Resources shall be assessed to Scheduling Coordinators for Participating Intermittent Resources as specified in Schedule 4 of Appendix F.

11.12.4 Price for Uninstructed Deviations for Participating Intermittent Resources.

Deviations associated with each Participating Intermittent Resource in a Scheduling Coordinator's portfolio shall be settled as provided in Section 34.19.2.5 at the monthly weighted average Dispatch Interval LMP, where the weights are the quantities of IIE associated with each Dispatch Interval LMP.

~~11.12~~ Non-payment by a Scheduling Coordinator.

~~11.12.1~~ Notification and Interest.

~~If a Scheduling Coordinator becomes aware that a payment for which it is responsible will not be remitted to the ISO Clearing Account on time, it shall immediately notify the ISO of the fact and the reason for the non-payment. If the Scheduling Coordinator fails to pay any sum to the ISO when due and the ISO is unable to enforce the Security (if any) provided by the defaulting Scheduling Coordinator, the Scheduling Coordinator shall pay interest on the overdue amount for the period from the Payment Date to the date on which the payment is remitted to the ISO Clearing Account, together with any related transaction costs incurred by the ISO. The ISO shall apply all such Interest payments on the Default Amount on a pro rata basis to ISO Creditors in relation to amounts past due in the order of the creation of such debts.~~

~~11.12.2~~ Payment Default.

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~~Subject to Section 11.12.3, 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:~~

~~**11.12.2.1 — Enforcing the Security of a Defaulting Scheduling Coordinator.**~~

~~Subject to Section 11.12.3, the ISO shall make reasonable endeavors to enforce the defaulting Scheduling Coordinator's Security (if any) to the extent necessary to pay the Default Amount. If it is not practicable to obtain clear funds in time to effect payment to ISO Creditors on the same day the ISO shall proceed in accordance with 11.12.2.2 or 11.16.1 as applicable.~~

~~**11.12.2.2 — Use of ISO Reserve Account.**~~

~~If there are funds standing to the credit of the ISO Reserve Account (including the proceeds of drawings under banking facilities described in Section 11.8.5.2) the ISO shall debit the ISO Reserve Account with the Default Amount in order to clear the ISO Clearing Account and effect payment to the ISO Creditors.~~

~~**11.12.2.3 — Action against a Defaulting Scheduling Coordinator.**~~

~~The ISO shall as soon as possible after taking action under 11.12.2.2 take any steps it deems appropriate against the defaulting Scheduling Coordinator to recover the Default Amount (and any Interest as set out in Section 11.12.1) including enforcing any Security, exercising its rights of recoupment or set off and/or bringing proceedings against the defaulting Scheduling Coordinator pursuant to Section 11.20.1 of the ISO Tariff.~~

~~**11.12.3 — Default to be Remedied Promptly.**~~

~~In the event that the ISO reasonably believes that an outstanding amount which has not been paid by 10:00 am on the relevant Payment Date, is likely to be paid no later than close of banking business on the next Business Day then the ISO may, but shall not be obliged to, delay enforcing that~~

~~ISO Debtor's Security or taking other measures to recover payment until after the close of banking business on the next Banking Day but Interest shall nonetheless accrue pursuant to Section 11.12.1.~~

~~**11.12.4 ——— Set-Off.**~~

~~The ISO is authorized to recoup, set off and apply any amount to which any defaulting ISO Debtor is or will be entitled, in or towards the satisfaction of any of that ISO Debtor's debts arising under the ISO Settlement and billing process. Each ISO Creditor and each ISO Debtor expressly acknowledges the following application of funds: first to the current month's Grid Management Charge, and then as described in 11.12.5 unless otherwise specified in accordance with Section 11.16.~~

~~**11.12.5 ——— Order of Payments.**~~

~~Unless otherwise specified in accordance with Section 11.16, the ISO shall apply payments received in respect of amounts owing to ISO Creditors to repay the relevant debts in the order of the creation of such debts.~~

~~**11.12.6 ——— Interest Accruing while Enforcing the Security.**~~

~~If the ISO has debited the Reserve Account and it subsequently succeeds in enforcing the Security provided by the defaulting Scheduling Coordinator, the ISO shall be entitled to withdraw from such Security in addition to the Default Amount, all costs incurred and interest accrued to the ISO as a result of debiting the Reserve Account from the date of such debit to the date of enforcement of the said Security.~~

~~**11.12.7 ——— Application of Funds Received.**~~

~~Amounts credited to the ISO Clearing Account in payment of a Default Amount (as set out in Section 11.8.5.2.1) or as a result of enforcing the defaulting ISO Debtor's Security shall be applied to the ISO Reserve Account pursuant to Section 11.8.5.2.1 to reduce amounts outstanding under any ISO banking facilities used to fund the ISO Reserve Account on the relevant Payment Date and the balance (if any) shall be applied to reimburse pro rata any ISO Creditors whose payments were reduced pursuant to Section 11.16.1.~~

~~11.2.8~~ 11.13 Reliability Must-Run Charges.

The CAISO shall calculate and levy the charges for Reliability Must-Run Contract costs in accordance with Section ~~30.6.1.14~~1.5 of this CAISO Tariff.

~~11.2.9~~11.14 Neutrality Adjustments.

The CAISO shall be authorized to levy additional charges or payments as special adjustments in regard to:

(a) amounts required to round up any invoice amount expressed in dollars and cents to the nearest whole dollar amount in order to clear the ~~ISO~~CAISO Clearing Account. These charges will be allocated amongst Scheduling Coordinators over an interval determined by the ~~ISO~~CAISO and pro rata based on metered Demand (including exports) during that interval;

(b) amounts in regard to penalties or sanctions ~~which that~~ may be levied by the ~~ISO~~CAISO in accordance with the ~~ISO~~CAISO Tariff. These charges will be levied on the Market Participants liable for payment of the penalty or sanction;

(c) amounts required to reach an accounting trial balance of zero in the course of the Settlement process in the event that the charges calculated as due from ~~ISO~~CAISO Debtors are lower than payments calculated as due to the ~~ISO~~CAISO Creditors for the same Trading Day. These charges will be allocated amongst the Scheduling Coordinators who traded on that Trading Day pro rata to their metered Demand (including exports) in MWh of Energy for that ~~Trading Trade~~ Day. In the event that the charges due from ~~ISO~~CAISO Debtors are higher than the payments due to ~~ISO~~CAISO Creditors, the ~~ISO~~CAISO shall allocate a payment to the Scheduling Coordinators who traded on that Trading Day pro rata to their metered Demand (including exports) in MWh of Energy for that Trading Day; and

~~(d) amounts required with respect to payment adjustments for regulating Energy as calculated in accordance with Section 8.11.1. These charges will be allocated~~

~~amongst the Scheduling Coordinators who traded on that Trading Day pro rata to their metered Demand (excluding exports) in MWh for that Trading Day; and~~

(ed) awards payable by or to the ~~ISO~~CAISO pursuant to good faith negotiations or ~~ISO~~CAISO ADR Procedures that the ~~ISO~~CAISO is not able to allocate to or to collect from a Market Participant or Market Participants in accordance with Section 13.5.3. These charges will be allocated amongst Scheduling Coordinators over an interval determined by the ~~ISO~~CAISO and pro rata based on metered Demand (including exports) during that interval.

~~11.14~~ ~~————~~ ~~[Not Used]~~

~~11.15~~ ~~11.2.10~~ ~~————~~ ~~Payments Under Section 40.3.1~~ ~~42~~ ~~Contracts.~~

The ~~CA~~ISO shall calculate and levy charges for the recovery of costs incurred under contracts entered into by the ~~CA~~ISO under the authority granted in ~~Section 40.3.1 in~~ accordance with Section ~~40.3.1.8~~ ~~42~~ of this ~~CA~~ISO Tariff ~~or any other contract approved by FERC.~~

~~11.15~~ ~~————~~ ~~Prohibition on Transfers.~~

~~The ISO shall at no time instruct the ISO Bank to transfer any sum from an ISO Account to another account (not being an ISO Account) unless that account is a Settlement Account or the amount is owed to the ISO under this ISO Tariff.~~

~~11.16~~ ~~————~~ ~~[NOT USED]~~

~~11.16~~ ~~————~~ ~~Alternative Payment Procedures.~~

~~11.16.1~~ ~~————~~ ~~Pro Rata Reduction to Payments.~~

~~If it is not possible to clear the ISO Clearing Account on a Payment Date because of an insufficiency of funds available in the ISO Reserve Account or by enforcing any guarantee, letter of credit or other credit support provided by a defaulting Scheduling Coordinator, the ISO shall reduce payments to all ISO Creditors proportionately to the net amounts payable to them on the relevant Payment Date to the extent necessary to clear the ISO Clearing Account. The ISO shall account for such reduction in the ISO ledger~~

~~accounts as amounts due and owing by the non-paying ISO Debtor to each ISO Creditor whose payment was so reduced. The provisions of this section shall not apply to non-payment of any penalty amount that a Scheduling Coordinator has disputed and FERC has specifically authorized the Scheduling Coordinator to net its payment to the ISO by the amount of the penalty in question in accordance with Section 37.9.3, in which case the non-payment amount will be allocated exclusively to the ISO penalty trust account and not allocated to ISO Creditors.~~

~~11.16.2~~ **Payment of Defaulted Receivables.**

~~Collections of defaulted receivables (other than Interest) will be distributed pro rata to ISO Creditors for the month of default.~~

~~(1) If the total collected in that closing related to the past due trade month is less than \$5,000, then the funds shall accumulate in an Interest-bearing account until either: (a) the account exceeds \$5,000, (b) there have been no distributions from the account for six months, or (c) all defaults for that month have been collected exclusive of any bankruptcy defaults.~~

~~(2) If all ISO Creditors for that trade month have been paid, then the proceeds will be paid pro rata to the ISO Creditors in the oldest unpaid trade month.~~

~~(3) This provision is also applicable to the amounts netted against ISO Creditor balances related to prior defaulted receivables.~~

~~(4) All defaulted receivables disbursed under this Section shall be disbursed in accordance with the timeframes set forth in Section 11.8.5.1.~~

11.17 11.2.2.5 Operating and Capital Reserves Account.

Revenues collected to fund the CAISO financial operating reserves shall be deposited in an Operating and Capital Reserves Account until such account reaches a level specified by the CAISO Governing Board. The Operating and Capital Reserves Account shall be calculated separately for each GMC service category (Core Reliability Services – Demand, Core Reliability Services – Energy Export, Energy

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Transmission Services – Net Energy, Energy Transmission Services – Uninstructed Deviations, Forward Scheduling, Congestion Management, Market Usage, and Settlements, Metering and Client Relations). The allocation factors, reassignments and reallocations specified in Schedule 1, Parts E and F, will be accounted for in the development of the Operating and Capital Reserves Account for each component. If the Operating and Capital Reserves Account as calculated for such service category is fully funded, surplus funds will be considered an offset to the revenue requirement of the next fiscal year.

~~11.17~~ ~~[DELETED]~~

11.1840.1.9 **Emissions Costs.**

~~40.1.9~~11.18.1 **Obligation to Pay Emissions Cost Charges.**

Each Scheduling Coordinator shall be obligated to pay a Charge in accordance with this Section 11.18, which will be used to pay the verified Emissions Costs incurred by a Must-Offer Generator during as a direct result of a CAISO Commitment Period, n ISO Dispatch instruction, in accordance with this Section 40.1.9. The CAISO shall levy this administrative charge (the “Emissions Cost Charge”) each month, against all Scheduling Coordinators based upon each Scheduling Coordinator’s Control Area Gross Load and Demand within California outside of the CAISO Control Area that is served by exports from the CAISO Control Area. Scheduling Coordinators shall make payment for all Emissions Cost Charges in accordance with the CAISO Payments Calendar.

~~40.1.9~~11.18.2 **Emissions Cost Trust Account.**

All Emissions Cost Charges received by the CAISO shall be deposited in the Emissions Cost Trust Account. The Emissions Cost Trust Account shall be an interest-bearing account separate from all other accounts maintained by the CAISO, and no other funds shall be commingled in it at any time.

~~40.1.9~~11.18.3 **Rate For the Emissions Cost Charge.**

The rate at which the CAISO will assess the Emissions Cost Charge shall be at the projected annual total of all Emissions Costs incurred by Must-Offer Generators during as a direct result of ISO Dispatch instructionCAISO Commitment Period, adjusted for interest projected to be earned on the monies in the Emissions Cost Trust Account, divided by the sum of the Control Area Gross Load and the projected

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Demand within California outside of the [CAISO](#) Control Area that is served by [E](#)exports from the [CAISO](#) Control Area of all Scheduling Coordinators for the applicable year ("Emissions Cost Demand"). The initial rate for the Emissions Cost Charge, and all subsequent rates for the Emissions Cost Charge, shall be posted on the [CAISO Home Page Website](#).

40.1.911.18.4 Adjustment of the Rate For the Emissions Cost Charge.

The [CAISO](#) may adjust the rate at which the [CAISO](#) will assess the Emissions Cost Charge on a monthly basis, as necessary, to reflect the net effect of the following:

- (a) the difference, if any, between actual Emissions Cost Demand and projected Emissions Cost Demand;
- (b) the difference, if any, between the projections of the Emissions Costs incurred by Must-Offer Generators ~~during a CAISO Commitment Period as a direct result of ISO Dispatch instructions~~ and the actual Emissions Costs incurred by Must-Offer Generators [during a CAISO Commitment Period as a direct result of ISO Dispatch instructions](#) as invoiced to the [CAISO](#) and verified in accordance with this Section [11.1840.1.9](#); and
- (c) the difference, if any, between actual and projected interest earned on funds in the Emissions Cost Trust Account.

The adjusted rate at which the [CAISO](#) will assess the Emissions Cost Charge shall take effect on a prospective basis on the first day of the next calendar month. The [CAISO](#) shall publish all data and calculations used by the [CAISO](#) as a basis for such an adjustment on the [CAISO Home Page Website](#) at least five (5) days in advance of the date on which the new rate shall go into effect.

