

California Independent System Operator Corporation  
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**1. Definitions And Interpretation**

**1.1 General Provisions Of Article I Applicable To CAISO Tariff**

**1.2 Definitions**

Capitalized terms used in this CAISO Tariff shall have the meanings set out in the Master Definitions Supplement set out in Appendix A unless otherwise stated or the context otherwise requires. If two or more capitalized terms are used together in a manner not uniquely defined in Appendix A to this CAISO Tariff, the meanings of each defined term apply.

**1.3 Rules Of Interpretation**

**1.3.1 "Includes" Means "Including Without Limitation"**

In this CAISO Tariff "includes" or "including" shall mean "including without limitation".

**1.3.2 Specific Rules Of Interpretation Subject To Context**

- (a) the singular shall include the plural and vice versa;
- (b) references to a Section or Appendix shall mean a section or appendix of this CAISO Tariff;
- (c) references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (d) any reference to a "person" includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case, whether or not having separate legal personality;
- (e) any reference to a day, month, week or year is to a calendar day, month, week or year;
- (f) if the provisions of a CAISO Protocol and a section of the CAISO Tariff conflict, the provisions of the CAISO Tariff will prevail to the extent of the inconsistency;
- (g) a reference to this CAISO Tariff or to a given agreement, or instrument shall be a reference to this CAISO Tariff or to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;

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- (h) if the provisions of this CAISO Tariff and those of an existing contract conflict, with respect to Outage coordination, the existing contract will prevail to the extent of the inconsistency;
- (i) time references are references to prevailing Pacific time;
- (j) the Operating Procedures or Business Practice Manuals referenced in this CAISO Tariff, as may be amended from time to time, shall be posted on the CAISO Website, except as provided in Section 22.11, and such references in this CAISO Tariff shall be to the Operating Procedures or Business Practice Manuals then posted on the CAISO Website;
- (k) if the provisions of an Operating Procedure or a Business Practice Manual and this CAISO Tariff conflict, the CAISO Tariff will prevail to the extent of the inconsistency;
- (l) any reference to a day or Trading Day, week, month or year is a reference to a calendar day, week, month or year except that a reference to a Business Day shall have the meaning set forth in Appendix A; and
- (m) the captions and headings in this CAISO Tariff are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the rates, terms, and conditions of this CAISO Tariff.

**2. Access To The CAISO Controlled Grid**

**2.1 Open Access**

The CAISO shall, subject to Sections 2.2 and 3, provide to all Eligible Customers open and non-discriminatory access to the CAISO Controlled Grid regardless of the locations of their connections to the CAISO Controlled Grid in accordance with the terms of this CAISO Tariff including, in particular, the procedures for bidding and scheduling and Congestion Management. Energy and Ancillary Services may be transmitted for an Eligible Customer into, out of or through the CAISO Controlled Grid only through the submission of Bids or Self-Schedules by a Scheduling Coordinator. A Scheduling Coordinator must ensure that each Eligible Customer which it represents has all appropriate licenses or authorizations from the Local Regulatory Authority, FERC or any other regulatory body.

## **2.2 Customer Eligibility For Direct Access Or Wholesale Sales**

The eligibility of an End-Use Customer to be treated as a Direct Access End-User will be determined in accordance with the eligibility and phase-in procedures (if any) adopted by the Local Regulatory Authority. Any dispute as to whether an End-Use Customer meets the eligibility criteria must be resolved by the Local Regulatory Authority prior to the CAISO treating that End-Use Customer as a Direct Access End-User. A Wholesale Customer shall not be entitled to participate in Wholesale Sales through a Scheduling Coordinator if it is not entitled to wholesale transmission service pursuant to the provisions of FPA Section 212(h).

## **3. Local Furnishing, Other Tax-Exempt Bond Facility Financing**

This Section 3 applies only to transmission facilities which are under the Operational Control of the CAISO and are owned by a Local Furnishing Participating TO or other Tax Exempt Participating TO. Nothing in this CAISO Tariff or the TCA shall compel (and the CAISO is not authorized to request) any Local Furnishing Participating TO or other Tax Exempt Participating TO to violate: (1) restrictions applicable to facilities which are part of a system that was financed in whole or part with Local Furnishing Bonds or other Tax Exempt Debt or (2) the contractual restrictions and covenants regarding the use of any transmission facilities specified in Appendix B to the TCA.

Each Local Furnishing Participating TO and other Tax Exempt Participating TO shall cooperate with and provide all necessary assistance to the CAISO in developing a CAISO Protocol to meet the objectives of the first paragraph of this Section 3 and shall keep the CAISO fully informed of any changes necessary to that CAISO Protocol from time to time.

The CAISO shall implement the CAISO Protocol referred to in this Section 3 provided that the Local Furnishing Participating TOs and other Tax Exempt Participating TOs shall bear sole responsibility for the development of that CAISO Protocol including the interpretation of all relevant legislation and the tax and other financial consequences of its implementation.

**4. Roles And Responsibilities**

**4.1 [NOT USED]**

**4.2 Market Participant Responsibilities**

**4.2.1 Comply With Dispatch Instructions And Operating Orders**

With respect to this Section 4.2, all Market Participants, including Scheduling Coordinators, Utility Distribution Companies, Participating Transmission Owners, Participating Generators, Participating Loads, Demand Response Providers, Balancing Authorities (to the extent the agreement between the Balancing Authority and the CAISO so provides), and MSS Operators within the CAISO Balancing Authority Area and all System Resources shall comply fully and promptly with the Dispatch Instructions and operating orders, unless such operation would impair public health or safety. A Market Participant is not required to comply with a CAISO operating order if it is physically impossible for the Market Participant to perform in compliance with that operating order. Shedding Load for a System Emergency does not constitute impairment to public health or safety. The Market Participant shall immediately notify the CAISO of its inability to perform in compliance with the operating order.

**4.2.2 Implementation Of Instructions**

All Market Participants shall respond to CAISO instructions with no more delay than specified in the response times set out in the CAISO Tariff, Operating Procedures and Business Practice Manuals.

**4.3 Relationship Between CAISO And Participating TOs**

**4.3.1 Nature Of Relationship**

Each Participating TO shall enter into the Transmission Control Agreement with the CAISO. In addition to converting Existing Rights in accordance with Section 16.1.4, and except as provided in Section 4.3.1.3, New Participating TOs will be required to turn over Operational Control of all facilities and Entitlements that: (1) satisfy the FERC's functional criteria for determining transmission facilities that should be placed under CAISO Operational Control; (2) satisfy the criteria adopted by the CAISO Governing Board identifying transmission facilities for which the CAISO should assume Operational Control; and (3) are the subject of mutual agreement between the CAISO and the Participating TOs. The CAISO shall notify Market Participants when an application has been received from a potential Participating TO and shall

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notify Market Participants that a New Participating TO has executed the Transmission Control Agreement and the date on which the CAISO will have Operational Control of the transmission facilities.

**4.3.1.1** In any year, a Participating TO applicant must declare its intent in writing to the CAISO to become a New Participating TO by January 1 or July 1, and provide the CAISO with an application within fifteen (15) days of such notice of intent. Applicable agreements will be negotiated and filed with the Federal Energy Regulatory Commission as soon as possible for the New Participating TO, such that the agreements can be effective the following July 1 or January 1.

**4.3.1.2** With respect to its submission of Bids, including Self-Schedules, to the CAISO, a New Participating TO shall become a Scheduling Coordinator or obtain the services of a Scheduling Coordinator that has been certified in accordance with Section 4.5.1, which Scheduling Coordinator shall not be the entity's Responsible Participating TO in accordance with the Responsible Participating Transmission Owner Agreement, unless mutually agreed, and shall operate in accordance with the CAISO Tariff and applicable agreements.

The New Participating TO shall assume responsibility for paying all Scheduling Coordinators' charges regardless of whether the New Participating TO elects to become a Scheduling Coordinator or obtains the services of a Scheduling Coordinator.

For the period between the effective date of this provision and ending December 31, 2010, the TAC Transition Date pursuant to Section 4.2 of Appendix F, Schedule 3, New Participating TOs that have joined the CAISO and turned over Operational Control of their facilities and Entitlements shall receive the IFM Congestion Credit in accordance with Section 11.2.1.5, which IFM Congestion Credit shall only be applicable to those facilities and Entitlements in existence on the effective date of the CAISO's initial assumption of Operational Control over the facilities and Entitlements of a New Participating TO.

**4.3.1.2.1** New Participating TOs shall complete TRTC Instructions for their Converted Rights as provided in Section 16.4.5. To the extent such Converted Rights derive from ETCs with Original Participating TOs, the New Participating TOs and the appropriate Original Participating TO shall develop the TRTC Instructions together.

**4.3.1.3** Western Path 15 shall be required to turn over to CAISO Operational Control only its rights and interests in the Path 15 Upgrade and shall not be required to turn over to CAISO Operational Control

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Central Valley Project transmission facilities, Pacific AC Intertie transmission facilities, California-Oregon Transmission Project facilities, or any other new transmission facilities or Entitlements not related to the Path 15 Upgrade. For purposes of the CAISO Tariff, Western Path 15 shall be treated with respect to revenue recovery as a Project Sponsor in accordance with Section 24.10.

**4.3.1.4** The capacity provided to the CAISO under the Transmission Exchange Agreement originally accepted by FERC in Docket No. ER04-688 is deemed to be CAISO Controlled Grid facilities and is subject to all terms and conditions of the CAISO Tariff.

**4.3.1.5** Each Participating TO must provide its Local Reliability Criteria to the CAISO, as required by the TCA.

**4.3.1.6           Converted Rights.**

A recipient of transmission service under an Existing Contract that chooses to become a Participating TO and convert its rights to CAISO transmission service, and the Participating TO which provides the transmission service under the Existing Contract, shall change the terms and conditions of the contract to provide that:

- (a) The recipient of the transmission service received under an Existing Contract that has converted its rights to CAISO transmission service shall turn over Operational Control of its transmission Entitlement to the CAISO for management by the CAISO in accordance with the CAISO Tariff, applicable Operating Procedures, and Business Practice Manuals;
- (b) The recipient of the transmission service under an Existing Contract that has converted its rights to CAISO transmission service shall obtain all future transmission services within, into (starting at the CAISO Controlled Grid), out of, or through the CAISO Controlled Grid using the CAISO's bidding, scheduling, and operational procedures, the CAISO Tariff, and any applicable TO Tariff, provided that this provision shall not affect the rights, if any, of the contract parties to extend Existing Contracts;

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- (c) For the capacity represented by its rights, the recipient of firm transmission service under an Existing Contract that has converted its rights to CAISO transmission service shall be entitled to receive all Wheeling revenue credits throughout the term that the capacity is available under the Existing Contract;
- (d) The recipient of the transmission service received under an Existing Contract that has converted its rights to CAISO transmission service shall continue to have the obligation to pay the provider of the service for its transmission service at the rates provided in the Existing Contract, as they may change from time to time under the terms of the Existing Contract, or as mutually agreed between the contract parties, through the term of the contract, subject to the terms and conditions of the contract, including the rights of the parties to the contract to seek unilateral or other changes pursuant to Section 205 or Section 206 of the Federal Power Act and the FERC's Rules and Regulations or as otherwise provided by law.
- (e) Other aspects of such an Existing Contract may also need to be changed. If the parties to the contract are unable to negotiate such changes, they shall seek appropriate changes through the mechanisms provided within the contract, including the rights, if any, to seek unilateral or other changes pursuant to Section 205 or Section 206 of the Federal Power Act and the FERC's Rules and Regulations or as otherwise provided by law.

**4.3.1.7 Transmission Maintenance Coordination Committee**

In accordance with the Transmission Control Agreement, the CAISO shall convene a Transmission Maintenance Coordination Committee to perform the functions described in Appendix C of the Transmission Control Agreement. The Transmission Maintenance Coordination Committee will function as an advisory body to CAISO management and the CAISO will provide all necessary administrative support and sufficient resources to ensure that the Transmission Maintenance Coordination Committee can fulfill the obligations specified in the Transmission Control Agreement.

#### **4.4 Relationship Between CAISO And UDCs**

##### **4.4.1 General Nature Of Relationship Between CAISO And UDCs**

The CAISO shall not be obliged to accept Bids which would require Energy to be transmitted to or from the Distribution System of a UDC directly connected to the CAISO Controlled Grid unless the relevant UDC has entered into a UDC Operating Agreement. The UDC Operating Agreement shall require UDCs to comply with the applicable provisions of this Section 4.4 and any other expressly applicable Sections of this CAISO Tariff as these may be amended from time to time.

The CAISO shall operate the CAISO Controlled Grid, and each UDC shall operate its Distribution System at all times in accordance with Good Utility Practice and in a manner that ensures safe and reliable operation. The CAISO shall, pursuant to its obligations set forth in this Section 4.4, have the right by agreement to delegate certain operational responsibilities to the relevant Participating TO or UDC pursuant to this Section 4.4. All information made available to UDCs by the CAISO shall also be made available to Scheduling Coordinators. All information pertaining to the physical state or operation, maintenance and failure of the UDC Distribution System affecting the operation of the CAISO Controlled Grid that is made available to the CAISO by the UDC shall also be made available to Scheduling Coordinators upon receipt of reasonable notice.

##### **4.4.2 UDC Responsibilities**

Recognizing the CAISO's duty to ensure efficient use and reliable operation of the CAISO Controlled Grid consistent with the Applicable Reliability Criteria, each UDC shall:

- (a) operate and maintain its facilities, in accordance with applicable safety and reliability standards, regulatory requirements, applicable operating guidelines, applicable rates, tariffs, statutes and regulations governing their provision of service to their End-Use Customers and Good Utility Practice so as to avoid any material adverse impact on the CAISO Controlled Grid;
- (b) provide the CAISO Outage Coordination Office each year with a schedule of upcoming maintenance (including all equipment Outages) that has a reasonable potential of impacting the CAISO Controlled Grid in accordance with Section



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9.3.6 and in accordance with the other scheduling procedures described in this CAISO Tariff;

- (c) coordinate with the CAISO, Participating TOs and Generators to ensure that CAISO Controlled Grid Critical Protective Systems, including relay systems, are installed and maintained in order to function on a coordinated and complementary basis with UDCs', Generators' and Participating TOs' protective systems.
- (d) coordinate any requests for emergency Outages on point of interconnection equipment directly with the appropriate CAISO Control Center as specified in Section 7.1.

**4.4.3 System Emergency Reports: UDC Obligations**

Each UDC shall maintain all appropriate records pertaining to a System Emergency and each UDC shall cooperate with the CAISO in the preparation of an Outage review pursuant to Section 7.7.13.

**4.4.4 Coordination Of Expansion Or Modifications To UDC Facilities**

Each UDC and the Participating TO with which it is interconnected shall coordinate in the planning and implementation of any expansion or modifications of a UDC's or Participating TO's system that will affect their transmission interconnection, the CAISO Controlled Grid or the transmission services to be required by the UDC. The Participating TO shall be responsible for coordinating with the CAISO.

**4.4.5 Information Sharing**

**4.4.5.1 System Planning Studies**

The CAISO, Participating TOs and UDCs shall share information such as projected Load growth and system expansions necessary to conduct necessary System Planning Studies to the extent that these may impact the operation of the CAISO Controlled Grid.

**4.4.5.2 System Surveys and Inspections**

The CAISO and each UDC shall cooperate with each other in performing system surveys and inspections to the extent these relate to the operation of the CAISO Controlled Grid.

**4.4.5.3 Reports**

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The CAISO shall make available to the UDCs any public annual reviews or reports regarding performance standards, measurements and incentives relating to the CAISO Controlled Grid and shall also make available, upon reasonable notice, any such reports that the CAISO receives from the Participating TOs. Each UDC shall make available to the CAISO any public annual reviews or reports regarding performance standards, measurements and incentives relating to the UDC's Distribution System to the extent these relate to the operation of the CAISO Controlled Grid.

**4.4.5.4 Maintenance**

The CAISO and UDCs shall develop an operating procedure to record requests received for Maintenance Outages by the CAISO and the completion of the requested maintenance and turnaround times. The UDCs shall maintain records that substantiate all maintenance performed on UDC facilities that are under the Operational Control of the CAISO. These records shall be made available to the CAISO upon receipt of reasonable notice.

**4.4.6 Installation Of And Rights Of Access To UDC Facilities**

**4.4.6.1 Installation of Facilities**

**4.4.6.1.1 Meeting Service Obligations**

The CAISO and the UDC shall each have the right on reasonable notice to install or to have installed equipment (including metering equipment) or other facilities on the property of the other, to the extent that such installation is necessary for the installing party to meet its service obligations unless to do so would have a negative impact on the reliability of the service provided by the party owning the property.

**4.4.6.1.2 Governing Agreements for Installations**

The CAISO and the UDC shall enter into agreements governing the installation of equipment or other facilities containing customary, reasonable terms and conditions.

**4.4.6.2 Access to Facilities**

The UDCs shall grant the CAISO reasonable access to UDC facilities free of charge for purposes of inspection, repair, maintenance, or upgrading of facilities installed by the CAISO on the UDC's system, provided that the CAISO must provide reasonable advance notice of its intent to access UDC facilities and opportunity for UDC staff to be present. Such access shall not be provided unless the parties

mutually agree to the date, time and purpose of each access. Agreement on the terms of the access shall not be unreasonably withheld.

#### **4.4.6.3 Access During Emergencies**

Notwithstanding any provision in this Section 4.4 the CAISO may have access, without giving prior notice, to any UDC's equipment or other facilities during times of a System Emergency or where access is needed in connection with an audit function.

#### **4.4.7 Provision Of Information For CRRs To Reflect Load Migration**

Each UDC shall provide to the CAISO information as provided in Section 36.8.5.1 that enables the CAISO to perform transfers of CRRs that reflect Load Migration in a timely manner as required in Section 36.8.5.

#### **4.4.8 UDC Facilities Under CAISO Control**

The CAISO and each UDC shall enter into an agreement in relation to the operation and maintenance of the UDC's facilities that are under the CAISO's Operational Control.

### **4.5 Responsibilities Of A Scheduling Coordinator**

#### **4.5.1 Scheduling Coordinator Certification**

Only Scheduling Coordinators that the CAISO has certified as having met the requirements of this Section 4.5.1 may participate in the CAISO's Energy and Ancillary Services markets. Scheduling Coordinators offering Ancillary Services shall additionally meet the requirements of Section 8.

Each Scheduling Coordinator shall:

- (a) demonstrate to the CAISO's reasonable satisfaction that it is capable of performing the functions of a Scheduling Coordinator under this CAISO Tariff including (without limitation) the functions specified in Sections 4.5.3 and 4.5.4 as applicable;
- (b) identify each of the Eligible Customers (including itself if it trades for its own account) which it is authorized to represent as Scheduling Coordinator and confirm that the metering requirements under Section 10 are met in relation to each Eligible Customer that it represents under this CAISO Tariff;

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- (c) identify each of the Convergence Bidding Entities that it is authorized to represent as Scheduling Coordinator;
- (d) confirm that each of the End-Use Customers it represents is eligible for service as a Direct Access End User;
- (e) confirm that none of the Wholesale Customers it represents is ineligible for wholesale transmission service pursuant to the provisions of FPA Section 212(h);
- (f) demonstrate to the CAISO's reasonable satisfaction that it meets the financial criteria set out in Section 12;
- (g) enter into a Scheduling Coordinator Agreement with the CAISO; and
- (h) provide NERC tagging data, as applicable.

**4.5.1.1 Procedure to become a Scheduling Coordinator**

**4.5.1.1.1 Scheduling Coordinator Application**

To become a Scheduling Coordinator, a Scheduling Coordinator Applicant must submit a completed application, as set forth in the applicable Business Practice Manual, to the CAISO by mail or in person. A Scheduling Coordinator Applicant may retrieve the application and necessary information from the CAISO Website.

**4.5.1.1.2 CAISO Information**

The CAISO will provide the following information, in its most current form, on the CAISO Website. Upon a request by a Scheduling Coordinator Applicant, the CAISO will send the following information by electronic mail:

- (a) the Scheduling Coordinator Application Form, as set forth in the applicable Business Practice Manual;
- (b) the CAISO Tariff and Business Practice Manuals; and
- (c) forms for a credit application for Scheduling Coordinator Applicants applying for Unsecured Credit Limits and for provision of Financial Security to be provided pursuant to Section 12.

**4.5.1.1.3 Duplicate Information**

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If two or more Scheduling Coordinators apply simultaneously to register with the CAISO for a single meter or Meter Point for a CAISO Metered Entity or if a Scheduling Coordinator applies to register with the CAISO for a meter or Meter Point for a CAISO Metered Entity for which a Scheduling Coordinator has already registered, the CAISO will return the application with an explanation that only one Scheduling Coordinator may register with the CAISO for the meter or Meter Point in question and that a Scheduling Coordinator has already registered or that more than one Scheduling Coordinator is attempting to register for that meter or Meter Point. The CAISO will send the Scheduling Coordinator Applicant the name and address of the applicable Scheduling Coordinator or Scheduling Coordinator Applicant. Nothing in this Section 4.5.1.1.3 shall prohibit one Scheduling Coordinator from registering with the CAISO to submit Bids for Demand Response Services from a Proxy Demand Resource associated with a given meter (or Meter Point) where a different Scheduling Coordinator is registered for purposes of serving the demand of the Load associated with that meter (or Meter Point).

**4.5.1.1.4 Scheduling Coordinator Applicant Returns Application**

At least 120 days before the proposed commencement of service, the Scheduling Coordinator Applicant must return a completed application form with the non-refundable application fee of \$5,000 to cover the application processing costs.

**4.5.1.1.5 Notice of Receipt**

Within three (3) Business Days of receiving the application, the CAISO will send electronic notification to the Scheduling Coordinator Applicant that it has received the application and the non-refundable fee.

**4.5.1.1.6 CAISO Review of Application**

Within ten (10) Business Days after receiving an application, the CAISO will provide electronic notification to the Scheduling Coordinator Applicant whether the Scheduling Coordinator Applicant has submitted all necessary information as set forth in Section 4.5.1, and the Scheduling Coordinator Application Form set forth in the applicable Business Practice Manual.

**4.5.1.1.6.1 Information Requirements**

The Scheduling Coordinator Applicant must submit with its application:

- (a) the proposed date for commencement of service, which may not be less than 120 days after the date the application was filed, unless waived by the CAISO;

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- (b) financial and credit information as set forth in Section 12; and
- (c) the prescribed non-refundable application fee of \$5,000.

**4.5.1.1.6.2 Scheduling Coordinator Applicant's Obligation for Contracts**

A Scheduling Coordinator Applicant must certify that it is duly authorized to represent the Generators and Loads that are its Scheduling Coordinator Customers and must further certify that:

- (a) represented Generators have entered into Participating Generator Agreements or Qualifying Facility Participating Generator Agreements as provided in Appendices B.2 and B.3, respectively with the CAISO;
- (b) represented UDCs have entered into UDC Operating Agreements as provided in Appendix B.8 with the CAISO;
- (c) represented CAISO Metered Entities have entered into Meter Service Agreements for CAISO Metered Entities as provided in Appendix B.6 with the CAISO;
- (d) none of the Wholesale Customers it will represent are ineligible for wholesale transmission service pursuant to the provisions of the FPA Section 212(h); and
- (e) each End-Use Customer it will represent is eligible for service as a Direct Access End User pursuant to an established program approved by the California Public Utilities Commission or a Local Regulatory Authority.

A Scheduling Coordinator Applicant that seeks to serve as Scheduling Coordinator for one or more Convergence Bidding Entities must certify that it is duly authorized to represent those Convergence Bidding Entities and to submit and settle Virtual Bids on their behalf.

**4.5.1.1.7 Deficient Application**

In the event that the CAISO has determined that the application is deficient, the CAISO will send an electronic notification of the deficiency to the Scheduling Coordinator Applicant within ten (10) Business Days of receipt by the CAISO of the application explaining the deficiency and requesting additional information.

**4.5.1.1.7.1 Scheduling Coordinator Applicant's Additional Information**

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Once the CAISO requests additional information, the Scheduling Coordinator Applicant has five (5) Business Days, or such longer period as the CAISO may agree, to provide the additional material requested by the CAISO.

**4.5.1.1.7.2 No Response from Scheduling Coordinator Applicant**

If the Scheduling Coordinator Applicant does not submit additional information within five (5) Business Days or the longer period referred to in Section 4.5.1.1.7.1, the application may be rejected by the CAISO.

**4.5.1.1.8 CAISO Approval or Rejection of an Application**

**4.5.1.1.8.1 Approval or Rejection Notification**

- (a) If the CAISO approves the application, it will send an electronic notification of approval. In addition, the CAISO will provide a Scheduling Coordinator Agreement, a Meter Service Agreement for Scheduling Coordinators as provided in Appendix B.7, if applicable, any other applicable agreements, and any required CAISO network connectivity security agreement for the Scheduling Coordinator Applicant's signature.
- (b) If the CAISO rejects the application, the CAISO will send an electronic notification of rejection stating one or more of the following grounds:
  - (i.) incomplete information;
  - (ii.) non-compliance with credit requirements pursuant to Section 12;
  - (iii.) non-compliance with third party contractual obligations;
  - (iv.) non-compliance with technical requirements; or
  - (v.) non-compliance with any other CAISO Tariff requirements.

Upon request, the CAISO will provide guidance as to how the Scheduling Coordinator Applicant can cure the grounds for the rejection.

**4.5.1.1.8.2 Time for Processing Application**

The CAISO will make a decision whether to accept or reject the application within ten (10) Business Days of receipt of the application. If more information is requested, the CAISO will make a final decision within ten (10) Business Days of the receipt of all outstanding or additional information requested.

**4.5.1.1.9 Scheduling Coordinator Applicant's Response**

**4.5.1.1.9.1 Scheduling Coordinator Applicant's Acceptance**

If the CAISO accepts the application, the Scheduling Coordinator Applicant must return an executed Scheduling Coordinator Agreement, Meter Service Agreement for Scheduling Coordinators, if applicable, any other applicable agreements, and a completed credit application and Financial Security provided pursuant to Section 12, as applicable.

**4.5.1.1.9.2 Scheduling Coordinator Applicant's Rejection**

**4.5.1.1.9.2.1 Resubmittal**

If an application is rejected, the Scheduling Coordinator Applicant may resubmit its application at any time. An additional application fee will not be required for the second application submitted within six (6) months after the CAISO's issuance of a rejection notification.

**4.5.1.1.9.2.2 Appeal**

The Scheduling Coordinator Applicant may also appeal against the rejection of an application by the CAISO. An appeal must be submitted within twenty (20) Business Days following the CAISO's issuance of a notification of rejection of its application.

**4.5.1.1.10 Post Application Procedures Prior to Final Certification**

**4.5.1.1.10.1 Scheduling Coordinator's Administrative, Financial and Technical Requirements**

The CAISO will not certify that a Scheduling Coordinator Applicant has become a Scheduling Coordinator until the Scheduling Coordinator Applicant has completed all of the following requirements:

- (a) provided the technical/operational information required to complete the Scheduling Coordinator Application Form as set forth in the applicable Business Practice Manual, and to comply with Section 10.3;
- (b) executed a network connectivity security agreement for access to the CAISO's software used in conducting business with the CAISO and compliance with the CAISO's system security requirements in a form approved by the CAISO, if applicable;
- (c) obtained and installed any required software for functional interface for Validation, Estimation and Editing meter values (VEE), if applicable;



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- (d) undertaken required training and testing regarding the use of the CAISO's market, operating, and technical systems, as specified in the applicable Business Practice Manual;
- (e) provided its bank account information and arranged for Fed-Wire transfers;
- (f) provided an emergency plan specifying the procedures by which Scheduling Coordinator operations and contacts with the CAISO will be maintained during an emergency, containing information specified in the applicable Business Practice Manual; and
- (g) obtained and installed a computer link and any necessary software in order to communicate with the CAISO, as specified in the applicable Business Practice Manual.

Additional instructions for completing the foregoing requirements will be set forth in a Business Practice Manual posted on the CAISO Website.

**4.5.1.1.10.2 Application Closure after 12 Months**

The CAISO will not certify a Scheduling Coordinator Applicant as a Scheduling Coordinator until the Scheduling Coordinator Applicant has completed all of the requirements for certification set forth in this Section 4.5 to the CAISO's satisfaction within twelve (12) months following the CAISO's acceptance of the application for processing. If the Scheduling Coordinator Applicant has not completed all the above referenced requirements within twelve (12) months after the CAISO's acceptance of the application, the CAISO may close the Scheduling Coordinator Applicant's application. The CAISO shall provide the Scheduling Coordinator Applicant thirty (30) days advance notice of its intent to close the application. If the CAISO closes the application, the Scheduling Coordinator Applicant must submit a new application and non-refundable application fee if it continues to request certification as a Scheduling Coordinator.

**4.5.1.1.11 Final Certification of Scheduling Coordinator Applicant**

The Scheduling Coordinator Applicant will become a Scheduling Coordinator when:

- (a) its application has been accepted;

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- (b) it has entered into a Scheduling Coordinator Agreement, a Meter Service Agreement for Scheduling Coordinators, if applicable, and any other applicable agreements with the CAISO;
- (c) it has met the credit requirements of Section 12; and
- (d) it has fulfilled all technical/operational requirements of Sections 4.5.4.1 and 4.5.1.1.10.1.

The CAISO will not certify a Scheduling Coordinator Applicant as a Scheduling Coordinator until the Scheduling Coordinator Applicant has completed all the above referenced requirements to the CAISO's satisfaction, at least ten (10) Business Days before the commencement of service.

**4.5.1.2 Scheduling Coordinator's Ongoing Obligations After Certification**

**4.5.1.2.1 Scheduling Coordinator's Obligation to Report Changes**

**4.5.1.2.1.1 Obligation to Report a Change in Filed Information**

Each Scheduling Coordinator has an ongoing obligation to inform the CAISO of any changes to any of the information submitted by it to the CAISO as part of the application process, including any changes to the additional information requested by the CAISO and including but not limited to changes in its credit ratings. The applicable Business Practice Manual sets forth the procedures for changing the Scheduling Coordinator's information and timing of notifying the CAISO of such changes.

**4.5.1.2.1.2 Obligation to Report a Change in Credit Rating or Material Change in Financial Condition**

The Scheduling Coordinator has an ongoing obligation to inform the CAISO within three (3) Business Days of any change to its credit ratings or any Material Change in Financial Condition.

**4.5.1.2.2 CAISO's Response for Failure to Inform**

**4.5.1.2.2.1 Failure to Promptly Report a Material Change**

If a Scheduling Coordinator fails to inform the CAISO of a material change in its information provided to the CAISO, which may affect the reliability or safety of the CAISO Controlled Grid, or the Financial Security of the CAISO, the CAISO may suspend or terminate the Scheduling Coordinator's rights under the CAISO Tariff in accordance with the terms of Sections 12 and 4.5 respectively. If the CAISO intends to terminate the Scheduling Coordinator's rights it shall file a notice of termination with FERC, if required by FERC rules, in accordance with the terms of the Scheduling Coordinator Agreement. Such

termination shall be effective upon acceptance by FERC of a notice of termination, if required by FERC rules, or as otherwise permitted by FERC rules.

**4.5.1.3 Additional Scheduling Coordinator ID Code Registration**

A Scheduling Coordinator Applicant is granted one Scheduling Coordinator ID Code (SCID) with its application fee. Requests may be made for additional Scheduling Coordinator ID Codes. The fee for each additional Scheduling Coordinator Identification Code is \$500 per month, or as otherwise specified in Schedule 1 of Appendix F.

**4.5.2 Eligible Customers and Convergence Bidding Entities**

**4.5.2.1 SCs Representing Eligible Customers**

Each Scheduling Coordinator shall within ten (10) days of a request by the CAISO provide the CAISO with a list of the Eligible Customers that it represents at the date of the request.

**4.5.2.2 SCs Representing Convergence Bidding Entities**

Each Scheduling Coordinator that is or represents one or more Convergence Bidding Entities will provide the CAISO with a list of the Convergence Bidding Entities that it represents and the SCIDs that the Scheduling Coordinator will use to submit Virtual Bids for each Convergence Bidding Entity, at least eleven (11) Business Days prior to the Scheduling Coordinator's initial submission of a Virtual Bid on behalf of any of those Convergence Bidding Entities. This list must satisfy the requirements of Section 4.14.2.3. In the event that the Scheduling Coordinator will represent additional Convergence Bidding Entities or modifies any of the SCIDs that the Scheduling Coordinator will use to submit Virtual Bids on behalf of any Convergence Bidding Entity, the Scheduling Coordinator will provide the CAISO with an updated list of Convergence Bidding Entities and/or SCIDs at least eleven (11) Business Days prior to submitting a Virtual Bid involving a Convergence Bidding Entity and/or SCID not already included in the most recent list provided to the CAISO. The CAISO will incorporate the information provided pursuant to this Section 4.5.2.2 into the CAISO's official list of the Convergence Bidding Entities that Scheduling Coordinators represent and will incorporate the SCIDs that Scheduling Coordinators use to submit Virtual Bids on behalf of Convergence Bidding Entities into the Master File within eleven (11) Business Days after the CAISO determines that the information in each list or updated list provided by a Scheduling Coordinator or Convergence Bidding Entity is accurate and complete.

