

margins are forecast to be below established levels.

**Effective Price**

The price, applied to undelivered Instructed Imbalance Energy, calculated by dividing the absolute value of the total payment or charge for Instructed Imbalance Energy by the absolute value of the total Instructed Imbalance Energy, for the Settlement Period; provided that, if both the total payment or charge and quantity of Instructed Imbalance Energy for the Settlement Period are negative, the Effective Price shall be multiplied by -1.0 (minus one).

**Electric Capacity**

The continuous demand-carrying ability for which a Generating Unit, or other electrical apparatus is rated, either by the user or by the manufacturer.

**Eligible Customer**

(i) any utility (including Participating TOs, Market Participants and any power marketer), Federal power marketing agency, or any person generating Energy for sale or resale; Energy sold or produced by such entity may be Energy produced in the United States, Canada or Mexico; however, such entity is not eligible for transmission service that would be prohibited by Section 212(h)(2) of the Federal Power Act; and  
(ii) any

**Eligible Regulatory Must-Take  
Generation**

retail customer taking unbundled transmission service pursuant to a state retail access program or pursuant to a voluntary offer of unbundled retail transmission service by the Participating TO.

Regulatory Must-Take Generation which (i) has been approved as Regulatory Must-Take Generation by a Local Regulatory Authority within California, and (ii) is owned or produced by a Participating TO or UDC which has provided direct access to its End-Use Customers and serves load in the ISO Control Area.

**In-Kind Self Provision:**

A Scheduling Coordinator's provision of any portion of its Ancillary Services allocation to the ISO from specified individual resources.

**Inactive Zone**

All Zones which the ISO Governing Board has determined do not have a workably competitive Generation market and as initially set out in Appendix I to the ISO Tariff.

**Instructed Imbalance Energy**

The real time change in Generation output or Demand (from dispatchable Generating Units, System Units, System Resources or Loads) which is instructed by the ISO to ensure that reliability of the ISO Control Area is maintained in accordance with Applicable Reliability Criteria. Sources of Imbalance Energy include Spinning and Non-Spinning Reserves, Replacement Reserve, and Energy from other dispatchable Generating Units, System Units, System Resources or Loads that are able to respond to the ISO's request for more or less Energy.

**Inter-Scheduling Coordinator  
Ancillary Service Trades  
Inter-Scheduling Energy  
Coordinator Trades**

Ancillary Service transactions between Scheduling Coordinators.

Energy transactions between Scheduling Coordinators.

**Inter-Zonal Congestion**

Congestion across an Inter-Zonal Interface.

**Regulation**

The service provided by Generating Units equipped and operating with AGC which will enable such units to respond to the ISO's direct digital control signals in an upward and downward direction to match, on a real time basis, Demand and resources, consistent with established NERC and WSCC operating criteria. Regulation is used to control the power output of electric generators within a prescribed area in response to a change in system frequency, tieline loading, or the relation of these to each other so as to maintain the target system frequency and/or the established interchange with other areas within the predetermined limits. Regulation includes both the increase of output by a Generating Unit ("Regulation Up") and the decrease in output by a Generating Unit ("Regulation Down"). Regulation Up and Regulation Down are distinct capacity products, with separately stated requirements and Market Clearing Prices in each Settlement Period.

**Regulatory Must-Run Generation**

Hydro Spill Generation and Generation which is required to run by applicable Federal or California laws, regulations, or other governing jurisdictional authority. Such requirements include but are not limited to

hydrological flow requirements, environmental requirements, such as  
minimum fish releases, fish pulse releases and water quality  
requirements, irrigation and water supply requirements of solid waste  
Generation, or other Generation contracts.