40.1.911.18.5 Credits and Debits of Emissions Cost Charges Collected from Scheduling Coordinators.

In addition to the surcharges or credits permitted under Section ~~44.6.3.3-11.29.7.3~~ of this [CAISO](#) Tariff, the [CAISO](#) may credit or debit, as appropriate, the account of a Scheduling Coordinator for any over- or under-assessment of Emissions Cost Charges that the [CAISO](#) determines occurred due to the error, omission, or miscalculation by the [CAISO](#) or the Scheduling Coordinator.

40.1.911.18.6 Submission of Emissions Cost Invoices.

Scheduling Coordinators for ~~Must Offer~~ Generators eligible for Bid Cost Recovery that incur Emissions Costs during a CAISO Commitment Period~~as a direct result of an ISO Dispatch instruction~~ may submit to the CAISO an invoice in the form specified on the CAISO Home Page Website (the "Emissions Cost Invoice") for the recovery of such Emissions Costs. Emissions Cost Invoices shall not include any Emissions Costs specified in an RMR Contract for a unit ~~owned or controlled by a Must Offer Generator~~. All Emissions Cost Invoices must include a copy of all final invoice statements from air quality districts demonstrating the Emissions Costs incurred by the applicable Generating Unit, and such other information as the CAISO may reasonably require to verify the Emissions Costs incurred during as a direct result of a CAISO Commitment Period~~an ISO Dispatch instruction~~.

40.1.911.18.7 Payment of Emissions Cost Invoices.

The CAISO shall pay Scheduling Coordinators for all Emissions Costs submitted in an Emissions Cost Invoice and demonstrated to be during a CAISO Commitment Period~~a direct result of an ISO Dispatch instruction~~. If the Emissions Costs indicated in the applicable air quality districts' final invoice statements include emissions produced by operation not during a CAISO Commitment Period~~resulting from ISO Dispatch instructions~~, the CAISO shall pay an amount equal to Emissions Costs multiplied by the ratio of the MWh associated with the CAISO Commitment Period~~ISO Dispatch instruction~~ to the total MWh associated with such Emissions Costs. The CAISO shall pay Emissions Cost Invoices each month in accordance with the CAISO Payments Calendar from the funds available in the Emissions Cost Trust Account. To the extent there are insufficient funds available in Emissions Cost Trust Account in any month to pay all Emissions Costs submitted in an Emissions Cost Invoice and demonstrated to be during a CAISO Commitment Period~~a direct result of an ISO Dispatch instruction~~, the CAISO shall make pro rata payment of such Emissions Costs and shall adjust the rate at which the CAISO will assess the Emissions Cost Charge in accordance with Section 40.1.911.18.4. Any outstanding Emissions Costs owed from previous months will be paid in the order of the month in which such costs were invoiced to the CAISO. The CAISO's obligation to pay Emissions Costs is limited to the obligation to pay Emissions Cost Charges received. All disputes concerning payment of Emissions Cost Invoices shall be subject to ISO

ADR Procedures, in accordance with Section 13 of this [CAISO](#) Tariff.

~~11.18~~ ~~Payment Errors.~~

~~11.18.1~~ ~~Overpayments.~~

~~If for any reason, including the negligence of the ISO Bank or the ISO, an ISO Creditor receives an overpayment on any Payment Date, the ISO Creditor shall within two (2) Business Days from the date of receipt of the funds into its Scheduling Coordinator Settlement Account, notify the ISO of the amount of the overpayment and shall forthwith pay the overpayment into an ISO Account specified by the ISO.~~

~~11.18.2~~ ~~Repayment of Overpayment.~~

~~If prior to an ISO Creditor notifying the ISO of the overpayment, the ISO receives notice (from the ISO Bank or otherwise) of the overpayment, the ISO shall within two (2) Business Days notify the recipient of the overpayment. The ISO shall be responsible for payment to those entitled to the sum which has been overpaid.~~

~~11.18.2.a~~ ~~Overpayment Held In Trust.~~

~~Until an ISO Creditor refunds the overpayment to the ISO, the ISO Creditor shall be deemed to hold the amount of such overpayment on trust for any ISO Creditor which may have been underpaid in consequence of such overpayment, pro rata to the amount of the underpayment.~~

~~11.18.2.b~~ ~~Interest on Overpayment.~~

~~(a) If an overpayment is repaid by an ISO Creditor in accordance with Section 11.18.1 of the ISO Tariff, the ISO shall be entitled to Interest on the amount of the overpayment at the prime rate of the bank where the Settlement Account of the overpaid ISO Creditor is located from the date the overpayment was received to the time that the repayment is credited to the relevant ISO Account.~~

~~(b) If the overpayment (or any part of it) is not repaid by an ISO Creditor in accordance with Section 11.18.1 of the ISO Tariff, the ISO shall be entitled to~~

~~Interest on the amount of the overpayment from the expiry of the two day period referred to in that Section until the repayment is credited to the relevant ISO Account and the ISO will be entitled to treat the overpayment (and any Interest accruing thereon) as a Default Amount to which Section 11.12.2 will apply.~~

~~**11.18.2.c Treatment of Amounts Outstanding as a Result of an Overpayment.**~~

~~The ISO shall apply the amount of any overpayment repaid (including interest received) to credit any underpaid ISO Creditors pro rata to the amounts of their underpayments on the same day of receipt, or if not practicable, on the following Business Day.~~

~~**11.18.3 Underpayments.**~~

~~If for any reason, including the negligence of the ISO Bank or the ISO, an ISO Creditor receives on the relevant Payment Date an underpayment, the ISO Creditor shall within two (2) Business Days from receipt into its Settlement Account, notify the ISO of the amount of the underpayment, and the ISO after consultation with the ISO Bank, shall use all reasonable endeavors to identify such entity as shall have received any corresponding overpayment and promptly correct the underpayment. If, by reason of negligence, the ISO holds or has under its control after five (5) Business Days from receipt in the ISO Clearing Account amounts which it ought properly to have paid to ISO Creditors, such ISO Creditors shall be entitled to interest on such amounts, for such period as the ISO improperly holds or has such amounts under its control.~~

~~**11.19 FERC Annual Charges.**~~

~~**11.19.11.2.11.4 Obligation for FERC Annual Charges, FERC Annual Charge Recovery Rate.**~~

~~The ISO shall recalculate and levy the rates for recovery of FERC Annual Charges in accordance with Section 7.5 of this ISO Tariff. The CAISO shall calculate the amount due from each UDC or MSS, or from a Scheduling Coordinator delivering Energy for the supply of Gross Load not directly connected to the facilities of a UDC or MSS, for the High Voltage Access Charge and Transition Charge in accordance with~~

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operating procedures posted on the CAISO Website. These charges shall accrue on a monthly basis.
The CAISO shall calculate, charge and disburse all collected default Interest in accordance with the
CAISO Tariff.

11.2.11.1.11.19.1.1 Obligation for FERC Annual Charges.

Each Scheduling Coordinator shall be obligated to pay for the FERC Annual Charges for its use of the CAISO Controlled Grid to transmit electricity, including any use of the CAISO Controlled Grid through Existing Contracts scheduled by the Scheduling Coordinator. Any FERC Annual Charges to be assessed by FERC against the CAISO for such use of the CAISO Controlled Grid shall be assessed against Scheduling Coordinators at the FERC Annual Charge Recovery Rate, as determined in accordance with ~~this~~ Section 11.2.11.1.11.19.1. Such assessment shall be levied monthly against all Scheduling Coordinators based upon each Scheduling Coordinator's metered Demand and exports.

11.2.11.1.211.19.1.2 Annual Charges Assessment.

Scheduling Coordinators may elect, each year, to pay the FERC Annual Charges assessed against them by the CAISO either on a monthly basis or an annual basis. Scheduling Coordinators that elect to pay FERC Annual Charges on a monthly basis shall make payment for such charges within five (5) Business Days after issuance of the monthly invoice. The FERC Annual Charges will be issued to ~~Market Participants~~ Scheduling Coordinators once a month, on the first business day after the final market and Grid Management Charge invoices are issued for the trade month. Once the final FERC Annual Charge Recovery Rate is received from FERC in the Spring/Summer of the following year, a supplemental invoice will be issued. Scheduling Coordinators that elect to pay FERC Annual Charges on an annual basis shall make payment for such charges within five (5) Business Days after the CAISO issues such supplemental invoice. Scheduling Coordinators that elect to pay FERC Annual Charges on an annual basis shall maintain either an Approved Credit Rating, as defined with respect to either payment of the Grid Management Charge, or payment of other charges, or shall maintain security in accordance with ~~Section 12.1~~ this CAISO Tariff.

11.2.11.211.19.2 FERC Annual Charge Trust Account.

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All funds collected by the [CAISO](#) for FERC Annual Charges shall be deposited in the FERC Annual Charge Trust Account. The FERC Annual Charge Trust Account shall be an interest-bearing account separate from all other accounts maintained by the [CAISO](#), and no other funds shall be commingled in it at any time. The [CAISO](#) shall disburse funds from the FERC Annual Charge Trust Account in order to pay the FERC any and all FERC Annual Charges assessed against the [CAISO](#).

11.2.11.311.19.3 Determination of the FERC Annual Charge Recovery Rate.

11.2.11.3.111.19.3.1 Annual Charge Obligation.

The FERC Annual Charge Recovery Rate shall be set at the projected total FERC Annual Charge obligation with regard to transactions on the [CAISO](#) Controlled Grid during the year in which the FERC Annual Charge Recovery Rate is collected, adjusted for interest projected to be earned on the monies in the FERC Annual Charge Trust Account ("Annual Charge Obligation"), divided by the projected Demand and exports during that year for all entities subject to assessment of FERC Annual Charges by the [CAISO](#) ("Annual Charge Demand"). The FERC Annual Charge Recovery Rate for the period from January 1, 2001 until the first adjustment of the FERC Annual Charge Recovery Rate goes into effect shall be posted on the [ISO Home Page CAISO Website](#) at least fifteen (15) days in advance of the date on which the initial rate will go into effect.

11.2.11.3.211.19.3.2 Adjustments to FERC Annual Charge Recovery Rate.

The [CAISO](#) may adjust the FERC Annual Charge Recovery Rate on a quarterly basis, as necessary, to reflect the net effect of the following:

- (a) the difference, if any, between actual Annual Charge Demand and projected Annual Charge Demand during the year-to-date;
- (b) the difference, if any, between the projections of the Annual Charge Obligation and the Annual Charge Demand upon which the charge for the year is based and the [CAISO](#)'s most current projections of those values, provided that the projection of the Annual Charge Obligation may only be adjusted on an annual basis for changes in the Federal Energy Regulatory Commission's

budget for its electric regulatory program or changes in the projected total transmission volumes subject to assessment of FERC Annual Charges;

- (c) the difference, if any, between actual and projected interest earned on funds in the FERC Annual Charge Trust Account; and
- (d) any positive or negative balances of funds collected for FERC Annual Charges in a previous year after all invoices for FERC Annual Charges for that year have been paid by the CAISO, other than those that are addressed through the mechanism described in Section ~~11.2.11.3.4~~11.19.3.4.

~~11.2.11.3.3~~11.19.3.3 Effectiveness of FERC Annual Charge Recovery Rate.

The adjusted FERC Annual Charge Recovery Rate shall take effect on the first day of the calendar quarter. The CAISO shall publish all data and calculations used by the CAISO as a basis for such an adjustment on the ~~ISO Home Page~~CAISO Website at least fifteen (15) days in advance of the date on which the new rate shall go into effect.

~~11.2.11.3.4~~11.19.3.4 Under- or Over-Recovery of FERC Annual Charge Recovery Rate.

If the FERC Annual Charges assessed by FERC against the CAISO for transactions on the CAISO Controlled Grid during any year exceed or fall short of funds collected by the CAISO for FERC Annual Charges with respect to that year by a range of 10% or less, the CAISO shall take such under- or over-recovery into account through an adjustment to the FERC Annual Charge Recovery Rate in accordance with this Section ~~11.2.11.3.2~~. Any deficiency of available funds necessary to pay for any assessment of FERC Annual Charges payable by the CAISO may be covered by an advance of funds from the CAISO's Grid Management Charge, provided any such advanced funds will be repaid. If the CAISO's collection of funds for FERC Annual Charges with respect to any year results in an under- or over-recovery of greater than 10%, the CAISO shall either assess a surcharge against all active Scheduling Coordinators for the amount under-recovered or shall issue a credit to all active Scheduling Coordinators for the amount over-recovered. Such surcharge or credit shall be allocated among all active Scheduling Coordinators based on the percentage of each active Scheduling Coordinators metered Demand and exports during the relevant year. For purposes of this section, an "active Scheduling Coordinator" shall be a Scheduling

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Coordinator certified by the CAISO in accordance with ~~Section 4.5.1 of this CAISO~~ Tariff at the time the CAISO issues a surcharge or credit under this section. The CAISO will issue any surcharges or credits under this section within 60 days of receiving a FERC Annual Charge assessment from the FERC.

~~11.2.11.4~~11.19.4 **Credits and Debits of FERC Annual Charges Collected from Scheduling Coordinators.**

In addition to the surcharges or credits permitted under ~~Sections 11.2.11.3 or 11.6.3.3 of this CAISO~~ Tariff, the CAISO shall credit or debit, as appropriate, the account of a Scheduling Coordinator for any over- or under-assessment of FERC Annual Charges that the CAISO determines occurred due to the error, omission, or miscalculation by the CAISO or the Scheduling Coordinator.

~~11.2A~~ ~~11.19.5~~ **Auditing.**

All of the data, information, and estimates the CAISO uses to calculate these amounts shall be subject to the auditing requirements of Section 10.2.11 of the CAISO Tariff. The ~~ISO-CAISO~~ shall calculate these amounts using the software referred to in Section ~~11.4.4~~11.29.5.4 except in cases of system breakdown when it shall apply the procedures set out in ~~11.9a~~11.29.10.1 (Emergency Procedures).