**4.5.3 Responsibilities Of A Scheduling Coordinator**

Each Scheduling Coordinator shall be responsible for:

**4.5.3.1 Obligation to Pay**

Paying the CAISO's charges in accordance with this CAISO Tariff;

**4.5.3.2 Submit Bids and Interchange Schedules**

**4.5.3.2.1** Submitting Bids, including Self-Schedules, for Energy in CAISO Markets that relate to the Market Participants for which it serves as Scheduling Coordinator;

**4.5.3.2.2** Submitting Interchange Schedules prepared in accordance with all NERC, WECC and CAISO requirements, including providing E-Tags for all applicable transactions pursuant to WECC practices;

**4.5.3.3 Modifications in Demand and Supply**

Coordinating and allocating modifications in Demand and exports and Generation and imports at the direction of the CAISO in accordance with this CAISO Tariff;

**4.5.3.4 Inter-SC Trades**

Submitting any applicable Inter-SC Trades that the Market Participants intend to have settled through the CAISO Markets, pursuant to this CAISO Tariff;

**4.5.3.5 Tracking and Settling Trades**

Tracking and settling all intermediate trades, including bilateral transactions and Inter-SC Trades, among the entities for which it serves as Scheduling Coordinator;

**4.5.3.6 Ancillary Services**

Providing Ancillary Services in accordance with Section 8;

**4.5.3.7 [NOT USED]**

**4.5.3.8 Business Practice Manuals**

Complying with all CAISO Business Practice Manuals and ensuring compliance by each of the Market Participants which it represents with all applicable provisions of the Business Practice Manuals;

**4.5.3.9** Interruptible Imports. Identifying any Interruptible Imports included in its Bids or Inter-SC Trades;

**4.5.3.10 Participating Intermittent Resources**

Submitting Bids, including Self-Schedules, for Participating Intermittent Resources consistent with the CAISO Tariff;

**4.5.3.11 Day-Ahead Market Published Schedules and Awards**

Starting-up units and timely achieving specified operating levels in response to Dispatch Instructions, in accordance with CAISO published Schedules and awards;

**4.5.3.12 Financial Responsibility**

Assuming financial responsibility for all Schedules, awards, HASP Intertie Schedules and Dispatch Instructions issued in the CAISO Markets, and all Virtual Bids in accordance with the provisions of this CAISO Tariff; and

**4.5.3.13 Compliance with Environmental Constraints, Operating Permits and Applicable Law**

Submitting Bids so that any service provided in accordance with such Bids does not violate environmental constraints, operating permits or applicable law. All submitted Bids must reflect resource limitations and other constraints as such are required to be reported to the CAISO Control Center.

**4.5.4 Operations Of A Scheduling Coordinator**

**4.5.4.1 Maintain Twenty-four (24) Hour Scheduling Centers**

Each Scheduling Coordinator other than a Scheduling Coordinator that represents only Convergence Bidding Entities shall operate and maintain a twenty-four (24) hour, seven (7) days per week, scheduling center. Each Scheduling Coordinator shall designate a senior member of staff as its scheduling center manager who shall be responsible for operational communications with the CAISO and who shall have sufficient authority to commit and bind the Scheduling Coordinator.

**4.5.4.2 [NOT USED]**

**4.5.4.3 Dynamic Scheduling**

Scheduling Coordinators may submit Bids for imports of Energy and Ancillary Services for which associated Energy is delivered from Dynamic System Resources located outside of the CAISO Balancing Authority Area, provided that: (a) such dynamic scheduling is technically feasible and consistent with NERC and WECC reliability standards, including any requirements of the NRC, (b) all operating, technical, and business requirements for dynamic scheduling functionality, as set forth in the Dynamic Scheduling Protocol in Appendix X or posted in standards on the CAISO Website, are satisfied, (c) the Scheduling Coordinator for the Dynamic System Resource executes a Dynamic Scheduling Agreement for Scheduling Coordinators as provided in Appendix B.5 with the CAISO for the operation of dynamic

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scheduling functionality, and (d) all affected Host Balancing Authorities and Intermediary Balancing Authorities each execute with the CAISO an Interconnected Balancing Authority Area Operating Agreement, a Dynamic Scheduling Host Balancing Authority Operating Agreement as provided in Appendix B.9, or a special operating agreement related to the operation of dynamic functionality.

**4.5.4.4 Termination of Scheduling Coordinator Agreement and Suspension of Certification**

- (a) A Scheduling Coordinator's Scheduling Coordinator Agreement may be terminated by the CAISO on written notice to the Scheduling Coordinator:
  - (i) if the Scheduling Coordinator no longer meets the requirements for eligibility set out in Section 4.5 and fails to remedy the default within a period of five (5) Business Days after the CAISO has given written notice of the default;
  - (ii) if the Scheduling Coordinator fails to pay any sum under this CAISO Tariff and fails to remedy the default within a period of five (5) Business Days after the CAISO has given written notice of the default;
  - (iii) if the Scheduling Coordinator commits any other default under this CAISO Tariff or any of the CAISO Business Practice Manuals which, if capable of being remedied, is not remedied within thirty (30) days after the CAISO has given it written notice of the default; or
  - (iv) if the Scheduling Coordinator does not participate in the CAISO's markets for Energy or Ancillary Services for a period of twelve (12) consecutive months and fails to comply with the provisions of Section 4.5.4.4.2 within 120 days after the CAISO has given it written notice of the CAISO's intent to terminate its Scheduling Coordinator Agreement.
- (b) A Scheduling Coordinator's Scheduling Coordinator Agreement may be terminated by the Scheduling Coordinator on sixty (60) days written notice to the CAISO, provided that such notice shall not be effective to terminate the Scheduling Coordinator Agreement until the Scheduling Coordinator has complied with all applicable requirements of Section 4.5.2.

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- (c) The CAISO shall, following termination of a Scheduling Coordinator Agreement and within thirty (30) days of being satisfied that no sums remain owing by the Scheduling Coordinator under the CAISO Tariff, return or release to the Scheduling Coordinator, as appropriate, any money or credit support provided by such Scheduling Coordinator to the CAISO under Section 12.

**4.5.4.4.1** Pending the effective date of termination of service pursuant to Section 4.5.4.5.1, the CAISO will suspend the certification of a Scheduling Coordinator which has received a notice of termination under Section 4.5.4.4(a) and the Scheduling Coordinator will not be eligible to participate in the CAISO's Energy and Ancillary Services markets.

**4.5.4.4.2** A Scheduling Coordinator that has received a notice of the CAISO's intent to terminate its Scheduling Coordinator Agreement for failure to participate in the CAISO's markets for Energy and Ancillary Services for a period of twelve (12) consecutive months pursuant to Section 4.5.4.4(a)(iv) will avoid having its Scheduling Coordinator Agreement terminated and will have its certification reinstated if it completes the testing and training required for Scheduling Coordinator certification as set forth in the applicable Business Practice Manual within 120 days after the CAISO's issuance of the notice of intent to terminate.

**4.5.4.5 Notification of Termination**

The CAISO shall, promptly after providing written notice of default to a Scheduling Coordinator as specified in Section 4.5.4.4(a), notify the Scheduling Coordinators that could be required to represent End User Eligible Customers of the Scheduling Coordinator under Section 4.5.4.6.2 if the default is not cured. The CAISO shall, as soon as reasonably practicable following the occurrence of any of the events specified in Section 4.5.4.4, notify the Scheduling Coordinator and the Scheduling Coordinators that could be required to represent End User Eligible Customers of the defaulting Scheduling Coordinator, and the UDCs, and shall as soon as reasonably practicable after the issuance of such notice of termination post such notice on the CAISO Website. Termination of the Scheduling Coordinator Agreement will automatically remove the Scheduling Coordinator's certification under Section 4.5 and Section 8.4.

**4.5.4.5.1 Filing of Notice of Termination**

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Any notice of termination given pursuant to Section 4.5.4.4 shall also be filed by the CAISO with FERC, if required by FERC rules, if the non-compliance is not remedied within the period specified in Section 4.5.4.4, and it shall be effective in accordance with FERC rules.

**4.5.4.6 Continuation of Service on Termination**

**4.5.4.6.1 Option for Eligible Customers to choose a new Scheduling Coordinator**

When the CAISO suspends the certification of a Scheduling Coordinator pending termination, Eligible Customers of the defaulting Scheduling Coordinator shall be entitled to select another Scheduling Coordinator to represent them. The CAISO will post notice of any suspension on the CAISO Website. Until the CAISO is notified by another Scheduling Coordinator that it represents an Eligible Customer of the defaulting Scheduling Coordinator, the Eligible Customer of the defaulting Scheduling Coordinator will receive interim service in accordance with Section 4.5.4.6.2.

**4.5.4.6.2 Interim Service**

The CAISO shall maintain a list of Scheduling Coordinators willing to represent Eligible Customers of a defaulting Scheduling Coordinator, which list may be differentiated by UDC service area. Scheduling Coordinators who indicate to the CAISO their desire to be on such list shall be placed thereon by the CAISO in random order.

- (a) When the CAISO suspends the certification of a Scheduling Coordinator in accordance with Section 4.5.4.4.1, Eligible Customers of the defaulting Scheduling Coordinators shall be assigned to all Scheduling Coordinators on the list established pursuant to this Section 4.5.4.6.2 in a non-discriminatory manner to be established by the CAISO, and each Eligible Customer shall thereafter be represented by the Scheduling Coordinator to which it is assigned unless and until it selects another Scheduling Coordinator in accordance with Section 4.5.4.6.1, subject to this Section 4.5.4.6.2 subsection (b).
- (b) Unless the CAISO is notified by another Scheduling Coordinator that it represents an Eligible Customer of a defaulting Scheduling Coordinator within seven (7) days of the notice of termination being posted on the CAISO Website, the Scheduling Coordinator to which that Eligible Customer has been assigned in



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accordance with subsection (a) may establish a reasonable minimum period for service, not to exceed thirty (30) days.

- (c) In the event no Scheduling Coordinator indicates its willingness to represent Eligible Customers of a defaulting Scheduling Coordinator, the UDC that has the obligation to serve End-Use Customers of the Eligible Customer, if any, shall arrange to serve those End-Use Customers of such Eligible Customers that are located within the service area of the UDC. Such service will be provided in a manner consistent with that which the UDC provides, pursuant to the rules and tariffs of the Local Regulatory Authority, for its bundled End-Use Customers.
- (d) This Section shall not in any way require a UDC to provide or arrange for Scheduling Coordinator service for wholesale Eligible Customers.

#### **4.6 Relationship Between CAISO And Generators**

The CAISO shall not accept Bids for any Generating Unit interconnected to the electric grid within the CAISO Balancing Authority Area otherwise than through a Scheduling Coordinator. The CAISO shall further not be obligated to accept Bids from Scheduling Coordinators relating to Generation from any Generating Unit interconnected to the electric grid within the CAISO Balancing Authority Area unless the relevant Generator undertakes in writing, by entering into a Participating Generator Agreement, QF PGA, or Metered Subsystem Agreement with the CAISO, to comply with all applicable provisions of this CAISO Tariff as they may be amended from time to time, including, without limitation, the applicable provisions of this Section 4.6 and Section 7.7.

##### **4.6.1 General Responsibilities**

###### **4.6.1.1 Operate Pursuant to Relevant Provisions of CAISO Tariff**

Participating Generators shall operate, or cause their facilities to be operated, in accordance with the relevant provisions of this CAISO Tariff, including, but not limited to, the operating requirements for normal and emergency operating conditions specified in Section 7 and the requirements for the dispatch and testing of Ancillary Services specified in Section 8.

- (i) Each Participating Generator shall immediately inform the CAISO, through its respective Scheduling Coordinator, of any change or potential change in the

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current status of any Generating Units that are under the Dispatch control of the CAISO. This will include, but not be limited to, any change in status of equipment that could affect the maximum output of a Generating Unit, the minimum load of a Generating Unit, the ability of a Generating Unit to operate with automatic voltage regulation, operation of the PSSs (whether in or out of service), the availability of a Generating Unit governor, or a Generating Unit's ability to provide Ancillary Services as required. Each Participating Generator shall immediately report to the CAISO, through its Scheduling Coordinator, any actual or potential concerns or problems that it may have with respect to Generating Unit direct digital control equipment, Generating Unit voltage control equipment, or any other equipment that may impact the reliable operation of the CAISO Controlled Grid.

- (ii) In the event that a Participating Generator cannot meet its Generation schedule as specified in the Day-Ahead Schedule, or comply with a Dispatch Instruction, whether due to a Generating Unit trip or the loss of a piece of equipment causing a reduction in capacity or output, the Participating Generator shall notify the CAISO, through its Scheduling Coordinator, at once. If a Participating Generator will not be able to meet a time commitment or requires the cancellation of a Generating Unit Start-Up, it shall notify the CAISO, through its Scheduling Coordinator, at once.

**4.6.1.2 Operate Pursuant to Relevant Operating Procedures**

Participating Generators shall operate, or cause their Generating Units and associated facilities to be operated, in accordance with the relevant Operating Procedures and Business Practice Manuals established by the CAISO or, prior to the establishment of such procedures, the Operating Procedures established by the TO or UDC owning the facilities that interconnect with the Generating Unit of the Participating Generator.

**4.6.2 [NOT USED]**

**4.6.3 Participating Generators, Must-Take Generation And QFs**

With regard to any Generating Unit directly connected to a UDC system, a Participating Generator shall comply with applicable UDC tariffs, interconnection requirements and generation agreements. With regard to a Participating Generator's Generating Units directly connected to a UDC system, the CAISO and the UDC will coordinate to develop procedures to avoid conflicting CAISO and UDC operational directives. With regard to Regulatory Must-Take Generation, the CAISO will honor applicable terms and conditions of existing agreements, including Existing QF Contracts, as specified in Section 4.6.3.2.

Qualifying Facilities that are not Regulatory Must-Take Generation subject to an Existing QF Contract shall comply with the requirements applicable to Participating Generators, as specified in Section 4.6.3.3.

**4.6.3.1 Exemption for Generating Units Less Than One (1) MW**

A Generator with a Generating Unit directly connected to a UDC system will be exempt from compliance with this Section 4.6 and Section 10.1.3 in relation to that Generating Unit provided that (i) the rated capacity of the Generating Unit is less than one (1) MW, and (ii) the Generator does not use the Generating Unit to participate in the CAISO Markets. This exemption in no way affects the calculation of or any obligation to pay the appropriate charges or to comply with all the other applicable Sections of this CAISO Tariff. A Generating Unit with a rated capacity of less than 500 kW, unless the Generating Unit is participating in an aggregation agreement approved by the CAISO, is not eligible to participate in the CAISO Markets and the Generator is not a Participating Generator for that Generating Unit.

**4.6.3.2 Existing Agreements for Regulatory Must-Take Generation**

Notwithstanding any other provision of this CAISO Tariff, the CAISO shall discharge its responsibilities in a manner that honors any contractual rights and obligations of the parties to existing agreements, including Existing QF Contracts, or final regulatory treatment, relating to Regulatory Must-Take Generation of which protocols or other instructions are notified in writing to the CAISO from time to time and on reasonable notice.

**4.6.3.3 Qualifying Facilities without Existing QF Contracts**

The owner or operator of a Qualifying Facility that is not subject to an Existing QF Contract that the CAISO is required to honor pursuant to Section 4.6.3.2 shall be subject to all requirements applicable to

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Participating Generators pursuant to Section 4.6. The owner or operator of the Qualifying Facility may satisfy the requirements of this Section 4.6.3.3 by entering into a Qualifying Facility Participating Generator Agreement (QF PGA) with the CAISO, in which case it shall comply with the provisions of the QF PGA and Section 4.6.3.4. In order to be eligible to enter into the QF PGA, a Participating Generator must demonstrate to the CAISO that its Generating Unit has established QF status pursuant to PURPA and that (a) the Self-provided Load of the Participating Generator that is served by the QF either has contracted for and continues through the term of the QF PGA to have secured standby service from a UDC or MSS Operator under terms approved by the Local Regulatory Authority or FERC, as applicable, or (b) the Self-provided Load is curtailed concurrently with any Outage of the Generation serving that Self-provided Load in an amount sufficient to cover that Outage.

**4.6.3.4 Participating Generator with a QF PGA**

A Participating Generator that is eligible for and has entered into a Qualifying Facility Participating Generator Agreement shall be subject to the provisions of this Section 4.6.3.4, as reflected in the terms of the QF PGA.

**4.6.3.4.1 Revenue Metering for a QF Subject to a QF PGA**

In accordance with the terms of the QF PGA and Section 10.1.3.3, a Participating Generator that has entered into a QF PGA may net the revenue metering value for the Generation produced by each Net Scheduled QF listed in the QF PGA and the revenue metering value for the Demand of the Self-provided Load that is (i) served by the Net Scheduled QF and (ii) electrically located on the same side of the Point of Demarcation.

**4.6.3.4.2 Telemetry for a QF Subject to a QF PGA**

A Participating Generator that has entered into a QF PGA may satisfy the provisions of Section 7.6.1(d) for the installation of telemetry by installing telemetry at the Point of Demarcation for the purpose of recording the net impact of the Net Scheduled QF upon the CAISO Controlled Grid; provided that the installed telemetry satisfies the technical, functional, and performance requirements for telemetry set forth in the CAISO Tariff and the applicable Business Practice Manual.

**4.6.3.4.3 Market and Settlement Processes for a QF Subject to a QF PGA**

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For bidding, scheduling, billing, and Settlement purposes regarding the Net Scheduled QF Self-provided Load of a Participating Generator that has entered into a QF PGA, measurements of Generation or Demand of the Net Scheduled QF shall be made at the Point of Demarcation. In all other respects, the Generation and Load of the Net Scheduled QF shall be subject to the applicable provisions of the CAISO Tariff regarding bidding, scheduling, billing, and Settlements.

**4.6.3.4.4 Operating Requirements for a QF Subject to a QF PGA**

A Participating Generator that has entered into a QF PGA shall abide by CAISO Tariff provisions regarding the CAISO's ability to dispatch or curtail Generation from the Net Scheduled QF(s) listed in its QF PGA. The CAISO shall only dispatch or curtail a Net Scheduled QF of the Participating Generator: (a) to the extent the Participating Generator bids Energy or Ancillary Services from the Net Scheduled QF into the CAISO Markets or the Energy is otherwise available to the CAISO under Section 40, subject to the restrictions on operating orders set forth below; or (b) if the CAISO must dispatch or curtail the Net Scheduled QF in order to respond to an existing or imminent System Emergency or condition that would compromise CAISO Balancing Authority Area integrity or reliability as provided in Sections 7 and 7.6.1. The CAISO will not knowingly issue an operating order to a Participating Generator that has entered into a QF PGA that: (1) requires a Participating Generator to reduce its Generation below the delineated minimum operating limit, other than in a System Emergency; (2) conflicts with operating instructions provided to the CAISO by the Participating Generator; or (3) results in damage to the Participating Generator's equipment, provided that any such equipment limitation has been provided to the CAISO and incorporated in the Participating Generator's operating instructions provided to the CAISO. If the Participating Generator: (1) receives a Schedule which requires operation below the minimum operating limit, and (2) deviates from that Schedule to continue to operate at the minimum operating limit, it will not be subject to any penalties or sanctions as a result of operating at the minimum operating limit. The Participating Generator's consequences for deviating from Schedules in Real-Time will be governed by the CAISO Tariff.

The CAISO shall have the authority to coordinate and approve Generation Outage schedules for the Generating Unit(s) listed in a QF PGA, in accordance with the provisions of Section 9.

#### **4.6.4 Identification Of Generating Units**

Each Participating Generator shall provide data identifying each of its Generating Units and such information regarding the capacity and the operating characteristics of the Generating Unit as may be reasonably requested from time to time by the CAISO. All information provided to the CAISO regarding the operational and technical constraints in the Master File shall be accurate and actually based on physical characteristics of the resources except for the Pump Ramping Conversion Factor, which is configurable.

#### **4.6.5 NERC and WECC Requirements**

##### **4.6.5.1 Participating Generator Performance Standard**

Participating Generators shall, in relation to each of their Generating Units, meet all Applicable Reliability Criteria, including any standards regarding governor response capabilities, use of power system stabilizers, voltage control capabilities and hourly Energy delivery. Unless otherwise agreed by the CAISO, a Generating Unit must be capable of operating at capacity registered in the CAISO Controlled Grid interconnection data, and shall follow the voltage schedules issued by the CAISO from time to time.

**4.6.5.2 [NOT USED]**

**4.6.5.3 [NOT USED]**

#### **4.6.6 Forced Outages**

Procedures equivalent to those set out in Section 9.3 shall apply to all Participating Generators in relation to Forced Outages.

#### **4.6.7 Recordkeeping; Information Sharing**

##### **4.6.7.1 Requirements for Maintaining Records**

Participating Generators shall provide to the CAISO such information and maintain such records as are reasonably required by the CAISO to plan the efficient use and maintain the reliability of the CAISO Controlled Grid.

##### **4.6.7.2 Providing Information to Generators**

The CAISO shall provide to any Participating Generator, upon its request, copies of any operational assessments, studies or reports prepared by or for the CAISO (unless such assessments studies or reports are subject to confidentiality rights or any rule of law that prohibits disclosure) concerning the

operations of such Participating Generator's Generating Units, including, but not limited to, reports on major Generation Outages, Available Transfer Capability, and Congestion.

#### **4.6.7.3 Preparation of Reports on Major Incidents**

In preparing any report on a major incident the CAISO shall have due regard to the views of any Participating Generator involved or materially affected by such incident.

#### **4.6.8 Sharing Information On Reliability Of CAISO Controlled Grid**

The CAISO and each Participating Generator shall have the obligation to inform each other, as promptly as possible, of any circumstance of which it becomes aware (including, but not limited to, abnormal temperatures, storms, floods, earthquakes, and equipment depletions and malfunctions and deviations from the Registered Data and operating characteristics) that is reasonably likely to threaten the reliability of the CAISO Controlled Grid or the integrity of the Participating Generator's facilities. The CAISO and each Participating Generator shall also inform the other as promptly as possible of any incident of which it becomes aware (including, but not limited to, equipment Outages, over-loads or alarms) which, in the case of a Participating Generator, is reasonably likely to threaten the reliability of the CAISO Controlled Grid or, in the case of the CAISO, is reasonably likely to adversely affect the Participating Generator's facilities. Such information shall be provided in a form and content which is reasonable in all the circumstances and sufficient to provide timely warning to the other party of the potential impact.

#### **4.6.9 Access Right**

A Participating Generator shall, at the request of the CAISO and upon reasonable notice, provide access to its facilities and records (including those relating to communications, telemetry and direct control requirements) as necessary to permit the CAISO or a CAISO approved meter inspector to perform such testing as is necessary (i) to test the accuracy of any meters upon which the Participating Generator's compensation is based, or performance is measured, (ii) to test the Participating Generator's compliance with any performance standards pursuant to Section 4.6.5, or (iii) to obtain information relative to a Forced Outage, or (iv) for Participating Intermittent Resources, to ensure compliance with provisions relating to the Participating Intermittent Resource Export Fee.

#### **4.7 Relationship Between CAISO And Participating Loads**

The CAISO shall only accept Bids for Supply of Energy or Ancillary Services or Submissions to Self-Provide Ancillary Services from Loads if such Loads are those of a Participating Load that has entered into a Participating Load Agreement with the CAISO and which meet standards adopted by the CAISO and published on the CAISO Website. The CAISO shall not accept submitted Bids for Supply of Energy or Ancillary Services from a Participating Load other than through a Scheduling Coordinator.

#### **4.8 Relationships Between CAISO And Intermittent Resources**

The CAISO shall not accept Bids for an Eligible Intermittent Resource other than through a Scheduling Coordinator. Any Eligible Intermittent Resource that is not a Participating Intermittent Resource, or any Participating Intermittent Resource for which Bids are submitted shall be bid and settled as a Generating Unit for the associated Settlement Periods (except that the Forecast Fee shall apply in such Settlement Periods).

#### **4.9 Metered Subsystems**

##### **4.9.1 General Nature Of Relationship Between CAISO And MSS**

**4.9.1.1** An entity that is determined by the CAISO to qualify as a Metered Subsystem and that undertakes in writing, by entering into a Metered Subsystem Agreement with the CAISO, to comply with all applicable provisions of the CAISO Tariff as specified in that MSS Agreement as they may be amended from time to time, including, without limitation, the applicable provisions of this Section 4.9, shall be considered an MSS Operator and shall have the rights and obligations set forth in this Section 4.9. The CAISO shall not be obligated to accept Bids that would require Energy to be transmitted to or from a Metered Subsystem unless the MSS Agreement of the MSS Operator of the Metered Subsystem has become effective.

##### **4.9.2 Coordination Of Operations**

Each MSS Operator shall operate its MSS at all times in accordance with Good Utility Practice and Applicable Reliability Criteria, including WECC and NERC criteria, and in a manner which ensures safe and reliable operation. All information pertaining to the physical state or operation, maintenance and failure of the MSS affecting the operation of the CAISO Balancing Authority Area that is made available to the CAISO by the MSS Operator shall also be made available to Scheduling Coordinators, provided that the CAISO shall provide reasonable notice to the MSS Operator. The CAISO shall not be required to



make information available to the MSS Operator other than information that is made available to Scheduling Coordinators.

#### **4.9.3 Coordinating Maintenance Outages Of MSS Facilities**

Each MSS Operator shall make appropriate arrangements to coordinate Outages of Generating Units. Each MSS Operator shall make appropriate arrangements to coordinate Outages of transmission facilities forming part of its MSS that will have an effect, or are reasonably likely to have an effect, on any interconnection between the MSS and the system of a Participating TO, prior to the submission by that Participating TO of its Maintenance Outage requirements under Section 9.3. The CAISO will coordinate Outages of other Participating TOs transmission facilities that may affect the MSS.

#### **4.9.4 MSS Operator Responsibilities**

The MSS Operator's MSS Agreement with the CAISO shall obligate the MSS Operator to comply with all provisions of the CAISO Tariff, as amended from time to time, applicable to the UDCs, including, without limitation, the applicable provisions of Section 4.4 and Section 7.7. In addition, recognizing the CAISO's responsibility to promote the efficient use and reliable operation of the CAISO Controlled Grid and the CAISO Balancing Authority Area consistent with the Applicable Reliability Criteria, each MSS Operator shall:

**4.9.4.1** operate and maintain its facilities, in accordance with applicable safety and reliability standards, regulatory requirements, applicable operating guidelines, applicable rates, tariffs, statutes and regulations governing their provision of service to their End-Use Customers and Good Utility Practice so as to avoid any material adverse impact on the CAISO Controlled Grid, it being understood that, if the MSS Operator does not so operate and maintain its facilities and the CAISO concludes, after notice is provided to the MSS Operator, that such failure impairs or threatens to impair the reliability of the CAISO Controlled Grid, the CAISO may suspend MSS status, in accordance with this Section 4.9, until the MSS Operator demonstrates the ability and willingness to so operate and maintain its facilities;

**4.9.4.2** provide the CAISO Outage Coordination Office each year with a schedule of upcoming maintenance of facilities forming part of the MSS that will affect or is reasonably likely to affect the CAISO Controlled Grid in accordance with Section 9.3.6;

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**4.9.4.3** coordinate with the CAISO, Participating TOs and Generators to ensure that CAISO Controlled Grid Critical Protective Systems, including relay systems, are installed and maintained in order to function on a coordinated and complementary basis with the protective systems of the MSS, Participating TOs and Generators and notify the CAISO as soon as is reasonably possible of any condition of which it becomes aware that may compromise the CAISO Controlled Grid Critical Protective Systems;

**4.9.4.4** be responsible for any Reliability Must-Run Generation and Voltage Support required for reliability of the MSS, including the responsibility for any costs of such Reliability Must-Run Generation, and Voltage Support and may satisfy this requirement through Generating Units owned by the MSS Operator or under contract to the MSS Operator;

**4.9.4.5** be responsible for Black Start requirements for reliability of the MSS, however, if the MSS Operator can self-provide this requirement, the MSS Operator shall not pay its pro rata share of the Black Start requirement in accordance with Section 11; and

**4.9.4.6** be responsible for Congestion Management and transmission line Outages within or at the boundary of the MSS, and all associated costs of actions the MSS Operator has to take to resolve such Congestion internal to the MSS and not be responsible for Congestion Management elsewhere except to the extent that a Scheduling Coordinator is delivering Energy, Ancillary Services, or RUC Capacity to or from the MSS. An MSS Operator must notify and communicate with the CAISO regarding transmission line Outages to the extent such Outages impact the CAISO Controlled Grid.

**4.9.5 Scheduling By Or On Behalf Of A MSS Operator**

All Bids, including but not limited to Self-Schedules, submitted on behalf of an MSS Operator for the delivery of Energy and Ancillary Services to Loads connected to the MSS and for the delivery of Energy and Ancillary Services from Generating Units forming part of the MSS or System Units shall be submitted by a Scheduling Coordinator that complies with all applicable provisions of the CAISO Tariff, which Scheduling Coordinator may be the MSS Operator, provided that the MSS Operator complies with all applicable requirements for Scheduling Coordinators. A Scheduling Coordinator shall separately identify Bids that it submits on behalf of an MSS Operator.

**4.9.5.1** Without limiting the foregoing, the Scheduling Coordinator for the MSS must submit gross generation information for the System Unit, Generating Unit, and information regarding imports, exports

and Gross Loads to the CAISO in the format and in accordance with the timelines applicable to other Scheduling Coordinators.

**4.9.5.2** The Scheduling Coordinator for the MSS will designate, in discrete quantities and with prices for both Ancillary Services and Energy: (1) Bids in the Day-Ahead Market and HASP (including Bids for internal Generation and internal Demand within the MSS), (2) Submissions to Self-Provide Ancillary Services or Bids for Regulation, Spinning Reserve, and Non-Spinning Reserve, capacity and associated Bid for Energy, or (3) any feasible combination thereof.

**4.9.5.3 MSS Demand Forecast**

The Scheduling Coordinator for the MSS shall provide CAISO with Demand forecasts of the MSS. To the extent that the Scheduling Coordinator does not provide requisite Demand Forecast for the MSS it represents, the CAISO shall produce a Demand Forecast for each MSS Load Take-Out Point.

**4.9.6 System Emergencies**

**4.9.6.1** The CAISO has authority to suspend MSS control and direct, via communications with the MSS Operator, the operation of Generating Units within the MSS, including Generating Units that may comprise a System Unit, if such control is necessary to maintain CAISO Controlled Grid reliability.

**4.9.6.2** If Load Shedding is required to manage System Emergencies, the CAISO will determine the amount and location of Load to be reduced pursuant to Section 7.7.5.1 and 7.7.5.2. Each MSS Operator shall be responsible for notifying its customers and Generators connected to its system of curtailments and service interruption.

**4.9.6.3 System Emergency Reports: MSS Obligations**

**4.9.6.3.1** Each MSS Operator shall maintain all appropriate records pertaining to a System Emergency.

**4.9.6.3.2** Each MSS Operator shall cooperate with the CAISO in the preparation of an Outage review pursuant to Section 7.7.13.

**4.9.7 Coordination Of Expansion Or Modifications To MSS Facilities**

Each MSS Operator and any Participating TO with which its system is interconnected, if applicable, shall coordinate in the planning and implementation of any expansion or modifications of a MSS's or Participating TO's system that will affect their transmission interconnection, the CAISO Controlled Grid or

the transmission services to be required by the MSS Operator. The MSS Operator and any Participating TO with which the MSS is interconnected shall be responsible for coordinating with the CAISO.

#### **4.9.8 Ancillary Services Obligations For MSS**

**4.9.8.1** Ancillary Services Obligations will be allocated to the Scheduling Coordinator bidding or scheduling Load within a MSS in accordance with the CAISO Tariff. The CAISO shall have the right to call upon the Self-Provided Ancillary Service of a Scheduling Coordinator for an MSS or procured by the CAISO from such Scheduling Coordinator in accordance with the CAISO Tariff. The Scheduling Coordinator representing the MSS Operator may provide a Submission to Self-Provide an Ancillary Service or bid (including self-provide) Ancillary Services from a System Unit or from individual Generating Units or Participating Loads, or Proxy Demand Resources in the MSS. Alternatively, the Scheduling Coordinator representing the MSS may purchase Ancillary Services from the CAISO or third parties to meet all or part of its Ancillary Services Obligations in accordance with the CAISO Tariff.

**4.9.8.2** If the MSS Operator desires to follow internal Load with a System Unit or Generating Units in the MSS, and also to provide Regulation to the CAISO, the MSS must provide adequate telemetry consistent with the CAISO Tariff and all applicable standards to allow performance in response to CAISO AGC signals to be measured at the interconnection of the MSS to the CAISO Controlled Grid.