~~11.19~~ **Defaults.**

~~Each ISO Creditor shall give notice to the ISO before instituting any action or proceedings in any court against an ISO Debtor to enforce payments due to it.~~

11.20 **[Not Used]**

~~11.20~~ **Proceedings to Recover Overdue Amounts.**

~~11.20.1~~ **Proceedings Brought by the ISO.**

~~Without prejudice to the right of any Scheduling Coordinator to bring such proceedings as it sees fit in connection with matters related to the recovery of amounts owed to it, the ISO may bring proceedings against any Scheduling Coordinator on behalf of those Scheduling Coordinators who have indicated to the ISO their willingness for the ISO first so to act, for the recovery of any amounts due by that Scheduling Coordinator, if the ISO has first reached agreement with the Scheduling Coordinators as to~~

~~the appropriate remuneration, is indemnified to its reasonable satisfaction and receives such security as it may reasonably request against all costs, claims, expenses (including legal fees) and liabilities which it will or may sustain or incur in complying with such instructions.~~

~~11.20.2 Evidence of Unpaid Amount.~~

~~The ISO shall, on request, certify in writing the amounts owed by an ISO Debtor that remain unpaid and the ISO Creditors to whom such amounts are owed and shall provide certified copies of the relevant Preliminary and Final Settlement Statements, invoices and other documentation on which the ISO's certificate was based to the ISO Debtor and the relevant ISO Creditors. An ISO certificate given under this Section 11.20.2 may be used as prima facie evidence of the amount due by an ISO Debtor to ISO Creditors in any legal proceedings.~~

11.21 [Not Used]

~~11.21 Data Gathering and Storage.~~

~~11.21.1 Required Capabilities.~~

~~The ISO shall ensure that the Settlement process shall contain, at a minimum, the following data gathering and storage capabilities:~~

~~_____ (a) the accurate, time-sequenced, end-to-end traceability of the Settlements process so that Scheduling Coordinators and Participating TOs can fully verify their Settlement Statements;~~

~~_____ (b) the ability to specify and accept data that is specifically needed for audit trail requirements; and~~

~~_____ (c) the archiving of Meter Data, Settlement runs and other information used to prepare Settlement Statements to be consistent with the time frame required to re-run the Settlement process by state laws and the rules of the Local Regulatory Authority.~~

~~11.21.2 Data Dissemination.~~

~~Data shall not be disseminated by the ISO except as permitted in this ISO Tariff.~~

11.22 Grid Management Charge.

~~11.2.2.1~~ 11.2.2.1 **CAISO's Obligations.**

~~11.2.2.1.1~~ 11.2.2.1.1 **FERC's Uniform System of Accounts.**

The CAISO shall maintain a set of financial statements and records in accordance with the FERC's Uniform System of Accounts.

~~11.2.2.1.2~~ 11.2.2.1.2 **[Not Used]**

~~11.2.2.2~~ 11.2.2.2 **Costs Included in the Grid Management Charge.**

~~11.2.2.2.1~~ 11.2.2.2.1 **[Not Used]**

~~11.2.2.2.2~~ 11.2.2.2.2 **Operating Costs.**

Budgeted annual operating costs, which shall include all staffing costs including remuneration of contractors and consultants, salaries, benefits and any incentive programs for employees, costs of operating, replacing and maintaining CAISO systems, lease payments on facilities and equipment necessary for the CAISO to carry out its business, and annual costs of financing the CAISO's working capital and other operating costs ("Operating Costs").

~~11.2.2.2.3~~ 11.2.2.2.3 **Financing Costs.**

The financing costs that are approved by the CAISO Governing Board, including capital expenditures that may be financed over such period as the CAISO ~~ISO~~ Governing Board shall decide. Financing Costs shall also include the CAISO start up and development costs standing to the credit of the CAISO Memorandum Account plus any additional start up or development costs incurred after the date of Resolution E-3459 (July 17, 1996), plus any additional capital expenditure incurred by the CAISO in 1998 ("Start Up and Development Costs"). The amortized amount to be included in the Grid Management Charge shall be equal to the amount necessary to amortize fully all Start Up and Development Costs over a period of five (5) years, or such longer period as the CAISO Governing Board shall decide ("Financing Costs").

~~11.2.2.2~~11.2.2.4 Operating and Capital Reserves Cost.

The budgeted annual cost of pay-as-you-go capital expenditures and reasonable coverage of debt service obligations. Such reserves shall be utilized to minimize the impact of any variance between forecast and actual costs throughout the year (“Operating and Capital Reserves Costs”).

~~11.2.2.3~~11.2.2.5 Allocation of the Grid Management Charge Among Scheduling Coordinators.

The costs recovered through the Grid Management Charge shall be allocated to the eight service charges that comprise the Grid Management Charge. If the CAISO's revenue requirement for any service charge changes from the most recent FERC-approved revenue requirement for that service charge, the costs recovered through that service charge shall be delineated in a filing to be made at FERC as set forth in Section ~~11.2.2.4~~11.2.2.6. The eight service charges are as follows:

- (1) Core Reliability Services - Demand Charge,
- (2) Core Reliability Services – Energy Exports Charge
- (3) Energy Transmission Services Net Energy Charge,
- (4) Energy Transmission Services Uninstructed Deviations Charge,
- (5) Forward Scheduling Charge,
- (6) Congestion Management Charge,
- (7) Market Usage Charge, and
- (8) Settlements, Metering, and Client Relations Charge.

The eight charges shall be levied separately monthly in arrears on all Scheduling Coordinators based on the billing determinants specified below for each charge in accordance with formulae set out in Appendix F, Schedule 1, Part A of this Tariff, subject to the requirements set out in Appendix F, Schedule 1, Part F of this Tariff.

~~11.2.2.3~~11.2.2.5.1 Core Reliability Services – Demand Charge.

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The Core Reliability Services - Demand Charge for a Scheduling Coordinator's Load that is not associated with Energy Exports is calculated using the Scheduling Coordinator's metered non-coincident peak hourly Demand during the month (in megawatts) less the volume of Energy Exports included in the Scheduling Coordinator's non-coincident peak hourly Demand for the month, if any; provided that if the Scheduling Coordinator's metered non-coincident peak hour during the month occurs during the hours ending 0100 through 0600, or during the hours ending 2300 through 2400 the rate shall be sixty-six (66) percent of the standard CRS rate. The standard rate for the Core Reliability Services – Demand Charge is determined by dividing the GMC costs allocated to this service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge determined to be in excess of what is recovered by that charge, by the total of the forecasted metered non-coincident peak hourly Demand for all months during the year (excluding the portion of such Demand associated with Energy Exports, if any), reduced by thirty-four (34) percent of the sum of all Scheduling Coordinators' metered non-coincident peak hour during the month occurs between the hour ending 2300 and the hour ending 0600, according to the formula in Appendix F, Schedule 1, Part A of this Tariff.

~~11.2.2.3.211.22.2.5.2~~ Core Reliability Services – Energy Exports Charge.

The Core Reliability Services – Energy Exports Charge for the load associated with a Scheduling Coordinator's Energy Exports is calculated using the Scheduling Coordinator's metered volume of Energy Exports (in megawatt-hours); The rate for the Core Reliability Services – Energy Exports Charge is determined by dividing the GMC costs allocated to the Core Reliability Services service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge determined to be in excess of what is recovered by that charge, according to the formula in Appendix F, Schedule 1, Part A of this Tariff.

~~11.2.2.3.311.22.2.5.3~~ Energy Transmission Services Net Energy Charge.

The Energy Transmission Services Net Energy Charge for each Scheduling Coordinator is calculated using that Scheduling Coordinator's Metered Control Area Load (in megawatt-hours). The rate for the Energy Transmission Services Net Energy Charge is determined by dividing the GMC costs allocated to this service category, including a specified percentage of the costs for the Settlements, Metering, and

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Client Relations Charge determined to be in excess of what is recovered by that charge, by the total forecasted Metered Control Area Load, according to the formula in Appendix F, Schedule 1, Part A of this Tariff.

~~11.2.2.3.4~~~~11.2.2.5.4~~ 11.2.2.3.5 11.2.2.5.5 Energy Transmission Services Uninstructed Deviations Charge.

The Energy Transmission Services Uninstructed Deviations Charge for each Scheduling Coordinator is calculated using that Scheduling Coordinator's net uninstructed deviations by Settlement Interval. The rate for the Energy Transmission Services Uninstructed Deviations Charge is determined by dividing the GMC costs allocated to this service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge determined to be in excess of what is recovered by that charge, by the total forecasted net uninstructed deviations by Settlement Interval according to the formula in Appendix F, Schedule 1, Part A of this Tariff.

~~11.2.2.3.5~~~~11.2.2.5.5~~ 11.2.2.3.5 11.2.2.5.5 Forward Scheduling Charge.

The Forward Scheduling Charge for each Scheduling Coordinator is calculated using the sum of that Scheduling Coordinator's Final Hour-Ahead Schedules, including all awarded Ancillary Services bids, with a value other than 0.03 MW. The Forward Scheduling Charge attributable to Final Hour-Ahead Schedules for Inter-Scheduling Coordinating Energy and Ancillary Service Trades for each Scheduling Coordinator is fifty (50) percent of the standard Forward Scheduling Charge. The rate for the Forward Scheduling Charge is determined by dividing the GMC costs allocated to this service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge determined to be in excess of what is recovered by that charge, by the total forecasted Final Hour-Ahead Schedules and awarded Ancillary Service bids submitted to the CAISO, according to the formula in Appendix F, Schedule 1, Part A of this Tariff.

~~11.2.2.3.7~~~~11.2.2.5.6~~ 11.2.2.3.7 11.2.2.5.6 Market Usage Charge.

The Market Usage Charge for each Scheduling Coordinator is calculated using the absolute value of the Scheduling Coordinator's market purchases and sales of Ancillary Services, Supplemental Energy, Instructed Imbalance Energy, and net Uninstructed Imbalance Energy (with uninstructed deviations being

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netted by Settlement Interval). The rate for the Market Usage Charge is determined by dividing the GMC costs allocated to this service category, including a specified percentage of the costs for the Settlements, Metering, and Client Relations Charge determined to be in excess of what is recovered by that charge, by the total forecasted number of market purchases and sales, according to the formula in Appendix F, Schedule 1, Part A of this Tariff.

~~11.2.2.3~~11.2.2.5.7 Settlements, Metering, and Client Relations Charge.

The Settlements, Metering, and Client Relations Charge for each Scheduling Coordinator is fixed at \$500.00 per month, per Scheduling Coordinator ID with an invoice value other than \$0.00 in the current trade month, as indicated in Appendix F, Schedule 1, Part A of this Tariff. Excess GMC costs related to the provision of these services that are not recovered through this charge are allocated to the other GMC service categories as specified above and in Appendix F, Schedule 1, Part E of this Tariff.

~~11.2.2.4~~11.2.2.6 Calculation and Adjustment of the Grid Management Charge.

The eight charges set forth in Section ~~11.2.2.3~~11.2.2.5 that comprise the Grid Management Charge shall be calculated through the formula set forth in Appendix F, Schedule 1, Part A of this Tariff. The formula set forth in Appendix F, Schedule 1, Part C of this Tariff sums the Operating Costs (less any available expense recoveries), Financing Costs, and Operating and Capital Reserves Costs associated with each of the eight CAISO service charges to obtain a total revenue requirement. This revenue requirement is allocated among the eight charges of the GMC through the application of the factors specified in Appendix F, Schedule 1, Part E of this Tariff.

The revenue requirement for each service then shall be divided by the forecast annual or periodic billing determinant volume to obtain a rate for each service, which will be payable by Scheduling Coordinators as set forth in Section ~~11.2.2.3~~11.2.2.5. The rates so established will be adjusted annually, through the operation of the formula set forth in Appendix F, Schedule 1, Part A of this Tariff. The CAISO shall post on its website each year, before the adjusted rates go into effect, as described in Appendix F, Schedule 1, Part D of this Tariff, data showing the rates adjusted to reflect any change in the annual revenue requirement, variance between forecast and actual costs for the previous year or period, or any surplus revenues from the previous year or period (as defined in Section ~~11.17~~11.2.2.5), or the inability to

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recover from a Scheduling Coordinator its share of the Grid Management Charge, or any under-achievement of a forecast of the billing determinant volumes used to establish the rates. The circumstances under which the CAISO is permitted to put the adjusted rates into effect without submitting a filing to the FERC are described in Appendix F, Schedule 1, Part D of this Tariff. Appendix F, Schedule 1, Part B of this Tariff sets forth the conditions under which a quarterly adjustment to the Grid Management Charge will be made.

~~11.2.2.4.1~~11.2.2.6.1 Credits and Debits of the Grid Management Charge.

In addition to the adjustments permitted under Section ~~11.29.7.3.3~~11.6.3.3, the CAISO shall credit or debit, as appropriate, the account of a Scheduling Coordinator for any overpayment or underpayment of the Grid Management Charge that the CAISO determines occurred due to error, omission, or miscalculation by the CAISO or the Scheduling Coordinator.

11.23 ~~11.2.4.1.2~~ Penalties for Uninstructed Imbalance Energy.

Effective December 1, 2004, the ISOCAISO shall not charge any Uninstructed Deviation Penalties pursuant to this Section ~~11.2.4.1.2~~11.23 until FERC issues an order authorizing the ISOCAISO to charge Uninstructed Deviation Penalties pursuant to this section. Beginning with Settlement Statements for the first Trading Day for which FERC authorizes the ISOCAISO to charge Uninstructed Deviation Penalties pursuant to this section, the ISOCAISO shall charge Scheduling Coordinators Uninstructed Deviation Penalties for Uninstructed Imbalance Energy resulting from resource deviations outside a Tolerance Band from their Dispatch Operating Point, for dispatched resources, or their ~~Final Hour Ahead~~Day Ahead Schedule otherwise. ~~The Dispatch Operating Point will take into account the expected Ramping of a resource as it moves to a new Hour Ahead Schedule at the top of each hour and as it responds to Dispatch Instructions.~~The Uninstructed Deviation Penalty will be applied as follows:

- a) The Uninstructed Deviation Penalty for negative Uninstructed Imbalance Energy will be calculated and assessed in each Settlement Interval. The Uninstructed Deviation Penalty for positive Uninstructed Imbalance Energy will be calculated and assessed in each Settlement Interval in which the ISOCAISO has not declared a staged System Emergency;

- b) The Uninstructed Deviation Penalty will apply to pre-Dispatched ~~bids~~ Bids from non-dynamically scheduled System Resources identified, when such a pre-Dispatch Instruction is issued more than 40 minutes prior to the relevant Operating Hour, subject to the following conditions: i) The Uninstructed Deviation Penalty will only apply to the pre-Dispatched amount of the bid that is declined or not delivered, ii) the Uninstructed Deviation Penalty will not apply to a portion of a pre-Dispatched bid that is subsequently not delivered at the direction of a Control Area, including the ISOCAISO, due to a curtailment of transmission capability or to prevent curtailment of native firm load occurring subsequent to issuing the pre-Dispatch Instruction, iii) the Uninstructed Deviation Penalty will not apply to uninstructed energy resulting from declining subsequent intra-hour Dispatch Instructions. Dynamically scheduled System Resources, to the extent they deviate from their ~~Final Hour Ahead~~ Day-Ahead Schedule plus any ~~real-time~~ Dispatch Instructions, will be subject to the Uninstructed Deviation Penalty;
- c) The Uninstructed Deviation Penalty will not apply to Load or Curtailable Demand;
- d) **[Not Used]**
- e) The Uninstructed Deviation Penalty will not apply to Regulatory Must-Run Generation or Participating Intermittent Resources that meet the scheduling obligations established in the Eligible Intermittent Resources Protocol. The Uninstructed Deviation Penalty will not apply to Regulatory Must-Run Generation. No other applicable charges will be affected by this exemption. The Uninstructed Deviation Penalty also will not apply to Qualifying Facilities (QFs), including those that are dynamically scheduled, that have not executed a Participating Generator Agreement (PGA), pending resolution of QF-PGA issues at FERC;
- f) All MSS resources designated as Load-following resources (regardless of gross or net settlement election) are exempt from Uninstructed Deviation Penalties in this Section. All MSS resources not designated as Load-following resources (regardless of gross or net settlement election) are subject to Uninstructed Deviation Penalties in this Section. With regard to the Load-following Deviation penalty in Section 4.9.9.1 and Section 4.9.9.2 of the CAISO Tariff, all MSS resources that have elected Load-following (regardless of gross or net settlement selection) are subject to

those provisions: all MSS resources not designated as Load-following (regardless of gross or net settlement) are not subject to those provisions. For the Scheduling Coordinator of an MSS that has not elected to follow the MSS Load, the Uninstructed Deviation Penalties in accordance with Section 11.23. For the Scheduling Coordinator of an MSS that has elected to follow the MSS Load ~~and associated Transmission Losses~~ pursuant to Section 4.9.9, the deviation penalties in Sections 4.9.9.2.1 and 4.9.9.2.2 will apply as follows. For the Scheduling Coordinator of an MSS that has not elected to follow the MSS Load, the Uninstructed Deviation Penalties in this Section ~~11.2.4.1-2~~11.23 will apply;

- g) The Uninstructed Deviation Penalty will apply to Generating Units providing Regulation and dynamically scheduled System Resources providing Regulation to the extent that uninstructed deviations from such resources exceed each resource's actual Regulation range plus the applicable Tolerance Band. Resources providing Regulation and generating within their relevant Regulating range (or outside their relevant Regulating range as a direct result of ~~ISO~~CAISO control or instruction) will be deemed to have zero deviations for purposes of the Uninstructed Deviation Penalty.
- h) The Uninstructed Deviation Penalty will be calculated and assessed for each resource individually, except that as specified in Appendix R, which specifies when uninstructed deviations from individual resources may be aggregated.
- i) **[Not Used]**
- j) **[Not Used]**Based on the number of Uninstructed Deviations infractions counted in the Trading Hour, the CAISO shall apply the following UDP multiplier to the MWh deviations that are determined to be subject to the UDP pursuant to this Section 11.23:

<u>Number of Uninstructed Deviations Infractions</u>	<u>Multiplier</u>
<u>0</u>	<u>0</u>

<u>1</u>	<u>1</u>
<u>2</u>	<u>3</u>
<u>3</u>	<u>5</u>
<u>4</u>	<u>7</u>
<u>5</u>	<u>9</u>
<u>6</u>	<u>11</u>

- k) The Uninstructed Deviation Penalty will not apply when the ~~Zonal Settlement Interval Ex Post Price~~ applicable LMP is negative or zero;
- l) The Uninstructed Deviation Penalty for positive Uninstructed Imbalance Energy will be the amount of the Uninstructed Imbalance Energy in excess of the Tolerance Band multiplied by a price equal to 100% of the corresponding ~~Zonal Settlement Interval Ex Post Price~~ LMP. The net effect of the Uninstructed Deviation Penalty and the Settlement for positive Uninstructed Imbalance Energy beyond the Tolerance Band will be that the ~~ISOCAISO~~ will not pay for such Energy;
- m) The Uninstructed Deviation Penalty for negative Uninstructed Imbalance Energy will be the amount of the Uninstructed Imbalance Energy in excess of the Tolerance Band multiplied by a price equal to 50% of the corresponding ~~Zonal Settlement Interval Ex Post Price~~ LMP;
- n) The Uninstructed Deviation Penalty will not apply to deviations from Energy delivered as part of a scheduled test so long as the test has been scheduled by the Scheduling Coordinator with the ~~ISOCAISO~~ or the ~~ISOCAISO~~ has initiated the test for the purposes of validating unit performance;
- o) The Uninstructed Deviation Penalty shall not apply to any excess Energy delivered from or any shortfall of Energy not delivered from an ~~Exceptional Dispatch, out-of-market (OOM) transaction~~ involving a Generating Unit or a System Unit unless the ~~ISOCAISO~~ and the supplier have agreed upon the time of, duration of, and the amount of Energy to be delivered in the ~~OOM-out-of-market~~

transaction and the [ISOCAISO](#) reflects the ~~OOM-out-of-market~~ transaction in its ~~Real-Time~~ Expected Energy calculations. The Uninstructed Deviation Penalty shall apply to Energy outside the Tolerance Band from ~~firm OOM-out-of-market~~ transactions with dynamically scheduled System Resources to the extent the agreed-to Energy is not delivered or over-delivered, and to any Energy from non-dynamically scheduled System Resources to the extent the agreed-to Energy is not delivered if that over- or under-delivery was due to action taken by or not taken by the System Resource and not the result of action taken by a Control Area operator due to a curtailment of firm transmission capability or to prevent curtailment of native firm load occurring subsequent to the ~~OOM-out-of-market~~ transaction;

- p) Generating Units and dynamically scheduled System Resources with Uninstructed Imbalance Energy will be exempted from the Uninstructed Deviation Penalty if the Generating Unit or dynamically scheduled System Resource was physically incapable of delivering the expected Energy, provided that the Generating Unit or dynamically scheduled System Resource had notified the [ISOCAISO](#) within 30 minutes of the onset of an event that prevents the resource from performing its obligations. A Generating Unit or dynamically scheduled System Resource must notify [ISOCAISO](#) operations staff of its reasons for failing to deliver the expected Energy in accordance with Section 9.3.10.5 and must provide information to the [ISOCAISO](#) that verifies the reason the resource failed to comply with the Dispatch ~~instruction-Instruction~~ within 48 hours of the operating hour in which the instruction is issued;
- q) ~~Adjustments to any Generating Unit, Curtailable Demand and System Resource Day-Ahead Schedules or HASP Intertie Schedules Final Hour Ahead Schedules~~ made in accordance with the terms of Existing Contracts shall not be subject to Uninstructed Deviation Penalties.
- r) Any changes made to Schedules prior to the [ISOCAISO](#) issuing ~~Final Hour Ahead-HASP Intertie Schedules~~ shall not be subject to Uninstructed Deviation Penalties.
- s) Uninstructed Deviation Penalties shall not be charged to any deviation from a Dispatch Instruction that does not comply with the requirements set forth in this [ISOCAISO](#) Tariff.

- t) Amounts collected as Uninstructed Deviation Penalties shall first be assigned to reduce the portion of above-~~LMP~~~~MCP~~ costs that would otherwise be assigned pro rata to all Scheduling Coordinators in that Settlement Interval ~~pursuant to Section 11.2.4.2.2~~. Any remaining portion of amounts collected as Uninstructed Deviation Penalties after satisfying these sequential commitments shall be treated in accordance with Section ~~44.8.5.3~~~~11.29.9.6.3~~.
- u) Condition 2 RMR Units shall be exempt from Uninstructed Deviation Penalties.
- v) The Uninstructed Deviation Penalty shall not apply to positive Uninstructed Imbalance Energy attributable to operation below the Generating Unit's minimum operating level from the time the Generating Unit synchronizes to the grid to the earlier of (1) the Settlement Interval in which the Generating Unit produces a quantity of Energy that represents an average rate of delivery over such Settlement Interval in excess of the Generating Unit's minimum operating level plus the applicable Tolerance Band, or (2) the first Settlement Interval after the expiration of a period of time that begins at the end of the Settlement Interval in which the Generating Unit synchronizes to the grid and ends after the Generating Unit's maximum ~~Start-Up~~ time as specified in the Master File. The Uninstructed Deviation Penalty shall not apply to any positive Uninstructed Imbalance Energy attributable to operation below the Generating Unit's minimum operating level for a duration equal to the time specified in the Generating Unit's Resource Data Template for the Generating Unit to disconnect from the grid after reaching its minimum operating level following either (1) the last Settlement Interval of an hour in which the Generating Unit had a non-zero ~~Final Hour-Ahead~~~~Day-Ahead~~ Schedule or (2) the Settlement Interval in which the Generating Unit is expected to reach its minimum operating level based on the applicable ramp rate when the ~~ISO~~~~CAISO~~ instructed the Generating Unit to ~~shut-Shut down~~~~Down~~. The amount of Uninstructed Imbalance Energy exempted from the Uninstructed Deviation Penalty shall not exceed the amount of the Generating Unit's minimum operating level plus the applicable Tolerance Band.
- (w) UDP shall not apply to deviations by a Generating Unit that are attributable to any automatic response to a system disturbance in accordance with Applicable Reliability Criteria.

~~Preliminary Settlement Statements, Final Settlement Statements and invoices will be considered issued to ISO Creditors or ISO Debtors when released by the ISO via direct computer link. Communications on a Payment Date relating to payment shall be made by the fastest practical means including by telephone. If there is a failure of a communication system and it is not possible to communicate by electronic means, then the ISO or ISO Creditor or ISO Debtor, as the case may be, shall communicate by facsimile but only if the recipient is first advised by telephone to expect the facsimile. Methods of communication between the ISO and Market Participants may be varied by the ISO giving not less than 10 days notice to Market Participants on the WEnet.~~

11.24 [NOT USED]

~~11.24 ISO Payments Calendar.~~

~~11.24.1 Preparation.~~

~~In September of each year, the ISO will prepare a draft ISO Payments Calendar for the following calendar year showing for each Trading Day:~~

- ~~(a) The date by which Scheduling Coordinators are required to provide Settlement Quality Meter Data for all their Scheduling Coordinator Metered Entities for each Settlement Period in the Trading Day;~~
- ~~(b) The date on which the ISO will issue Preliminary Settlement Statements and invoices to Scheduling Coordinators, Black Start Generators and Participating TOs for that Trading Day;~~
- ~~(c) The date by which Scheduling Coordinators, Black Start Generators and Participating TOs are required to notify the ISO of any disputes in relation to their Preliminary Settlement Statements pursuant to Section 11.7.2;~~
- ~~(d) The date on which the ISO will issue Final Settlement Statements and invoices to Scheduling Coordinators, Black Start Generators and Participating TOs for that Trading Day;~~

- ~~(e) — The date and time by which ISO Debtors are required to have made payments into the ISO Clearing Account in payment of invoices for that Trading Day; and~~
- ~~(f) — The dates and times on which ISO Creditors will receive payments from the ISO Clearing Account of amounts owing to them for that Trading Day.~~
- ~~(g) — In relation to Reliability Must-Run Charges and Payments, the details set out in paragraph 3 of Appendix N, Part J.~~

~~The ISO will make a draft of the ISO Payments Calendar available on the ISO Home Page to Scheduling Coordinators, Black Start Generators, Participating TOs and Owners any of which may submit comments and objections to the ISO within two weeks of the date of posting of the draft on the ISO Home Page. No later than October 31st in each year, the ISO will publish the final ISO Payments Calendar for the following calendar year, after considering the comments and objections received from Scheduling Coordinators, Black Start Generators, Participating TOs and Owners. The final ISO Payments Calendar will be posted on the ISO Home Page, and will show for the period from 1 January to 31 December in the next succeeding year (both dates inclusive), the dates on which Settlement Statements shall be published by the ISO and the Payment Dates on which the ISO will pay the Participating TO the Wheeling revenues allocated to them pursuant to Section 26.1.4.3 of this ISO Tariff.~~

~~11.24.2 — Distribution.~~

~~Any ISO Payments Calendar prepared pursuant to this Section 11.24 shall be distributed promptly to each Scheduling Coordinator, each Participating TO, the ISO Bank, the ISO Audit Committee and the ISO Governing Board and shall be published on the ISO Home Page.~~

~~11.24.3 — Final Calendar Binding.~~

~~The final ISO Payments Calendar shall be binding on the ISO and on Scheduling Coordinators, Black Start Generators, Participating TOs and Owners.~~

11.24.4 — Calendar Content and Format

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~~The ISO may change the content or format of the ISO Payments Calendar. The ISO may also produce a summary outline of the Settlement and billing cycles.~~