#### **4.9.9 [NOT USED]**

#### **4.9.10 Information Sharing**

##### **4.9.10.1 System Planning Studies and Forecasts**

The CAISO, the MSS Operator and Participating TOs shall share information such as projected Load growth and system expansions necessary to conduct necessary system planning studies to the extent that these may impact the operation of the CAISO Balancing Authority Area. Each MSS Operator shall provide to the CAISO annually its ten-year forecasts of Demand growth, internal Generation, and expansion of or replacement for any transmission facilities that are part of the MSS that will or may significantly affect any point of interconnection between the MSS and the CAISO Controlled Grid. Such forecasts shall be provided on the date that UDCs are required to submit forecasts to the CAISO under Section 4.4.5.1. Each MSS Operator or each Scheduling Coordinator for an MSS Operator shall also

submit weekly and monthly peak Demand Forecasts in accordance with the CAISO's Business Practice Manuals.

#### **4.9.10.2 System Surveys and Inspections**

The CAISO and each MSS Operator shall cooperate with each other in performing system surveys and inspections to the extent these relate to the operation of the CAISO Balancing Authority Area.

#### **4.9.10.3 Reports**

**4.9.10.3.1** The CAISO shall make available to each MSS Operator any public annual reviews or reports regarding performance standards, measurements and incentives relating to the CAISO Controlled Grid and shall also make available, upon reasonable notice, any such reports that the CAISO receives from Participating TOs. Each MSS Operator shall make available to the CAISO any public annual reviews or reports regarding performance standards, measurements and incentives relating to the MSS's Distribution System to the extent these relate to the operation of the CAISO Controlled Grid.

**4.9.10.3.2** The CAISO and the MSS Operators shall develop an operating procedure to record requests received for Maintenance Outages by the CAISO and the completion of the requested maintenance and turnaround times.

**4.9.10.3.3** Each MSS Operator shall promptly provide such information as the CAISO may reasonably request concerning the MSS Operator's operation of the MSS to enable the CAISO to meet its responsibility under the CAISO Tariff to conduct reviews and prepare reports following major Outages. Where appropriate, the CAISO will provide appropriate assurances that the confidentiality of commercially sensitive information shall be protected. The CAISO shall have no responsibility to prepare reports on Outages that affect customers on the MSS, unless the Outage also affects customers connected to the system of another entity within the CAISO Balancing Authority Area. The MSS Operator shall be solely responsible for the preparation of any reports required by any governmental entity or the WECC with respect to any Outage that affects solely customers on the MSS.

#### **4.9.10.3.4 Reliability Information**

Each MSS Operator shall inform the CAISO, and the CAISO shall inform each MSS Operator, in each case as promptly as possible, of any circumstance of which it becomes aware (including, but not limited to, abnormal temperatures, storms, floods, earthquakes, and equipment depletions and malfunctions and

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deviations from Registered Data and operating characteristics) that is reasonably likely to threaten the reliability of the CAISO Controlled Grid or the integrity of the MSS respectively. Each MSS Operator and the CAISO each shall also inform the other as promptly as possible of any incident of which it becomes aware (including, but not limited to, equipment Outages, over-loads or alarms) which, in the case of the MSS Operator, is reasonably likely to threaten the reliability of the CAISO Controlled Grid, or, in the case of the CAISO, is reasonably likely to adversely affect the MSS. Such information shall be provided in a form and content which is reasonable in all the circumstances, sufficient to provide timely warning to the entity receiving the information of the threat and, in the case of the CAISO, not unduly discriminatory with respect to the CAISO's provision of similar information to other entities.

**4.9.10.3.5 Forms**

The CAISO shall, in consultation with MSS Operators, jointly develop and, as necessary, revise, any necessary forms and procedures for collection, study, treatment, and transmittal of system data, information, reports and forecasts.

**4.9.10.4** Each MSS Operator shall provide to the CAISO information as provided in Section 36.8.5.2 that enables the CAISO to perform transfers of CRRs to reflect Load Migration in a timely manner as required in Section 36.8.5.

**4.9.11 Installation Of And Rights Of Access To MSS Facilities**

**4.9.11.1 Installation of Facilities.**

**4.9.11.1.1 Meeting Service Obligations.**

The CAISO and each MSS Operator shall each have the right, if mutually agreed, on reasonable notice to install or to have installed equipment (including metering equipment) or other facilities on the property of the other, to the extent that such installation is necessary for the installing party to meet its service obligations unless to do so would have a negative impact on the reliability of the service provided by the party owning the property.

**4.9.11.1.2 Governing Agreements for Installations.**

The CAISO and the MSS Operator shall enter into agreements governing the installation of equipment or other facilities containing customary and reasonable terms and conditions.

**4.9.11.2 Access to Facilities.**

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Each MSS Operator shall grant the CAISO reasonable access to MSS facilities free of charge for purposes of inspection, repair, maintenance, or upgrading of facilities installed by the CAISO on the MSS's system, provided that the CAISO must provide reasonable advance notice of its intent to access MSS facilities. Such access shall not be provided unless the parties mutually agree to the date, time and purpose of each access. Agreement on the terms of the access shall not be unreasonably withheld.

**4.9.11.3 Access During Emergencies.**

Notwithstanding any provision in this Section 4.9, the CAISO may have access, without giving prior notice, to any MSS Operator's equipment or other facilities during times of a System Emergency or where access is needed in connection with an audit function.

**4.9.12 MSS System Unit**

**4.9.12.1** A MSS Operator may aggregate one or more Generating Units, Participating Loads and/or Proxy Demand Resources as a System Unit. A System Unit must be modeled as an aggregated Generating Unit and must provide a set of Generation Distribution Factors. Except as specifically provided in the MSS Agreement referred to in Section 4.9.1.1, all provisions of the CAISO Tariff applicable to Participating Generators and to Generating Units (and, if the System Unit includes a Load, to Participating Loads and Proxy Demand Resources), shall apply fully to the System Unit and the Generating Units and/or Loads included in it. The MSS Operator's MSS Agreement with the CAISO in accordance with Section 4.9.1.1 shall obligate the MSS Operator to comply with all provisions of the CAISO Tariff, as amended from time to time, applicable to the System Unit, including, without limitation, the applicable provisions of Sections 4.6.1 and 7.7. In accordance with Section 7.6.1, the CAISO will obtain control over the System Unit, not the individual Generating Unit, except for Regulation, to comply with Section 4.6.

**4.9.12.2** Without limiting the generality of Section 4.9.12.1, a MSS Operator that owns or has an entitlement to a System Unit:

**4.9.12.2.1** is required to have a direct communication link to the CAISO's EMS satisfying the requirements applicable to Generating Units owned by Participating Generators, Participating Loads or Proxy Demand Resources, as applicable, for the System Unit and the individual resources that make up the System Unit;

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**4.9.12.2.2** shall provide resource-specific information regarding the Generating Units and Loads comprising the System Unit to the CAISO through telemetry to the CAISO's EMS;

**4.9.12.2.3** shall obtain CAISO certification of the System Unit's Ancillary Service capabilities in accordance with Sections 8.4 and 8.9 before the Scheduling Coordinator representing the MSS may self-provide its Ancillary Service Obligations or bid into the CAISO Markets from that System Unit;

**4.9.12.2.4** shall provide the CAISO with control over the AGC of the System Unit, if the System Unit is supplying Regulation to the CAISO or is designated to self-provide Regulation;

**4.9.12.2.5** shall install CAISO certified meters on each individual resource or facility that is aggregated to a System Unit; and

**4.9.12.2.6** shall provide, through the Scheduling Coordinator representing the MSS Operator, Settlement Quality Meter Data for the System Unit's Proxy Demand Resources.

**4.9.12.3** Subject to Section 4.9.12.4, the CAISO shall have the authority to exercise control over the System Unit to the same extent that it may exercise control pursuant to the CAISO Tariff over any other Participating Generator, Generating Unit or, if applicable, Participating Load or Proxy Demand Resource, but the CAISO shall not have the authority to direct the MSS Operator to adjust the operation of the individual resources that make up the System Unit to comply with directives issued with respect to the System Unit.

**4.9.12.4** When and to the extent that Energy from a System Unit is self-scheduled to provide for the needs of Loads within the MSS and is not being bid to the CAISO Markets, the CAISO shall have the authority to dispatch the System Unit only to avert or respond to a circumstance described in the third sentence of Section 7.6.1 or, pursuant to Section 7.7.2.3, to a System Emergency.

**4.9.13 MSS Elections And Participation In CAISO Markets**

MSS Operators must make an election or choice on four (4) issues that govern the manner in which the MSS participates in the CAISO Markets. The MSS Operator must choose either: (i) net Settlements or gross Settlements, (ii) to Load follow or not Load follow with its generating resources, (iii) to have its Load participate in the RUC procurement process or not have its Load participate in the RUC procurement process; and (iv) whether or not to charge the CAISO for their Emissions Costs as provided in Section



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11.7.4. The MSS Operator shall make annual elections regarding these four (4) sets of options pursuant to the timeline specified for such elections in the Business Practice Manuals.

The default for the first twelve (12) months after this Section 4.9.13 and Section 36 become effective shall be: (1) non Load following; (2) gross Settlement; and (3) to opt-in to the RUC procurement process. In subsequent years, the prior year election will be the default if the MSS Operator does not make a timely election, unless the MSS Operator has been found to have violated Load following or RUC opt out requirements and is no longer eligible for making such elections. If the MSS Operator fails to elect net Settlement as specified in Section 11.2.3.2, the default mechanism for all MSS Settlements shall be gross Settlement as specified in Section 11.2.3.1.

The Load following, net or gross Settlement, and RUC procurement elections of an MSS Operator change certain aspects of, but do not preclude, the participation of the MSS in the CAISO Markets. An MSS Operator may: (i) bid to supply Energy to, or purchase Energy from, the CAISO Markets, (ii) bid to provide available capacity in RUC, and (iii) bid or make a Submission to Self-Provide an Ancillary Service from a System Unit or from individual Generating Units, Participating Loads or Proxy Demand Resources within the MSS. An MSS Operator also may purchase Ancillary Services from CAISO or third parties to meet its Ancillary Service Obligations under the CAISO Tariff.

**4.9.13.1 Gross or Net Settlement**

An MSS Operator has the option to settle with the CAISO on either a gross basis or a net basis for its Load and generating resources. This election shall be made annually for a period consistent with annual CRR Allocation. If the MSS Operator elects net Settlement, then CRRs would be allocated on MSS net Load and the MSS may choose the MSS LAP as its CRR Sink in the first tiers of CRR Allocation. If the MSS Operator elects gross Settlement, then CRRs would be allocated on a gross Load basis and the MSS may not choose the MSS LAPs as its CRR Sink in the first tiers of CRR Allocation.

**4.9.13.2 Load-Following or Non Load-Following Election**

The MSS Operator has the option to elect to operate a System Unit or Generating Units in the MSS to follow its Load, provided that: (a) the Scheduling Coordinator for the MSS Operator shall remain responsible for purchases of Energy in accordance with the CAISO Tariff if the MSS Operator does not operate its System Unit or Generating Units and bid or schedule imports into the MSS, to match the

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metered Demand in the MSS and exports from the MSS; and (b) if the deviation between Generation and imports into the MSS and metered Demand and exports from the MSS exceeds the MSS Deviation Band, then the Scheduling Coordinator for the MSS Operator shall pay the additional amounts specified in Section 11.7. If an MSS Operator elects Load-following and net Settlements, all generating resources within the MSS must be designated as Load-following resources. If an MSS Operator elects Load-following and gross Settlements, generating resources within the MSS can be designated as either Load-following or non Load-following resources. Consistent with these requirements, the MSS Operator may also modify the designation of generating resources within the MSS within the timing requirements specified for such Master File changes as described in the Business Practice Manuals.

If the MSS Operator has elected gross Settlement and is a Load-following MSS: (i) it must designate in the Master File which of its generating resources are Load-following resources, (ii) it must comply with the additional bidding requirements in Section 30.5.2.5, and (iii) the generation resources designated as Load-following resources cannot set Real-Time prices. However, Load-following resources will be eligible to receive Bid Cost Recovery to ensure that the price paid for Energy dispatched by the CAISO is not less than the MSS Operator's accepted Bid price. Bid Cost Recovery for a Load-following MSS resource is only applicable to generation capacity provided to the CAISO Markets by that MSS resource and is not applicable for the generating capacity that is designated or used by an MSS Operator to follow its own Load.

An MSS Operator may designate RMR Units as Load-following. Load-following RMR Units must be available to the CAISO for Dispatch up to the Maximum Net Dependable Capacity specified in the RMR Contract. Energy delivered in response to an RMR Dispatch shall be accounted for as a delivery from the MSS to the CAISO for the purposes of determining if the MSS Operator followed its metered Demand and exports from the MSS as described in this Section 4.9.13.2 except that Energy from an RMR Unit in a Day-Ahead Schedule can be used for Load-following to satisfy Day-Ahead scheduled Demand like any other non-RMR Unit Load-following resource. If no RMR Dispatch is received for a Load-following RMR Unit, such Load-following RMR Unit may participate in the CAISO Markets as any other non-RMR Unit Load-following resource subject to Section 30.5.2.5.

#### **4.10 Candidate CRR Holder And CRR Holder Registration**

Only entities that are registered and qualified as a Candidate CRR Holder or CRR Holder shall: 1) submit nominations to CRR Allocations; 2) submit Bids to CRR Auctions; and 3) register as a CRR Holder through the Secondary Registration System. In order to be registered and qualified as Candidate CRR Holders or CRR Holders, entities must have met the all of the requirements specified in this Section 4.10.

##### **4.10.1 Procedure To Become A Candidate CRR Holder**

###### **4.10.1.1 Candidate CRR Holder Application**

To become a Candidate CRR Holder, a Candidate CRR Holder applicant must submit a completed written application, as provided in the applicable form posted on the CAISO Website, to the CAISO by mail, or in person. A Candidate CRR Holder applicant may retrieve the application and necessary information from the CAISO Website.

###### **4.10.1.2 CAISO Information**

The CAISO will provide the following information, in its most current form, on the CAISO Website and, upon request by a Candidate CRR Holder applicant, the CAISO will send the requested information by electronic mail:

- (a) the Candidate CRR Holder application form;
- (b) the CAISO Tariff and Business Practice Manuals; and
- (c) an application for an Unsecured Credit Limit for Candidate CRR Holder applicants requesting an Unsecured Credit Limit in lieu of another form of Financial Security.

###### **4.10.1.3 Candidate CRR Holder Applicant Submits Application**

At least sixty (60) days before the proposed commencement of the CRR Allocation or CRR Auction, or the effective date of the CRR transfer through the Secondary Registration System, in which a Candidate CRR Holder desires to participate as applicable, the Candidate CRR Holder applicant must return a completed application form with the non-refundable application fee set by the CAISO Governing Board to cover the application processing costs and the costs of furnishing the CAISO Tariff and other documents.

###### **4.10.1.4 Notice of Receipt**

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Within three (3) Business Days of receiving the application, the CAISO will send a written notification to the Candidate CRR Holder applicant that it has received the application and the non-refundable fee.

**4.10.1.5 CAISO Review of Application**

Within ten (10) Business Days after receiving an application, the CAISO will notify the Candidate CRR Holder applicant whether the Candidate CRR Holder applicant has fulfilled all necessary information as set forth in Section 4.10.1. If the Candidate CRR Holder applicant fails to fulfill all application requirements within a year from the date that the CAISO acknowledges receipt of the Candidate CRR Holder application, the application will be nullified and the applicant will be required to resubmit a new application in order to reinstate its status as a Candidate CRR Holder applicant.

**4.10.1.5.1 Information Requirements**

The Candidate CRR Holder applicant must submit with its application:

- (a) the proposed date for commencement of the CRR Allocation, CRR Auction or Secondary Registration System in which the applicant intends to qualify to participate, which may not be less than sixty (60) days after the date the application was filed, unless waived by the CAISO;
- (b) financial Security information as set forth in Section 12;
- (c) proof of completion of CRR training or expected completion of CRR training;
- (d) the prescribed non-refundable application fee; and
- (e) identity of the applicant's Affiliates, as described in Section 39.9.

**4.10.1.5.2 Candidate CRR Holder Load Serving Entity Certifications**

A Candidate CRR Holder applicant that intends to obtain CRRs through the CRR Allocation process must certify that it qualifies as a Load Serving Entity as defined in the CAISO Tariff. A Candidate CRR Holder applicant that intends to participate in the CRR Allocation for load it serves located outside the CAISO Balancing Authority Area must certify that it qualifies as that load's load serving entity and prior to actual participation in the CRR Allocation will also be required to fulfill the requirements in Section 36.9.

**4.10.1.6 Deficient Application**

In the event that the CAISO has determined that the Candidate CRR Holder application as submitted is deficient the CAISO will send a written notification of the deficiency to the Candidate CRR Holder

applicant within ten (10) Business Days of receipt by the CAISO of the application explaining the deficiency and requesting additional information.

**4.10.1.6.1 Candidate CRR Holder Applicant's Additional Information**

Once the CAISO requests additional information, the Candidate CRR Holder applicant has five (5) Business Days, or such longer period as the CAISO may agree, to provide the additional material requested by the CAISO.

**4.10.1.6.2 No Response from Candidate CRR Holder Applicant**

If the Candidate CRR Holder applicant does not submit additional information within five (5) Business Days or the longer period referred to in Section 4.10.1.6.1, the application may be rejected by the CAISO.

**4.10.1.7 CAISO Acceptance or Rejection of an Application**

**4.10.1.7.1 Acceptance or Rejection Notification**

- (a) If the CAISO accepts the application, it will send a written notification to the Candidate CRR Holder applicant stating that its application has been accepted.
- (b) If the CAISO rejects the application, the CAISO will send a rejection letter stating one or more of the following grounds:
  - (i.) incomplete information;
  - (ii.) non-compliance with Financial Security requirements; or
  - (iii.) non-compliance with any other CAISO Tariff requirements.

Upon request, the CAISO will provide guidance as to how the Candidate CRR Holder applicant can cure the grounds for the rejection.

**4.10.1.7.2 Time for Processing Application**

The CAISO will make a decision whether to accept or reject the application within ten (10) Business Days of receipt of the application. If more information is requested, the CAISO will make a final decision within ten (10) Business Days of the receipt of all outstanding or additional information requested.

**4.10.1.8 Candidate CRR Holder Applicant's Response**

**4.10.1.8.1 Candidate CRR Holder Applicant's Acceptance**

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If the CAISO accepts the application, the Candidate CRR Holder applicant must return an executed CRR Entity Agreement and any required letter of credit, guaranty, escrow agreement or other form of Financial Security, as applicable.

**4.10.1.8.2 Candidate CRR Holder Applicant's Rejection**

**4.10.1.8.2.1 Resubmittal**

If a Candidate CRR Holder's application is rejected, the Candidate CRR Holder applicant may resubmit its application at any time. An additional application fee will not be required for the second application submitted within six (6) months after the CAISO's issuance of a rejection.

**4.10.1.8.2.2 Appeal**

The Candidate CRR Holder applicant may also appeal against the rejection of an application by the CAISO. An appeal must be submitted within twenty (20) Business Days following the CAISO's issuance of a rejection of its application.

**4.10.1.9 Final Registration and Qualification of Candidate CRR Holder Applicant.**

**4.10.1.9.1 Notice of Completed Registration and Qualification of Candidate CRR Holder**

Once the CAISO has accepted a Candidate CRR Holder applicant's application, the CAISO will provide the Candidate CRR Holder applicant with a final written notice to certify that a Candidate CRR Holder applicant has become a Candidate CRR Holder. The CAISO shall issue such final written notice of full registration and qualification as a Candidate CRR Holder after the CAISO has determined that the Candidate CRR Holder applicant has fully satisfied all the following requirements:

- (a) fully executed a CRR Entity Agreement with the CAISO;
- (b) provided its bank account information and arranged for Fed-Wire transfers;
- (c) met the Financial Security requirements of Section 12;
- (d) certified that it has attended required CRR training; and
- (e) obtained and installed any necessary software for communication with the CAISO as necessary.

**4.10.1.9.2 Market Notice**

The CAISO shall issue a Market Notice stating the new Candidate CRR Holder status.

**4.10.2 Ongoing Obligations After Registration And Qualification**

**4.10.2.1 Candidate CRR Holder and CRR Holder Obligation to Report Changes**

**4.10.2.1.1 Obligation to Report a Change in Filed Information**

Each Candidate CRR Holder and CRR Holder has an ongoing obligation to inform the CAISO of any changes to any of the information submitted by it to the CAISO as part of its application to become a Candidate CRR Holder, including any changes to the additional information requested by the CAISO. The applicable Business Practice Manual sets forth the procedures for changing the Candidate CRR Holder or CRR Holder information and timing of notifying the CAISO of such changes.

**4.10.2.1.2 Obligation to Report a Material Change in Financial Condition**

The Candidate CRR Holder or CRR Holder that has been granted Unsecured Credit Limit has an ongoing obligation to inform the CAISO within five (5) Business Days of any Material Change in Financial Condition including but not limited to credit rating changes described in Section 12.

**4.10.2.2 Failure to Promptly Report a Material Change**

If a Candidate CRR Holder or CRR Holder fails to inform the CAISO of a material change in its information provided to the CAISO including a Material Change in Financial Condition, that may affect the Financial Security of the CAISO, the CAISO may suspend or terminate the Candidate CRR Holder or CRR Holder's rights under the CAISO Tariff in accordance with the terms of Sections 12 and 4.10.3.2, respectively. If the CAISO intends to terminate the Candidate CRR Holder's status, it shall file a notice of termination with FERC in accordance with the terms of the CRR Entity Agreement. Such termination shall be effective upon acceptance by FERC of a notice of termination in accordance with the terms of the CRR Entity Agreement.

**4.10.3 Termination Of A CRR Entity Agreement**

**4.10.3.1 Prior Notice Requirements**

- (a) A CRR Entity Agreement may be terminated by the CAISO on written notice to the Candidate CRR Holder or CRR Holder that is a party to the CRR Entity Agreement in accordance with the terms of the CRR Entity Agreement:
  - (i) if the Candidate CRR Holder or CRR Holder no longer meets the requirements for eligibility set out in Section 4.10 and fails to remedy the

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default within a period of seven (7) days after the CAISO has given written notice of the default;

- (ii) if the Candidate CRR Holder or CRR Holder fails to pay any sum under this CAISO Tariff and fails to remedy the default within a period of five (5) Business Days after the CAISO has given written notice of the default; or
- (iii) if the Candidate CRR Holder or CRR Holder commits any other default under this CAISO Tariff or any of the Business Practice Manuals which, if capable of being remedied, is not remedied within thirty (30) days after the CAISO has given it written notice of the default.

- (b) The Candidate CRR Holder or CRR Holder may terminate its CRR Entity Agreement in accordance with the provisions of that agreement.
- (c) Upon termination of the CRR Entity Agreement, Candidate CRR Holders or CRR Holders shall continue to be liable for any outstanding financial or other obligations incurred under the CAISO Tariff as a result of their status as a Candidate CRR Holder or CRR Holder.
- (d) The CAISO shall, following termination of a CRR Entity Agreement and within thirty (30) days of being satisfied that no sums remain owing by the Candidate CRR Holder or CRR Holder under the CAISO Tariff, return or release to the Candidate CRR Holder or CRR Holder, as appropriate, any Financial Security support provided by such Candidate CRR Holder or CRR Holder to the CAISO under Section 12.

**4.10.3.2 Suspension of Registration and Qualification**

Pending FERC acceptance of termination of service pursuant to the filing of a notice of termination of the CRR Entity Agreement, the CAISO will suspend the registration and qualification of a Candidate CRR Holder or CRR Holder that has received a notice of termination under the CRR Entity Agreement and the Candidate CRR Holder will not be able to submit nominations in the CRR Allocation or bids in the CRR Auction, or to register as a CRR Holder in the Secondary Registration System.



**4.11 Relationship Between CAISO And SUDCs**

**4.11.1 General Nature Of Relationship Between CAISO And SUDCs**

**4.11.1.1** The CAISO shall not be obliged to accept Bids, including Self-Schedules, or Bids for Ancillary Services which would require Energy to be transmitted to or from the Distribution System of a SUDC directly connected to the CAISO Controlled Grid unless the relevant SUDC has entered into a SUDC Operating Agreement. The SUDC Operating Agreement shall require SUDCs to comply with the applicable provisions of this Section 4.11 and any other expressly applicable Sections of this CAISO Tariff and the CAISO Protocols, as they may be amended from time to time. The CAISO shall maintain a pro forma SUDC Operating Agreement available for SUDCs to enter into with the CAISO, as set forth in Appendix B.10.

**4.11.1.2** The CAISO shall operate the CAISO Balancing Authority Area and the CAISO Controlled Grid and each SUDC shall operate its Distribution System at all times in accordance with Good Utility Practice and in a manner which ensures safe and reliable operation. The CAISO shall, in respect of its obligations set forth in this Section 4.11, have the right by mutual agreement to delegate certain operational responsibilities to the relevant Participating TO or SUDC pursuant to this Section 4.11. All information made available to SUDCs by the CAISO shall also be made available to Scheduling Coordinators. Any information, pertaining to the physical state, operation, maintenance or failure of the SUDC Distribution System that may cause a material adverse affect to the operation of the CAISO Controlled Grid, that is made available to the CAISO by the SUDC shall also be made available to Scheduling Coordinators upon receipt of reasonable notice.

**4.11.2 Coordinating Maintenance Outages Of SUDC Facilities**

Each SUDC and the Participating TO with which it is interconnected shall coordinate their Outage requirements with respect to their transmission interconnection facilities prior to the submission by that Participating TO of its maintenance Outage requirements under Section 9.3.

**4.11.3 SUDC Responsibilities**

Recognizing the CAISO's duty to ensure efficient use and reliable operation of the CAISO Balancing Authority Area and the CAISO Controlled Grid consistent with the Applicable Reliability Criteria, each SUDC shall:

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**4.11.3.1** operate and maintain its Distribution System in accordance with applicable reliability standards, statutes and regulations, and Good Utility Practice so as to avoid any material adverse impact on the reliability of the CAISO Balancing Authority Area and the CAISO Controlled Grid;

**4.11.3.2** provide the CAISO Outage Coordination Office each year with a schedule of upcoming maintenance on its transmission interconnection facilities with the CAISO Controlled Grid that has a reasonable potential of causing a material adverse impact to the reliability of the CAISO Controlled Grid.

**4.11.4 System Emergencies**

**4.11.4.1** In the event of a System Emergency, SUDCs shall comply with all directions from the CAISO concerning the management and alleviation of the System Emergency and shall comply with all procedures concerning SUDCs for System Emergencies set out in the individual SUDC Operating Agreements.

**4.11.4.2** During a System Emergency, the CAISO and SUDCs shall communicate in accordance with procedures established in individual SUDC Operating Agreements.

**4.11.5 Load Reduction**

**4.11.5.1** If the CAISO declares a Stage 1 System Emergency, the SUDC shall use any reasonably available local communication infrastructure to request that its customers curtail their electricity usage. The SUDC shall not be called separately in Stage 3 System Emergencies to manually shed Load. Load restoration of any voluntary Load reduction will occur once the CAISO declares that a System Emergency no longer exists.

**4.11.5.2** If the Participating TO sheds the SUDC Load associated with the Participating TO's transmission facilities, the Participating TO will provide timely information and work with the SUDC regarding SUDC Load restoration.

**4.11.6 System Emergency Reports: SUDC Obligations**

**4.11.6.1** Each SUDC shall maintain all appropriate records pertaining to a System Emergency in accordance with the SUDC's then-existing record retention practice or policy, provided the records are kept for a minimum of six (6) years.

**4.11.6.2** In accordance with its SUDC Operating Agreement, each SUDC shall provide available information to the CAISO regarding the CAISO's preparation of an Outage review.

**4.11.7 Coordinating Expansion Or Modifications To SUDC Facilities**

Each SUDC and the Participating TO with which it is interconnected shall coordinate in the planning and implementation of any expansion or modifications of a SUDC's or Participating TO's system that will materially affect the reliability of their transmission interconnection facilities, the CAISO Controlled Grid or the transmission services to be required by the SUDC. The Participating TO shall be responsible for coordinating with the CAISO.

**4.11.8 Information Sharing**

**4.11.8.1 System Planning Studies**

The CAISO, Participating TOs and SUDCs shall share available information such as projected SUDC Load growth and SUDC system expansions necessary for the CAISO or the Participating TOs to conduct necessary system planning studies to the extent that such SUDC Load growth or SUDC system expansions will materially impact the operation of the CAISO Balancing Authority Area and the CAISO Controlled Grid.

**4.11.8.2 System Surveys and Inspections**

The CAISO, each UDC and each SUDC shall cooperate, to the extent economically feasible for the SUDC, in performing system surveys and inspections regarding the operation of the CAISO Balancing Authority Area and the CAISO Controlled Grid.

**4.11.8.3 Reports**

**4.11.8.3.1** The CAISO shall make available to the SUDCs any public annual reviews or reports regarding performance standards, measurements and incentives relating to the CAISO Balancing Authority Area and the CAISO Controlled Grid and shall also make available, upon reasonable notice, any such reports that the CAISO receives from the Participating TOs. Each SUDC shall make available to the CAISO upon request any public annual reviews or reports regarding performance standards, measurements and incentives relating to the SUDC's Distribution System to the extent these relate to the operation of the CAISO Balancing Authority Area and the CAISO Controlled Grid.

**4.11.8.3.2** The CAISO and SUDCs shall develop an operating procedure for the CAISO to record requests received from the SUDC for Maintenance Outages and the completion of the requested maintenance and turnaround times.

**4.11.9 Equipment Installation And Access Rights To SUDC Facilities**

**4.11.9.1 Installation of Facilities**

The CAISO and the SUDC shall each have the right on reasonable notice to install or to have installed equipment (including metering equipment) or other facilities on the property of the other, to the extent that such installation is necessary for the installing party to meet its service obligations unless to do so would have a negative impact on the reliability of the service provided by the party owning the property. The CAISO and the SUDC shall enter into agreements governing the installation of such equipment or other facilities containing customary, reasonable terms and conditions.

**4.11.9.2 Access to Facilities**

The SUDCs shall grant, free of charge, the CAISO reasonable access to SUDC facilities for purposes of inspection, repair, maintenance, or upgrading of facilities installed by the CAISO on the SUDC's system, provided that the CAISO must provide reasonable advance notice of its intent to access SUDC facilities and opportunity for SUDC staff to be present. Such access shall not be provided unless the parties mutually agree to the date, time and purpose of each access. Agreement on the terms of the access shall not be unreasonably withheld.

**4.11.9.3 Access During Emergencies**

Notwithstanding any provision in this Section 4.11 the CAISO may have access, without giving prior notice, to any SUDC's equipment or other facilities during times of a System Emergency.

**4.11.9.4 Access For Audit Functions**

Notwithstanding any provision in this Section 4.11 the CAISO may have access, without giving prior notice, to any SUDC's equipment or other facilities where the CAISO has a reasonable basis to believe the SUDC has failed to comply with the SUDC Operating Agreement, applicable CAISO Tariff or CAISO Protocol provisions and access is required to conduct an audit to gather relevant facts.

**4.12 Relationship Of CAISO And Resource-Specific System Resources**

The CAISO shall not accept Bids for any Resource-Specific System Resource otherwise than through a Scheduling Coordinator. The CAISO shall further not be obligated to provide Bid Cost Recovery to any Resource-Specific System Resource unless the relevant Resource-Specific System Resource owner undertakes in writing, by entering into a Resource-Specific System Resource Agreement, to comply with

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all applicable provisions of this CAISO Tariff as they may be amended from time to time, including, without limitation, the applicable provisions of this Section 4.12. Except as otherwise provided in this Section 4.12, Resource-Specific System Resources shall have the same rights and obligations as other System Resources, including the ability to have Bids submitted for either full or partial output from the RSSR, provided that a Bid must be for at least the Minimum Load of the resource in order to be eligible for Bid Cost Recovery.

**4.12.1 General Responsibilities**

**4.12.1.1 Operate Pursuant to Relevant Provisions of CAISO Tariff**

Resource-Specific System Resource owners shall operate, or cause their facilities to be operated, in accordance with the relevant provisions of this CAISO Tariff, including but not limited to the following.

- (i) A Resource-Specific System Resource shall only be eligible for Bid Cost Recovery if the Resource-Specific System Resource has complied with a Start-Up Instruction or Dispatch Instruction issued by the CAISO as specified in Section 11.8.
- (ii) In order to be eligible for Bid Cost Recovery pursuant to Sections 30.4 and 30.5.2.4, a Resource-Specific System Resource owner shall ensure that its Scheduling Coordinator makes an election for Start-Up Costs and Minimum Load Costs.
- (iii) A Resource-Specific System Resource owner shall ensure that any Ancillary Services Bids submitted by its Scheduling Coordinator are submitted in accordance with Section 30.5.2.6.
- (iv) Owners of Dynamic Resource-Specific System Resources that are Resource Adequacy Resources shall comply with additional availability requirements to the extent required by Section 40.6.5.1.
- (v) Each Resource-Specific System Resource owner shall immediately inform the CAISO, through its respective Scheduling Coordinator, of any change or potential change in the current status of any Resource-Specific System Resource that may affect a submitted Bid. This will include, but not be limited to, any change in

status of equipment that could affect the maximum output of a Resource-Specific System Resource, the Minimum Load of a Resource-Specific System Resource, or the ability of a Resource-Specific System Resource to provide Ancillary Services in accordance with its Bid.