~~11.24.5 Update the Final Payments Calendar.~~

~~If as a result of a tariff amendment approved by FERC, the final ISO Payments Calendar developed in accordance with Section 11.24 is rendered inconsistent with the timing set forth in the tariff, the ISO shall update the final ISO Payments Calendar to make it consistent with the tariff as approved by FERC on the date on which the tariff amendment goes into effect. The ISO shall simultaneously send out a notice to Market Participants that the final ISO Payments Calendar has been revised.~~

~~11.2.4.2 Payment Options for ISO Dispatch Orders.~~

~~With respect to all resources which have not bid into the Imbalance Energy or Ancillary Services markets but which have been dispatched by the ISO to avoid an intervention in market operations, to prevent or relieve a System Emergency, or to satisfy a locational requirement, the ISO shall calculate, account for and, if applicable, settle deviations from the Final Schedule submitted on behalf of each such resource, with the relevant Scheduling Coordinator for each Settlement Period for each such resource by application of either of the following payment options described below. For resources subject to a Reliability Must Run Contract, the ISO will dispatch such resources according to the terms of the RMR Contract, except as provided for below. In circumstances where an RMR Unit would be used to resolve Intra-Zonal Congestion and there are no such RMR Units available, a resource may be called upon and paid under this Section to resolve the Intra-Zonal Congestion.~~

~~By December 31 of each year for the following calendar year, each Scheduling Coordinator for a resource shall select one of the following payment options for each resource it schedules:~~

~~(a) the Uninstructed Imbalance Energy charge price as calculated in accordance with Section 34.9.2.4 (i.e., using the Hourly Ex Post Price) or~~

~~(b) a calculated price:~~

~~(i) for decremental dispatch orders that is an Energy payment to the ISO that is equal to the Market Clearing Price for the relevant Settlement Period~~

~~for the applicable Energy market less verifiable daily gas imbalance charges, if any, that are solely attributable to the ISO's Dispatch Instruction and that the Scheduling Coordinator or Generator was not able to eliminate or reduce despite the application of best efforts, if the Scheduling Coordinator provides the resource's daily gas imbalance charges to the ISO within thirty (30) Business Days from the Settlement Period for which the resource is dispatched; and~~

~~(ii) for incremental dispatch orders is the sum of: 1) a capacity payment equal to the average Day Ahead Market prices for Spinning Reserve and Non-Spinning Reserve for the three (3) most recent similar days for the same Settlement Period for which the resource is dispatched; 2) an Energy payment equal to the average calculated using the ISO Real Time Market Energy prices for the three (3) most recent similar days for the same Settlement Period for which the resource is dispatched; 3) such resource's verifiable Start-Up Costs, if the start-up was solely attributable to the ISO's Dispatch Instruction and if the Scheduling Coordinator provides the resource's Start-Up Costs to the ISO within thirty (30) Business Days from the Settlement Period for which the resource is dispatched; and 4) verifiable daily gas imbalance charges, if any, that are solely attributable to the ISO's Dispatch Instruction and that the Scheduling Coordinator or Generator was not able to eliminate or reduce despite the application of best efforts, if the Scheduling Coordinator provides the resource's daily gas imbalance charges to the ISO within thirty (30) Business Days from the Settlement Period for which the resource is dispatched. References to "similar days" in this Section refer to Business Days when the resource is dispatched on a Business Day and otherwise to days that are not Business Days.~~

~~To the extent a Scheduling Coordinator does not specify a payment option, the ISO will apply the payment provisions of the payment option described in Section 11.2.4.2(a).~~

~~If the ISO Dispatches an RMR Unit that has selected Condition 2 of its RMR Contract to start-up or provide energy other than a start-up or energy requested pursuant to the RMR Contract, as provided in Section 5.2.9 of the ISO Tariff, the ISO shall pay as follows:~~

~~(a) if the Owner has elected Option A of Schedule G, two times the start-up cost specified in Schedule D to the applicable RMR Contract for any start-up incurred, and 1.5 times the rate specified in Equation 1a or 1b below times the amount of energy delivered in response to the ISO's instruction;~~

~~(b) if the Owner has elected Option B of Schedule G, three times the start-up cost specified in Schedule D to the applicable RMR Contract for any start-up incurred, and the rate specified in Equation 1a or 1b below times the amount of energy delivered in response to the ISO's instruction.~~

Equation 1a

$$\text{Energy Price (\$/MWh)} = \frac{(\text{AX}^3 + \text{BX}^2 + \text{CX} + \text{D}) * \text{P} * \text{E}}{\text{X}} \quad \text{+ Variable O\&M Rate}$$

Equation 1b

$$\text{Energy Price (\$/MWh)} = \frac{\text{A} * (\text{B} + \text{CX} + \text{D}e^{\text{FX}}) * \text{P} * \text{E}}{\text{X}} \quad \text{+ Variable O\&M Rate}$$

Where:

- ~~□ for Equation 1a, A, B, C, D and E are the coefficients given in Table C1-7a of the applicable RMR Contract;~~
- ~~□ for Equation 1b, A, B, C, D, E and F are the coefficients given in Table C1-7b of the applicable RMR Contract;~~
- ~~□ X is the Unit output level during the applicable settlement period, MWh;~~
- ~~□ P is the Hourly Fuel Price as calculated by Equation C1-8 in Schedule C using the Commodity Prices in accordance with the applicable RMR Contract;~~
- ~~□ Variable O&M Rate (\\$/MWh): as shown on Table C1-18 of the applicable RMR Contract.~~

11.25 [Not Used]

11.26 Wheeling Through and Wheeling Out Transactions.

The ISOCAISO shall calculate, account for and settle charges and payments for Wheeling Through and Wheeling Out transactions in accordance with Section 26.1.4 and Appendix N, Part C of this Tariff.

~~11.2.7~~11.27 Voltage Support and Black Start Charges.

The ISOCAISO shall calculate, account for and settle charges and payments for Voltage Support and Black Start as set out in Sections 11.10.1.48-11.4, 8-11-511.10.1.5, 8-12-411.10.5, 8-12-511.10.6, and the SABP Charge Computation Manual –Appendix N, Part G of this ISOCAISO Tariff.

~~11.2.14~~11.28 The CAISO shall calculate, charge and disburse all collected default Interest in accordance with the CAISO Tariff.

11.311.29 Billing and Payment Process.

The ISOCAISO will calculate for each charge the amounts payable by the relevant Scheduling Coordinator, Black Start Generator or Participating TO for each Settlement Period of the Trading Day, and the amounts payable to that Scheduling Coordinator, Black Start Generator or Participating TO for each charge for each Settlement Period of that Trading Day and shall arrive at a net amount payable for each charge by or to that Scheduling Coordinator, Black Start Generator or Participating TO for each charge for that Trading Day. Each of these amounts will appear in the Preliminary and Final Settlement Statements that the ISOCAISO will provide to the relevant Scheduling Coordinator, Black Start Generator or Participating TO.

The eight components of the Grid Management Charge will be included in the Preliminary Settlement Statement and Final Settlement Statement with the other types of charges referred to in Section 11.2, but a separate invoice for the Grid Management Charge, stating the rate, billing determinant volume, and total charge for each of its eight components, will be issued by the ISOCAISO to the Scheduling Coordinator.

~~11.3.1~~11.29.1 The billing and payment process shall be based on the issuance of Preliminary and Final Settlement Statements for each Settlement Period in each Trading Day.

~~11.3.2~~11.29.2 Payment for the charges referred to in Section ~~11.1.6~~11.1.2 of the ISOCAISO Tariff (except for the charges payable under long-term contracts) for each Trading Day in each calendar month shall be made five (5) Business Days after issuance of the Preliminary Settlement Statement for the last day of the relevant calendar month. Payment for adjustments will be made five (5) Business Days after issuance of the Final Settlement Statement for the last day of the relevant month. Payments for FERC Annual Charges will be made in accordance with Section 11.19~~17~~ of this ISOCAISO Tariff.

~~11.1.7~~11.29.3 **Prepayments.**

(a) A Scheduling Coordinator may choose to pay at an earlier date than the Payment Date specified in the ISOCAISO Payments Calendar by way of prepayment provided it notifies the ISOCAISO by electronic means before submitting its prepayment.

(b) Prepayment notifications must specify the dollar amount prepaid.

(c) Prepayments must be made by Scheduling Coordinators via Fed-Wire into their ISOCAISO prepayment account designated by the ISOCAISO. The relevant Scheduling Coordinator shall grant the ISOCAISO a security interest on all funds in its ISOCAISO prepayment account.

(d) On any Payment Date the ISOCAISO shall be entitled to cause funds from the relevant Scheduling Coordinator's ISOCAISO prepayment account to be transferred to the ISOCAISO Clearing Account in such amounts as may be necessary to discharge in full that Scheduling Coordinator's payment obligation arising in relation to that Payment Date.

(e) Any funds held in the relevant Scheduling Coordinator's ISOCAISO prepayment account shall be treated as part of that Scheduling Coordinator's Security.

(f) Interest (or other income) accruing on the relevant Scheduling Coordinator's ISOCAISO prepayment account shall inure to the benefit of that Scheduling Coordinator and shall be added to the balance of its ISOCAISO prepayment account on a monthly basis.

(g) Funds held in an ISOCAISO prepayment account by a Scheduling Coordinator may be recouped, offset or applied by the ISOCAISO to any outstanding financial obligations of that Scheduling Coordinator to the ISOCAISO or to other Scheduling Coordinators under this ISOCAISO Tariff,

11.3.411.29.4 System Failure.

11.3.4.111.29.4.1 At ISOCAISO Debtor's Bank.

If any ISOCAISO Debtor becomes aware that a payment will not, or is unlikely to be, remitted to the ISOCAISO 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 ISOCAISO, giving full details of the payment delay (including the reasons for the payment delay). The ISOCAISO 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.

11.3.4.211.29.4.2 At the ISOCAISO's Bank.

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

11.411.29.5 General Principles for Production of Settlement Statements.

11.4.111.29.5.1 Basis of Settlement.

The basis of each Settlement Statement shall be the debiting or crediting of an account in the name of the relevant Scheduling Coordinator in the general ledger set up by the ISOCAISO to reflect all transactions, charges or payments settled by the ISOCAISO.

11.4.211.29.5.2 ~~Right to Dispute.~~

All Scheduling Coordinators shall have the right to dispute any item or calculation set forth in any Preliminary Settlement Statement in accordance with this CAISO Tariff.

11.4.311.29.5.3 — Data Files.

Settlement Statements relating to each Scheduling Coordinator shall be accompanied by a data file of supporting information that includes the following for each Settlement Period of the Trading Day on a Zone-by-Zone basis:

- (a) the aggregate quantity (in MWh) of Energy supplied or withdrawn by the Metered Entities represented by the Scheduling Coordinator;
- (b) the aggregate quantity (in MW) and type of Ancillary Services capacity provided or purchased;
- (c) the relevant prices that the ~~ISO~~CAISO has applied in its calculations;
- (d) details of the Scheduled quantities of Energy and Ancillary Services accepted by the ~~ISO~~CAISO in the Day-Ahead Market and the Hour-Ahead Market;
- (e) details of Imbalance Energy and penalty payments; and
- (f) detailed calculations of all fees, charges and payments allocated amongst Scheduling Coordinators and each Scheduling Coordinator's share.

11.4.411.29.5.4 Settlement Software.

The ISOCAISO Settlement software shall be audited by an independent firm of auditors competent to carry out audits of such software to determine its consistency with the ISOCAISO Tariff. In any dispute regarding Settlement calculations, a certificate of such firm of auditors that the ISOCAISO software is consistent with the ISOCAISO Tariff shall be prima facie proof that the charges shown in a Settlement Statement have been calculated in a method consistent with the ISOCAISO Tariff. Nothing in this section will be deemed to establish the burden of proof with respect to Settlement calculations in any proceeding.

11.511.29.6 Calculation in the Event of Lack of Meter Data for the Balancing of Market Accounts.

Settlements shall not be cleared for final processing until the accounting trial balance is zero. In order to publish a Settlement Statement, the ISOCAISO may use estimated, disputed or calculated Meter Data. When actual verified Meter Data is available and all of the disputes raised by Scheduling Coordinators during the validation process described in Section 44.711.29.8 of this ISOCAISO Tariff have been determined, the ISOCAISO shall recalculate the amounts payable and receivable by the affected Scheduling Coordinators or by all Scheduling Coordinators, if applicable, as soon as reasonably practical and shall show any required adjustments as a debit or credit in the next Settlement Statement.

11.611.29.7 Settlements Cycle.

11.6.411.29.7.1 Timing of the Settlements Process.

11.6.1.411.29.7.1.1 Preliminary Statements.

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The ~~ISOCAISO~~ shall provide to each Scheduling Coordinator, Black Start Generator or Participating TO for validation a Preliminary Settlement Statement for each Trading Day ~~in accordance with the within~~ **thirty-eight (38) Business Days of the relevant Trading Day, covering all Settlement Periods in that Trading Day/ISO Payments Calendar**. Each Preliminary Settlement Statement will include a statement of:

- (a) the amount payable or receivable by the Scheduling Coordinator, Black Start Generator or Participating TO for each charge referred to in Section 11.2 for each Settlement Period in the relevant Trading Day;
- (b) the total amount payable or receivable by that Scheduling Coordinator, Black Start Generator or Participating TO for each charge for all Settlement Periods in that Trading Day after the amounts payable and the amounts receivable under (a) have been netted off pursuant to Section ~~11.3~~11.29; and
- (c) the components of each charge in each Settlement Period except for information contained in the Imbalance Energy Report referred to in this Section ~~11.29.7.1.1~~11.6.1.1.

Each Preliminary Settlement Statement shall also be accompanied by a breakdown of the components of the Imbalance Energy Charge (the "Imbalance Energy Report").

~~11.6.1.2~~11.29.7.1.2 Each Scheduling Coordinator, Black Start Generator or Participating TO shall have a period of eight (8) Business Days from the issuance of a Preliminary Settlement Statement during which it may review the Preliminary Settlement Statement and notify the ~~ISOCAISO~~ of any errors. No later than fifty-one (51) Business Days after the Trading Day to which it relates, the ~~ISOCAISO~~ shall issue a Final Settlement Statement to each Scheduling Coordinator for that Trading Day.