- (vi) In the event that a Resource-Specific System Resource owner cannot meet its Generation schedule as specified in the Day-Ahead Schedule, or comply with a Dispatch Instruction, whether due to a Resource-Specific System Resource trip or the loss of a piece of equipment causing a reduction in capacity or output, the Resource-Specific System Resource owner shall notify the CAISO, through its Scheduling Coordinator, at once. If a Resource-Specific System Resource owner will not be able to meet a time commitment or requires the cancellation of a Resource-Specific System Resource Start-Up, it shall notify the CAISO, through its Scheduling Coordinator, at once.

#### **4.12.1.2 Operate Pursuant to Relevant Operating Procedures**

Resource-Specific System Resource owners shall operate, or cause their Resource-Specific System Resources and associated facilities to be operated, in accordance with the relevant Operating Procedures and Business Practice Manuals established by the CAISO.

#### **4.12.2 Identification Of Resource-Specific System Resources**

Each Resource-Specific System Resource owner shall provide data identifying each of its Resource-Specific System Resources and such information regarding the capacity and the operating characteristics of the Resource-Specific System Resource as may be reasonably requested from time to time by the CAISO. All information provided to the CAISO regarding the operation and technical constraints in the Master File shall be accurate and actually based on physical characteristics of the resource. Pursuant to Sections 8.9 and 8.10, the CAISO may verify, inspect and test the capacity and operating characteristics of the resource provided to the CAISO.

#### **4.12.3 Telemetry Data To Demonstrate Compliance**

The Resource-Specific System Resource owner shall provide SCADA data by telemetry to the CAISO EMS at the Resource-Specific System Resource owner's expense in order to demonstrate compliance

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with CAISO Start-Up Instructions in order to be eligible for BCR. Telemetry data from Dynamic Resource-Specific System Resources shall be provided in accordance with the requirements of the CAISO's Dynamic Scheduling Protocol in Appendix X. For Non-Dynamic Resource-Specific System Resources, the Resource-Specific System Resource owner shall have the option of providing the required telemetry data by transmittal directly to the CAISO EMS in accordance with the CAISO's standards for direct telemetry or by means of transmittal to the CAISO EMS through the EMS of its Host Balancing Authority Area by use of the inter-control center communications protocol (ICCP).

**4.12.4 Recordkeeping**

Resource-Specific System Resource owners shall provide to the CAISO such information and maintain such records as are reasonably required by the CAISO to implement the provisions of the CAISO Tariff applicable to Resource-Specific System Resources.

**4.12.5 Access Right**

A Resource-Specific System Resource owner shall, at the request of the CAISO and upon reasonable notice, provide access to its facilities and records (including those relating to communications and telemetry) as necessary to permit the CAISO to perform such testing as is necessary to test the accuracy of any telemetry equipment upon which the Resource-Specific System Resource owner's performance is measured.

**4.13 Demand Response Providers and Proxy Demand Resources**

**4.13.1 Relationship Between CAISO and DRPs**

The CAISO shall only accept Bids for Energy or Ancillary Services, Submissions to Self-Provide Ancillary Services from Proxy Demand Resources, or Submissions of Energy Self-Schedules from Proxy Demand Resources that have provided Submissions to Self-Provide Ancillary Services, if such Proxy Demand Resources are represented by a Demand Response Provider that has entered into a Proxy Demand Resource Agreement with the CAISO, has accurately provided the information required in the Demand Response System, has satisfied all Proxy Demand Resource registration requirements, and has met standards adopted by the CAISO and published on the CAISO Website. The CAISO shall not accept submitted Bids for Energy or Ancillary Services from a Demand Response Provider other than through a

Scheduling Coordinator, which Scheduling Coordinator may be the Demand Response Provider itself or another entity.

#### **4.13.2 Applicable Requirements for PDRs and DRPs**

A single Demand Response Provider must represent each Proxy Demand Resource and may represent more than one (1) Proxy Demand Resource. Each Proxy Demand Resource that is not within a MSS must be associated with a single Load Serving Entity and a single Utility Distribution Company, and each Proxy Demand Resource that is within a MSS must be associated with a single Load Serving Entity. A Demand Response Provider may be, but is not required to be, a Load Serving Entity or a Utility Distribution Company. Each Proxy Demand Resource is required to be located in a single Sub-LAP. All underlying Locations of a Proxy Demand Resource must be located in a single Sub-LAP. The Meter Data for each Proxy Demand Resource will be metered Load data. Each Demand Response Provider is required to satisfy registration requirements and to provide information to allow the CAISO to establish Customer Baselines in accordance with Section 4.13.4 and the applicable Business Practice Manuals. Registration of a Location for participation in Proxy Demand Resources requires the approval of the CAISO resulting from its registration process. As part of the submitted registration process, both the appropriately Demand Response Provider designated Load Serving Entity and Utility Distribution Company will have an opportunity to review the registration Location detail and provide comments with regard to its accuracy. Disputes regarding the acceptances or rejections of a registration of a Location shall be undertaken with the applicable Local Regulatory Authority and shall not be arbitrated or in any way resolved through a CAISO dispute resolution mechanism or process.

#### **4.13.3 Identification of Proxy Demand Resources**

Each Demand Response Provider shall provide data, as described in the Business Practice Manual, identifying each of its Proxy Demand Resources and such information regarding the capacity and the operating characteristics of the Proxy Demand Resource as may be reasonably requested from time to time by the CAISO. All information provided to the CAISO regarding the operational and technical constraints in the Master File shall be accurate and actually based on physical characteristics of the resources.



**4.13.4 Customer Baseline Methodologies for PDRs**

**4.13.4.1 Ten in Ten Non Event Day Selection Method**

For each Proxy Demand Resource, the CAISO will calculate the Customer Baseline as follows:

- (a) The CAISO will collect Meter Data for the Proxy Demand Resource for calendar days preceding the Trading Day on which the Demand response event occurred for which the CAISO is calculating the Customer Baseline. To determine the calendar days for which the Meter Data will be collected, the CAISO will work sequentially backwards from the Trading Day under examination up to a maximum of forty-five (45) calendar days prior to the Trading Day, including only Business Days if the Trading Day is a Business Day, including only non-Business Days if the Trading Day is a non-Business Day, and excluding calendar days on which the Proxy Demand Resource was subject to an Outage or previously provided Demand Response Services (other than capacity awarded for AS or RUC), except as discussed below. The CAISO will stop collecting Meter Data for this purpose if and when it is able to collect Meter Data for its target number of calendar days, which target number is ten (10) calendar days if the Trading Day is a Business Day or four (4) calendar days if the Trading Day is a non-Business Day. If the CAISO is unable to collect Meter Data for its target number of calendar days, it will attempt to collect Meter Data for a minimum of five (5) calendar days if the Trading Day is a Business Day or a minimum of four (4) calendar days if the Trading Day is a non-Business Day. If the CAISO is unable to collect Meter Data for the minimum number of calendar days described above, the CAISO will instead collect Meter Data for the calendar days on which the Proxy Demand Resource previously provided Demand Response Services and for which the amount of totalized load was highest during the hours when the Demand Response Services were provided.
- (b) The CAISO will calculate the simple hourly average of the collected Meter Data to determine a baseline amount of Energy provided by the Proxy Demand Resource.
- (c) Unless otherwise requested by the Demand Response Provider and approved by the CAISO, the CAISO will multiply the amount calculated pursuant to Section 4.13.4.1(b) by

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a percentage equal to the ratio of (i) the average load of the Proxy Demand Resource during the second, third, and fourth hours preceding the hour of the Trading Day on which the Proxy Demand Resource provided the Demand Response Services during the Demand response event to (ii) the average load of the Proxy Demand Resource during the same second, third, and fourth hours of the calendar days for which the CAISO has collected Meter Data pursuant to Section 4.13.4.1(a). The percentage can have a maximum value of one hundred-twenty (120) percent and a minimum value of eighty (80) percent.

**4.14 Relationship Between the CAISO and CBEs**

Only entities that satisfy all of the requirements specified in this Section 4.14 will be certified by the CAISO to be Convergence Bidding Entities and thus be authorized by the CAISO to submit Virtual Bids. A Convergence Bidding Entity may submit Virtual Bids only through a Scheduling Coordinator, which can be either the Convergence Bidding Entity itself or another entity that is a Scheduling Coordinator. A Convergence Bidding Entity may be represented by only one Scheduling Coordinator at any given time.

**4.14.1 Procedure to Become a Convergence Bidding Entity**

**4.14.1.1 Convergence Bidding Entity Application**

To become a Convergence Bidding Entity, a Convergence Bidding Entity applicant must submit a completed written application, as provided in the applicable form posted on the CAISO Website, to the CAISO by mail or in person.

**4.14.1.2 CAISO Information**

The CAISO will provide the following information, in its most current form, on the CAISO Website and, upon request by a Convergence Bidding Entity applicant, the CAISO will send the requested information by electronic mail:

- (a) the Convergence Bidding Entity application form; and
- (b) the CAISO Tariff and Business Practice Manuals.

**4.14.1.3 Convergence Bidding Entity Applicant Submits Application**

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At least sixty (60) Business Days before the date on or after which the Convergence Bidding Entity applicant proposes to start submitting Virtual Bids, the Convergence Bidding Entity applicant must return a completed application form.

**4.14.1.4 Notice of Receipt**

Within three (3) Business Days of receiving the application, the CAISO will send written notification to the Convergence Bidding Entity applicant that it has received the application.

**4.14.1.5 CAISO Review of Application**

Within ten (10) Business Days after receiving an application, the CAISO will notify the Convergence Bidding Entity applicant whether the Convergence Bidding Entity applicant has submitted all necessary information as set forth in Section 4.14.1.

**4.14.1.5.1 Information Requirements**

The Convergence Bidding Entity applicant must submit with its application:

- (a) the proposed date on or after which the Convergence Bidding Entity applicant proposes to start submitting Virtual Bids, which may not be less than sixty (60) Business Days after the date the application was filed, unless waived by the CAISO;
- (b) an explanation of whether the Convergence Bidding Entity applicant is a Rated or Unrated Public/Private Corporation, a Rated or Unrated Governmental Entity, a Local Publicly Owned Electric Utility, or another type of entity, and a chart, or equivalent information, depicting the Convergence Bidding Entity applicant's corporate structure, including all parent companies of the Convergence Bidding Entity applicant, all subsidiaries of the Convergence Bidding Entity applicant, and all Affiliates of the Convergence Bidding Entity applicant that meet the requirements of Section 4.14.2.1; and
- (c) the name of the Scheduling Coordinator and SCID(s) that the Convergence Bidding Entity anticipates will be used for submitting Virtual Bids on behalf of the Convergence Bidding Entity.

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Additional instructions for completing the foregoing requirements will be set forth in the applicable Business Practice Manual(s) posted on the CAISO Website.

**4.14.1.6 Deficient Application**

In the event that the CAISO determines that the application is deficient, the CAISO will send an electronic notification of the deficiency to the Convergence Bidding Entity applicant within ten (10) Business Days of receipt by the CAISO of the application explaining the deficiency and requesting additional information.

**4.14.1.6.1 Additional Information**

Once the CAISO requests additional information, the Convergence Bidding Entity applicant has five (5) Business Days, or such longer period as the CAISO may agree not to exceed five (5) additional Business Days, to provide the additional material requested by the CAISO.

**4.14.1.6.2 No Response from Convergence Bidding Entity Applicant**

If the Convergence Bidding Entity applicant does not submit additional information within five (5) Business Days or the longer period referred to in Section 4.14.1.6.1, the application may be rejected by the CAISO.

**4.14.1.7 CAISO Approval or Rejection of an Application**

**4.14.1.7.1 Approval or Rejection Notification**

- (a) If the CAISO approves the application, it will send a written notification of approval. In addition, the CAISO will provide an executable Convergence Bidding Entity Agreement.
- (b) If the CAISO rejects the application, the CAISO will send an electronic notification of rejection stating one or more of the following grounds:
  - (i) incomplete information; or
  - (ii) non-compliance with any other CAISO Tariff requirements.

Upon request, the CAISO will provide guidance as to how the Convergence Bidding Entity applicant can cure the grounds for the rejection.

**4.14.1.7.2 Time for Processing Application**

The CAISO will make a decision whether to accept or reject the application within ten (10) Business Days of receipt of the application. If more information is requested, the CAISO will make a final decision within ten (10) Business Days of the receipt of all outstanding or additional information requested.

**4.14.1.8 Convergence Bidding Entity Applicant's Response**

**4.14.1.8.1 Convergence Bidding Entity Applicant's Acceptance**

If the CAISO accepts the application, the Convergence Bidding Entity applicant must return the partially executed Convergence Bidding Entity Agreement previously provided by the CAISO.

**4.14.1.8.2 Convergence Bidding Entity Applicant's Rejection**

**4.14.1.8.2.1 Resubmittal**

If the CAISO rejects the application, the Convergence Bidding Entity applicant may resubmit its application at any time.

**4.14.1.8.2.2 Appeal**

The Convergence Bidding Entity applicant may also appeal the rejection of an application by the CAISO. An appeal must be submitted within twenty (20) Business Days following the CAISO's issuance of a notification of rejection.

**4.14.1.9 Final Certification**

The Convergence Bidding Entity applicant will become a Convergence Bidding Entity when:

- (a) its application has been accepted;
- (b) it has entered into a Convergence Bidding Entity Agreement and any other applicable agreements with the CAISO; and
- (c) it has fulfilled all requirements of Section 4.14.1.5.1.

The CAISO will not certify a Convergence Bidding Entity applicant as a Convergence Bidding Entity until the Convergence Bidding Entity applicant has completed all the above-referenced requirements to the CAISO's satisfaction, at least ten (10) Business Days before the commencement of service.

**4.14.2 Convergence Bidding Entity's Ongoing Obligations**

**4.14.2.1 Affiliate Disclosure Requirements**

Each Convergence Bidding Entity applicant will notify the CAISO of any Affiliate that is a Market Participant, any Affiliate that participates in an organized electricity market in North America, and any guarantor of any such Affiliate. Upon request, a Convergence Bidding Entity applicant will provide the CAISO with information on each such Affiliate, including information concerning the ownership structure

of such Affiliate and the business purpose of such Affiliate. These requirements will continue to apply after a Convergence Bidding Entity applicant becomes a Convergence Bidding Entity.

**4.14.2.2 Obligation to Report a Change in Filed Information**

Each Convergence Bidding Entity has an ongoing obligation to inform the CAISO of any changes to any of the information submitted by it to the CAISO as part of the application process, including but not limited to any changes to such information after the application is initially submitted, any changes to the additional information requested by the CAISO, and changes regarding its Affiliates that satisfy the requirements of Section 4.14.2.1, within five (5) Business Days of when each such change occurs. The applicable Business Practice Manual sets forth the procedures for changing the Convergence Bidding Entity's information.

**4.14.2.3 Identification of SCIDs**

Each Convergence Bidding Entity will provide the CAISO with a list of the SCIDs that the Scheduling Coordinator that represents the Convergence Bidding Entity will use to submit Virtual Bids for that Convergence Bidding Entity, at least eleven (11) Business Days prior to the Scheduling Coordinator's submission of a Virtual Bid on behalf of the Convergence Bidding Entity. If there is a subsequent change to the list of the SCIDs that the Scheduling Coordinator will use to submit Virtual Bids on behalf of the Convergence Bidding Entity or the identity of the Scheduling Coordinator that represents the Convergence Bidding Entity, the Convergence Bidding Entity will provide the CAISO with an updated list of SCIDs that the Scheduling Coordinator that represents the Convergence Bidding Entity will use to submit Virtual Bids on behalf of the Convergence Bidding Entity, at least eleven (11) Business Days prior to the Scheduling Coordinator's submittal of a Virtual Bid involving a Convergence Bidding Entity and/or SCID not already included in the most recent list provided to the CAISO. The identification of the Scheduling Coordinator and list of SCIDs provided by the Convergence Bidding Entity and the list of SCIDs provided by the Scheduling Coordinator regarding that Convergence Bidding Entity pursuant to Section 4.5.2.2 must correspond. In the event these lists do not correspond, the CAISO will inform the applicable Scheduling Coordinator and Convergence Bidding Entity, and the parties will provide revised lists that correspond prior to the Scheduling Coordinator's submission of a Virtual Bid on behalf of that Convergence Bidding Entity. The CAISO will incorporate the information provided pursuant to this

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Section 4.14.2.3 into the CAISO's official list of the Scheduling Coordinators that are eligible to submit Virtual Bids on behalf of Convergence Bidding Entities and the SCIDs used on their behalf will be incorporated into the Master File within eleven (11) Business Days after the CAISO determines that the information in each list, updated list, or revised list provided by a Scheduling Coordinator or Convergence Bidding Entity is accurate and complete.

**4.14.2.4 Failure to Promptly Report a Material Change**

If a Convergence Bidding Entity fails to inform the CAISO of a material change in its information provided to the CAISO, the CAISO may limit, suspend, or terminate the Convergence Bidding Entity's rights under the CAISO Tariff and terminate the Convergence Bidding Entity Agreement in accordance with the terms of Sections 4.14.3, 12, and 39.11.2. If the CAISO intends to terminate the Convergence Bidding Entity Agreement, it will file a notice of termination with FERC, if required by FERC rules, in accordance with the terms of the Convergence Bidding Entity Agreement. Such termination will be effective upon acceptance by FERC of a notice of termination, if required by FERC rules, or as otherwise permitted by FERC rules.

**4.14.3 Termination of a Convergence Bidding Entity Agreement**

- (a) A Convergence Bidding Entity Agreement may be terminated by the CAISO on written notice to the Convergence Bidding Entity in accordance with the terms of the Convergence Bidding Entity Agreement:
  - (i) if the Convergence Bidding Entity no longer meets the requirements for eligibility set out in Section 4.14 and fails to remedy the default within a period of seven (7) Business Days after the CAISO has given written notice of the default;
  - (ii) if the Scheduling Coordinator that represents the Convergence Bidding Entity fails to pay any sum under this CAISO Tariff and fails to remedy the default within a period of five (5) Business Days after the CAISO has given written notice of the default; or
  - (iii) if the Convergence Bidding Entity commits any other default under this CAISO Tariff or any of the Business Practice Manuals which, if capable

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of being remedied, is not remedied within thirty (30) days after the  
CAISO has given it written notice of the default.

- (b) The Convergence Bidding Entity may terminate the Convergence Bidding Entity Agreement in accordance with the provisions of that agreement.
- (c) Upon termination of the Convergence Bidding Entity Agreement, the Scheduling Coordinator that represents the Convergence Bidding Entity will continue to be liable for any outstanding financial or other obligations incurred under the CAISO Tariff as a result of the Convergence Bidding Entity's status as a Convergence Bidding Entity.
- (d) The CAISO will, following termination of a Convergence Bidding Entity Agreement and within thirty (30) days of being satisfied that no sums remain owing by the Scheduling Coordinator that represents the Convergence Bidding Entity under the CAISO Tariff, return or release to the Scheduling Coordinator, as appropriate, any Financial Security support provided by such Scheduling Coordinator to the CAISO under Section 12.

**5. [NOT USED]**

**6. Communications**

**6.1 Methods Of Communications**

**6.1.1 Full-Time Communications Facility Requirement**

Each Scheduling Coordinator, Utility Distribution Company, Participating TO, Participating Generator, Balancing Authority (to the extent the agreement between the Balancing Authority and the CAISO so provides), and MSS Operator must provide a communications facility manned twenty-four (24) hours a day, seven (7) days a week capable of receiving Dispatch Instructions issued by the CAISO.

**6.1.2 Information Transfer From Scheduling Coordinator To CAISO**

Unless otherwise agreed by the CAISO, Scheduling Coordinators who wish to submit Bids into CAISO Markets for Energy or Ancillary Services to the CAISO must submit the information to the CAISO's secure communication system. Scheduling Coordinators that wish to submit Dynamic Schedules or Bids for



Ancillary Services to the CAISO must also comply with the applicable requirements of Sections 4.5.4.3, 8.4.5 and 8.4.7.2.1.

**6.1.3 Submitting Information To The Secure Communication System**

For Scheduling Coordinators submitting information to the CAISO's secure communication system, each such Scheduling Coordinator shall establish a network connection with the CAISO's secure communication system. Link initialization procedures shall be necessary to establish a connection to the CAISO's secure communication system. In order to log in, each Scheduling Coordinator will be furnished a digital certificate by the CAISO.

**6.1.3.1** The CAISO will make available data templates and validation rules information that provides a description of the templates which will be utilized to enter data into the CAISO's secure communication system.

**6.1.4 Information Transfer From CAISO To Scheduling Coordinator**

Unless otherwise agreed between a Scheduling Coordinator and the CAISO, the CAISO shall furnish scheduling information to Scheduling Coordinators by electronic transfer as described in Section 6. If electronic data transfer is not available, the information may be furnished by facsimile. If it is not possible to communicate with the Scheduling Coordinator using the primary means of communication, an alternate means of communication shall be selected by the CAISO.

**6.1.5 Information To Be Provided By Connected Entities To CAISO**

Each Connected Entity shall provide to the CAISO:

- (a) A single and an alternative telephone number and a single and an alternative facsimile number by which the CAISO may contact twenty-four (24) hours a day a representative of the Connected Entity in, or in relation to, a System Emergency; and
- (b) The names or titles of the Connected Entity's representatives who may be contacted at such telephone and facsimile numbers.

**6.1.5.1** Each representative specified pursuant to this Section 6.1.5 shall be a person having appropriate experience, qualification, authority, responsibility and accountability within the Connected Entity to act as the primary contact for the CAISO in the event of a System Emergency.

**6.1.5.2** The details required under this Section 6.1.5 shall at all times be maintained up to date and the Connected Entity shall notify the CAISO of any changes promptly and as far in advance as possible.

## **6.2 CAISO'S Secure Communication System**

### **6.2.1 Scheduling Coordinators**

**6.2.1.1** Scheduling Coordinators shall arrange access to the CAISO's secure communication system.

Scheduling Coordinators shall maintain a secure electronic communication system for receiving Dispatch Instructions that is approved by the CAISO.

**6.2.1.2** Details of the technical aspects of the CAISO's secure communication system, including information on how to change mechanisms and back-up procedures for individual Scheduling Coordinator failures, will be made available by the CAISO to Scheduling Coordinators on request. It is assumed that each Scheduling Coordinator has made application for and signed a Scheduling Coordinator Agreement. As such, each Scheduling Coordinator will already be familiar with and have arranged the mechanism, including security arrangements, by which it will initially communicate with the CAISO.

#### **6.2.1.3 Individually Assigned Login Accounts**

The CAISO will provide an interface for data exchange between the CAISO and Scheduling Coordinators who shall each have individually assigned login accounts via digital certificates. Through the use of the security provisions of CAISO's secure communication system, data will be provided by the CAISO to Scheduling Coordinators on a confidential basis (such as Day-Ahead Schedules for individual Scheduling Coordinators). Other CAISO data that is not confidential (such as CAISO Demand Forecasts) will be published on the public access reporting system of the CAISO Website and be available to anyone.

#### **6.2.1.4 Failure or Corruption of the CAISO's Secure Communication System**

The CAISO shall, in consultation with Scheduling Coordinators, make provision for procedures to be implemented in the event of a total or partial failure of the CAISO's secure communication system or the material corruption of data on the CAISO's secure communication system. The CAISO shall ensure that such alternative communications systems are tested periodically.

#### **6.2.1.5 Confidentiality**

All information posted on the CAISO's secure communication system shall be subject to the confidentiality obligations contained in Section 20.

**6.2.1.6 Standards of Conduct**

The CAISO and all Market Participants shall comply with their obligations, to the extent applicable, under the standards of conduct set out in 18 C.F.R. §37.

**6.2.2 Public Market Information**

**6.2.2.1 Non-Discriminatory Access to Information**

The CAISO shall provide non-discriminatory access to information concerning the status of the CAISO Controlled Grid or facilities that affect the CAISO Controlled Grid by posting that information on the CAISO Website, or other similar computer communications device, or by telephone or facsimile in the event of computer systems failure.

**6.2.2.2 Open Access Same-Time Information System**

The CAISO shall provide a public access information reporting system, Open Access Same-Time Information System (OASIS), to deliver market operations and grid management information to accommodate users other than Market Participants. OASIS will be accessible to the public via a link on the CAISO Website.

**6.3 Communication Of Dispatch Instructions**

Normal verbal and electronic communication of Dispatch Instructions between the CAISO and Generators, Participating Loads, or Demand Response Providers will be via the relevant Scheduling Coordinator.

**6.3.1 SC Responsibility For Communications To Generator Or Load**

Each Scheduling Coordinator must immediately pass on to the Generator, Participating Load, or Demand Response Provider concerned any communication for the Generator, Participating Load, or Demand Response Provider which it receives from the CAISO.

Communication delays by the Scheduling Coordinator may result in Uninstructed Deviation Penalties or other adjustments pursuant to this CAISO Tariff. The CAISO may, with the prior permission of the Scheduling Coordinator concerned, communicate with and give Dispatch Instructions to the operators of Generating Units, Participating Loads, and to Demand Response Providers, directly without having to communicate through their appointed Scheduling Coordinator. In situations of deteriorating system

conditions or emergency, the CAISO reserves the right to communicate directly with the Generator(s) and Demand Response Providers as required to ensure System Reliability.

### **6.3.2 Recording Of Dispatch Instructions**

The CAISO shall maintain records of all electronic, fax and verbal communications related to a Dispatch Instruction. The CAISO shall maintain a paper or electronic copy of all Dispatch Instructions delivered by fax and all Dispatch Instructions delivered electronically. The CAISO shall record all voice conversations that occur related to Dispatch Instructions on the Dispatch Instruction communication equipment. These records, copies and recordings may be used by the CAISO to audit the Dispatch Instruction, and to verify the response of the Market Participant concerned to the Dispatch Instruction.

### **6.3.3 Contents Of Dispatch Instructions**

Dispatch Instructions shall include, but are not limited to, the following information:

- (a) specific resource being dispatched;
- (b) specific MW value of the resource being dispatched;
- (c) specific type of instruction (action required);
- (d) time the resource is required to begin initiating the Dispatch Instruction;
- (e) time the resource is required to achieve the Dispatch Instruction;
- (f) time of notification of the Dispatch Instruction; and
- (g) any other information which the CAISO considers relevant.

### **6.4 Communication Of Operating Orders**

The CAISO shall use normal verbal and electronic communication to issue operating orders to the Connected Entity.

### **6.5 CAISO Communications**

The CAISO will provide a secure communication system to publish confidential information and communicate with Scheduling Coordinators, and OASIS to publish public information. All prices released by the CAISO either as published on its Open Access Same-Time Information System (OASIS) or provision of prices directly to Market Participants are subject to price corrections and changes pursuant to Section 35.

**6.5.1 Communication With Market And CRR Participants And Public**

**6.5.1.1 Market Participants With Non-Disclosure Agreements**

**6.5.1.1.1** Annually, the CAISO shall provide information that will include, but is not limited to, the following:

- (a) CRR Full Network Model;
- (b) Transmission Constraints and Transmission Interface definitions;
- (c) Load Distribution Factors for each CRR Allocation and CRR Auction that is published prior to the CRR Allocation and CRR Auction; and
- (d) Nominations and/or parameters to be used for modeling in each annual CRR Allocation and CRR Auction processes: Transmission Ownership Rights, Existing Contracts and Converted Rights expected usage, and Merchant Transmission CRRs.

**6.5.1.1.2** Monthly, the CAISO shall provide information that will include, but is not limited to, the following:

- (a) CRR Full Network Model;
- (b) Transmission Constraints and Transmission Interface definitions;
- (c) Load Distribution Factors for each CRR Allocation and CRR Auction that is published prior to the CRR Allocation or CRR Auction; and
- (d) Nominations and/or parameters to be used for modeling in each monthly CRR Allocation and CRR Auction processes: Transmission Ownership Rights, Existing Contracts and Converted Rights expected usage, and Merchant Transmission CRRs.

**6.5.1.2 CRR Participants Without Non-Disclosure Agreements**

**6.5.1.2.1** Annually, the CAISO shall provide CRR information specific to that CRR Holder or Candidate CRR Holder as it relates to participation in the annual CRR Allocation or CRR Auction.

**6.5.1.2.2** Monthly, the CAISO shall provide CRR information specific to that CRR Holder or Candidate CRR Holder as it relates to participation in the monthly CRR Allocation or CRR Auction.

**6.5.1.3 Public Market Information**

**6.5.1.3.1** Annually, the CAISO shall publish the following information including, but not limited to:

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- (a) Market Clearing Prices for all Aggregated PNodes used in the CRR Auction clearing for on-peak and off-peak;
- (b) CRR Holdings by CRR Holder (including):
  - (i) CRR Source name(s);
  - (ii) CRR Sink name(s);
  - (iii) CRR quantity (MW) for each CRR Source(s) and CRR Sink(s);
  - (iv) CRR start and end dates;
  - (v) Time of use specifications for the CRR(s); and
  - (vi) Whether the CRR is a CRR Option or CRR Obligation.

**6.5.1.3.2** Monthly, the CAISO shall publish the following information including, but not limited to:

- (a) Market Clearing Prices for all Aggregated PNodes used in the CRR Auction clearing for on-peak and off-peak;
- (b) CRR Holdings by CRR Holder (including):
  - (i) CRR Source name(s);
  - (ii) CRR Sink name(s);
  - (iii) CRR quantity (MW) for each CRR Source(s) and CRR Sink(s);
  - (iv) CRR start and end dates;
  - (v) Time of use specifications for the CRR(s); and
  - (vi) Whether the CRR is a CRR Option or a CRR Obligation.

**6.5.1.3.3** Seasonally, the CAISO shall publish the following information including, but not limited to:

- (a) Set of LDFs that represent typical seasonal on-peak and off-peak values, not used for Settlements, before the new season.

**6.5.1.4 Requirements to Obtain the CRR Full Network Model**

To permit participants to review and use the Confidential Information disclosed by the CAISO solely in connection with review and analysis of the CAISO Markets, the CAISO shall distribute the CRR Full Network Model only to those Market Participants and non-Market Participants that satisfy the following requirements and the related procedures set forth in the Business Practice Manual.

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- (a) A Market Participant that is a member of the WECC and that requests the CRR Full Network Model: (i) shall execute the Non-Disclosure Agreement for CRR Full Network Model Distribution that is posted on the CAISO Website and (ii) shall provide to the CAISO a non-disclosure statement, the form of which is attached as an exhibit to the Non-Disclosure Agreement executed by the Market Participant, executed by each employee and consultant of the Market Participant who will have access to the CRR Full Network Model.
- (b) A Market Participant that is not a member of the WECC and that requests the CRR Full Network Model: (i) shall execute the Non-Disclosure Agreement for CRR Full Network Model Distribution that is posted on the CAISO Website, (ii) shall provide to the CAISO a fully executed WECC Non-Member Confidentiality Agreement for WECC Data, and (iii) shall provide to the CAISO a non-disclosure statement, the form of which is attached as an exhibit to the Non-Disclosure Agreement executed by the Market Participant, executed by each employee and consultant of the Market Participant who will have access to the CRR Full Network Model.
- (c) A non-Market Participant that is a member of the WECC and that requests the CRR Full Network Model: (i) shall reasonably demonstrate a legitimate business or governmental interest in the CAISO Markets, (ii) shall execute the Non-Disclosure Agreement for CRR Full Network Model Distribution that is posted on the CAISO Website, and (iii) shall provide to the CAISO a non-disclosure statement, the form of which is attached as an exhibit to the Non-Disclosure Agreement executed by the non-Market Participant, executed by each employee and consultant of the non-Market Participant who will have access to the CRR Full Network Model.
- (d) A non-Market Participant that is not a member of the WECC and that requests the CRR Full Network Model: (i) shall reasonably demonstrate a legitimate business or governmental interest in the CAISO Markets, (ii) shall execute the

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Non-Disclosure Agreement for CRR Full Network Model Distribution that is posted on the CAISO Website, (iii) shall provide to the CAISO a fully executed WECC Non-Member Confidentiality Agreement for WECC Data, and (iv) shall provide to the CAISO a non-disclosure statement, the form of which is attached as an exhibit to the Non-Disclosure Agreement executed by the non-Market Participant, executed by each employee and consultant of the non-Market Participant who will have access to the CRR Full Network Model.

**6.5.1.5 Non-Disclosure Agreement**

The CAISO's Non-Disclosure Agreement for CRR Full Network Model Distribution shall be posted on the CAISO Website. This Non-Disclosure Agreement shall provide for the CAISO to receive the costs of litigation, including attorneys' fees, related to the Non-Disclosure Agreement if the CAISO prevails in litigation. Recipients of the CRR Full Network Model may use the CRR Full Network Model and related studies in pleadings to the FERC provided they request confidential treatment of all information subject to the Non-Disclosure Agreement.

**6.5.1.6 Obligation to Report Violations of Section 6.5.1.4**

Each Market Participant, non-Market Participant, employee of a Market Participant, employee of a non-Market Participant, consultant, and employee of a consultant to whom the CAISO distributes the CRR Full Network Model shall be obligated to immediately report to the CAISO any violation of the requirements of Section 6.5.1.4.

**6.5.2 Communications Prior To The Day-Ahead Market**

**6.5.2.1 Communications Regarding the State of the CAISO Controlled Grid**

The CAISO shall use OASIS to provide public information to Market Participants regarding the CAISO Controlled Grid or facilities that affect the CAISO Controlled Grid. Such information may include but is not limited to:

- (a) Future planned Outages of transmission facilities;
- (b) Operating Transfer Capability (OTC); and
- (c) Available Transfer Capability (ATC) for WECC paths and Transmission Interfaces with external Balancing Authority Areas.



**6.5.2.2 Communications With Scheduling Coordinators**

**6.5.2.2.1 Bid Adder Eligibility**

**6.5.2.2.1.1** By the 20th of each month, the CAISO will notify Scheduling Coordinators of Bid Adder eligibility, applicable Bid Adder value for the following month, and Frequently Mitigated Units that are eligible for a Bid Adder.

**6.5.2.2.1.2** Scheduling Coordinators shall have one week to review Bid Adder information and provide comment back to the CAISO by the 27th of each month.

**6.5.2.2.2 Day-Ahead Market Bid Submittal**

Seven (7) days prior to any Trading Day, Scheduling Coordinators can begin submitting Bids for the DAM for that Trading Day

**6.5.2.3 Public Market Information**

**6.5.2.3.1 Demand Forecasts**

**6.5.2.3.1.1** Beginning seven (7) days prior to the target Day-Ahead Market, and updated as necessary, the CAISO will publish the CAISO Forecast of CAISO Demand.

**6.5.2.3.1.2** By 6:00 p.m. the day prior to the target Day-Ahead Market, the CAISO will publish the updated CAISO Forecast of CAISO Demand.

**6.5.2.3.2 Network and System Conditions**

By 6:00 p.m. the day prior to the target Day-Ahead Market, the CAISO will publish known network and system conditions, including but not limited to OTC and ATC, the total capacity of inter-Balancing Authority Area Transmission Interfaces, and the available capacity.

**6.5.2.3.3 Ancillary Services Requirements**

By 6:00 p.m. the day prior to the target Day-Ahead Market, the CAISO will publish forecasted Ancillary Services requirements and regional constraints by AS Region.

**6.5.2.3.4 Gas Price Indices**

The CAISO will publish relevant gas price indices when available.

**6.5.2.3.5 Extremely Long-Start Unit Commitment**

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The CAISO will communicate commitment instructions to Scheduling Coordinators for Extremely Long-Start Resources by 3:00 p.m. two (2) days in advance of the Operating Day through a secure communication system.

**6.5.2.3.6 Virtual Bid Reference Prices**

The CAISO will publish Virtual Bid Reference Prices prior to the applicable reference period for the Virtual Bid Reference Prices.

**6.5.3 Day-Ahead Market Communications**

**6.5.3.1 Communications With Scheduling Coordinators**

**6.5.3.1.1** Prior to 6:00 a.m., the CAISO will continuously screen Inter-SC Trades of Energy for the DAM submitted by Scheduling Coordinators and will provide feedback to the Scheduling Coordinators about the consistency and validity of these Inter-SC Trades based on information available to the CAISO.

**6.5.3.1.2** Between 6:00 a.m. and the end of the Day-Ahead Inter-SC Trade Period, the CAISO performs the validation of Inter-SC Trades of Energy for the DAM and will notify the participants of the status of these Inter-SC Trades.

**6.5.3.1.3** Between 5:00 a.m. and 10:00 a.m., the CAISO will provide feedback to Scheduling Coordinators about their validated ETC and TOR quantities, and calculated Default Energy Bids curves provided by Independent Entities, and in addition, the RMR Proxy Bids for Energy and the Minimum Load and Start-Up Cost Bid curves for RMR Units, as provided by Independent Entities.

**6.5.3.1.4** After the close of the DAM bidding at 10:00 a.m., the CAISO will send a message to the Scheduling Coordinators regarding the outcome of the Bid validation.

**6.5.3.1.5** By 1:00 p.m., the CAISO will publish the result of the DAM and the resource will be flagged if it is being dispatched under its RMR Contract. Any such Dispatch shall be deemed an RMR Dispatch Notice under the RMR Contract.

**6.5.3.1.6** After the results of the DAM are published by 1:00 p.m., the CAISO performs the Inter-SC Trade of Energy post-market validation and communicates the results back to the applicable Scheduling Coordinator.

**6.5.3.1.7** The results of the Day-Ahead Market will be published by 1:00 p.m. and will include:

- (a) Unit Commitment status for resources committed in the IFM;

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- (b) Day-Ahead Schedules and prices;
- (c) Day-Ahead AS Awards and prices;
- (d) RUC Awards and RUC Capacity and resource-specific RUC Prices;
- (e) RUC Start-Up Instructions;
- (f) Start-Up Instructions resulting from the ELC Process;
- (g) Post-market summary of Day-Ahead and Real-Time Energy Schedules, Ancillary Service Awards, RMR Dispatches, and CCR results of RMR Units;
- (h) Day-Ahead final resource Bid mitigation results; and
- (i) Day-Ahead finally qualified Load following capacity.

**6.5.3.1.8** All Expected Energy results will be published at one (1) day after the Trading Day and will include post-market Energy accounting results for Settlement calculations.

**6.5.3.2 Public Market Information**

**6.5.3.2.1** Before 10:00 a.m. one (1) day before the Operating Day the CAISO will publish updated Outage information regarding the transmission system on OASIS. The updated Outage information will include planned and actual Outage events per Transmission Interface, including Outage description, Outage start time and end time, and rating of the curtailed line.

**6.5.3.2.2** The results of the Day-Ahead Market will be published on OASIS by 1:00 p.m. and will include:

- (a) Total Day-Ahead Schedules (MWh) for total Supply and Demand by TAC Area and for the entire CAISO Balancing Authority Area;
- (b) Total Day-Ahead Schedules (MWh) of imports and exports by Transmission Interface;
- (c) Total Day-Ahead AS Awards by AS Region and AS type;
- (d) RUC Prices by PNode and APNodes, RUC Forecast Demand for each RUC Zone, hourly RUC Capacity from Generation, and hourly RUC Capacity from imports for each TAC Area and the entire CAISO Balancing Authority Area;
- (e) Day-Ahead LMP for Energy for each PNode and APNode, including the Energy, MCC and MCL components;
- (f) Day-Ahead ASMP by AS Region and AS type;

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- (g) Day-Ahead mitigation indicator;
- (h) CAISO Forecast of CAISO Demand for each TAC Area and the entire CAISO Balancing Authority Area;
- (i) Shadow Prices of binding Transmission Constraints and an indication of whether the Transmission Constraints were binding because of the base operating conditions or a Contingency, and if caused by a Contingency, the identity of the specific Contingency; and
- (j) Total Day-Ahead system Marginal Losses in MWh and Marginal Cost of Losses for each Trading Hour of the next Trading Day.

**6.5.3.2.3** After the results of the Day-Ahead Market are published pursuant to Section 6.5.3.2.2, the CAISO will publish on OASIS a daily market report that includes a summary of aggregate information regarding MWh and dollar amounts of submitted and cleared physical quantities and Virtual Awards.

**6.5.3.3 Communications with Market Participants**

After the results of the Day-Ahead Market are posted, the CAISO will provide to parties that have signed a Non-Disclosure Agreement in accordance with Section 6.5.3.3.1, the daily post-Day-Ahead Market Transmission Constraints Enforcement List, which consists of the list of Transmission Constraints, including Contingencies and Nomograms that are enforced and not enforced in that day's Day-Ahead Market. Subsequently and prior to the next Day-Ahead Market, the CAISO will provide to parties the pre-Day-Ahead Market Transmission Constraints Enforcement List, which consists of the daily list of information for the Transmission Constraints, including Contingencies and Nomograms, the CAISO plans to enforce or not enforce for the next day's Day-Ahead Market. To the extent that the CAISO does not make either of these two reports available on any given Operating Day, the CAISO will instead provide only the list of Transmission Constraints, including Contingencies and Nomograms, that were enforced or not enforced for the applicable Day-Ahead Market within the next thirty (30) days, after which the information will not be provided.

**6.5.3.3.1 Requirements to Obtain the Transmission Constraints Enforcement Lists**

The CAISO shall provide the Transmission Constraints Enforcement Lists only to those Market Participants and non-Market Participants that satisfy the following requirements.

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- (a) To obtain access to the Transmission Constraints Enforcement Lists, a Market Participant that is a member of the WECC that requests the Transmission Constraints Enforcement Lists must: (i) execute and submit to the CAISO the Non-Disclosure Agreement for Transmission Constraints Enforcement Lists that is posted on the CAISO Website; and (ii) provide to the CAISO a non-disclosure statement, the form of which is attached as an exhibit to the Non-Disclosure Agreement executed by the Market Participant, executed by each employee and consultant of the Market Participant who will have access to the Transmission Constraints Enforcement Lists.
- (b) To obtain access to the Transmission Constraints Enforcement Lists, a Market Participant that is not a member of the WECC that requests the Transmission Constraints Enforcement Lists must: (i) execute and submit to the CAISO the Non-Disclosure Agreement for Transmission Constraints Enforcement Lists that is posted on the CAISO Website, (ii) provide to the CAISO a fully executed WECC Non-Member Confidentiality Agreement for WECC Data, and (iii) provide to the CAISO a non-disclosure statement, the form of which is attached as an exhibit to the Non-Disclosure Agreement executed by the non-WECC Market Participant, executed by each employee and consultant of the non-WECC Market Participant who will have access to the Transmission Constraints Enforcement Lists.
- (c) To obtain access to the Transmission Constraints Enforcement Lists a non-Market Participant that is a member of the WECC that requests the Transmission Constraints Enforcement Lists must: (i) reasonably demonstrate a legitimate business or governmental interest in the CAISO Markets, (ii) execute the Non-Disclosure Agreement for Transmission Constraints Enforcement Lists posted on the CAISO Website, and (iii) provide to the CAISO a non-disclosure statement, the form of which is attached as an exhibit to the Non-Disclosure Agreement executed by the non-Market Participant, executed by each employee and

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consultant of the non-Market Participant who will have access to the  
Transmission Constraints Enforcement Lists.

- (d) To obtain access to the Transmission Constraints Enforcement Lists, a non-Market Participant that is not a member of the WECC that requests the Transmission Constraints Enforcement Lists must: (i) reasonably demonstrate a legitimate business or governmental interest in the CAISO Markets, (ii) execute the Non-Disclosure Agreement for Transmission Constraints Enforcement Lists that is posted on the CAISO Website, (iii) provide to the CAISO a fully executed WECC Non-Member Confidentiality Agreement for WECC Data, and (iv) provide to the CAISO a non-disclosure statement, the form of which is attached as an exhibit to the Non-Disclosure Agreement executed by the non-Market Participant, executed by each employee and consultant of the non-Market Participant who will have access to the Transmission Constraints Enforcement Lists.

**6.5.3.3.2      Obligation to Report Violations of Section 6.5.3.3**

Each Market Participant, non-Market Participant, employee of a Market Participant, employee of a non-Market Participant, consultant, and employee of a consultant to whom the CAISO distributes the Transmission Constraints Enforcement Lists shall be obligated to immediately report to the CAISO any violation of the requirements of Section 6.5.3.3.

**6.5.4            HASP Communications**

The HASP opens at 1:00 p.m. the day before the target Operating Day and Scheduling Coordinators can submit Bids into the HASP as of that time.

**6.5.4.1            Communications With Scheduling Coordinators**

**6.5.4.1.1** Before one hundred thirty-five (135) minutes before the Trading Hour, the CAISO will continuously screen Inter-SC Trades of Energy for the HASP, Inter-SC Trades of Ancillary Services, and Inter-SC Trades of IFM Load Uplift Obligations submitted by Scheduling Coordinators and will communicate with the Scheduling Coordinators about the consistency and validity of these Inter-SC Trades based on information available to the CAISO.

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**6.5.4.1.2** Between one hundred thirty-five (135) minutes before the Trading Hour and forty-five (45) minutes before the Trading Hour, the CAISO will perform the pre-market validation check for Inter-SC Trades for the HASP and Inter-SC Trades of Ancillary Services and will provide feedback to the Scheduling Coordinators about the validity of these Inter-SC Trades based on information available to the CAISO.

**6.5.4.1.3** At approximately seventy-five (75) minutes before the Trading Hour, the CAISO will send a message to the Scheduling Coordinators regarding the outcome of the Bid validation.

**6.5.4.1.4** In between two hundred seventy (270) minutes before the Trading Hour and the top of the Trading Hour, the CAISO will issue RTM Start-Up Instructions for Short Start Units consistent with the resource's Start-Up Time.

**6.5.4.1.5** No later than forty (40) minutes before the Trading Hour, on an hourly basis, the CAISO will publish via the secure communication system the following:

- (a) HASP Intertie Schedules and LMPs; and
- (b) HASP AS Awards and ASMPs

**6.5.4.1.6** No later than thirty (30) minutes before the Trading Hour, on an hourly basis, the CAISO will publish via the secure communication system the following:

- (a) HASP Advisory Schedules;
- (b) HASP AS Awards; and
- (c) HASP final resource Bid mitigation results.

**6.5.4.1.7** At approximately thirty (30) minutes before the Trading Hour, the CAISO performs the Inter-SC Trade of Energy post-market validation and sends the results back to the applicable Scheduling Coordinators.

**6.5.4.1.8** After thirty (30) minutes before the Trading Hour, on an hourly basis, the CAISO will publish via the secure communication system the following:

- (a) Advisory Resource-Specific Settlement Interval LMPs, and
- (b) Resource-Specific ASMPs.

**6.5.4.2 Public Market Information**

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**6.5.4.2.1** By one hundred five (105) minutes before the Trading Hour the CAISO will publish information regarding Outages on the transmission system on OASIS that will be used for HASP Schedules and Congestion Management.

**6.5.4.2.2** No later than forty (40) minutes before the Trading Hour, on an hourly basis, the CAISO will publish on OASIS the following:

- (a) Total HASP Intertie Schedules for imports and exports by TAC Area and for the entire CAISO Balancing Authority Area;
- (b) HASP Intertie LMPs by PNodes and APNodes;
- (c) HASP advisory LMPs by PNode and APNode;
- (d) HASP Shadow Prices of binding Transmission Constraints and an indication of whether the constraints were binding because of the base operating conditions or contingencies and if caused by a contingency, the identity of the specific contingency; and
- (e) Total HASP system Marginal Losses in MWh for the next Operating Hour.

**6.5.5 Real-Time Market Communications**

The CAISO shall issue Dispatch Instructions to Scheduling Coordinators determined pursuant to the RTM throughout any given day.

**6.5.5.1 Communications with Scheduling Coordinators**

Communications between the CAISO and Scheduling Coordinators shall take place via the CAISO's secure communication system to a dedicated terminal at the Scheduling Coordinator's scheduling center. If there is a failure of electronic communications with a Scheduling Coordinator, then, at the CAISO's discretion, the Scheduling Coordinator may communicate by facsimile. Communication by facsimile requires verbal approval by the CAISO.

**6.5.5.1.1** Every fifteen (15) minutes, the CAISO will communicate via the secure communication system Start-Up and Shut-Down Instructions and Real-Time AS Awards to internal resources.

**6.5.5.1.2** Every five (5) minutes for Target T+10, the CAISO will send Dispatch Instructions via the secure communication system. The Dispatch Instruction will be flagged if a resource is being dispatched under its RMR Contract.



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**6.5.5.2 Public Market Information**

**6.5.5.2.1** Every hour the CAISO shall post via OASIS information regarding the status of the RTM. This information shall include but is not limited to the following:

- (a) Mitigation indicator.

**6.5.5.2.2** Every fifteen (15) minutes the CAISO shall post via OASIS information regarding the status of the RTM. This information shall include but is not limited to the following:

- (a) Total Real-Time AS Awards by AS Region and AS type; and
- (b) Real-Time ASMPs by AS Region and AS type.

**6.5.5.2.3 [NOT USED]**

**6.5.5.2.4** Every five (5) minutes the CAISO shall post via OASIS information regarding the status of the RTM. This information shall include but is not limited to the following:

- (a) CAISO Forecast of CAISO Demand;
- (b) Total Real-Time dispatched Energy and Demand on a 24-hour delayed basis;
- (c) Real-Time Dispatch Interval LMP;
- (d) Real-Time system losses;
- (e) Actual Operating Reserve; and
- (f) The Real-Time shadow price of binding Transmission Constraints and an indication of whether the constraints were binding because of the base operating conditions or contingencies and if caused by a contingency, the identity of the specific contingency.

**6.5.6 Market Bid Information**

**6.5.6.1 Public Market Information**

**6.5.6.1.1 180 Days After Trading Day**

The following information shall be published on OASIS ninety (90) days following the applicable Trading Day, with the exclusion of the information that is specific to Scheduling Coordinators:

- (a) AS market Bids;
- (b) Energy market Bids, including Virtual Bids separately identified as such; and
- (c) RUC market Bids.

**6.5.6.1.2** Within seven (7) days after the Trading Day, the CAISO will publish via OASIS all Start-Up Costs and Minimum Load Costs for CAISO committed resources.

**6.5.7 Monthly Report on Conforming Transmission Constraints**

The CAISO will post on its website a monthly report or incorporate into a monthly report on the degree of adjustments to Transmission Constraints made pursuant to Section 27.5.6. To the extent that in any given month the CAISO does not post on its website such reports, the CAISO will provide the report in the subsequent month. If it is not reasonably feasible to provide such the monthly report two months after the applicable month of the report, the information for the missed month will not be provided.

**6.5.8 Virtual Award Information**

The CAISO will post on OASIS the net cleared quantities of Virtual Awards at each Eligible PNode or Eligible Aggregated PNode by the close of the Real-Time Market for each Trading Day.

**6.5.9 Transmission Flowgate Constraint Information**

The CAISO will post on OASIS all transmission flowgate Constraints with the corresponding Shadow Prices.

**7. System Operations Under Normal And Emergency Conditions**

**7.1 CAISO Control Center Operations**

**7.1.1 Maintain CAISO Control Center**

The CAISO shall maintain a WECC approved Balancing Authority Area and Primary CAISO Control Center to direct the operation of all facilities forming part of the CAISO Controlled Grid, including Reliability Must-Run Units, System Resources, and Generating Units providing Ancillary Services.

**7.1.2 Maintain Back-Up Control Facility**

The CAISO shall maintain back-up control facilities remote from the Primary CAISO Control Center sufficient to enable the CAISO to continue to direct the operation of the CAISO Controlled Grid, Reliability Must-Run Units, System Resources and Generating Units providing Ancillary Services in the event of the Primary CAISO Control Center becoming inoperable. The CAISO may delegate responsibilities to the Backup Control Center in which case the Primary CAISO Control Center shall serve as the back-up control facility for those responsibilities.

**7.1.3 CAISO Control Center Authorities**

The CAISO shall have full authority, subject to this CAISO Tariff, to direct the operation of the facilities referred to in Section 7.1.1 and 7.1.2 including (without limitation), to:

- (a) direct the physical operation by the Participating TOs of transmission facilities under the Operational Control of the CAISO, including (without limitation) circuit breakers, switches, voltage control equipment, protective relays, metering, and Load Shedding equipment;
- (b) commit and dispatch Reliability Must-Run Units, except that the CAISO shall only commit Reliability Must-Run Generation for Ancillary Services capacity according to Section 41;
- (c) order a change in operating status of auxiliary equipment required to control voltage or frequency;
- (d) take any action it considers to be necessary consistent with Good Utility Practice to protect against uncontrolled losses of Load or Generation and/or equipment damage resulting from unforeseen occurrences;
- (e) control the output of Generating Units, Interconnection schedules, and System Resources that are selected to provide Ancillary Services or Energy;
- (f) Dispatch Curtailable Demand and Demand Response Services which have been scheduled to provide Non-Spinning Reserve or Energy from Participating Loads or Proxy Demand Resources;
- (g) procure Energy for a threatened or imminent System Emergency;
- (h) require the operation of resources which are at the CAISO's disposal in a System Emergency, as described in Section 7.7;
- (i) exercise Operational Control of all transmission lines greater than 230kV and associated equipment on the CAISO Controlled Grid;
  - (j) exercise Operation Control of all Interconnections; and
  - (k) exercise Operational Control of all 230kV and lower voltage transmission lines and associated station equipment identified in

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the CAISO Register as that portion of the CAISO Controlled Grid.

The CAISO will exercise its authority under this Section 7.1.3 by issuing Dispatch Instructions to the relevant Market Participants using the relevant communications method described in this CAISO Tariff.

## **7.2 Operating Reliability Criteria**

The CAISO shall exercise Operational Control over the CAISO Controlled Grid in compliance with all Applicable Reliability Criteria and Operating Procedures.

## **7.3 Transmission Planning Authority**

### **7.3.1 Criteria For CAISO's Operational Control**

The CAISO shall exercise Operational Control over the CAISO Controlled Grid to meet planning and Operating Reserve criteria no less stringent than those established by WECC and NERC as those standards may be modified from time to time, and Local Reliability Criteria that are in existence on the CAISO Operations Date and have been submitted to the CAISO by each Participating TO pursuant to Section 2.2.1(v) of the TCA. All Market Participants and the CAISO shall comply with the CAISO Reliability Criteria, standards, and procedures

### **7.3.2 Planning Guidelines; Revision Of Local Reliability Criteria**

The CAISO Governing Board may establish planning guidelines more stringent than those established by NERC and WECC as needed for the secure and reliable operation of the CAISO Controlled Grid. The CAISO may revise the Local Reliability Criteria subject to and in accordance with Section 5 of the TCA.

### **7.3.3 NAESB Standards**

The following standards of the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) are incorporated by reference:

- Business Practices for Open Access Same-Time Information Systems (OASIS), Version 1.5 (WEQ-001, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009) with the exception of Standards 001-0.1, 001-0.9 through 001-0.13, 001-1.0, 001-9.7, 001-14.1.3, 001-15.1.2 and exclusively as to Standards 001-13.1.1, 001-13.1.4, 001-13.1.5, and 001-16.

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- Coordinate Interchange (WEQ-004, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);
- Area Control Error (ACE) Equation Special Cases (WEQ-005, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);
- Manual Time Error Correction (WEQ-006, Version 001, October 31, 2007, with minor corrections applied on Nov. 16, 2007);
- Inadvertent Interchange Payback (WEQ-007, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);
- Gas/Electric Coordination (WEQ-011, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);
- Public Key Infrastructure (PKI) (WEQ-012, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009); and
- Measurement and Verification of Wholesale Electricity Demand Response (WEQ-015, 2008 Annual Plan Item 5(a), March 16, 2009).

The CAISO has applied for a waiver of the following NAESB WEQ standards:

- Business Practices for Open Access Same-Time Information Systems (OASIS), Version 1.5 (WEQ-001, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009) with the exception of Standards 001-0.1, 001-0.9 through 001-0.13, 001-1.0, 001-9.7, 001-14.1.3, 001-15.1.2 and except as set forth above;
- Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communication Protocols, Version 1.5 (WEQ-002, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);
- Open Access Same-Time Information Systems (OASIS) Data Dictionary, Version 1.5 (WEQ-003, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);

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- Transmission Loading Relief – Eastern Interconnection (WEQ-008, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009); and
- Business Practices for Open Access Same-Time Information Systems (OASIS) Implementation Guide, Version 1.5 (WEQ-013, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009).

#### **7.4 General Standard Of Care**

When the CAISO is exercising Operational Control of the CAISO Controlled Grid, the CAISO and Market Participants shall comply with Good Utility Practice.

#### **7.5 Routine Operation Of The CAISO Controlled Grid**

The CAISO shall operate the CAISO Controlled Grid in accordance with the standards described in Section 7.2 and within the limit of all applicable Nomograms and established operating limits and procedures.

##### **7.5.1 CAISO Controlled Facilities**

###### **7.5.1.1 General**

The CAISO shall have Operational Control of all transmission lines and associated station equipment that have been transferred to the CAISO Controlled Grid from the Participating TOs as listed in the CAISO Register.

##### **7.5.2 Clearing Equipment For Work**

The clearance procedures of the CAISO and the relevant UDC and Participating TO must be adhered to by all parties, to ensure the safety of all personnel working on CAISO Controlled Grid transmission lines and equipment. In accordance with Section 9.3, no work shall start on any equipment or line which is under the Operational Control of the CAISO unless final approval has first been obtained from the appropriate CAISO Control Center. Prior to starting the switching to return any line or equipment to service the CAISO shall confirm that all formal requests to work on the cleared line or equipment have been released.

### **7.5.3 Equipment De-Energized For Work**

In some circumstances, System Reliability requirements may require a recall capability that can only be achieved by allowing work to proceed with the line or equipment de-energized only (i.e. not cleared and grounded). Any personnel working on such de-energized lines and equipment must take all precautions as if the line or equipment were energized. Prior to energizing any such lines or equipment de-energized for work, the CAISO shall confirm that all formal requests to work on the de-energized line or equipment have been released.

### **7.5.4 Hot-Line Work**

The CAISO has full authority to approve requests by Participating TOs to work on energized equipment under the Operational Control of the CAISO, and no such work shall be commenced until the CAISO has given its approval.

### **7.5.5 Intertie Switching**

The CAISO and the appropriate single point of contact for the relevant Participating TO and the adjacent Balancing Authority Area shall coordinate during the de-energizing or energizing of any Interconnection.

### **7.5.6 Operating Voltage Control Equipment**

#### **7.5.6.1 Operating Voltage Control Equipment Under CAISO Control**

The CAISO will direct each Participating TO's single point of contact in the operation of voltage control equipment that is under the CAISO's Operational Control.

#### **7.5.6.2 Operating Voltage Control Equipment Under UDC Control**

Each UDC must operate voltage control equipment under UDC control in accordance with existing UDC voltage control guidelines.

#### **7.5.6.3 Special CAISO Voltage Control Requirements**

The CAISO may request a Participating TO via its single point of contact or a UDC via its single point of contact to operate under special voltage control requirements from time to time due to special system conditions.

**7.6 Normal System Operations**

**7.6.1 Actions For Maintaining Reliability Of CAISO Controlled Grid**

The CAISO shall obtain the control over Generating Units that it needs to control the CAISO Controlled Grid and maintain reliability by ensuring that sufficient Energy and Ancillary Services are procured through the CAISO Markets. When the CAISO responds to events or circumstances, it shall first use the generation control it is able to obtain from the Energy and Ancillary Services Bids it has received to respond to the operating event and maintain reliability. Only when the CAISO has used the Energy and Ancillary Services that are available to it under such Energy and Ancillary Services Bids which prove to be effective in responding to the problem and the CAISO is still in need of additional control over Generating Units, shall the CAISO assume supervisory control over other Generating Units. It is expected that at this point, the operational circumstances will be so severe that a Real-Time system problem or emergency condition could be in existence or imminent.

Each Participating Generator shall take, at the direction of the CAISO, such actions affecting such Generator as the CAISO determines to be necessary to maintain the reliability of the CAISO Controlled Grid. Such actions shall include (but are not limited to):

- (a) compliance with Dispatch Instructions including instructions to deliver Energy and Ancillary Services in Real-Time pursuant to the AS Awards, Day-Ahead Schedules and HASP Intertie Schedules, and HASP AS Awards;
- (b) compliance with the system operation requirements set out in this Section 7;
- (c) notification to the CAISO of the persons to whom an instruction of the CAISO should be directed on a 24-hour basis, including their telephone and facsimile numbers; and
- (d) the provision of communications, telemetry and direct control requirements, including the establishment of a direct communication link from the control room of the Generator to the CAISO in a manner that ensures that the CAISO will have the ability, consistent with this CAISO Tariff, to direct the operations of the Generator as necessary to maintain the reliability of the CAISO Controlled Grid, except that a Participating Generator will be exempt from CAISO requirements



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imposed in accordance with this subsection (d) with regard to any Generating Unit with a rated capacity of less than ten (10) MW, unless that Generating Unit is certified by the CAISO to provide Ancillary Services.

**7.7 Management Of System Emergencies**

**7.7.1 System Emergency**

When, in the judgment of the CAISO, the System Reliability of the CAISO Controlled Grid is in danger of instability, voltage collapse or under-frequency caused by transmission or Generation trouble in the CAISO Balancing Authority Area, or events outside of the CAISO Balancing Authority Area that could result in a cascade of events throughout the WECC grid, the CAISO will declare a System Emergency. This declaration may include a notice to suspend the Day-Ahead Market, HASP and Real-Time Markets, authorize full use of Black Start Generating Units, initiate full control of manual Load Shedding, and authorize the curtailment of Curtailable Demand (even though not scheduled as an Ancillary Service). The CAISO will reduce the System Emergency declaration to a lower alert status when it is satisfied, after conferring with Reliability Coordinators within the WECC, that the major contributing factors have been corrected, and all involuntarily interrupted Demand is back in service (except interrupted Curtailable Demand selected as an Ancillary Service). This reduction in alert status will reinstate the competitive markets if they have been suspended.

**7.7.2 Emergency Procedures**

In the event of a System Emergency, the CAISO shall take such action as it considers necessary to preserve or restore stable operation of the CAISO Controlled Grid. The CAISO shall act in accordance with Good Utility Practice to preserve or restore reliable, safe and efficient service as quickly as reasonably practicable. The CAISO shall keep system operators in adjacent Balancing Authority Areas informed as to the nature and extent of the System Emergency in accordance with WECC procedures and, where practicable, shall additionally keep the Market Participants within the Balancing Authority Area informed.

**7.7.2.1 Declarations of System Emergencies**

The CAISO shall, when it considers that conditions giving rise to a System Emergency exist, declare the existence of such System Emergency. A declaration by the CAISO of a System Emergency shall be

binding on all Market Participants until the CAISO announces that the System Emergency no longer exists.

**7.7.2.2 Responsibilities of UDCs and MSSs Operators During a System Emergency**

In the event of a System Emergency, UDCs shall comply with all directions from the CAISO concerning the management and alleviation of the System Emergency and shall comply with all procedures concerning System Emergencies set out in this CAISO Tariff, the Business Practice Manuals, and the Operating Procedures, and each MSS Operator shall comply with all directions from the CAISO concerning the avoidance, management and alleviation of the System Emergency and shall comply with all procedures concerning System Emergencies set forth in the CAISO Tariff, Business Practice Manuals and Operating Procedures. During a System Emergency, the CAISO and UDCs shall communicate through their respective control centers and in accordance with procedures established in individual UDC Operating Agreements, and the CAISO and the MSS Operator shall communicate through their respective control centers and in accordance with procedures established in the MSS Agreement.

**7.7.2.3 Responsibilities of Generating Units, System Units and System Resources During System Emergencies**

All Generating Units and System Units that are owned or controlled by a Participating Generator are (without limitation to the CAISO's other rights under this CAISO Tariff) subject to control by the CAISO during a System Emergency and in circumstances in which the CAISO considers that a System Emergency is imminent or threatened. The CAISO shall, subject to this Section 7, have the authority to instruct a Participating Generator to bring its Generating Unit on-line, off-line, or increase or curtail the output of the Generating Unit and to alter scheduled deliveries of Energy and Ancillary Services into or out of the CAISO Controlled Grid, if such an instruction is reasonably necessary to prevent an imminent or threatened System Emergency or to retain Operational Control over the CAISO Controlled Grid during an actual System Emergency. The CAISO shall have the authority to instruct an RMR Unit whose owner has selected Condition 2 of its RMR Contract to start-up and change its output if the CAISO has reasonably used all other available and effective resources to prevent a threatened System Emergency without declaring that a System Emergency exists. If the CAISO so instructs a Condition 2 RMR Unit, it shall compensate that unit in accordance with Section 11.5.6.3 and allocate the costs in accordance with Section 11.5.6.3.2. Each QF subject to an existing agreement with a Participating TO for the supply of

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Energy to the Participating TO and not subject to a QF PGA will make reasonable efforts to comply with the CAISO's instructions during a System Emergency without penalty for failure to do so.

**7.7.3 Notifications By CAISO Of System Conditions**

The CAISO will provide the following notifications to Market Participants to communicate unusual system conditions or emergencies.

**7.7.3.1 System Alert**

CAISO will give an AWE Notice of a system alert when the operating requirements of the CAISO Controlled Grid are marginal because of Demand exceeding forecast, loss of major Generation or loss of transmission capacity that has curtailed imports into the CAISO Balancing Authority Area, or if it otherwise appears that there is insufficient Energy and Ancillary Services to meet Real-Time Demand in the CAISO Balancing Authority Area.