~~11.6.1.2A~~11.29.7.1.3 **Final Statements.**

The ~~ISOCAISO~~ shall provide to each Scheduling Coordinator, Black Start Generator or Participating TO a Final Settlement Statement in accordance with the ~~ISOCAISO~~ Tariff and the ~~ISOCAISO~~ Payments Calendar. The Final Settlement Statement shall be in a format similar to that of the Preliminary Settlement

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Statement and shall include all the information provided in the Preliminary Settlement Statement as amended following the validation procedure.

~~11.6.1.311.29.7.1.4~~ Each Scheduling Coordinator, Black Start Generator or Participating TO shall have a period of ten (10) Business Days from the issuance of the Final Settlement Statement during which it may review the Incremental Changes on the Final Settlement Statement and notify the ~~ISOCAISO~~ of any errors. No later than twenty-five (25) Business Days from the date of issuance of the Final Settlement Statement, the ~~ISOCAISO~~ shall incorporate any required corrections in a subsequent Preliminary Settlement Statement.

~~11.6.211.29.7.2~~ ——— Basis for Billing and Payment.

The Preliminary and the Final Settlement Statements shall constitute the basis for billing and associated automatic funds transfers in accordance with this ~~ISOCAISO~~ Tariff. The Preliminary Settlement Statement shall constitute the basis for billing and associated automatic funds transfers for all charges in the first instance. The Final Settlement Statement shall constitute the basis for billing and associated automatic funds transfers for adjustments to charges set forth in the Preliminary Settlement Statement. Each Scheduling Coordinator shall pay any net debit and shall be entitled to receive any net credit shown in an invoice on the Payment Date, whether or not there is any dispute regarding the amount of the debit or credit.

~~11.6.2.111.29.7.2.1~~ Elimination of Invoices under \$10.00.

Preliminary and final invoices either due to or from any Market Participant for amounts less than \$10.00 will be adjusted to \$0.00 and no amount will be due to or from that Market Participant for that invoice.

~~11.6.311.29.7.3~~ ——— Settlement Statement Re-runs and Post Final Adjustments.

The ~~ISOCAISO~~ is authorized to perform Settlement Statement Re-runs following approval of the ~~ISOCAISO~~ Governing Board. A request to perform a Settlement Statement Re-run may be made at any time by a Scheduling Coordinator by notice in writing to the ~~ISOCAISO~~ Governing Board. The ~~ISOCAISO~~ Governing Board shall, in considering whether to approve a request for a Settlement Statement Re-run,

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determine in its reasonable discretion, whether there is good cause to justify the performance of a Settlement Statement Re-run.

11.6.3.411.29.7.3.1 If a Settlement Statement Re-run is ordered by the ISOCAISO Governing Board, the ISOCAISO shall arrange to have the Settlement Statement Re-run carried out as soon as is reasonably practicable following the ISOCAISO Governing Board's order, subject to the availability of staff and computer time, compatible software, appropriate data and other resources.

11.6.3.2-11.29.7.3.2 The cost of a Settlement Statement Re-run shall be borne by the Scheduling Coordinator requesting it, unless the Settlement Statement Re-run was needed due to a clerical oversight or error on the part of the ISOCAISO staff.

11.6.3.311.29.7.3.3 Where a Settlement Statement Re-run indicates that the accounts of Scheduling Coordinators should be debited or credited to reflect alterations to Settlements previously made under this ISOCAISO Tariff, for those Scheduling Coordinators affected by the statement re-run, the ISOCAISO shall reflect the amounts to be debited or credited in the next Preliminary Settlement Statements that it issues following the Settlement Statement Re-run to which the provisions of this Section 11 apply.

11.6.3.411.29.7.3.4 Reruns, post closing adjustments and the financial outcomes of Dispute Resolution may be invoiced separately from monthly market activities. The ISOCAISO shall provide a market notice at least 30 days prior to such invoicing identifying the components of such invoice.

11.711.29.8 Confirmation and Validation.

11.7.111.29.8.1 Confirmation.

It is the responsibility of each Scheduling Coordinator to notify the ISOCAISO if it fails to receive a Preliminary Settlement Statement or a Final Settlement Statement on the date specified for the publication of such Settlement Statement in the ISOCAISO Payments Calendar. Each Scheduling Coordinator shall be deemed to have received its Settlement Statement on the dates specified, unless it notifies the ISOCAISO to the contrary.

11.7.211.29.8.2 Validation.

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Each Scheduling Coordinator, Black Start Generator, or Participating TO shall have the opportunity to review the terms of the Preliminary Settlement Statements that it receives. The Scheduling Coordinator, Black Start Generator, or Participating TO shall be deemed to have validated each Preliminary Settlement Statement unless it has raised a dispute or reported an exception within eight (8) Business Days from the date of issuance. Once validated, a Preliminary Settlement Statement shall be binding on the Scheduling Coordinator, Black Start Generator or Participating TO to which it relates, unless the ~~ISOCAISO~~ performs a Settlement re-run pursuant to Section ~~11.6.311.29.7.3~~ of this ~~ISOCAISO~~ Tariff.

The notice of dispute, if any, shall state clearly the Trading Day, the issue date of the Preliminary Statement, the item disputed, the reasons for the dispute, the amount claimed (if appropriate) and shall be accompanied with all available evidence reasonably required to support the claim.

~~11.7.311.29.8.3~~ — Validation of Final Settlement Statements.

Each Scheduling Coordinator, Black Start Generator or Participating TO shall have the opportunity to review the Incremental Changes that appear on the Final Settlement Statement that it receives. The Scheduling Coordinator, Black Start Generator or Participating TO shall be deemed to have validated the Incremental Changes on each Final Settlement Statement unless it has raised a dispute or reported an exception regarding those Incremental Changes within ten (10) Business Days from the date of issuance. Once validated, the Incremental Changes on the Final Settlement Statement shall be binding on the Scheduling Coordinator, Black Start Generator or Participating TO to which it relates, unless the ~~ISOCAISO~~ performs a Settlement re-run pursuant to Section ~~11.6.311.29.7.3~~ of this ~~ISOCAISO~~ Tariff.

The notice of dispute shall state clearly the Trading Day, the issue date of the Final Settlement Statement, the item disputed, the reasons for the dispute, the amount claimed (if appropriate) and shall be accompanied with all available evidence reasonably required to support the claim.

~~11.7.411.29.8.4~~ — Recurring Disputes or Exceptions.

A Scheduling Coordinator, Black Start Generator or Participating TO may request the ~~ISOCAISO~~ to treat as recurring a dispute or exception raised in accordance with Sections ~~11.7.2 and 11.7.311.29.8.1 and 11.29.8.2~~ above, if a dispute or exception would apply to subsequent Preliminary and Final Settlement

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Statements. A request for recurring treatment may be made for any valid reason provided that subsequent Preliminary and Final Settlement Statements would be affected, including but not limited to, that the disputed calculation will recur, or that a disagreement as to policy will affect calculations in subsequent Preliminary and Final Settlement Statements. If a Scheduling Coordinator, Black Start Generator or Participating TO wishes to request that the ISOCAISO treat a dispute as recurring, it shall, in the notice, clearly indicate that it requests such treatment and set forth in detail the reasons that support such treatment. To the extent possible, the Scheduling Coordinator, Black Start Generator or Participating TO shall state the types of charges and dates to which the dispute will apply, and provide estimates of the amounts that will likely be claimed on each date.

The ISOCAISO shall make a determination on such a request within five (5) Business Days of receipt. To preserve its right to dispute an item, a Scheduling Coordinator, Black Start Generator or Participating TO must continue to raise a dispute or report an exception until it is notified by the ISOCAISO that the ISOCAISO agrees to treat the dispute or exception as recurring. If the ISOCAISO grants a request to treat a dispute or exception as recurring, the dispute raised or exception reported by the Scheduling Coordinator, Black Start Generator or Participating TO shall be deemed to apply to every subsequent Preliminary and Final Settlement Statement provided to the Scheduling Coordinator, Black Start Generator or Participating TO from the date that the ISOCAISO grants the request for recurrent treatment until: a) ninety (90) days have elapsed, unless the ISOCAISO indicates a different expiration date on its response to the request, in which case the expiration date stated by the ISOCAISO, in its response or b) the dispute or exception is resolved, whichever is shorter. The ISOCAISO may deny a request that the ISOCAISO treat a dispute as recurring for any valid reason, including because the request is not adequately specific as to the basis for recurring treatment or the subsequent calculations that will be affected.

~~11.7.511.29.8.5~~ — **Amendment.**

Regarding a dispute related to a Preliminary Settlement Statement, if the ISOCAISO agrees with the amount claimed, it shall incorporate the relevant data into the Final Settlement Statement. Regarding a dispute related to an Incremental Change in a Final Settlement Statement, the ISOCAISO shall make a

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determination on the dispute no later than twenty-five (25) Business Days from the issuance of the Final Settlement Statement, and, if the ISOCAISO agrees with the amount claimed, shall incorporate the relevant data into the next available Preliminary Settlement Statement.

~~11.7.6~~11.29.8.6 — ISOCAISO Contact.

If the ISOCAISO does not agree with the amount claimed or if it requires additional information, it shall make reasonable efforts (taking into account the time it received the notice of dispute and the complexity of the issue involved) to contact the relevant Scheduling Coordinator, Black Start Generator or Participating TO to resolve the issue before issuing the Final Settlement Statement. If it is not possible to contact the relevant party, the ISOCAISO shall issue the Final Settlement Statement without taking into account the dispute notice.

~~11.7.7~~11.29.8.7 — Payment Pending Dispute.

Each Scheduling Coordinator, Black Start Generator or Participating TO which receives an invoice shall pay any net debit and shall be entitled to receive any net credit shown in the invoice on the Payment Date, whether or not there is any dispute regarding the amount of the debit or credit. The provisions of Section 13 (Dispute Resolution) of the ISOCAISO Tariff shall apply to the disputed amount.

~~11.8.1~~11.29.9 — Payment Procedures.

~~11.8.4~~11.29.9.1 — All Payments to Be Made Through the ISOCAISO.

All Scheduling Coordinators shall discharge their obligations to pay the amounts owed by them and shall receive payments of all amounts owed to them under this ISOCAISO Tariff only through the ISOCAISO.

~~11.8.2~~11.29.9.2 — Accounts to be Established.

The ISOCAISO is authorized to establish and maintain bank accounts held in trust for Market Participants and obtain lines of credit and other banking facilities (not exceeding an aggregate amount set by the ISOCAISO Governing Board) necessary for the operation of its Settlement and billing procedures.

Unless otherwise specified in this Tariff the ISOCAISO will recover all costs incurred in connection with

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these ISOCAISO banking facilities through the appropriate component of the Grid Management Charge.

The ISOCAISO shall establish and operate the following accounts:

11.8.2.411.29.9.2.1 An ISOCAISO Clearing Account to and from which all payments are made;

11.8.2.211.29.9.2.2 An ISOCAISO Reserve Account from which any debit balances on the ISOCAISO Clearing Account at the close of banking business on each Business Day shall be settled or reduced in accordance with this ISOCAISO Tariff. The ISOCAISO shall use the security provided by a Scheduling Coordinator pursuant to Section 12.1 of this ISOCAISO Tariff, if necessary, to clear any debit balances on the ISOCAISO Reserve Account that may arise as a result of that Scheduling Coordinator's failure to pay an amount due under this ISOCAISO Tariff.

11.8.2.2.a11.29.9.3 An **ISOCAISO Surplus Account.**

11.8.2.311.29.9.3.1 Such other accounts as the ISOCAISO deems necessary or convenient for the purpose of efficiently implementing the funds transfer system under this ISOCAISO Tariff. The ISOCAISO shall notify Market Participants of the establishment of such accounts through the ISOCAISO [Home Page Website](#).

11.8.2.411.29.9.3.2 **Accounts of the Scheduling Coordinators and Participating TOs.**

Each Scheduling Coordinator and each Participating TO shall establish and maintain a Settlement Account at a commercial bank located in the United States and reasonably acceptable to the ISOCAISO which can effect money transfers via Fed-Wire where payments to and from the ISOCAISO Clearing Account shall be made in accordance with this ISOCAISO Tariff. Scheduling Coordinators may, but will not be required to, maintain separate accounts for receipts and payments. Each Scheduling Coordinator shall notify the ISOCAISO of its account details and of any changes to those details in accordance with the provisions of its Scheduling Coordinator Agreement. Participating TOs will notify the ISOCAISO of their Settlement Account details in accordance with Section 2.2.1 of their Transmission Control Agreement and may notify the ISOCAISO from time to time of any changes by giving at least 7 days written notice before the new account becomes operational.

11.8.311.29.9.4 **Declaration of Trust.**

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All ISOCAISO Accounts established pursuant to Section ~~11.8.211.29.9.2~~ of this ISOCAISO Tariff shall be opened and operated by the ISOCAISO on trust for Market Participants, in accordance with this ISOCAISO Tariff. Each such account shall be maintained at a bank or other financial institution in California and shall bear a name indicating that it is a trust account.

~~11.8.411.29.9.5~~ ——— No Co-Mingling.

The ISOCAISO shall not co-mingle any funds standing to the credit of a ISOCAISO Account with its other funds and shall promptly withdraw any amounts paid into a ISOCAISO Account representing amounts paid for the account of the ISOCAISO.

~~11.8.511.29.9.6~~ ——— Use of Accounts.

~~11.8.5.111.29.9.6.1~~ Clearing Account.

- (a) Subject to Section ~~11.3.3-11.29.3~~ each ISOCAISO Debtor shall remit to the ISOCAISO Clearing Account the amount shown on the invoice as payable by that ISOCAISO Debtor for value not later than 10:00 am on the Payment Date.
- (b) On the Payment Date the ISOCAISO shall be entitled to cause the transfer of such amounts held in a Scheduling Coordinator's ISOCAISO prepayment account to the ISOCAISO Clearing Account as provided in Section ~~11.29.344.3.3~~.