**7.7.3.2 System Warning**

The CAISO will give an AWE Notice of a system warning when the operating requirements for the CAISO Controlled Grid are not being met in the HASP or Real-Time Market, or the quantity of Regulation, Spinning Reserve, Non-Spinning Reserve, and Energy available to the CAISO is not acceptable for the Applicable Reliability Criteria. This system warning notice will notify Market Participants that the CAISO will, acting in accordance with Good Utility Practice, take such steps as it considers necessary to ensure compliance with Applicable Reliability Criteria, including the negotiation of Generation through processes other than competitive Bids.

**7.7.4 Intervention In CAISO Market Operations**

The CAISO may intervene in the operation of the CAISO Markets and set the Administrative Price, if the CAISO determines that such intervention is necessary in order to prevent, contain or correct a System Emergency as follows.

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- (1) The CAISO will not intervene in the operation of the Day-Ahead Market unless there has been a total or major collapse of the CAISO Controlled Grid and the CAISO is in the process of restoring it. The CAISO shall, where reasonably practicable, utilize Ancillary Services which it has the contractual right to instruct and which are capable of contributing to containing or correcting the actual, imminent or threatened System Emergency prior to issuing instructions to a Participating Generator under Section 7.7.2.3. In the event that the CAISO has exhausted all Economic Bids in the IFM, the CAISO shall use the scheduling priorities listed in Section 31.4 to clear the IFM.
- (2) Before any such intervention the CAISO must (in the following order):
  - (a) dispatch all Supply Bids offered or available to it regardless of price (including all Energy Bids and Ancillary Services Bids);
  - (b) dispatch all interruptible Loads made available by UDCs to the CAISO in accordance with the relevant agreements with UDCs;
  - (c) dispatch or curtail all price-responsive Demand that has been bid into the Day-Ahead Market and exercise its rights under all Load curtailment contracts available to it;
  - (d) exercise Load Shedding to curtail Demand on an involuntary basis to the extent that the CAISO considers necessary.
- (3) The Administrative Price in relation to each of the markets for Imbalance Energy and Ancillary Services shall be set at the applicable price in the Settlement Period immediately preceding the Settlement Period in which the intervention took place.
- (4) The intervention will cease as soon as the CAISO has restored all Demand that was curtailed on an involuntary basis.

**7.7.5 Emergency Guidelines**

The CAISO shall issue guidelines for all Market Participants to follow during a System Emergency. These guidelines shall be consistent with the specific obligations of Scheduling Coordinators and Market

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Participants referenced in Sections 7.7.10, 7.7.11, 7.7.2, 7.7.2.3 and 7.7.4(1). All Market Participants shall respond to CAISO Dispatch Instructions with an immediate response during System Emergencies.

**7.7.5.1** The CAISO shall in accordance with this Section 7.7.5 implement the Electrical Emergency Plan in consultation with the UDCs, the MSS Operators, or other entities, at the CAISO's discretion, when Energy reserve margins are forecast to be at the levels specified in the plan.

**7.7.5.2** Each UDC and MSS Operator will notify its End-Use Customers connected to the UDC's or the MSS's Distribution System of any voluntary curtailments notified to the UDC or to the MSS Operator by the CAISO pursuant to the provisions of the EEP.

**7.7.6 Periodic Tests Of Emergency Procedures**

The CAISO shall develop and administer periodic unannounced tests of System Emergency procedures. Such tests shall be designed to ensure that the CAISO Market Participants are capable of promptly and efficiently responding to imminent or actual System Emergencies.

**7.7.7 Prioritization Schedule For Shedding And Restoring Load**

On an annual basis, the CAISO shall, in consultation with Market Participants and subject to the provisions of Section 3, develop a prioritization schedule for Load Shedding should a System Emergency require such action. The prioritization schedule shall also establish a sequence for the restoration of Load in the event that multiple Scheduling Coordinators or Market Participants are affected by service interruptions and Load must be restored in blocks. For Load shed in accordance with Section 7.7.11.4.2, the prioritization schedule will only include those UDCs or MSS Operators that have Scheduling Coordinators that have failed to submit Bids with sufficient resources to meet the Load in the UDC or MSS Service Area. For Load shed in accordance with Section 7.7.11.4.3, the prioritization schedule will include all UDCs and MSS Operators.

**7.7.8 Under Frequency Load Shedding (UFLS)**

**7.7.8.1** Each UDC's UDCOA with the CAISO and each MSS Agreement through which the MSS Operator undertakes to the CAISO to comply with the provisions of the CAISO Tariff shall describe the UFLS program for that UDC or for that MSS.

**7.7.9 [NOT USED]**

**7.7.10 Further Obligations Relating To System Emergencies**

The CAISO and Participating TOs shall comply with their obligations in Section 9 of the TCA.

**7.7.11 Use Of Load Curtailment Programs**

**7.7.11.1 Use of UDC's Existing Load Curtailment Programs**

As an additional resource for managing System Emergencies, the CAISO will, subject to Section 3, notify the UDCs when the conditions to implement their Load curtailment programs have been met in accordance with their terms. The UDCs will exercise their best efforts, including seeking any necessary regulatory approvals, to enable the CAISO to rely on their curtailment rights at specified levels of Operating Reserve. Each UDC shall by not later than October 1 of each year advise the CAISO of the capabilities of its Load curtailment programs for the forthcoming year, and the conditions under which those capabilities may be exercised, and shall give the CAISO as much notice as reasonably practicable of any change to such programs.

**7.7.11.2 Load Curtailment**

A Scheduling Coordinator may specify that Loads will be reduced at specified prices or, pursuant to a Participating Load Agreement, offer the right to exercise Load curtailment to the CAISO as an Ancillary Service or utilize Load curtailment itself (by way of self-provision of Ancillary Services) as Non-Spinning Reserve. The CAISO, at its discretion, may require direct control over such Curtailable Demand to assume response capability for managing System Emergencies. However, non-firm Loads shall not be eligible to provide Curtailable Demand if they are receiving incentives for interruption under existing programs approved by a Local Regulatory Authority, unless: a) participation in the CAISO's Ancillary Services markets is specifically authorized by such Local Regulatory Authority, and b) there exist no contingencies on the availability, nor any unmitigated incentives encouraging prior curtailment, of such interruptible Load for Dispatch as Curtailable Demand as a result of the operation of such existing program. The CAISO may establish standards for automatic communication of curtailment instructions to implement Load curtailment as a condition for accepting any offered Load curtailment as an Ancillary Service.

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**7.7.11.3** The CAISO shall have the authority to direct a UDC or an MSS Operator to disconnect Load from the CAISO Controlled Grid if necessary to avoid an anticipated System Emergency or to regain Operational Control over the CAISO Controlled Grid during an actual System Emergency. The CAISO shall direct the UDC or the MSS Operator to shed Load in accordance with the prioritization schedule developed pursuant to Section 7.7.7. When CAISO Controlled Grid conditions permit restoration of Load, the CAISO shall restore Load according to the prioritization schedule developed pursuant to Section 7.7.7. The MSS Operator shall restore Load internal to the MSS.

**7.7.11.4 Load Shedding**

**7.7.11.4.1 [NOT USED]**

**7.7.11.4.2** If the CAISO forecasts in advance of the HASP that Load curtailment will be necessary due to a resource deficiency as determined pursuant to Section 40.7, the CAISO will identify any UDC or MSS Service Area that is resource deficient. The CAISO will provide notice to all Scheduling Coordinators if one or more UDC or MSS is deficient. If Load curtailment is required to manage a System Emergency associated with a resource deficiency determined pursuant to Section 40.7, the CAISO will determine the amount and location of Load to be curtailed and will allocate a portion of that required Load curtailment to each UDC or MSS Operator whose Service Area has been identified as being resource-deficient based on the ratio of its resource deficiency to the total Balancing Authority Area resource deficiency. Each UDC or MSS Operator shall be responsible for notifying its customers and Generators connected to its system of curtailments and service interruptions.

**7.7.11.4.3** If a Load curtailment is required to manage System Emergencies, in any circumstances other than those described in Section 7.7.11.4.2, the CAISO will determine the amount and location of Load to be reduced and to the extent practicable, will allocate a portion to each UDC or MSS Operator based on the ratio of its Demand (at the time of the Balancing Authority Area annual peak for the previous year) to total Balancing Authority Area annual peak Demand for the previous year taking into account system considerations and the UDC's or MSS Operator's curtailment rights under their tariffs. Each UDC or MSS Operator shall be responsible for notifying its customers and Generators connected to its system of curtailments and service interruption.

**7.7.12 Curtailment Under Emergency And Non-Emergency Conditions**

**7.7.12.1 Emergency Conditions**

To the extent practicable, the CAISO shall allocate necessary curtailments of Existing Rights or non-Converted Rights under emergency conditions in accordance with the instructions submitted by the Responsible PTO pursuant to Section 16. If circumstances prevent the CAISO's compliance with such instructions, the CAISO shall allocate such curtailments in a non-discriminatory manner consistent with Good Utility Practice.

**7.7.12.2 Non-Emergency Conditions**

Unless otherwise specified by the Responsible PTO in the instructions that it submits to the CAISO under Section 16, the CAISO will allocate any necessary curtailments under non-emergency conditions, pro rata, among holders of Existing Rights, at particular Scheduling Points and/or on particular contract paths, in the order of: (1) non-firm, (2) each priority of conditional firm, and (3) each priority of firm rights. Priorities for firm and conditional firm transmission service are indicated using the TRTC Instructions as described in Section 16.

**7.7.13 System Emergency Reports And Sanctions**

**7.7.13.1 Review of Major Outages**

The CAISO with the cooperation of any affected UDC shall jointly perform a review following a major Outage that affects at least ten (10) percent of the Load served by the Distribution System of a UDC or any Outage that results in major damage to the CAISO Controlled Grid or to the health and safety of personnel. The review shall address the cause of the Outage, the response time and effectiveness of emergency management efforts, and whether the operation, maintenance or scheduling practices of the CAISO, any Participating TOs, Eligible Customers, UDCs or Participating Generators enhanced or undermined the ability of the CAISO to maintain or restore service efficiently and in a timely manner.

**7.7.13.2 Provide Information to Review Outages**

Participating TOs, Participating Generators, Eligible Customers, Scheduling Coordinators and UDCs shall promptly provide information requested by the CAISO to review Outages pursuant to Section 7.7.13.1 and to prepare Outage reports. The CAISO shall seek the views of any affected Participating TOs, Participating Generators, Eligible Customers, Scheduling Coordinator or UDCs and allow such affected



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Participating TOs, Participating Generators, Eligible Customers, Scheduling Coordinators or UDCs to comment on any issues arising during the preparation of a report. All findings and reports arising from the CAISO's review shall be shared with Participating TOs, Participating Generators, Eligible Customers and UDCs.

**7.7.13.3 [NOT USED]**

**7.7.14 CAISO Facilities And Equipment**

**7.7.14.1 CAISO Facility and Equipment Outages**

The CAISO has installed redundant control centers, communication systems and computer systems. Most, but not necessarily all, equipment problems or failures should be transparent to Market Participants. This Section 7.7.14.1 addresses some situations when Market Participants could be affected, but it is impossible to identify and plan for every type of equipment problem or failure. Real-Time situations will be handled by the Real-Time CAISO dispatchers. The CAISO control room in Folsom is the Primary CAISO Control Center and the CAISO control room in Alhambra is the Backup CAISO Control Center.

**7.7.14.2 CAISO's Secure Communication System Unavailable**

**7.7.14.2.1 Unavailable Critical Functions of CAISO's Secure Communication System**

During a total disruption of the CAISO's secure communication system several critical functions of the CAISO will not be available including:

- (a) the CAISO's scheduling infrastructure computer systems will not be able to communicate with Scheduling Coordinators to receive any type of updated Bid or Schedule information;
- (b) the CAISO's scheduling infrastructure computer systems will not be able to communicate Congestion Management information and Schedule changes to the Scheduling Coordinators; and
- (c) the CAISO will not be able to communicate general information, including emergency information, to any Market Participants.

**7.7.14.2.2 Communications during Unavailability of CAISO's Secure Communication System**

During any period of CAISO's secure communication system unavailability, the CAISO shall:

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- (a) make all reasonable efforts to keep Market Participants aware of current CAISO Controlled Grid status using voice communications;
- (b) use the most recent set of Day-Ahead Schedules, RUC Schedules, AS Awards, HASP Intertie Schedules, and Dispatch Instructions for each Scheduling Coordinator for the current and all future Settlement Periods and/or Trading Days until the CAISO's secure communication system is restored; and
- (c) attempt to take critical Bids, including ETC and TOR Self-Schedules changes, from Scheduling Coordinators via voice communications as time and personnel availability allows.

**7.7.14.2.3 Primary CAISO Control Center – Loss of all Voice Communications**

In the event of loss of all voice communication at the Primary CAISO Control Center, the Primary CAISO Control Center will use alternate communications to notify the Backup CAISO Control Center of the loss of voice communications. The Backup CAISO Control Center will post information on the situation on the CAISO's secure communication system. Additional voice notifications will be made as time permits. Once voice communications have been restored to the Primary CAISO Control Center, the CAISO will post this information on the CAISO's secure communication system.

**7.7.14.2.4 Primary CAISO Control Center – Control Center Completely Unavailable**

In the event that the Primary CAISO Control Center becomes completely unavailable, the Primary CAISO Control Center will use alternate communications to notify the Backup CAISO Control Center that the Primary CAISO Control Center is unavailable. The Backup CAISO Control Center will post information on the situation on the CAISO's secure communication system. Additional voice notifications will be made as time permits.

The Backup CAISO Control Center will post confirmation on the CAISO's secure communication system that all computer systems are functioning normally (if such is the case) and take complete control of the CAISO Controlled Grid. The Backup CAISO Control Center will notify the single point of contact at the transmission operations center of Pacific Gas and Electric Company by direct voice communication of the situation.

Once the Primary CAISO Control Center is again available, all functions will be transferred back, and the Primary CAISO Control Center will notify all Market Participants via the CAISO's secure communication system.

**7.7.14.2.5 Primary CAISO Control Center - CAISO Energy Management System (EMS) Unavailable**

Should an outage occur to the redundant EMS computer systems in the Primary CAISO Control Center, an auto transfer should occur to transfer EMS operation to the redundant EMS back up computers at the Backup CAISO Control Center. Due to the severity of a total CAISO EMS computer outage, the Primary CAISO Control Center will post information on the CAISO's secure communication system that the Primary CAISO Control Center EMS computer is unavailable and that EMS control has been transferred to the Backup CAISO Control Center.

When the Primary CAISO Control Center EMS computer is restored, the Backup CAISO Control Center will initiate a transfer back of the EMS system to the Primary CAISO Control Center. The Primary CAISO Control Center will post information on the restored EMS computer system status on the CAISO's secure communication system.

**7.7.14.2.6 Backup CAISO Control Center – Loss of all Voice Communications**

In the event of a loss of all voice communications at the Backup CAISO Control Center, the Backup CAISO Control Center will use alternate communications to notify the Primary CAISO Control Center of the loss of voice communications. The Primary CAISO Control Center will post information on the situation via the CAISO's secure communication system. Additional voice notifications will be made as time permits. Once voice communications have been restored to the Backup CAISO Control Center, the Primary CAISO Control Center will post this information on the CAISO's secure communication system.

**7.7.14.2.7 Backup CAISO Control Center – Control Center Completely Unavailable**

In the event that the Backup CAISO Control Center becomes completely unavailable, the Backup CAISO Control Center will use alternate communications to notify the Primary CAISO Control Center that the Backup CAISO Control Center is unavailable. The Primary CAISO Control Center will post information on the situation on the CAISO's secure communication system. Additional voice notifications will be made as time permits.

The Primary CAISO Control Center will post confirmation on the CAISO's secure communication system that all computer systems are functioning normally (if such is the case) and take complete control of the CAISO Controlled Grid. The Primary CAISO Control Center will notify the grid control center of Southern California Edison Company by direct voice communications of the situation.

Once the Backup CAISO Control Center is again available, all functions will be transferred back, and the Backup CAISO Control Center will notify all Market Participants via the CAISO's secure communication system.

#### **7.7.14.2.8 Use of IOUs' Energy Control Center Computers**

The CAISO and the IOUs will comply with the procedures for the utilization by the CAISO of the IOUs' Energy control center computers when developed. The CAISO will post such procedures on the CAISO's secure communication system when agreed.

#### **7.7.15 System Operations In The Event Of A Market Disruption**

##### **7.7.15.1 Actions in the Event of a Market Disruption, to Prevent a Market Disruption or to minimize the Extent of a Market Disruption**

The CAISO may take one or more of the following actions in the event of a Market Disruption, to prevent a Market Disruption, or to minimize the extent of a Market Disruption:

- (a) postpone the closure of the applicable CAISO Market;
- (b) remove Bids, including Self-Schedules, that have resulted in a Market Disruption previously;
- (c) close the applicable CAISO Market and manually copy Bids, including Self-Schedules, from the previous day or other applicable market period;
- (d) close the applicable CAISO Market and use submitted Bids, including Self-Schedules, to the extent possible;
- (e) cancel the applicable CAISO Market, in which case import/export schedules shall be determined by submittal of E-Tags;
- (f) utilize Administrative Prices to settle metered Supply and Demand;
- (g) utilize Exceptional Dispatch and issue operating orders for resources to be committed and dispatched to meet Demand; and

- (h) suspend or limit the ability of all Scheduling Coordinators to submit Virtual Bids on behalf of Convergence Bidding Entities at specific Eligible PNodes or Eligible Aggregated PNodes, or at all Eligible PNodes or Eligible Aggregated PNodes.

**7.7.15.2 Removal of Bids, in the Event of a Market Disruption, to Prevent a Market Disruption, or to minimize the Extent of a Market Disruption**

**7.7.15.2.1 Objective Measures**

In the event of a Market Disruption, to prevent a Market Disruption, or to minimize the extent of a Market Disruption, as provided in Section 7.7.15.1 (b), the CAISO may remove Bids, which as defined include Self-Schedules, from the relevant CAISO Market. The types of Bids that the CAISO may remove include those that have previously caused a Market Disruption. These are Bids that are not feasible based on the misalignment of resource-specific conditions and physical constraints represented in the Master File, current outage information, and the Bid itself. For example, these include: (1) Bids that pass through the automated Bid validation rules but are invalid for other reasons not detectable by the automated Bid validation, including derates reflected in SLIC; (2) Bids that are identified prior to the end of the CAISO Market run as causing a feasibility issue that prevents the CAISO Market run from clearing in the time allotted for the run, including ramp rates in SLIC that result in infeasible generation Bids; and (3) multiple Bids that do not pose a problem for processing through the CAISO Market when considered individually, but may when submitted in combination with other Bids become infeasible and present an impediment to the successful completion of the CAISO Market.

**7.7.15.2.2 Consequences of Removal of a Bid**

The CAISO may remove part of a Bid, but retain other parts of the Bid for the applicable CAISO Market run and interval for the same or different product, and may retain parts of the Bid for subsequent CAISO Market runs or intervals. If a particular Energy or Ancillary Service Bid must be removed pursuant to Section 7.7.15.2.1, the CAISO will remove the entire Bid for that particular service and market. The Scheduling Coordinator may resubmit removed Bids in subsequent CAISO Markets, provided the Scheduling Coordinator complies with any operator instructions regarding the subject Bids. In the event a Bid is removed from an IFM run, the RUC Availability Bid associated with the removed IFM Bid may still be accepted for the corresponding RUC run, unless the RUC Availability Bid is determined to be the cause of the disruption. A problematic Bid as described in Section 7.7.15.2.1 will typically be identified as

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infeasible prior to publication of the CAISO Market interval in which it is causing a problem, in which case to the extent practicable the CAISO may remove the Bid, execute the CAISO Market without the removed Bid, and publish a CAISO Market result for that interval. In some instances, a Bid may be able to clear through the IFM without causing an infeasibility issue, but then it may be necessary to remove the RUC Availability Bid associated with the IFM Bid for the corresponding RUC run due to infeasibility issues raised for the RUC run. In the Real-Time Market, for example, for reasons discussed above the CAISO may be required to remove a Bid for a Non-Dynamic System Resource that would normally be dispatched in the HASP, yet may be able to utilize and accept the Bids submitted for the RTD and non-HASP RTUC runs of the Real-Time Market included within the same Scheduling Coordinator Bid submission. If an Ancillary Service Bid or Submission to Self-Provide Ancillary Services is removed from the IFM, the Scheduling Coordinator may resubmit these components in the RTM provided the issues identified in the IFM have been resolved and the Bid or submission is otherwise consistent with the Ancillary Service bidding rules in the CAISO Tariff.

If, for the reasons discussed above, the CAISO is required to remove a Bid in the advisory RTUC or RTD runs conducted for future intervals during the Real-Time Market, the removed Bid may still be used in the binding runs of the Real-Time Market for the same interval if the problems previously experienced with the Bid do not arise. If the CAISO is required to remove an Ancillary Services Bid submitted in the Real-Time Market for consideration in the RTUC run, the CAISO may retain the Energy Bid submitted in association with the Ancillary Services Bid for that CAISO Market run.

**7.7.15.2.3 Settlement Consequences of Removal of Bids**

In the event that a Bid is removed from the Day-Ahead Market, the Scheduling Coordinator whose Bid is removed will not be subject to Settlement for the Day-Ahead Market for the affected service. The Scheduling Coordinator may then resubmit the Bid in the HASP/Real-Time Market for the same service and, to the extent the Bid is feasible and the issues identified have been resolved, it may be accepted in the Real-Time Market consistent with the CAISO Tariff requirements that apply to the HASP/Real-Time Market. In the case of Ancillary Services Bids, including Submissions to Self-Provide an Ancillary Service, that are removed from the Day-Ahead Market, the Scheduling Coordinator will not receive Settlement for the Ancillary Services in the Day-Ahead Market and will not receive an opportunity cost

payment in the Day-Ahead Market for the offered service. If the Bid is accepted in the HASP/Real-Time Market, the Scheduling Coordinator will be subject to Settlement based on the CAISO Market in which the Bid actually clears. In the event that a Bid is removed from a CAISO Market run or interval, the CAISO may subsequently be required to issue an Exceptional Dispatch for the resource, in which case the Scheduling Coordinator will receive Exceptional Dispatch Settlement as provided in Section 11.5.6. In the event that a Demand Bid is removed from the Day-Ahead Market, because no Demand Bids for load can be submitted in the Real-Time Market, Scheduling Coordinators for the load not cleared in the Day-Ahead Market will be settled as Uninstructed Imbalance Energy as provided in Section 11.5.2.

#### **7.7.15.2.4 Reporting to Affected Scheduling Coordinators**

To the extent practicable, the CAISO will contact a Scheduling Coordinator's representative before removing a Bid and advise the representative of the issues encountered with the Bid. In the event that a Bid is removed, the Scheduling Coordinator's Bid will not be cleared through the specific CAISO Market from which it was removed. The CAISO will notify the Scheduling Coordinator as soon as practicable, but no later than three (3) Business Days, after the applicable Bid was removed and will provide information specifying when its Bid was removed and the nature of the disruption.

#### **7.7.15.3 Choices of Action to Prevent a Market Disruption, in the Event of a Market Disruption, or to minimize the Extent of a Market Disruption**

The CAISO's choice of action in the event of a Market Disruption shall depend on the CAISO Market that is disrupted, the cause of the Market Disruption, the expected time to resolve the Market Disruption, and the status of submitted Bids and Self-Schedules at the time the Market Disruption occurs. Nothing in this Section 7.7.15 shall prevent the CAISO from taking any other action permitted under the CAISO Tariff.

#### **7.7.15.4 Reporting Requirements under Section 7.7.15**

The CAISO shall include reports on actions taken pursuant to Section 7.7.15 in the Exceptional Dispatch report provided in Section 34.9.4 of the CAISO Tariff. The report shall detail the frequency and types of actions taken by the CAISO pursuant to this Section 7.7.15, as well as the nature of the specific Market Disruptions that caused the CAISO to take action and the CAISO rationale for taking such actions, or the Market Disruption that was successfully prevented or minimized by the CAISO as a result of taking action pursuant to its authority under Section 7.7.15. This informational filing shall also contain general information on the Bids removed pursuant to Section 7.7.15, which may include the megawatt quantity,

point of interconnection, specification of the Day-Ahead versus Real-Time Bid, and Energy or Ancillary Services Bid, and the CAISO's rationale for removal; provided, however, that any Scheduling Coordinator-specific individual Bid information will be submitted on a confidential basis consistent with FERC's rules and regulations governing requests for confidential treatment of commercially sensitive information.

## **7.8 Management Of Overgeneration Conditions**

The CAISO's management of Overgeneration relates only to Real-Time. In the event that Overgeneration conditions occur during Real-Time, the CAISO will direct the Scheduling Coordinators to take the steps described in this Section 7.8 and Scheduling Coordinators shall implement CAISO directions without delay. Overgeneration in Real-Time will be mitigated by the CAISO as follows; provided that the CAISO Operator will have the discretion, if necessary to avoid a System Emergency, to eliminate one or more of the following steps.

### **7.8.1 Dispatch Instructions To Reduce Generation And Imports**

Commencing one hour prior to the start of the Settlement Period, the CAISO will, based on available Bids issue Dispatch Instructions to Scheduling Coordinators to reduce Generation and imports for the next Operating Hour

### **7.8.2 Notification Of Projected Overgeneration To Be Mitigated**

To the extent that there are insufficient Bids available for the Operating Hour to fully mitigate the Overgeneration condition, the CAISO will notify Scheduling Coordinators of the projected amount of Overgeneration to be mitigated in that hour

### **7.8.3 Energy Offered For Sale To Adjacent Balancing Authorities**

In addition to the action taken under 7.8.2, the CAISO will, if it considers it necessary to maintain the reliable operation of the CAISO Balancing Authority Area, offer Energy for sale on behalf of Scheduling Coordinators to adjacent Balancing Authorities at the estimated LMP or, if the CAISO considers it necessary, at a price established by the CAISO on behalf of Scheduling Coordinators, to be paid to adjacent Balancing Authorities



**7.8.4 Instruction To SCs To Reduce Generation Or Imports**

To the extent that the steps described in Sections 7.8.1 through 7.8.3 fail to mitigate Overgeneration, the CAISO will instruct Scheduling Coordinators to reduce either Generation, or imports, or both. The amount of the reduction for each Scheduling Coordinator will be calculated pro rata based on the product of the total required reduction in Generation and imports (or increase in exports) and the ratio of its Demand to the total Demand in the CAISO Balancing Authority Area

**7.8.5 Mandatory Dispatch Instructions For Specific Reductions**

To the extent that the above steps fail to fully mitigate the Overgeneration, the CAISO will issue mandatory Dispatch Instructions for specific reductions in Generating Unit output and external imports and all relevant Scheduling Coordinators shall be obligated to comply with such Dispatch Instructions

**7.8.6 CAISO Costs To Be Reimbursed Proportionately By SCs**

Any costs incurred by the CAISO in implementing Section 7.8.3 shall be reimbursed to the CAISO by Scheduling Coordinators based upon the extent to which they supplied Energy, in metered amounts, greater than the Generation and imports dispatched by the CAISO as provided in the Day-Ahead Schedule or in response to Dispatch Instructions and consumed Energy, in metered amounts, less than the Demand scheduled, as a proportion of the total amount of such excess or shortfall among all Scheduling Coordinators.

**7.9 Suspension or Limitation of Virtual Bidding**

**7.9.1 Suspension or Limitation Generally**

The CAISO may suspend or limit the ability of one or more Scheduling Coordinators to submit Virtual Bids on behalf of one or more Convergence Bidding Entities for any of the reasons set forth in Section 7.9.2. The CAISO has the authority to suspend or to limit the ability of one or more Scheduling Coordinators to submit Virtual Bids on behalf of one or more Convergence Bidding Entities regardless of whether the CAISO has evidence that the virtual bidding activities that led to the suspension or limitation were the result of actions purposely or knowingly taken by Scheduling Coordinators or Convergence Bidding Entities to cause the outcomes set forth in Section 7.9.2. The CAISO may exercise its suspension or limitation authority pursuant to this Section 7.9 at specific Eligible PNodes or Eligible Aggregated PNodes, or at all Eligible PNodes or Eligible Aggregated PNodes. The CAISO may suspend or limit Virtual Bids

that have already been submitted, Virtual Bids that will be submitted in the future, or both. The CAISO's authority to suspend or limit the ability of all Scheduling Coordinators to submit Virtual Bids at specific Eligible PNodes or Eligible Aggregated PNodes, or at all Eligible PNodes or Eligible Aggregated PNodes will be governed by the Market Disruption provisions of Section 7.7.15 of the CAISO Tariff and not this Section 7.9.

### **7.9.2 Reasons for Suspension or Limitation**

The CAISO may suspend or limit the ability of one or more Scheduling Coordinators to submit Virtual Bids if the CAISO determines that virtual bidding activities of one or more Scheduling Coordinators on behalf of one or more Convergence Bidding Entities detrimentally affect System Reliability or grid operations. Virtual bidding activities can detrimentally affect System Reliability or grid operations if such activities contribute to threatened or imminent reliability conditions, including but not limited to the following circumstances:

- (a) Submitted Virtual Bids create a substantial risk that the CAISO will be unable to obtain sufficient Energy and Ancillary Services to meet Real-Time Demand and Ancillary Service requirements in the CAISO Balancing Authority Area.
- (b) Submitted Virtual Bids render the CAISO Day-Ahead Market software unable to process Bids submitted into the Day-Ahead Market.
- (c) Submitted Virtual Bids render the CAISO unable to achieve an alternating current (AC) solution in the Day-Ahead Market for an extended period of time.

### **7.9.3 Procedures Regarding Suspension or Limitation**

- (a) Whenever practicable, prior to suspending or limiting virtual bidding, the CAISO will notify affected Scheduling Coordinators and affected Convergence Bidding Entities that the CAISO intends to suspend or limit virtual bidding and will confer and exchange information with the affected Scheduling Coordinators and affected Convergence Bidding Entities in an effort to resolve any dispute as to whether suspension or limitation of virtual bidding is warranted. In cases where taking such actions prior to suspending or limiting virtual bidding is not practicable, the CAISO will promptly notify the affected Scheduling Coordinators

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and affected Convergence Bidding Entities that the CAISO has suspended or limited virtual bidding, and will promptly confer and exchange information with the affected Scheduling Coordinators and affected Convergence Bidding Entities in an effort to resolve any dispute as to whether suspension or limitation of virtual bidding is warranted. Within two (2) Business Days of the notice of suspension or limitation, the CAISO will provide the affected Scheduling Coordinators and affected Convergence Bidding Entities with information justifying the decision to suspend or limit virtual bidding.

- (b) Suspension or limitation of virtual bidding by the CAISO will remain in effect for ninety (90) days or any shorter time period determined by the CAISO. The CAISO will have the authority to discontinue the suspension or limitation of virtual bidding at any time it determines such suspension or limitation is no longer appropriate.

**8. Ancillary Services**

**8.1 Scope**

The CAISO shall be responsible for ensuring that there are sufficient Ancillary Services available to maintain the reliability of the CAISO Controlled Grid consistent with NERC and WECC reliability standards, including any requirements of the NRC. The CAISO's Ancillary Services requirements may be self-provided by Scheduling Coordinators as further provided in the Business Practice Manuals. Those Ancillary Services which the CAISO requires to be available but which are not being self-provided will be competitively procured by the CAISO from Scheduling Coordinators in the Day-Ahead Market, the HASP, and the RTM consistent with Section 8.3. The provision of Ancillary Services from the Interties with interconnected Balancing Authority Areas is limited to Ancillary Services bid into the competitive procurement processes in the IFM , HASP, and RTM. The CAISO will not accept Submissions to Self-Provide Ancillary Services that are imports to the CAISO Balancing Authority Area over the Interties with interconnected Balancing Authority Areas, except from Dynamic System Resources certified to provide Ancillary Services or if provided pursuant to ETCs, TORs or Converted Rights. The CAISO will calculate

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payments for Ancillary Services supplied by Scheduling Coordinators and charge the cost of Ancillary Services to Scheduling Coordinators based on their Ancillary Service Obligations.

For purposes of this CAISO Tariff, Ancillary Services are: (i) Regulation Up and Regulation Down, (ii) Spinning Reserve, (iii) Non-Spinning Reserve, (iv) Voltage Support, and (v) Black Start capability.

These services will be procured as stated in Section 8.3.5. Bids for these services may be submitted by a Scheduling Coordinator for resources that are capable of providing the specific service and that meet applicable Ancillary Service standards and technical requirements, as set forth in Sections 8.1 through 8.4, and are certified by the CAISO to provide Ancillary Services. Identification of specific services in this CAISO Tariff shall not preclude development of additional interconnected operation services over time. The CAISO and Market Participants will seek to develop additional categories of these unbundled services over time as the operation of the CAISO Controlled Grid matures or as required by regulatory authorities.

## **8.2 Ancillary Services Standards**

All Ancillary Services shall meet the CAISO's Ancillary Services standards.