The ISOCAISO shall calculate the amounts available for distribution to ISOCAISO Creditors on the Payment Date and shall give irrevocable instructions to the ISOCAISO Bank to remit from the ISOCAISO Clearing Account to the relevant Settlement Accounts maintained by the ISOCAISO Creditors, the aggregate amounts determined by the ISOCAISO to be available for payment to ISOCAISO Creditors for value by close of business on the Payment Date if no ISOCAISO Debtors are in default. If a ISOCAISO Debtor is in default and until all defaulting amounts have been collected, the ISOCAISO shall make payments as soon as practical within five (5) business days of the collection date posted in the

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ISOCAISO Payments Calendar. If required, the ISOCAISO shall instruct the ISOCAISO Bank to transfer amounts from the ISOCAISO Reserve Account to enable the ISOCAISO Clearing Account to clear.

The ISOCAISO is authorized to instruct the ISOCAISO Bank to debit the ISOCAISO Clearing Account and transfer to the relevant ISOCAISO 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 ISOCAISO Clearing Account.

11.8.5.211.29.9.6.2 Reserve Account.

The ISOCAISO Reserve Account shall be available to the ISOCAISO for the purpose of providing funds to clear the ISOCAISO Clearing Account in the event that there are insufficient funds in the ISOCAISO Clearing Account to pay ISOCAISO Creditors. If there are insufficient funds in the ISOCAISO Clearing Account to pay ISOCAISO Creditors and clear the account on any Payment Date, due to payment default by one or more ISOCAISO Debtors, the ISOCAISO shall transfer funds from the ISOCAISO Reserve Account to the ISOCAISO Clearing Account to clear it by close of banking business on that Payment Date pursuant to Section ~~11.12.2.2~~11.29.13.4.

If the ISOCAISO Reserve Account is drawn upon, the ISOCAISO shall as soon as possible thereafter take any necessary steps against the defaulting Scheduling Coordinator, including making any calculations or taking any other appropriate action, to replenish the ISOCAISO Reserve Account including drawing on any credit support provided by the defaulting Scheduling Coordinator pursuant to Section 12.1 of this ISOCAISO Tariff or serving demands on any defaulting Scheduling Coordinators with an Approved Credit Rating.

The proceeds of drawings under any line of credit or other credit facility of the ISOCAISO Reserve Account shall be held on trust for ISOCAISO Creditors. If the Reserve Account is replenished as provided for in ~~11.8.5.2.1~~this Section 11.29.9.6.2, any credits shall be held on trust for all ISOCAISO Creditors.

11.8.5.2.111.29.9.6.2.1 Replenishing the ISOCAISO Reserve Account Following Payment Default.

If the ISOCAISO has debited the ISOCAISO Reserve Account then:

- (a) If, after the ISOCAISO has debited the ISOCAISO Reserve Account on a Payment Date, the ISOCAISO Bank receives a remittance from an ISOCAISO Debtor which has not been (but should have been, if it had been received on a timely basis) credited to the ISOCAISO Clearing Account by 10:00 am on the Payment Date and which required the debiting of the ISOCAISO Reserve Account, such remittance shall be credited to the ISOCAISO Reserve Account.
- (b) The proceeds of any enforcement of Security and/or amounts recovered under proceedings shall be credited to the ISOCAISO Reserve Account.
- (c) If after taking reasonable action the ISOCAISO determines that the Default Amount (or any part) and/or Interest cannot be recovered, such amounts shall be deemed to be owing by those Market Participants who were ISOCAISO Creditors on the relevant Payment Date pro rata to the net payments they received on that Payment Date and shall be accounted for by way of a charge in the next Settlement Statements of those ISOCAISO Creditors. Such charge shall be credited to the Reserve Account.

11.8.5.311.29.9.6.3 Surplus Account.

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

- (a) Any amounts paid to the ISOCAISO in respect of penalties or sanctions referred to in Section 41.2.911.14 shall be credited to the Surplus Account, subject, however, to Section 41.8.5.3 (b)11.29.9.6.1(b).
- (b) The funds referred to in Section 41.8.5.3 (a)11.29.9.6.1(a) pertaining to penalties or sanctions as provided in Section 41.2.911.14 shall first be applied towards any expenses, loss or costs incurred by the ISOCAISO except for that portion of those amounts collected pursuant to 37.9.4EP-9.4.

Any excess after such application will be credited to the Surplus Account pursuant to ~~Section 11.8.5.3 (a)~~11.29.9.6.1(a).

- (c) The funds referred to in Section ~~11.8.5.3 (a)~~11.29.9.6.1(a) pertaining to default interest referred to in Section ~~11.12.11.29.13.1~~ 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 Section ~~11.8.5.3 (a)~~11.29.9.6.1(a).

In the event that there are funds in the ~~ISOCAISO~~ Surplus Account in excess of an amount to be determined by the ~~ISOCAISO~~ Governing Board and noticed by the ~~ISOCAISO~~ 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.

~~11.911.29.10~~ ——— **Invoices.**

The ~~ISOCAISO~~ shall prepare and send to each Scheduling Coordinator, Black Start Generator or Participating TO two invoices for each calendar month. The first invoice will be based on the Preliminary Settlement Statements and the second invoice will be based on the Final Settlement Statement(s). Each invoice will show amounts which are to be paid by or to each Scheduling Coordinator, Black Start Generator or Participating TO, the Payment Date, being the date on which such amounts are to be paid or received and details of the ~~ISOCAISO~~ Clearing Account to which any amounts owed by Scheduling Coordinators, Black Start Generator or Participating TO are to be paid.

A separate invoice for the Grid Management Charge, stating the rate, billing determinant volume and total charge for each of its eight components, will be issued by the ~~ISOCAISO~~ to the Scheduling Coordinator. A separate invoice for Interest, issued on the preliminary invoice date, stating the total charges for each Trade Month in which interest is charged, will be issued by the ~~ISOCAISO~~.

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Reruns, post closing adjustments and the financial outcomes of Dispute Resolution may be invoiced separately from monthly market activities. The ISOCAISO shall provide a market notice at least 30 days prior to such invoicing identifying the components of such invoice.

~~11.9A.11.29.10.1~~ ——— **Emergency Procedures.**

~~11.9A.110.29.10.2~~ ——— **Use of Estimated Data.**

In the event of an emergency or a failure of any of the ISOCAISO software or business systems, the ISOCAISO may use estimated Settlement Statements and invoices and may implement any temporary variation of the timing requirements relating to the Settlement and billing process contained in the ISOCAISO Tariff. Details of the variation and the method chosen to produce estimated data, Settlement Statements and invoices will be published on the ISOCAISO Home Page Website.

~~11.9A.211.29.10.3~~ ——— **Payment of Estimated Statements and Invoices.**

When estimated Settlement Statements and invoices are issued by the ISOCAISO, payments between the ISOCAISO and Market Participants shall be made on an estimated basis and the necessary corrections shall be made by the ISOCAISO as soon as practicable. The corrections will be reflected as soon as practicable in later Settlement Statements and invoices issued by the ISOCAISO in the manner set forth in Section 11.5 of the ISO Tariff. Failure to make such estimated payments shall result in the same consequences as a failure to make actual payments.

~~11.9A.311.29.10.4~~ ——— **Validation and Correction of Estimated Statements and Invoices.**

The ISOCAISO shall use its best efforts to verify the estimated data and to make the necessary corrections as soon as practicable. The corrections will be reflected as soon as practicable in later Settlement Statements and invoices issued by the ISOCAISO.

~~11.9A.411.29.10.5~~ ——— **Estimated Statements to be Final.**

In the event that the ISOCAISO is of the opinion that, despite its best efforts, it is not possible for it to verify the estimated data because actual data is not reasonably expected to become available to the ISOCAISO in the foreseeable future, the ISOCAISO shall consult with the Market Participants in order to

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develop the most appropriate substitute data including using data provided by Market Participants. Following such determination of substitute data, the ISQCAISO shall send to the relevant Market Participants revised Settlement Statements and Invoices. The provisions of Section ~~11.7.6~~11.29.8.6 shall apply to payment of revised invoices issued in accordance with these emergency procedures. Failure to make payments of such revised invoices shall result in the same consequences as a failure to make actual payments.

~~11.10~~11.29.11 ——— Instructions for Payment.

Each Scheduling Coordinator shall remit to the ISQCAISO Clearing Account the amount shown on the invoice as payable by that Scheduling Coordinator for value not later than 10:00 a.m. on the Payment Date.

~~11.14~~11.29.12 ——— ISQCAISO's Responsibilities.

On the due date for payment of amounts shown in an invoice, the ISQCAISO shall ascertain whether all amounts required to be remitted to the ISQCAISO Clearing Account have been credited to it. If any such amount has not been so credited, it shall ascertain which Scheduling Coordinators have failed to pay the amount owed by them and it may take steps to recover any overdue amount.

~~11.12~~11.29.13 ——— Non-payment by a Scheduling Coordinator.

~~11.12.4~~11.29.13.1 ——— Notification and Interest.

If a Scheduling Coordinator becomes aware that a payment for which it is responsible will not be remitted to the ISQCAISO Clearing Account on time, it shall immediately notify the ISQCAISO of the fact and the reason for the non-payment. If the Scheduling Coordinator fails to pay any sum to the ISQCAISO when due and the ISQCAISO is unable to enforce the Security (if any) provided by the defaulting Scheduling Coordinator, the Scheduling Coordinator shall pay interest on the overdue amount for the period from the Payment Date to the date on which the payment is remitted to the ISQCAISO Clearing Account, together with any related transaction costs incurred by the ISQCAISO. The ISQCAISO shall apply all such Interest payments on the Default Amount on a pro rata basis to ISQCAISO Creditors in relation to amounts past due in the order of the creation of such debts.

~~11.12.2~~11.29.13.2 ——— Payment Default.

Subject to Section ~~11.12.3~~11.29.13.6, if by 10:00 am on a Payment Date the ISOCAISO, in its reasonable opinion, believes that all or any part of any amount due to be remitted to the ISOCAISO Clearing Account by any Scheduling Coordinator will not or has not been remitted and there are insufficient funds in the relevant Scheduling Coordinator's ISOCAISO prepayment account (the amount of insufficiency being referred to as the "Default Amount"), the ISOCAISO shall take the following actions to enable the ISOCAISO Clearing Account to clear not later than the close of banking business on the relevant Payment Date:

~~11.12.2~~11.29.13.3 Enforcing the Security of a Defaulting Scheduling Coordinator.

Subject to Section ~~11.12.3~~11.29.13.6, the ISOCAISO shall make reasonable endeavors to enforce the defaulting Scheduling Coordinator's Security (if any) to the extent necessary to pay the Default Amount. If it is not practicable to obtain clear funds in time to effect payment to ISOCAISO Creditors on the same day the ISOCAISO shall proceed in accordance with ~~11.12.2.2~~ or ~~11.16.1~~11.29.13.4 or 11.29.17.1 as applicable.

~~11.12.2~~11.29.13.4 Use of ISOCAISO Reserve Account.

If there are funds standing to the credit of the ISOCAISO Reserve Account (including the proceeds of drawings under banking facilities described in Section 11.29.9.6~~211.8.5.2~~) the ISOCAISO shall debit the ISOCAISO Reserve Account with the Default Amount in order to clear the ISOCAISO Clearing Account and effect payment to the ISOCAISO Creditors.

~~11.12.2~~11.29.13.5 Action against a Defaulting Scheduling Coordinator.

The ISOCAISO shall as soon as possible after taking action under 11.29.13.4~~11.12.2.2~~ take any steps it deems appropriate against the defaulting Scheduling Coordinator to recover the Default Amount (and any Interest as set out in Section 11.29.13.3~~11.12.4~~) including enforcing any Security, exercising its rights of recoupment or set-off and/or bringing proceedings against the defaulting Scheduling Coordinator pursuant to Section ~~11.20.4~~11.29.21.1 of the ISOCAISO Tariff.

~~11.12.3~~11.29.13.6 ——— Default to be Remedied Promptly.

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In the event that the ISOCAISO reasonably believes that an outstanding amount which has not been paid by 10:00 am on the relevant Payment Date, is likely to be paid no later than close of banking business on the next Business Day then the ISOCAISO may, but shall not be obliged to, delay enforcing that ISOCAISO Debtor's Security or taking other measures to recover payment until after the close of banking business on the next Banking Day but Interest shall nonetheless accrue pursuant to Section ~~11.12.1~~11.29.13.1.

~~11.12.4~~11.29.13.7 ——— Set-Off.

The ISOCAISO is authorized to recoup, set off and apply any amount to which any defaulting ISOCAISO Debtor is or will be entitled, in or towards the satisfaction of any of that ISOCAISO Debtor's debts arising under the ISOCAISO Settlement and billing process. Each ISOCAISO Creditor and each ISOCAISO Debtor expressly acknowledges the following application of funds: first to the current month's Grid Management Charge, and then as described in ~~11.29.13.8~~11.29.17 unless otherwise specified in accordance with Section ~~11.46~~11.29.17.

~~11.12.5~~11.29.13.8 ——— Order of Payments.

Unless otherwise specified in accordance with Section ~~11.29.17-11.46~~, the ISOCAISO shall apply payments received in respect of amounts owing to ISOCAISO Creditors to repay the relevant debts in the order of the creation of such debts.

~~11.12.6~~11.29.13.9 ——— Interest Accruing while Enforcing the Security.

If the CAISO has debited the Reserve Account and it subsequently succeeds in enforcing the Security provided by the defaulting Scheduling Coordinator, the CAISO shall be entitled to withdraw from such Security in addition to the Default Amount, all costs incurred and interest accrued to the CAISO as a result of debiting the Reserve Account from the date of such debit to the date of enforcement of the said Security.

~~11.12.7~~11.29.13.10 ——— Application of Funds Received.