### **8.2.1 Determination Of Ancillary Service Standards**

The CAISO shall set the required standard for each Ancillary Service necessary to maintain the reliable operation of the CAISO Controlled Grid. Ancillary Services standards shall meet NERC and WECC reliability standards, including any requirements of the NRC. In setting Ancillary Service standards, the CAISO shall consider reasonableness, cost-effectiveness, and adherence to NERC and WECC reliability standards, including any requirements of the NRC. The standards developed by the CAISO shall be used as a basis for determining the quantity and type of each Ancillary Service which the CAISO requires to be available. These requirements and standards apply to all Ancillary Services whether self-provided or procured by the CAISO.

### **8.2.2 Time-Frame For Revising Ancillary Service Standards**

The CAISO shall periodically undertake a review of the CAISO Controlled Grid operation to determine any revision to the Ancillary Services standards to be used in the CAISO Balancing Authority Area. At a minimum the CAISO shall conduct such reviews to accommodate revisions to NERC and WECC Reliability Standards and any requirements of the NRC. If the CAISO modifies its Ancillary Services

standards, including its rules to determine minimum procurement requirements for Ancillary Services, the CAISO will notify Market Participants. The CAISO may adjust the Ancillary Services standards temporarily to take into account, among other things, variations in system conditions, Real-Time Dispatch constraints, contingencies, and voltage and dynamic stability assessments. Where practicable, the CAISO will provide notice, via the CAISO Website, of any temporary adjustments to Ancillary Service standards by 6:00 p.m. two (2) days ahead of the Operating Day to which the adjustment will apply. Periodic reviews by the CAISO may include, but are not limited to: (a) analysis of the deviation between actual and forecast Demand; (b) analysis of patterns of unplanned resource Outages; (c) analysis of compliance with NERC and WECC Reliability Standards and any requirements of the NRC; (d) analysis of operation during system disturbances; (e) analysis of patterns of shortfalls between Day-Ahead Schedules and actual Generation and Demand; and (f) analysis of patterns of unplanned transmission Outages.

### **8.2.3 Quantities Of Ancillary Services Required; Use Of AS Regions**

For each of the Ancillary Services, the CAISO shall determine the quantity and location of the Ancillary Service which is required using Ancillary Service Regions as described in Section 8.3.3. For each of the Ancillary Services, the CAISO shall determine the required locational dispersion in accordance with CAISO Controlled Grid reliability requirements. The Ancillary Services provided must be under the direct Dispatch control of the CAISO on a Real-Time Dispatch Interval basis. The CAISO shall determine the quantities it requires as provided for in Sections 8.2.3.1 to 8.2.3.3.

#### **8.2.3.1 Regulation Service**

The CAISO shall maintain sufficient resources immediately responsive to the CAISO's EMS control in order to provide sufficient Regulation service to allow the CAISO Balancing Authority Area to meet NERC and WECC reliability standards, including any requirements of the NRC by continuously balancing resources to meet deviations between actual and scheduled Demand and to maintain Interchange Schedules. The quantity of Regulation Down and Regulation Up capacity needed for each Settlement Period of the Day-Ahead Market and in each fifteen (15) minute period in Real-Time shall be determined by the CAISO as a percentage of the applicable CAISO Forecast of CAISO Demand for the Day-Ahead and Real-Time Markets. In HASP, the amount of advisory Regulation from Dynamic System Resources

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required for each Settlement Period in the next Trading Hour is also determined based on the CAISO Forecast of CAISO Demand. The advisory awards of Regulation from Dynamic System Resources in HASP are not binding and are re-optimized through the RTUC and RTD processes in the Real-Time Market. The CAISO's determination is based upon its need to meet the NERC and WECC reliability standards, including any requirements of the NRC.

The CAISO will publish on OASIS the estimated quantity, or the percentage used to determine the estimated quantity, of Regulation Reserves required for each hour of the Day-Ahead Market and in each fifteen (15) minute period in Real-Time for the Trading Day.

**8.2.3.2 Spinning and Non-Spinning Reserves**

The CAISO shall maintain minimum contingency Operating Reserve made up of Spinning Reserve and Non-Spinning Reserve in accordance with NERC and WECC reliability standards, including any requirements of the NRC. The CAISO from time to time may determine to use more stringent criteria.

**8.2.3.3 Voltage Support**

The CAISO shall determine on an hourly basis for each day the quantity and location of Voltage Support required to maintain voltage levels and reactive margins within NERC and WECC reliability standards, including any requirements of the NRC using a power flow study based on the quantity and location of scheduled Demand. The CAISO shall issue daily voltage schedules (Dispatch Instructions) to Participating Generators, Participating TOs and UDCs, which are required to be maintained for CAISO Controlled Grid reliability. All other Generating Units shall comply with the power factor requirements set forth in contractual arrangements in effect on the CAISO Operations Date, or, if no such contractual arrangements exist and the Generating Unit exists within the system of a Participating TO, the power factor requirements applicable under the Participating TO's TO Tariff or other tariff on file with the FERC. All Participating Generators that operate Asynchronous Generating Facilities subject to the Large Generator Interconnection Agreement set forth in Appendix BB or CC shall maintain the CAISO specified voltage schedule for those facilities at the Point of Interconnection to the extent possible, except as permitted under Appendix H of the Large Generator Interconnection Agreement, while operating within the power factor range specified in their interconnection agreements. For all other Generating Units, Participating Generators shall maintain the CAISO specified voltage schedule at the Generating Unit

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terminals to the extent possible, while operating within the power factor range specified in their interconnection agreements, or, for Regulatory Must-Take Generation, Regulatory Must-Run Generation and Reliability Must-Run Generation, consistent with existing obligations. For Generating Units that do not operate under one of these agreements, the minimum power factor range will be within a band of 0.90 lag (producing VARs) and 0.95 lead (absorbing VARs) power factors. Participating Generators with Generating Units existing at the CAISO Operations Date that are unable to meet this operating power factor requirement may apply to the CAISO for an exemption. Prior to granting such an exemption, the CAISO shall require the Participating TO or UDC to whose system the relevant Generating Units are interconnected to notify it of the existing contractual requirements for Voltage Support established prior to the CAISO Operations Date for such Generating Units. Such requirements may be contained in CPUC Electric Rule 21 or the Interconnection Agreement with the Participating TO or UDC. The CAISO shall not grant any exemption under this Section from such existing contractual requirements. The CAISO shall be entitled to instruct Participating Generators to operate their Generating Units at specified points within their power factor ranges. Participating Generators shall receive no compensation for operating within these specified ranges.

If the CAISO requires additional Voltage Support, it shall procure this either through Reliability Must-Run Contracts or, if no other more economic sources are available, by instructing a Generating Unit to move its MVar output outside its mandatory range. Only if the Generating Unit must reduce its MW output in order to comply with such an instruction will it be eligible to recover its opportunity cost in accordance with Section 11.10.1.4.

All Loads directly connected to the CAISO Controlled Grid shall maintain reactive flow at grid interface points within a specified power factor band of 0.97 lag to 0.99 lead. Loads shall not be compensated for the service of maintaining the power factor at required levels within the bandwidth. A UDC interconnecting with the CAISO Controlled Grid at any point other than a Scheduling Point shall be subject to the same power factor requirement.

The CAISO will establish voltage control standards with UDCs and the operators of other Balancing Authority Areas and will enter into operational agreements providing for the coordination of actions in the event of a voltage problem occurring.

#### **8.2.3.4 Black Start Capability**

The CAISO shall determine the amount and location of Black Start Generation it requires through contingency studies that are used as the basis of the CAISO's emergency plans. The studies shall specify:

- (a) the initiating disturbance;
- (b) the magnitude of the Outage, including the extent of the Outage (local area, CAISO Controlled Grid, or WECC), the assumed status of Generation after the initiating disturbance, the status of interconnections, the system Demand level at the time of the disturbance, the interconnection support, and assumptions regarding the availability of support from other utilities to help restore Generation and Demand;
- (c) the Generator performance including a percentage of Black Start units (to be determined by the CAISO) which are expected to fail to start, and;
- (d) expected transmission system damage.

The CAISO shall also specify the following Load restoration performance goals:

- (i) Black Start unit startup and connection times;
- (ii) CAISO Controlled Grid restoration times; and
- (iii) Load restoration times.

Scheduling Coordinators shall provide the CAISO with their Load restoration time requirements for any Loads that provide emergency services.

##### **8.2.3.4.1 Black Start Units**

The CAISO will select Black Start capacity in locations where adequate transmission capacity can be made readily available (assuming no transmission damage) to connect the Black Start Generating Unit to the station service bus of a Generating Unit designated by the CAISO. Black Start Generating Units:

- (a) must be located in the CAISO Balancing Authority Area;
- (b) may be located anywhere in the CAISO Balancing Authority Area provided that the Black Start resource is capable of meeting the CAISO performance requirements for starting and interconnection to the CAISO Controlled Grid; but



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- (c) must be dispersed throughout the CAISO Balancing Authority Area.

**8.2.3.4.2 Black Start Services**

- (a) All Participating Generators with Black Start Generating Units must satisfy technical requirements specified by the CAISO.
- (b) The CAISO shall from time to time undertake performance tests, with or without prior notification.
- (c) The CAISO shall have the sole right to determine when the operation of Black Start Generating Units is required to respond to conditions on the CAISO Controlled Grid.
- (d) If the CAISO has intervened in the market for Energy and/or Ancillary Services pursuant to Section 7.7.4, the price paid by the CAISO for Black Start services shall be sufficient to permit the relevant Participating Generator to recover its costs over the period that it is directed to operate by the CAISO.
- (e) If a Black Start Generating Unit fails to achieve a Black Start when called upon by the CAISO, or fails to pass a performance test administered by the CAISO, the Market Participant that has contracted to supply Black Start service from the Generating Unit shall re-pay to the CAISO any reserve payment(s) that it has received since the administration of the last performance test or the last occasion upon which it successfully achieved a Black Start when called upon by the CAISO, whichever is the shorter period.

**8.2.3.5 Ancillary Service Substitution**

The CAISO, whenever possible, will increase its purchases of an Ancillary Service that can substitute for another Ancillary Service, when doing so is expected to reduce its total cost of procuring Ancillary Services while meeting reliability requirements. The substitution described in this section can only occur with the purchase of bid-in Ancillary Services; substitution may not involve Self-Provided Ancillary Services. The CAISO will make such adjustments in accordance with the following principles:

- (a) The Regulation requirement must be satisfied only by Regulation Bids for resources qualified to provide Regulation;

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- (b) Additional Regulation Up capacity can be used to satisfy requirements for Spinning Reserve, or Non-Spinning Reserve;
- (c) Regulation Up and Spinning Reserve requirements must be collectively satisfied by the combination of Regulation Up and Spinning Reserve Bids. Spinning Reserve and Regulation may be provided as separate services from the same resource, provided that the sum of Spinning Reserve and Regulation Up provided is not greater than the maximum Ramp Rate of the resource (MW/minute) times ten (10);
- (d) Additional Regulation Up and Spinning Reserve capacity can be used to satisfy requirements for Non-Spinning Reserve.
- (e) Regulation Up, Spinning Reserve, and Non-Spinning Reserve requirements must be collectively satisfied by the combination of Regulation Up, Spinning Reserve and Non-Spinning Reserve Bids;
- (f) Total MW purchased from the Regulation Up, Spinning Reserve, and Non-Spinning Reserve markets will not be changed by this Section 8.2.3.5; and
- (g) Regulation Energy resulting from Regulation that substituted for another Ancillary Service continues to be treated as Regulation Energy regardless of what service it substituted.

**8.3 Procurement; Certification And Testing; Contracting Period**

**8.3.1 Procurement Of Ancillary Services**

The CAISO shall operate a competitive Day-Ahead Market, HASP, and Real-Time Markets to procure Ancillary Services. The Security Constrained Unit Commitment (SCUC) and Security Constrained Economic Dispatch (SCED) applications used in the Integrated Forward Market (IFM), HASP, and the Real-Time Market (RTM) shall calculate optimal resource commitment, Energy, and Ancillary Services Awards and Schedules at least cost to End-Use Customers consistent with maintaining System Reliability. Any Scheduling Coordinator representing resources, System Units, Participating Loads, Proxy Demand Resources or imports of System Resources may submit Bids into the CAISO's Ancillary Services markets provided that it is in possession of a current certificate for the resources concerned. Regulation

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Up, Regulation Down, and Operating Reserves necessary to meet CAISO requirements not met by self-provision will be procured by the CAISO as described in this CAISO Tariff. The amount of Ancillary Services procured in the IFM is based on the CAISO Forecast of CAISO Demand and the forecasted intertie schedules in HASP for the Operating Hour net of (i) Self-Provided Ancillary Services from resources internal to the CAISO Balancing Authority Area and Dynamic System Resources certified to provide Ancillary Services and (ii) Ancillary Services self-provided pursuant to an ETC, TOR or Converted Right. The amount of additional Ancillary Services procured in the HASP is based on the CAISO Forecast of CAISO Demand, the Day-Ahead Schedules established net interchange, and the forecast of the intertie schedules for the Operating Hour in the HASP net of (i) available awarded Day-Ahead Ancillary Services, (ii) Self-Provided Ancillary Services from resources internal to the CAISO Balancing Authority Area and Dynamic System Resources certified to provide Ancillary Services, and (iii) Ancillary Services self-provided pursuant to an ETC, TOR or Converted Right. The amount of Ancillary Services procured in the Real-Time Market is based upon the CAISO Forecast of CAISO Demand and the HASP Intertie Schedule established net interchange for the Operating Hour net of (i) available awarded Day-Ahead Ancillary Services, (ii) Self-Provided Ancillary Services from resources internal to the CAISO Balancing Authority Area and Dynamic System Resources certified to provide Ancillary Services, (iii) additional Operating Reserves procured in HASP, and (iv) Ancillary Services self-provided pursuant to an ETC, TOR or Converted Right.

The CAISO will manage the Energy from both CAISO procured and Self-Provided Ancillary Services as part of the Real-Time Dispatch. In the Day-Ahead Market, the CAISO procures one-hundred (100) percent of its Ancillary Service requirements based on the Day-Ahead Demand Forecast net of Self-Provided Ancillary Services. After the Day-Ahead Market, the CAISO procures additional Ancillary Services needed to meet system requirements from all resources in the Real-Time Market. The amount of Ancillary Services procured in the HASP and Real-Time Market is based on the CAISO Forecast of CAISO Demand for the Operating Hour net of Self-Provided Ancillary Services.

The CAISO procurement of Ancillary Services from Non-Dynamic System Resources in the HASP is for the entire next Operating Hour. The CAISO procurement of Ancillary Services from all other resources in the Real-Time Market is for a fifteen (15) minute time period to which the relevant RTUC applies. The

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CAISO's procurement of Ancillary Services from Non-Dynamic System Resources in HASP and from Dynamic System Resources and internal Generation in the Real-Time Market is based on the Ancillary Service Bids submitted or generated in the HASP consistent with the requirements in Section 30. The CAISO may also procure Ancillary Services pursuant to the requirements in Section 42.1 and as permitted under the terms and conditions of a Reliability Must-Run Contract.

The CAISO will contract for long-term Voltage Support service with owners of Reliability Must-Run Units under Reliability Must-Run Contracts. The CAISO will procure Black Start capability through individual contracts with Scheduling Coordinators for Reliability Must-Run Units and other Generating Units which have Black Start capability. These requirements and standards apply to all Ancillary Services whether self-provided or procured by the CAISO.

### **8.3.2 Procurement Internal And External Resources**

The CAISO will procure Spinning Reserves and Non-Spinning Reserves from resources operating within the CAISO Balancing Authority Area and from imports of System Resources. Scheduling Coordinators are allowed to bid Regulation from resources located outside the CAISO Balancing Authority Area by dynamically scheduling such System Resources certified to provide Regulation. Each System Resource used to bid Regulation must comply with the Dynamic Scheduling Protocol in Appendix X. Scheduling Coordinators may submit Bids for Operating Reserves from Non-Dynamic System Resources but they may not submit Bids for Regulation from such resources because these resources cannot be dynamically scheduled consistent with Appendix X. When bidding to supply Ancillary Services in the IFM, HASP, or RTM, imports compete for use of Intertie transmission capacity when the requested use is in the same direction, e.g., imports of Ancillary Services compete with Energy on Interties in the import direction and exports of Ancillary Services (i.e., on demand obligations) compete with Energy on Interties in the export direction. To the extent there is Congestion, imports of Ancillary Services will pay Congestion costs in the IFM, HASP, and RTM markets pursuant to Section 11.

### **8.3.3 Ancillary Service Regions And Regional Limits**

The CAISO will procure Ancillary Services using Ancillary Service Regions and Ancillary Service Sub-Regions. There are two Ancillary Service Regions and eight Ancillary Service Sub-Regions. The two Ancillary Service Regions are the System Region (i.e., the CAISO Balancing Authority Area) and the

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Expanded System Region (i.e., the System Region and Intertie Scheduling Points with adjacent Balancing Authority Areas). As defined by a Business Practice Manual, the eight identified Ancillary Service Sub-Regions are (1) the South of Path 15 Sub-Region, (2) the Expanded South of Path 15 Sub-Region, (3) the South of Path 26 Sub-Region, (4) the Expanded South of Path 26 Sub-Region, (5) the North of Path 15 Sub-Region, (6) the Expanded North of Path 15 Sub-Region, (7) the North of Path 26 Sub-Region, and (8) the Expanded North of Path 26 Sub-Region. The eight Ancillary Service Sub-Regions are embedded within either the System Region or the Expanded System Region. The CAISO may use Ancillary Service Sub-Regions within the System Region or the Expanded System Region to ensure appropriate distribution of the Ancillary Services procured for the CAISO Balancing Authority Area. The definition of the Expanded System Region, the System Region, and the eight Sub-Regions shall apply collectively to the following Ancillary Services: Regulation Up, Regulation Down, Spinning Reserves and Non-Spinning Reserves.

**8.3.3.1 Use of Ancillary Service Regions and Ancillary Service Regional Limits**

Within the Expanded System Region, the System Region, and the Sub-Regions, the CAISO may establish limits on the amount of Ancillary Services that can be provided from each region or must be provided within each region. When used, these Ancillary Service Regional Limits identify either a maximum or a minimum (or both a maximum and a minimum) amount of Ancillary Services to be obtained within the region. The minimum Ancillary Service limit in the Expanded System Region shall be the quantities of each Ancillary Service required to meet NERC and WECC reliability standards, including any requirements of the NRC for the CAISO Balancing Authority Area. The CAISO may establish a restriction on the amount of Ancillary Services to be procured from outside the CAISO Balancing Authority Area by establishing a minimum limit for the System Region.

**8.3.3.2 Criteria For Use of Ancillary Service Regions and Sub-Regions**

The CAISO's use of an Ancillary Service Sub-Region occurs when the CAISO establishes a minimum or maximum limit for that Sub-Region. The CAISO's use of minimum and maximum procurement limits for Ancillary Services help to ensure that the Ancillary Services required in the CAISO Balancing Authority Area are dispersed appropriately throughout the CAISO Balancing Authority Area and accurately reflect the system topology and deliverability needs. The factors the CAISO will use in determining whether to

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establish or change minimum or maximum limits include, but are not limited to, the following: (a) the CAISO Forecast of CAISO Demand, (b) the location of Demand within the Balancing Authority Area, (c) information regarding network and resource operating constraints that affect the deliverability of Ancillary Services into or out of an Ancillary Service Region, (d) the locational mix of generating resources, (e) generating resource Outages, (f) historical patterns of transmission and generating resource availability, (g) regional transmission limitations and constraints, (h) transmission Outages, (i) Available Transfer Capability, (j) DA Schedules or HASP Intertie Schedules, (k) whether any Ancillary Services provided from System Resources requiring a NERC tag fail to have a NERC tag, and (l) other factors affecting System Reliability. Ancillary Services procured within a Sub-Region count toward satisfying the Ancillary Service requirements for the System Region or the Expanded System Region.

**8.3.3.3 Notice to Market Participants**

Pursuant to Section 6.5.2.3.3, the CAISO will publish forecasted Ancillary Service requirements, regional constraints, and the minimum and/or maximum Ancillary Service Regional Limits for the Ancillary Service Regions and any Sub-Regions by 6:00 p.m. on the day before the close of the Day-Ahead Market (two days prior to the Operating Day). After the completion of the Day-Ahead Market for a given Trading Day, the CAISO will publish the limits that were used in the IFM. If prior to the close of the HASP for a Trading Hour the CAISO makes a substantial change to a minimum and/or maximum limit for an Ancillary Service Region or Sub-Region, it will issue a Market Notice as soon as reasonably practicable after the occurrence of the circumstances that led to the change. After the close of the HASP for a Trading Hour, the CAISO will publish the limits that were used in the HASP and RTUC.

**8.3.3.4 Establishment of New Ancillary Service Regions or Sub-Regions**

The CAISO will consider adjusting the boundaries of the existing Ancillary Service Regions or creating a new Ancillary Service Region through a stakeholder process if: (a) there is a persistent difficulty in obtaining an appropriate distribution of Ancillary Services in the CAISO Balancing Authority Area using market procurement mechanisms, and (b) adjusting the boundaries of the existing Ancillary Service Regions or creating a new Ancillary Service Region would reduce the persistent difficulty in obtaining an appropriate distribution of Ancillary Services in the CAISO Balancing Authority Area using market procurement mechanisms. Factors that would affect the CAISO's determination to consider adjusting the

boundaries of the existing Ancillary Service Regions or creating a new Ancillary Service Region include, but are not limited to operational reliability needs, the pattern of the growth of Demand in the CAISO Balancing Authority Area, the addition of new generating resources, the retirement of existing generating resources, the addition of new transmission facilities, changes in regional transmission limitations, changes in Available Transfer Capability, and extended transmission or generating resource Outages. If the CAISO considers adjusting the boundaries of the existing Ancillary Service Regions or creating a new Ancillary Service Region, the CAISO will conduct an analysis to determine whether the adjustments being considered create market power issues in either the new Ancillary Service Regions being considered or the pre-existing Ancillary Service Regions. The CAISO's analysis will be included in the stakeholder process and stakeholders will be able to comment on any new market power mitigation measures proposed for the CAISO's procurement of Ancillary Services.

#### **8.3.3.5 Base Market Model and Ancillary Services Procurement**

The Base Market Model is used in the SCUC application, which optimizes the provision of Ancillary Services and Energy in order to meet Ancillary Service requirements and Energy requirements. The Base Market Model models Transmission Constraints as described in Section 27.5.1. The Ancillary Services Awards reflect the Ancillary Service Region and Sub-Region definitions and requirements. The Ancillary Service requirements, the definition of Ancillary Service Regions and Ancillary Service Sub-Regions, and any minimum or maximum limit that is used within an Ancillary Service Region or Ancillary Service Sub-Region are all inputs to the CAISO Markets Processes.

#### **8.3.4 Certification And Testing Requirements**

The owner of and Scheduling Coordinator for each resource for which a Bid to provide Ancillary Services or Submission to Self-Provide Ancillary Services is allowed under the CAISO Tariff, and all other System Resources that are allowed to submit a Bid to provide Ancillary Services under this CAISO Tariff, must comply with the CAISO's certification and testing requirements as contained in Appendix K and the CAISO's Operating Procedures. Each resource used to bid Regulation or used to self-provide Regulation must have been certified and tested by the CAISO using the process defined in Part A of Appendix K. Each Dynamic System Resource offering Regulation must comply with the Dynamic Scheduling Protocol in Appendix X. Spinning Reserve may be provided only from resources that have been certified and

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tested by the CAISO using the process defined in Part B of Appendix K. Non-Spinning Reserve may be provided from resources that have been certified and tested by the CAISO using the process defined in Part C of Appendix K. Voltage Support may only be provided from resources that have been certified and tested by the CAISO using the process defined in Part D of Appendix K. Black Start capability may only be provided from Generating Units that have been certified and tested by the CAISO using the process defined in Part E of Appendix K. CAISO certification to provide Ancillary Services may be revoked by the CAISO under the provisions of this CAISO Tariff, including Appendix K.

**8.3.5 Daily And Hourly Procurement**

The CAISO shall procure Regulation Up, Regulation Down, Spinning Reserve, and Non-Spinning Reserve on a daily and Real-Time basis in the IFM and RTM, respectively. The CAISO shall also procure Spinning and Non-Spinning Reserves on an hourly basis in the HASP. The CAISO shall procure Ancillary Services on a longer-term basis pursuant to Section 42.1.3 if necessary to meet Reliability Criteria. The CAISO shall contract for Voltage Support annually (or for such other period as the CAISO may determine is economically advantageous) and on a daily or hourly basis as required to maintain System Reliability. The CAISO shall contract annually (or for such other period as the CAISO may determine is economically advantageous) for Black Start Generation.

**8.3.6 Market-Based Prices**

Public utilities under the FPA must submit Bids for Ancillary Services capped at FERC authorized cost-based rates unless and until FERC authorizes different pricing. Public utilities under the FPA shall seek FERC Ancillary Services rate approval on bases consistent with the CAISO time-frame for contracting for each Ancillary Service (hourly rate for some Ancillary Services, annual rate or otherwise for other Ancillary Services) so that cost-based Bids and market-based Bids for each service shall be on comparable terms. All other entities may use market-based rates not subject to any restrictions apart from those found in this CAISO Tariff. Public utilities under the FPA which have not been approved to bid at market-based rates will not be paid above their cost-based Bid for the Ancillary Service concerned even if the relevant Market Clearing Price is higher.



### **8.3.7 AS Bidding Requirements**

Scheduling Coordinators may submit Bids or Submissions to Self-Provide an Ancillary Service consistent with the rules specified in Section 30 and any further requirements in this Section 8.3.7. Scheduling Coordinators may (i) submit Bids or Submissions to Self-Provide an Ancillary Service from resources located within the CAISO Balancing Authority Area or Dynamic System Resources certified to provide Ancillary Services, (ii) submit Submissions to Self-Provide an Ancillary Service from System Resources located outside the CAISO Balancing Authority Area if provided pursuant to ETCs, TORs, or Converted Rights, (iii) submit Bids for Ancillary Services from Dynamic and Non-Dynamic System Resources located outside the CAISO Balancing Authority Area certified to provide Ancillary Services, or (iv) submit Inter-SC Trades of Ancillary Services. Ancillary Services procured in the IFM and in the Real-Time Market are comprised of the following: Regulation Up, Regulation Down, Spinning Reserve, and Non-Spinning Reserve. The HASP process evaluates the need for Energy, Regulation and Operating Reserves from System Resources and internal resources and issues binding Ancillary Services awards only for Operating Reserves Ancillary Services from Non-Dynamic System Resources. Each resource for which a Scheduling Coordinator wishes to submit Ancillary Service Bids must meet the requirements set forth in this CAISO Tariff. The same resource capacity may be simultaneously offered to the same CAISO Market for multiple Ancillary Services types. Ancillary Services Bids and Submissions to Self-Provide an Ancillary Service can be submitted up to seven (7) days in advance. The CAISO will only use Operating Reserve Ramp Rates for procuring capacity associated with the specific Ancillary Services. The CAISO will issue Real-Time Dispatch Instructions in the Real-Time Market for the Energy associated with the awarded capacity based upon the applicable Operational Ramp Rate submitted with the single Energy Bid Curve in accordance with Section 30.7.7. There is no ability to procure Ancillary Services for export. To the extent a Scheduling Coordinator has an on-demand obligation to serve loads outside the CAISO Balancing Authority Area, it can do so provided that (1) it is using export transmission capacity available in Real-Time, and (2) the resource capacity providing Energy to satisfy the on-demand obligation is not under an RMR Contract or Resource Adequacy Capacity obligation, and has not been paid a RUC Availability Payment for the Trading Hour. All resources subject to the Ancillary Services must offer

requirements, as specified in Section 40.6, must submit Bids consistent with the requirements specified therein and in Section 30.

**8.3.7.1 Requirement for Imports of Spinning or Non-Spinning Reserves**

Scheduling Coordinators may submit Bids for imports of Spinning Reserve, or Non-Spinning Reserve from System Resources located outside the CAISO Balancing Authority Area including Dynamic System Resources, where technically feasible and consistent with NERC and WECC reliability standards, including any requirements of the NRC; and provided that such Scheduling Coordinators have certified to the CAISO their ability to deliver the service to the point of interchange with the CAISO Balancing Authority Area (including with respect to their ability to make changes, or cause such changes to be made, to Interchange Schedules during any interval of a Settlement Period at the discretion of the CAISO).

**8.3.7.2 Requirement for Imports of Regulation**

Scheduling Coordinators may bid imports of Regulation from System Resources located outside the CAISO Balancing Authority Area, where technically feasible and consistent with NERC and WECC reliability standards, including any requirements of the NRC by dynamic scheduling; provided that the operator of the Balancing Authority Area in which the System Resources are located has entered into an agreement with the CAISO for interconnected Balancing Authority Area operations; and provided that such Scheduling Coordinator and the operator of the Balancing Authority Area in which the resources are located have been certified by the CAISO as to their ability to dynamically adjust Interchange Schedules based on control signals issued by the CAISO anytime during a Settlement Period at the discretion of the CAISO. Such certification shall include a demonstration of their ability to support the dynamic Interchange of Regulation service based on CAISO control signals received on dedicated communications links (either directly or through EMS computers) for CAISO computer control and telemetry to provide this function in accordance with CAISO standards and procedures posted on the CAISO Website.

### **8.3.8 Procurement Of Voltage Support**

Any Participating Generator who is producing Energy shall, upon the CAISO's specific request, provide reactive energy output outside the Participating Generator's Voltage Support obligation defined in Section 8.2.3.3.

The CAISO shall select Participating Generators' Generating Units which have been certified for Voltage Support to provide this additional Voltage Support. Subject to any locational requirements, the CAISO shall select the least costly Generating Units from a computerized merit order stack to back down to produce additional Voltage Support in each location where Voltage Support is needed.

### **8.4 Technical Requirements For Providing Ancillary Services**

All resources providing Ancillary Services shall comply with the technical requirements set out in Sections 8.4.1 to 8.4.3 below relating to their operating capabilities, communication capabilities and metering infrastructure. No Scheduling Coordinator shall be permitted to submit a Bid to the CAISO for the provision of an Ancillary Service from resource or to provide a Submission to Self-Provide an Ancillary Service from a resource, unless the Scheduling Coordinator is in possession of a current certificate issued by the CAISO confirming that the resource complies with the CAISO's technical requirements for providing the Ancillary Service concerned. Scheduling Coordinators can apply for Ancillary Services certificates in accordance with the requirements for considering and processing such applications in Appendix K and the CAISO's Operating Procedures. The CAISO shall have the right to inspect resources and other equipment for the purposes of the issue of a certificate and periodically thereafter to satisfy itself that its technical requirements continue to be met. If at any time the CAISO's technical requirements are not being met, the CAISO may withdraw the certificate for the resource concerned.

#### **8.4.1 Operating Characteristics Required To Provide AS**

Each resource for which a Scheduling Coordinator wishes to submit a Bid to provide Ancillary Services must comply with the requirements for the specific Ancillary Service as set forth in Appendix K and the Business Practice Manual. The certification requirements in Section 8, Appendix K of the CAISO Tariff, and the Business Practice Manuals shall apply to Multi-Stage Generating Resources based on the MSG Configurations. Scheduling Coordinators shall submit Ancillary Services Bids or Submissions to Self-Provide Ancillary Services to the CAISO Markets only for MSG Configurations that are certified consistent

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with these requirements. In addition, to the extent the CAISO requires specific operating characteristics for Ancillary Services certification of Multi-Stage Generating Resources the responsible Scheduling Coordinator shall submit to the CAISO such specific operating characteristics at the MSG Configuration level. The requirements in Appendix K and the Business Practice Manuals include Ancillary Service control, capability and availability standards. The requirements also involve the following operating characteristics:

- (a) Ramp Rate increase and decrease (MW/minute);
- (b) power factor (leading and lagging) as required by Section 8.2.3.3;
- (c) maximum output (real and reactive), except that System Resources shall be required to comply only with the requirement for maximum real power;
- (d) minimum output (real and reactive), except that System Resources shall be required to comply only with the requirement for minimum real power;
- (e) Capability to respond immediately to the CAISO's EMS control, control scheme, and range; and
- (f) minimum length of time the resource can be available to provide the relevant Ancillary Service.

In Appendix K and the Business Practice Manuals the CAISO will differentiate the operating characteristics according to the Ancillary Service being provided.

**8.4.1.1 Regulation**

A resource offering Regulation must have the following operating characteristics and technical capabilities:

- (a) it must be capable of being controlled and monitored by the CAISO EMS by means of the installation and use of a standard CAISO direct communication and direct control system, a description of which and criteria for any temporary exemption from which, the CAISO shall publish on the CAISO Website;
- (b) it must be capable of achieving at least the Ramp Rates (increase and decrease in MW/minute) stated in its Bid for the full amount of Regulation capacity offered;

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- (c) the Regulation capacity offered must not exceed the maximum Ramp Rate (MW/minute) of that resource times a value within a range from a minimum of ten (10) minutes to a maximum of thirty (30) minutes, which value shall be specified by the CAISO and published on the CAISO Website;
- (d) the resource to CAISO Control Center telemetry must in a manner meeting CAISO standards include indications of whether the resource is on or off CAISO EMS control at the resource terminal equipment;
- (e) the resource must be capable of the full range of movement within the amount of Regulation capability offered without manual resource operator intervention of any kind; and
- (f) each Ancillary Service Provider must ensure that its CAISO EMS control and related SCADA equipment for its resource are operational throughout the time period during which Regulation is required to be provided.
- (g) Regulation capacity offered must be dispatchable on a continuous basis for at least sixty (60) minutes in the Day Ahead Market and at least thirty (30) minutes in the Real Time Market after issuance of the Dispatch Instruction. The ISO will measure continuous energy from the time a resource reaches its award capacity.