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Amounts credited to the CAISO Clearing Account in payment of a Default Amount (as set out in Section ~~11.8.5.2.1~~ 11.29.9.6.2.1) or as a result of enforcing the defaulting CAISO Debtor's Security shall be applied to the CAISO Reserve Account pursuant to Section ~~11.29.9.6.2.1~~ 11.29.9.6.2.1 to reduce amounts outstanding under any ISOCAISO banking facilities used to fund the ISOCAISO Reserve Account on the relevant Payment Date and the balance (if any) shall be applied to reimburse pro rata any ISOCAISO Creditors whose payments were reduced pursuant to Section ~~11.29.17.1~~ 11.29.17.1.

~~11.29.14~~ 11.29.14 **[NOT USED]**

~~11.29.15~~ 11.29.15 **[NOT USED]**

~~11.15~~ 11.29.16 **Prohibition on Transfers.**

The ISOCAISO shall at no time instruct the ISOCAISO Bank to transfer any sum from an ISOCAISO Account to another account (not being an ISOCAISO Account) unless that account is a Settlement Account or the amount is owed to the ISOCAISO under this ISOCAISO Tariff.

~~11.16~~ 11.29.17 **Alternative Payment Procedures.**

~~11.16~~ 11.29.17.1 **Pro Rata Reduction to Payments.**

If it is not possible to clear the ISOCAISO Clearing Account on a Payment Date because of an insufficiency of funds available in the ISOCAISO Reserve Account or by enforcing any guarantee, letter of credit or other credit support provided by a defaulting Scheduling Coordinator, the ISOCAISO shall reduce payments to all ISOCAISO Creditors proportionately to the net amounts payable to them on the relevant Payment Date to the extent necessary to clear the ISOCAISO Clearing Account. The ISOCAISO shall account for such reduction in the ISOCAISO ledger accounts as amounts due and owing by the non-paying ISOCAISO Debtor to each ISOCAISO Creditor whose payment was so reduced. The provisions of this section shall not apply to non-payment of any penalty amount that a Scheduling Coordinator has disputed and FERC has specifically authorized the Scheduling Coordinator to net its payment to the ISOCAISO by the amount of the penalty in question in accordance with Section 37.9.3, in which case the non-payment amount will be allocated exclusively to the ISOCAISO penalty trust account and not allocated to ISOCAISO Creditors.

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~~11.16.211.29.17.2~~ ——— **Payment of Defaulted Receivables.**

Collections of defaulted receivables (other than Interest) will be distributed pro rata to ~~ISOCAISO~~ Creditors for the month of default.

(1) If the total collected in that closing related to the past due trade month is less than \$5,000, then the funds shall accumulate in an Interest-bearing account until either: (a) the account exceeds \$5,000, (b) there have been no distributions from the account for six months, or (c) all defaults for that month have been collected exclusive of any bankruptcy defaults.

(2) If all ~~ISOCAISO~~ Creditors for that trade month have been paid, then the proceeds will be paid pro rata to the ~~ISOCAISO~~ Creditors in the oldest unpaid trade month.

(3) This provision is also applicable to the amounts netted against ~~ISOCAISO~~ Creditor balances related to prior defaulted receivables.

(4) All defaulted receivables disbursed under this Section shall be disbursed in accordance with the timeframes set forth in Section ~~11.29.9.6.111.8.5.4~~.

~~11.29.18~~ **[NOT USED]**

~~11.1811.29.19~~ ——— **Payment Errors.**

~~11.18.411.29.19.1~~ ——— **Overpayments.**

If for any reason, including the negligence of the ~~ISOCAISO~~ Bank or the ~~ISOCAISO~~, a ~~ISOCAISO~~ Creditor receives an overpayment on any Payment Date, the ~~ISOCAISO~~ Creditor shall within two (2) Business Days from the date of receipt of the funds into its Scheduling Coordinator Settlement Account, notify the ~~ISOCAISO~~ of the amount of the overpayment and shall forthwith pay the overpayment into a ~~ISOCAISO~~ Account specified by the ~~ISOCAISO~~.

~~11.18.211.29.19.2~~ ——— **Repayment of Overpayment.**

If prior to a ~~ISOCAISO~~ Creditor notifying the ~~ISOCAISO~~ of the overpayment, the ~~ISOCAISO~~ receives notice (from the ~~ISOCAISO~~ Bank or otherwise) of the overpayment, the ~~ISOCAISO~~ shall within two (2)

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Business Days notify the recipient of the overpayment. The ~~ISOCAISO~~ shall be responsible for payment to those entitled to the sum which has been overpaid.

~~11.18.2.a~~11.29.19.3 **Overpayment Held In Trust.**

Until a ~~an~~ ~~ISOCAISO~~ Creditor refunds the overpayment to the ~~ISOCAISO~~, the ~~ISOCAISO~~ Creditor shall be deemed to hold the amount of such overpayment on trust for any ~~ISOCAISO~~ Creditor which may have been underpaid in consequence of such overpayment, pro rata to the amount of the underpayment.

~~11.18.2.b~~11.29.19.4 **Interest on Overpayment.**

- (a) If an overpayment is repaid by a ~~an~~ ~~ISOCAISO~~ Creditor in accordance with Section ~~11.29.19.1~~ ~~41.18.1~~ of the ~~ISOCAISO~~ Tariff, the ~~ISOCAISO~~ shall be entitled to Interest on the amount of the overpayment at the prime rate of the bank where the Settlement Account of the overpaid ~~ISOCAISO~~ Creditor is located from the date the overpayment was received to the time that the repayment is credited to the relevant ~~ISOCAISO~~ Account.
- (b) If the overpayment (or any part of it) is not repaid by a ~~an~~ ~~ISOCAISO~~ Creditor in accordance with Section ~~11.29.19.1~~ ~~41.18.1~~ of the ~~ISOCAISO~~ Tariff, the ~~ISOCAISO~~ shall be entitled to Interest on the amount of the overpayment from the expiry of the two day period referred to in that Section until the repayment is credited to the relevant ~~ISOCAISO~~ Account and the ~~ISOCAISO~~ will be entitled to treat the overpayment (and any Interest accruing thereon) as a Default Amount to which Section ~~41.12.2~~ ~~11.29.13.2~~ will apply.

~~11.18.2.c~~11.29.19.5 **Treatment of Amounts Outstanding as a Result of an Overpayment.**

The ~~ISOCAISO~~ shall apply the amount of any overpayment repaid (including interest received) to credit any underpaid ~~ISOCAISO~~ Creditors pro rata to the amounts of their underpayments on the same day of receipt, or if not practicable, on the following Business Day.

~~11.18.3~~11.29.19.6 **Underpayments.**

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If for any reason, including the negligence of the ISOCAISO Bank or the ISOCAISO, an ISOCAISO Creditor receives on the relevant Payment Date an underpayment, the ISOCAISO Creditor shall within two (2) Business Days from receipt into its Settlement Account, notify the ISOCAISO of the amount of the underpayment, and the ISOCAISO after consultation with the ISOCAISO Bank, shall use all reasonable endeavors to identify such entity as shall have received any corresponding overpayment and promptly correct the underpayment. If, by reason of negligence, the ISOCAISO holds or has under its control after five (5) Business Days from receipt in the ISOCAISO Clearing Account amounts which it ought properly to have paid to ISOCAISO Creditors, such ISOCAISO Creditors shall be entitled to interest on such amounts, for such period as the ISOCAISO improperly holds or has such amounts under its control.

11.1911.29.20 — Defaults.

Each ISOCAISO Creditor shall give notice to the ISOCAISO before instituting any action or proceedings in any court against an ISOCAISO Debtor to enforce payments due to it.

11.2011.29.21 — Proceedings to Recover Overdue Amounts.

11.20.11.29.21.1 — Proceedings Brought by the ISOCAISO.

Without prejudice to the right of any Scheduling Coordinator to bring such proceedings as it sees fit in connection with matters related to the recovery of amounts owed to it, the ISOCAISO may bring proceedings against any Scheduling Coordinator on behalf of those Scheduling Coordinators who have indicated to the ISOCAISO their willingness for the ISOCAISO first so to act, for the recovery of any amounts due by that Scheduling Coordinator, if the ISOCAISO has first reached agreement with the Scheduling Coordinators as to the appropriate remuneration, is indemnified to its reasonable satisfaction and receives such security as it may reasonably request against all costs, claims, expenses (including legal fees) and liabilities which it will or may sustain or incur in complying with such instructions.

11.20.211.29.21.2 — Evidence of Unpaid Amount.

The ISOCAISO shall, on request, certify in writing the amounts owed by an ISOCAISO Debtor that remain unpaid and the ISOCAISO Creditors to whom such amounts are owed and shall provide certified copies of the relevant Preliminary and Final Settlement Statements, invoices and other documentation on which

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the ISOCAISO's certificate was based to the ISOCAISO Debtor and the relevant ISOCAISO Creditors. An ISOCAISO certificate given under this Section 11.29.21.2 11.20.2 may be used as prima facie evidence of the amount due by an ISOCAISO Debtor to ISOCAISO Creditors in any legal proceedings.

11.211.29.22 ——— Data Gathering and Storage.

11.21.1 11.29.22.1 Required Capabilities.

The ISOCAISO shall ensure that the Settlement process shall contain, at a minimum, the following data gathering and storage capabilities:

- (a) the accurate, time-sequenced, end-to-end traceability of the Settlements process so that Scheduling Coordinators and Participating TOs can fully verify their Settlement Statements;
- (b) the ability to specify and accept data that is specifically needed for audit trail requirements; and
- (c) the archiving of Meter Data, Settlement runs and other information used to prepare Settlement Statements to be consistent with the time frame required to re-run the Settlement process by state laws and the rules of the Local Regulatory Authority.

11.21.2 11.29.22.2 Data Dissemination.

Data shall not be disseminated by the ISOCAISO except as permitted in this ISOCAISO Tariff.

11.2311.29.23 ——— Communications.

Preliminary Settlement Statements, Final Settlement Statements and invoices will be considered issued to ISOCAISO Creditors or ISOCAISO Debtors when released by the ISOCAISO's secure communication system via direct computer link. Communications on a Payment Date relating to payment shall be made by the fastest practical means including by telephone. If there is a failure of a communication system and it is not possible to communicate by electronic means, then the ISOCAISO or ISOCAISO Creditor or ISOCAISO Debtor, as the case may be, shall communicate by facsimile but only if the recipient is first advised by telephone to expect the facsimile. Methods of communication between the ISOCAISO and

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Market Participants may be varied by the ISOCAISO giving not less than 10 days notice to Market Participants on the CAISO's secure communication system-Web-Based Communication System.

11.2411.29.24 ——— ISOCAISO Payments Calendar.

11.24.111.29.24.1 ——— Preparation.

In September of each year, the ISOCAISO will prepare a draft ISOCAISO Payments Calendar for the following calendar year showing for each Trading Day:

- (a) The date by which Scheduling Coordinators are required to provide Settlement Quality Meter Data for all their Scheduling Coordinator Metered Entities for each Settlement Period in the Trading Day;
- (b) The date on which the ISOCAISO will issue Preliminary Settlement Statements and invoices to Scheduling Coordinators, Black Start Generators and Participating TOs for that Trading Day;
- (c) The date by which Scheduling Coordinators, Black Start Generators and Participating TOs are required to notify the ISOCAISO of any disputes in relation to their Preliminary Settlement Statements pursuant to Section 11.29.8.244.7.2;
- (d) The date on which the ISOCAISO will issue Final Settlement Statements and invoices to Scheduling Coordinators, Black Start Generators and Participating TOs for that Trading Day;
- (e) The date and time by which ISOCAISO Debtors are required to have made payments into the ISOCAISO Clearing Account in payment of invoices for that Trading Day; and
- (f) The dates and times on which ISOCAISO Creditors will receive payments from the ISOCAISO Clearing Account of amounts owing to them for that Trading Day.

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- (g) In relation to Reliability Must-Run Charges and Payments, the details set out in paragraph 3 of Appendix N, Part J.

The ISOCAISO will make a draft of the ISOCAISO Payments Calendar available on the ISOCAISO Home Page-Website to Scheduling Coordinators, Black Start Generators, Participating TOs and Owners any of which may submit comments and objections to the ISOCAISO within two weeks of the date of posting of the draft on the ISOCAISO Home PageWebsite. No later than October 31st in each year, the ISOCAISO will publish the final ISOCAISO Payments Calendar for the following calendar year, after considering the comments and objections received from Scheduling Coordinators, Black Start Generators, Participating TOs and Owners. The final ISOCAISO Payments Calendar will be posted on the ISOCAISO Home PageWebsite, and will show for the period from 1 January to 31 December in the next succeeding year (both dates inclusive), the dates on which Settlement Statements shall be published by the ISOCAISO and the Payment Dates on which the ISOCAISO will pay the Participating TO the Wheeling revenues allocated to them pursuant to Section 26.1.4.3 of this ISOCAISO Tariff.

11.24.211.29.24.2 ——— Distribution.

Any ISOCAISO Payments Calendar prepared pursuant to this Section 11.29.24 11.24 shall be distributed promptly to each Scheduling Coordinator, each Participating TO, the ISOCAISO Bank, the ISOCAISO Audit Committee and the ISOCAISO Governing Board and shall be published on the ISOCAISO Home PageWebsite.

11.24.311.29.24.3 ——— Final Calendar Binding.

The final ISOCAISO Payments Calendar shall be binding on the ISOCAISO and on Scheduling Coordinators, Black Start Generators, Participating TOs and Owners.

11.24.411.29.24.4 ——— Calendar Content and Format.

The CAISO may change the content or format of the CAISO Payments Calendar. The CAISO may also produce a summary outline of the Settlement and billing cycles.

11.24.511.29.24.5 ——— Update the Final Payments Calendar.

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If as a result of a ~~tariff~~ [tariff amendment](#) approved by FERC, the final [CAISO](#) Payments Calendar developed in accordance with Section [11.29.24](#) ~~11.24~~ is rendered inconsistent with the timing set forth in the tariff, the [CAISO](#) shall update the final [CAISO](#) Payments Calendar to make it consistent with the tariff as approved by FERC on the date on which the tariff amendment goes into effect. The [CAISO](#) shall simultaneously send out a notice to Market Participants that the final [CAISO](#) Payments Calendar has been revised.