**8.4.1.2 Voltage Support**

A Generating Unit providing Voltage Support must be under the control of generator automatic voltage regulators throughout the time period during which Voltage Support is required to be provided. A Generating Unit may be required to operate underexcited (absorb reactive power) at periods of light system Demand to avoid potential high voltage conditions, or overexcited (produce reactive power) at periods of heavy system Demand to avoid potential low voltage conditions.

**8.4.2 Ancillary Service Control Standards**

The providers of Ancillary Services under this Tariff must comply with the following control standards:

- (a) Regulation. The Area Control Error will be calculated by the CAISO Energy Management System. Control signals will be sent from the CAISO EMS to raise

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or lower the output of resources providing Regulation when ACE exceeds the allowable CAISO Balancing Authority Area dead band for ACE;

- (b) Spinning Reserve and Non-Spinning Reserve. Each provider of Spinning Reserve or Non-Spinning Reserve must be capable of receiving a Dispatch Instruction within one (1) minute from the time the CAISO Control Center elects to Dispatch the Spinning Reserve resource or Non-Spinning Reserve resource and must ensure that its resource can be at the Dispatched operating level within ten (10) minutes after issuance of the Dispatch Instruction;
- (c) Voltage Support. Generating Units providing Voltage Support must have automatic voltage regulators which can correct the bus voltages to be within the prescribed Voltage Limits and within the machine capability in less than one (1) minute; and
- (d) Black Start. (i) Voice Communications: each supplier of Black Start capability must ensure that normal and emergency voice communications are available to permit effective Dispatch of the Black Start capability; (ii) CAISO Confirmation: No Load served by the Black Start Generating Unit or by any designated Generating Unit or by any transmission facility used for Black Start service may be restored until the CAISO has confirmed that the need for such service has passed.

**8.4.3 Ancillary Service Capability Standards**

The providers of Ancillary Services under this CAISO Tariff must comply with the following capability standards:

- (a) Spinning Reserve and Non-Spinning Reserve Capability. Each resource or external import of a System Resource scheduled to provide Spinning Reserve and each resource providing Non-Spinning Reserve must be capable of converting the full capacity reserved to Energy production within ten (10) minutes after the issue of the Dispatch Instruction by the CAISO. Each resource scheduled to provide Spinning Reserve and each resource scheduled to provide

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Non-Spinning Reserve must be capable of maintaining that output or scheduled Interchange for at least thirty (30) minutes from the point at which the resources reaches its award capacity.

- (b) Black Start. Each Black Start Generating Unit must be able to start up with a dead primary and station service bus within ten (10) minutes of issue of a Dispatch Instruction by the CAISO requiring a Black Start. Each Black Start Generating Unit must provide sufficient reactive capability to keep the energized transmission bus voltages within emergency Voltage Limits over the range of no load to full load. Each Black Start Generating Unit must be capable of sustaining its output for a minimum period of twelve (12) hours from the time when it first starts delivering Energy.

**8.4.4 Ancillary Service Availability Standards**

The providers of Spinning Reserve and Non-Spinning Reserve under this CAISO Tariff must comply with the following availability standards. Each Ancillary Service Provider shall ensure: (i) that its resources scheduled to provide Spinning Reserve and Non-Spinning Reserve are available for Dispatch throughout the Settlement Period for which they have been scheduled; and (ii) that its resources scheduled to provide Spinning Reserve are responsive to frequency deviations throughout the Settlement Period for which they have been scheduled.

**8.4.5 Communication Equipment**

Unless otherwise authorized by the CAISO, all Scheduling Coordinators wishing to submit an Ancillary Service Bid must have the capability to submit to and receive information from the CAISO's secure communication system. In addition, they must be capable of receiving Dispatch Instructions electronically and they must provide the CAISO with a telephone number, or fax number through which Dispatch Instructions for each resource may be given if necessary. The CAISO will determine which method of communication is appropriate; provided that the CAISO will consult with the Scheduling Coordinator, if time permits, and will consider the method of communication then utilized by such Scheduling Coordinator; provided further, that the CAISO shall make the final determination as to the additional communication methods. Ancillary Service Providers whose resources are scheduled, bid in or under

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contract, shall ensure that there is a twenty-four (24) hour personal point of contact with the CAISO for the resource. Scheduling Coordinators representing Proxy Demand Resources that are scheduled, bid in or under contract shall ensure that there is a twenty-four (24) hour personal point of contact with the CAISO for the Proxy Demand Resource. An Ancillary Service Provider wishing to offer any Ancillary Service must provide a direct ring down voice communications circuit (or a dedicated telephone line available twenty-four (24) hours a day every day of the year) between the control room operator for the resource providing the Ancillary Service and the CAISO Control Center. Each Ancillary Service Provider must also provide an alternate method of voice communications with the CAISO from the control room in addition to the direct communication link required above. Operators of Dynamic System Resources from which Dynamic Schedules or Bids are submitted to the CAISO shall provide communications links meeting CAISO standards for dynamic imports from System Resources. Ancillary Service Providers whose resources provide Regulation shall also provide communication links meeting CAISO standards for direct digital control. Operators of System Resources providing Regulation shall provide communications links meeting CAISO standards for imports of Regulation. If any communication system becomes unavailable, the relevant Ancillary Service Provider and the CAISO shall take immediate action to identify the cause of the interruption and to restore the communication system. A Scheduling Coordinator that has provided a Submission to Self-Provide an Ancillary Service, or has submitted a Bid to provide or contracted for Ancillary Services, shall ensure that the resource concerned is able to receive and implement Dispatch Instructions.

**8.4.6 Metering Infrastructure**

All Ancillary Service Providers that wish to bid to provide Ancillary Services shall maintain metering infrastructure for the resources concerned which complies with requirements to be established by the CAISO relating to:

- (a) meter type;
- (b) meter location;
- (c) meter reading responsibility;
- (d) meter capability in regard to response to CAISO EMS control; and



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- (e) any other aspect of metering infrastructure required by the CAISO under this CAISO Tariff.

**8.4.6.1 Additional Requirements for Black Start Units**

A Participating Generator who wishes to offer Black Start must ensure that the requirements set out in Appendix D are met in relation to the Generating Units from which Black Start will be offered.

**8.5 Time Frame To Submit And Evaluate Ancillary Services Bids**

All Ancillary Services Bids must be submitted pursuant to the rules provided in Section 30.5.

**8.6 Obligations For And Self-Provision Of Ancillary Services**

**8.6.1 Ancillary Service Obligations**

Each Scheduling Coordinator shall be assigned a share of the total Regulation Down, Regulation Up, Spinning Reserve, and Non-Spinning Reserve requirements by the CAISO, as set forth in Sections 11.10.2, 11.10.3 and 11.10.4, (i.e., a share of the total requirements for each Ancillary Service in the Day-Ahead Market, HASP, and the Real-Time Market). Any references in this CAISO Tariff to Regulation shall be read as referring to Regulation Up or Regulation Down.

**8.6.2 Right To Self-Provide**

Each Scheduling Coordinator may choose to self-provide all, or a portion, of its Regulation Up, Regulation Down, Spinning Reserve, and Non-Spinning Reserve obligations in the IFM, and, to the extent needed to satisfy the CAISO's additional requirement, HASP and the Real-Time Market, from resources eligible for self-provision, as may be permissible for any given Ancillary Service in these respective markets. The right to self-provide Ancillary Services from capacity that is under a contractual obligation to provide Energy, including but not limited to capacity subject to an RMR Contract and local Resource Adequacy Resources, shall be conditional; self-provision of Ancillary Services from such capacity will only be permitted to the extent that capacity is not needed for Energy as a result of the MPM-RRD process described in this CAISO Tariff. To self-provide Ancillary Services a Scheduling Coordinator must provide the CAISO with a Submission to Self-Provide an Ancillary Service. Both Ancillary Service Bids and Submissions to Self-Provide an Ancillary Service can be provided to the CAISO for the same Ancillary Service and for the same hour in the same market. To the extent the Submission to Self-Provide an Ancillary Service is from a resource that is a Partial Resource Adequacy Resource, and Energy is

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needed, including for purposes under Section 31.3.1.3, from that resource the CAISO shall only disqualify the self-provision of Ancillary Services from the portion of the resource's capacity that has must-offer obligation, provided that the Scheduling Coordinator has not submitted an Energy Bid for the capacity that is not subject to a must-offer obligation. The CAISO will treat resources subject to Resource Adequacy requirements consistently with and such resources must comply with the bidding requirements in Section 40.6. If there is an Energy Bid submitted for the capacity of a Partial Resource Adequacy Resource that is not subject to a must-offer obligation the CAISO may disqualify the Submission to Self-Provide an Ancillary Service for the portion of the resources capacity that is not under a must-offer obligation consistent with the principles of co-optimization under the CAISO Tariff.

Prior to evaluating Ancillary Service Bids, the CAISO will determine whether Submissions to Self-Provide Ancillary Services are feasible with regard to resource operating characteristics and regional constraints and are qualified to provide the Ancillary Services in the markets for which they were submitted.

If the total Submissions to Self-Provide Ancillary Services exceed the maximum regional requirement for the relevant Ancillary Service in an Ancillary Service Region, the submissions that would otherwise be accepted by the CAISO as feasible and qualified will be awarded on a pro-rata basis among the suppliers offering to self-provide the Ancillary Service up to the amount of the Ancillary Services requirement. If a regional constraint imposes a limit on the total amount of Regulation Up, Spinning Reserve, and Non-Spinning Reserve, and the total self-provision of these Ancillary Services in that region exceeds that limit, Self-Provided AS are qualified pro rata from higher to lower quality service in three tiers: Regulation Up first, followed by Spinning Reserve, and then by Non-Spinning Reserve. Submissions to Self-Provide Ancillary Services in excess of the maximum regional requirement for the relevant Ancillary Service in an Ancillary Service Region will not be accepted and qualified by the CAISO as Self-Provided Ancillary Services.

The CAISO shall schedule Self-Provided Ancillary Services to the extent qualified in the IFM, HASP, and the RTM and Dispatch Self-Provided Ancillary Services in the Real-Time. To the extent that a Scheduling Coordinator self-provides Regulation Up, Regulation Down, Spinning Reserve, and Non-Spinning Reserve, the CAISO shall correspondingly reduce the quantity of the Ancillary Services it procures from Bids submitted in the IFM, HASP, and the Real-Time Market. To the extent a Scheduling Coordinator's

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Self-Provided Ancillary Service for a particular Ancillary Service is greater than the Scheduling Coordinator's obligation for that particular Ancillary Service in a Settlement Interval, the Scheduling Coordinator will receive the user rate for the Self-Provided Ancillary Service for the amount of the Self-Provided Ancillary Service in excess of the Scheduling Coordinator's obligation.

Scheduling Coordinators may trade Ancillary Services so that any Scheduling Coordinator may reduce its Ancillary Services Obligation through purchase of Ancillary Services capacity from another Scheduling Coordinator, or self-provide in excess of its obligation to sell Ancillary Services to another Scheduling Coordinator.

### **8.6.3 Services Which May Be Self-Provided**

The CAISO shall permit Scheduling Coordinators to self-provide the following Ancillary Services:

- (a) Regulation Up;
- (b) Regulation Down;
- (c) Spinning Reserve; and
- (d) Non-Spinning Reserve.

Submissions to Self-Provide Ancillary Services for Regulation Up and Regulation Down capacity will be rejected if the Energy Bid provided in the submission is outside of the resource's Regulating Range. The CAISO may from time to time add other Ancillary Services to this list as it considers appropriate.

### **8.6.4 Time Frame For Informing CAISO Of Self-Provision**

#### **8.6.4.1 Day-Ahead Schedule**

At the Day-Ahead Market, Scheduling Coordinators shall be required to submit information on Self-Provided Ancillary Services within the time frame stated in Section 30. Failure to submit the required information within the stated time frame for any hour shall lead to the self-provision for that hour being declared invalid by the CAISO.

#### **8.6.4.2 HASP**

In the HASP, Scheduling Coordinators shall be required to submit information on Self-Provided Ancillary Services within the time frame stated in Section 30.1. Failure to submit the required adjusted information within the stated time frame shall lead to the self-provision being declared invalid by the CAISO.

#### **8.6.4.2.3 Information To Be Submitted By Scheduling Coordinators For Each Service**

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Scheduling Coordinators electing to self-provide Ancillary Services shall submit the information for each Self-Provided Ancillary Service as described in Section 30.

In the event of an Ancillary Service Inter-SC Trade, the Scheduling Coordinators who are parties to that trade must comply with requirements in Section 28.2.

**8.6.4.4 Acceptance of Self-Provided Ancillary Service Submissions**

The CAISO will refuse to accept a Submission to Self-Provide an Ancillary Service to the extent it fails to meet the requirements contained in this CAISO Tariff. In particular, Self-Provided Ancillary Services must satisfy the following conditions:

- (a) the Scheduling Coordinator has a current certificate of technical eligibility for the resource selected for the Ancillary Services in question;
- (b) to the extent not provided under (a), the resources have the instrumentation, communication and metering equipment necessary to permit the CAISO to dispatch the offered Ancillary Services and verify that the services have been provided;
- (c) the Bid information provided by the Scheduling Coordinator is deemed to be valid in accordance with Appendix E and other provisions of the CAISO Tariff; and
- (d) the resources meet the CAISO's locational requirements for the Ancillary Services.

**8.7 Ancillary Services Awards**

The CAISO shall provide Scheduling Coordinators with Ancillary Services Awards for the Day-Ahead, HASP and Real-Time Markets consistent with the provisions of the CAISO Tariff. The CAISO shall post the Ancillary Service Awards and Ancillary Service Schedules for the applicable Day-Ahead Market no later than the publication of the Day-Ahead Schedule for the applicable Day-Ahead Market; no later than approximately forty (40) minutes prior to the Operating Hour of their Ancillary Services Awards and Ancillary Service Schedules from Non-Dynamic System Resources in the HASP; and no later than approximately fifteen (15) minutes prior to the next Commitment Interval in the Real-Time Market. Where long-term contracts are involved, the information may be treated as standing information for the duration of the contract.

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Once the CAISO has given Scheduling Coordinators notice of the Day-Ahead, HASP and Real-Time Market Ancillary Service Awards and Ancillary Service Schedules, these awards and Schedules represent binding commitments made in the markets between the CAISO and the Scheduling Coordinators concerned, subject to any amendments issued as described above.

**8.8 Black Start**

- (a) Black Start shall meet the standards specified for Black Start in this CAISO Tariff and Appendix K; and
- (b) the CAISO will dispatch Black Start Generating Units as required in accordance with the applicable Black Start agreement.

**8.9 Verification, Compliance Testing, And Auditing**

Availability of contracted and Self-Provided Ancillary Services and RUC Capacity shall be verified by the CAISO by unannounced testing of resources, by auditing of response to CAISO Dispatch Instructions, and by analysis of the appropriate Meter Data, or Interchange Schedules. The CAISO may test the capability of any resource providing Ancillary Services or RUC Capacity. Participating Generators, owners or operators of Participating Loads, Scheduling Coordinators representing owners or operators of Proxy Demand Resources, operators of System Units or System Resources, owners or operators of reactive devices and Scheduling Coordinators shall notify the CAISO immediately whenever they become aware that an Ancillary Service or RUC Capacity is not available in any way. All Ancillary Service Providers shall check, monitor and/or test their system and related equipment routinely to assure availability of the committed Ancillary Services and RUC Capacity. These requirements apply to Ancillary Services whether the Ancillary Services are contracted or self-provided. For a duration specified by the CAISO, the CAISO may suspend the technical eligibility certificate of a Scheduling Coordinator for a resource which repeatedly fails to perform. The CAISO shall develop measures to discourage repeated non-performance on the part of both bidders and self-providers. Further, all of these requirements apply to each MSG Configuration.

**8.9.1 Compliance Testing For Spinning Reserve**

Compliance testing for Spinning Reserve is addressed in Section 8.10.2.

## **8.9.2 Compliance Testing For Regulation**

The CAISO may test the capability of any resource providing Regulation by using the CAISO EMS to move that resource's output over the full range of its Regulation capacity within a ten (10) minute period. For a Multi-Stage Generating Resource the full range of Regulation capacity is evaluated at the applicable MSG Configuration.

## **8.9.3 Compliance Testing For Non-Spinning Reserve**

### **8.9.3.1 Compliance Testing of a Resource**

The CAISO may test the Non-Spinning Reserve capability of a resource that is not Curtailable Demand by issuing unannounced Dispatch Instructions requiring the resource to come on line and ramp up or, in the case of a Proxy Demand Resource, to reduce Demand, or, in the case of a System Resource, to affirmatively respond to Real-Time Interchange Schedule adjustment; all in accordance with the Scheduling Coordinator's Bid. Such tests may not necessarily occur on the hour. The CAISO shall measure the response of the resource to determine compliance with its stated capabilities. For a Multi-Stage Generating Resource the full range of Non-Spinning capacity is evaluated at the applicable MSG Configuration.

### **8.9.3.2 Compliance Testing of Loads as Resources**

The CAISO may test the Non-Spinning Reserve capability of a resource providing Curtailable Demand or Proxy Demand Resource providing Demand Response Services by issuing unannounced Dispatch Instructions requiring the operator of the Participating Load or Demand Response Provider of that Proxy Demand Resource to report the Curtailable Demand of that Participating Load or Demand Response Services of that Proxy Demand Resource actually being served by the operator at the time of the instruction. No Participating Load or Proxy Demand Resource will be disconnected as part of the test conducted pursuant to this Section 8.9.3.2.

## **8.9.4 Compliance Testing For Voltage Support**

### **8.9.4.1 Compliance Testing of a Generating Unit**

The CAISO may test the Voltage Support capability of a Generating Unit by issuing unannounced Dispatch Instructions requiring the Generating Unit to adjust its power factor outside the specified power factor band of 0.90 lag to 0.95 lead, but within the limits of the Generating Unit capability curve.

#### **8.9.4.2 Compliance Testing of Other Reactive Devices**

The CAISO may test the Voltage Support capability of other reactive devices (shunt capacitors, static var compensators, and synchronous condensers) by issuing unannounced Dispatch Instructions requiring operation of such devices.

#### **8.9.5 Compliance Testing For Black Start**

The CAISO may test the Black Start capability of a Generating Unit by unannounced tests, which may include issuing Dispatch Instructions to start and synchronize the resource, testing of all communications circuits, simulating switching needed to connect the Black Start Generating Unit to the transmission system, and testing the features unique to each facility that relate to Black Start service.

#### **8.9.6 Compliance Testing For RUC Capacity**

The CAISO may test the capability of a resource to provide RUC Capacity by issuing unannounced Dispatch Instructions requiring the resource to come on line and ramp up or, in the case of a System Resource, to affirmatively respond to a Real-Time Interchange Schedule adjustment; all in accordance with the Scheduling Coordinator's Bid. Such tests may not necessarily occur on the hour. The CAISO shall measure the response of the resource to determine compliance with its stated capabilities. For a Multi-Stage Generating Resource the range of RUC Capacity evaluated is the range for the applicable MSG Configuration.

#### **8.9.7 Consequences Of Failure To Pass Compliance Testing**

##### **8.9.7.1 Notification of Compliance Testing Results**

If a resource fails a compliance test, the CAISO shall notify the Scheduling Coordinator whose resource was the subject of the test and the provider or owner or operator of the resource providing Ancillary Services or RUC Capacity of such failure by any means as soon as reasonably practicable after the completion of the test. In addition, regardless of the outcome of the test, the CAISO shall provide the Scheduling Coordinator whose resource was subject to a compliance test written notice of the results of such test. The CAISO shall at the same time send a copy of the notice to the provider or owner or operator of the resource providing Ancillary Services or RUC Capacity. For any Resource Adequacy Resource failing a compliance test, the CAISO also will provide notification of the failure to the California

Public Utilities Commission, Local Regulatory Authority, or federal agency with jurisdiction over the Load Serving Entity that listed the Resource Adequacy Resource on its Resource Adequacy Plan, and FERC.

**8.9.7.2 Penalties for Failure to Pass Compliance Testing**

The Scheduling Coordinator whose resource fails a compliance test shall be subject to the financial penalties provided for in the CAISO Tariff. In addition, the CAISO shall institute the sanctions described in Section 8.9.16.

**8.9.8 Performance Audits For Standard Compliance**

In addition to testing under Section 8.10, the CAISO will periodically audit the performance of resources providing RUC Capacity or Ancillary Services to confirm the ability of such resources to provide the RUC Capacity or to meet the applicable Ancillary Service standard for performance and control.

**8.9.9 Performance Audit For Regulation**

The CAISO will audit the performance of a Generating Unit providing Regulation by monitoring its response to CAISO EMS control or, in the case of an external import of a System Resource providing Regulation, by monitoring the dynamic Interchange response to CAISO EMS control around its Set Point within its rated MW/minute capability over the range of Regulation capacity scheduled for the current Settlement Period. For a Multi-Stage Generating Resource the range of Regulation capacity evaluated is the range for the applicable MSG Configuration.

**8.9.10 Performance Audit For Spinning Reserve**

The CAISO will audit the performance of a resource providing Spinning Reserve by auditing its response to Dispatch Instructions and by analysis of Meter Data associated with the resource. Such audits may not necessarily occur on the hour. A resource providing Spinning Reserve shall be evaluated on its ability to respond to a Dispatch Instruction, move at the MW/minute capability stated in its Bid, reach the amount of Spinning Reserve capacity scheduled for the current Settlement Period within ten (10) minutes of issue of the Dispatch Instruction by the CAISO, and respond to system frequency deviations as specified in Appendix K. An external import of a System Resource providing Spinning Reserve shall be evaluated on its ability to respond to a Dispatch Instruction, move at the MW/minute capability stated in its Bid, reach the amount of Spinning Reserve capacity scheduled for the current Settlement Period within ten (10)



minutes of issue of the Dispatch Instruction by the CAISO. For a Multi-Stage Generating Resource the range of Spinning Reserve capacity evaluated is the range for the applicable MSG Configuration.

**8.9.11 Performance Audit For Non-Spinning Reserve**

The CAISO will audit the performance of a resource providing Non-Spinning Reserve by auditing its response to Dispatch Instructions, and by analysis of Meter Data associated with the resource. Such audits may not necessarily occur on the hour. A resource providing Non-Spinning Reserve shall be evaluated on its ability to respond to a Dispatch Instruction, move in accordance with the time delay and MW/minute capability stated in its Bid, and reach the amount of Non-Spinning Reserve capacity under the control of the CAISO scheduled for the current Settlement Period within ten (10) minutes of issue of the Dispatch Instruction by the CAISO. For a Multi-Stage Generating Resource the range of Non-Spinning capacity evaluated is the range for the applicable MSG Configuration.

**8.9.12 Performance Audit For Voltage Support**

The CAISO will audit the performance of a resource providing Voltage Support by auditing of its response to Dispatch Instructions, and by analysis of Meter Data associated with the resource. A resource providing Voltage Support shall be evaluated on its ability to provide reactive support over the stated power factor range of the resource, provide reactive support within the prescribed time periods, and demonstrate the effective function of automatic voltage control equipment for the amount of Voltage Support under the control of the CAISO for the current Settlement Period.

**8.9.13 Performance Audit For Black Start**

The CAISO will audit the performance of a Black Start Generating Unit by analysis of Meter Data and other records to determine that the performance criteria relating to the Black Start from that Black Start Generating Unit were met when required.

**8.9.14 Performance Audit For RUC Capacity**

The CAISO will audit the performance of a resource providing RUC Capacity by auditing its response to Dispatch Instructions, and by analysis of Meter Data associated with the resource. Such audits may not necessarily occur on the hour. A resource providing RUC Capacity shall be evaluated on its ability to respond to a Dispatch Instruction, start within the designated time delay, move at the MW/minute capability stated in its Bid, reach the amount of RUC Capacity scheduled for the Settlement Period

concerned and sustain operation at this level for a sufficient time to assure availability over the specified period. For a Multi-Stage Generating Resource range of RUC Capacity evaluated is the range for the applicable MSG Configuration.

**8.9.15 Consequences Of Failure To Pass Performance Audits**

**8.9.15.1 Notification of Performance Audit Results**

The CAISO shall give the Scheduling Coordinator for a provider of RUC Capacity or Ancillary Services written notice of the results of such audit. The CAISO will at the same time send a copy of the notice to the provider of RUC Capacity or Ancillary Services. For any Resource Adequacy Resource failing to pass a performance audit, the CAISO also will provide notification of the failure to the California Public Utilities Commission, Local Regulatory Authority, or federal agency with jurisdiction over the Load Serving Entity that listed the Resource Adequacy Resource on its Resource Adequacy Plan, and the FERC.

**8.9.15.2 Penalties for Failure to Pass Performance Audit**

The Scheduling Coordinator for a provider of RUC Capacity or an Ancillary Service whose resource fails a performance audit shall be subject to the financial penalties provided for in the CAISO Tariff, including those in Section 8.10. In addition, the sanctions described in Section 8.9.16 shall apply.

**8.9.16 Sanctions For Poor Performance**

**8.9.16.1 Warning Notice**

If an Ancillary Service or RUC Capacity resource fails a compliance test or a performance audit, the CAISO will issue a warning notice to the Scheduling Coordinator for that resource and at the same time will send a copy of the notice to the owner and operator of the resource.

**8.9.16.2 Scheduling Coordinator's Option to Test**

On receipt of a warning notice the provider of the Ancillary Service or RUC Capacity may request the CAISO, through its Scheduling Coordinator, to test the capability of the Ancillary Service or RUC Capacity resource. The CAISO shall carry out such test as soon as practicable and the cost of such test shall be paid by the Scheduling Coordinator irrespective of the result of the test.

**8.9.16.3 Duration of Warning Notice**

A warning notice shall continue in effect until:

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- (a) the Ancillary Service or RUC Capacity resource is next tested by the CAISO whether such a test is called for by the Scheduling Coordinator under Section 8.9.16.2 or carried out by the CAISO under Section 8.10; or
- (b) the expiration of a period of six (6) calendar months from the date upon which the CAISO notified the Scheduling Coordinator that the Ancillary Service or RUC Capacity resource failed the test or the performance audit which gave rise to the issue of the warning notice, whichever is the earlier.

**8.9.16.4 Second failure**

A RUC Capacity or Ancillary Service resource which fails a compliance test or a performance audit conducted during the period when a warning notice for that resource is in effect shall be disqualified immediately from providing the RUC Capacity or the Ancillary Service concerned (whether the Ancillary Service is part of the CAISO's auction or is part of a self-provision arrangement), and in the case of Ancillary Services, shall not be permitted to submit a Bid to the CAISO to provide the Ancillary Service concerned (or be part of an Ancillary Service self-provision arrangement) until such time as it has successfully re-passed the approval and certification procedure described in the relevant Part of Appendix K. For any Resource Adequacy Resource failing a compliance test or performance audit during the periods when a warning notice for that resource is in effect, the CAISO will notify the California Public Utilities Commission or the relevant Local Regulatory Authority of the failure and disqualification or federal agency with jurisdiction over the Load Serving Entity that listed the Resource Adequacy Resource on its Resource Adequacy Plan, and FERC.

**8.10 Periodic Testing Of Units**

The CAISO shall periodically conduct unannounced tests of resources providing RUC Capacity or Ancillary Services. For RUC Capacity the unannounced tests will confirm the ability of the resource to respond to a Dispatch Instruction, start within the designated time delay, move at the MW/minute capability stated in its Bid, reach the amount of RUC Capacity scheduled for the Settlement Period concerned and sustain operation at this level for a sufficient time to assure availability over the specified period. For Ancillary Services the unannounced tests will confirm the ability of such resources to meet the applicable Ancillary Service standard for performance and control. The CAISO may test resources in

the manner described herein. The frequency of testing shall be within such time frames as are reasonable under all the circumstances. Scheduling Coordinators shall manage the resulting Energy output if notification of testing permits the Energy to be included in a Bid. If a resource fails to meet requirements in a test under this section, the CAISO shall notify the relevant Ancillary Service Provider or Scheduling Coordinator for the resource of such failure as soon as reasonably practicable after the completion of the test. Failure to meet requirements shall lead to the penalties described in Section 8.10.7.

#### **8.10.1 Regulation Up And Regulation Down Reserves**

The CAISO shall continuously monitor the response of a resource to the CAISO's Regulation instructions in order to determine the resource is under direct control of CAISO's Automatic Generation Control system and complies with CAISO's Dispatch Instructions.

#### **8.10.2 Spinning Reserve**

The CAISO shall test the Spinning Reserve capability of a resource by issuing unannounced Dispatch Instructions requiring the resource to ramp up to its ten (10) minute capability. The CAISO shall measure the response of the resource to determine compliance with requirements. Such tests may not necessarily occur on the hour. The Scheduling Coordinator for the resource shall be paid pursuant to Section 11.5.6. For a Multi-Stage Generating Resource the range of Spinning capacity evaluated is the range for the applicable MSG Configuration.

#### **8.10.3 Non-Spinning Reserve**

The CAISO may test the Non-Spinning Reserve capability of a resource by issuing unannounced Dispatch Instructions requiring the resource to ramp to its certified capacity within ten (10) minutes. The CAISO shall measure the response of the resource or Load to determine compliance with requirements. The Scheduling Coordinator for the resource shall be paid pursuant to Section 11.5.6. For a Multi-Stage Generating Resource the range of Non-Spinning capacity evaluated is the range at the applicable MSG Configuration.

#### **8.10.4 Voltage Support**

The CAISO shall monitor a Generating Unit's response to Voltage Support instructions in order to determine compliance with Dispatch Instructions.

**8.10.5 Black Start**

The CAISO may test the Black Start capability of a Generating Unit by issuing unannounced Dispatch Instructions requiring the Generating Unit to start on a Black Start basis. The CAISO shall measure the response of the Generating Unit to determine compliance with the terms of the Black Start contract. The Scheduling Coordinator or Black Start Generator as stated in Section 11.10.1.5 for the Generating Unit shall be paid the Generating Unit's contract price for the output under the Black Start test.

**8.10.6 RUC Capacity**

The CAISO may test the capability of a resource to provide RUC Capacity by issuing unannounced Dispatch Instructions requiring the resource to follow the Dispatch Instruction. The CAISO shall measure the response of the resource to determine compliance with requirements. Such tests may not necessarily occur on the hour. The Scheduling Coordinator for the resource shall be paid the Energy Bid price of the resource for the output under the RUC test.

**8.10.7 Penalties For Failure To Pass Tests**

A resource that fails an availability test, as determined under criteria to be established by the CAISO, shall be deemed not to have been available to provide the RUC Capacity or Ancillary Service concerned or the relevant portion of that service for the entire period the resource was committed to provide the service, unless appropriate documentation (i.e., daily test records) confirming the availability of that service during the committed period(s) is presented to the CAISO. The "committed period" is defined as the total of all the hours/days the resource was scheduled by the CAISO to provide the RUC Capacity or Ancillary Service beginning from: (i) the last successful availability test; or (ii) the last time the resource actually provided Energy or reduced Demand to provide RUC Capacity or provided Energy or reduced Demand as part of the Ancillary Service; whichever results in a shorter committed period. The Scheduling Coordinator for a resource that fails an availability test shall not be entitled to a RUC Availability Payment or payment for the Ancillary Service concerned for the committed period and adjustments to reflect this shall be made in the calculation of payments to the Scheduling Coordinator, provided that any such penalty shall be reduced to reflect any adjustment made over the duration of the committed period under Section 8.10.8 or Section 31.5.7.

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System Units providing RUC Capacity or providing Ancillary Services to the CAISO are subject to the same testing, compensation, and penalties as are applied to individual resources providing RUC Capacity or provision of Ancillary Services.

If payments for RUC Capacity or for a particular Ancillary Service in a particular Settlement Period would be rescinded under more than one provision of this Section 8.10.7, the total amount to be rescinded for a particular Ancillary Service in a particular Settlement Period shall not exceed the total payment due in that Settlement Period.

**8.10.8 Rescission Of Payments For Ancillary Service Capacity**

If Ancillary Services capacity that receives an AS Award or Self-Provided Ancillary Services capacity provided from a resource is Undispatchable Capacity, Unavailable Capacity, or Undelivered Capacity during the relevant Settlement Interval, then payments will be rescinded as described in this Section 8.10.8 and settled in accordance with Section 11.10.9. If the CAISO determines that non-compliance of a resource, with an operating order or Dispatch Instruction from the CAISO, or with any other applicable technical standard under the CAISO Tariff, causes or exacerbates system conditions for which the WECC imposes a penalty on the CAISO, then the Scheduling Coordinator of such resource shall be assigned that portion of the WECC penalty which the CAISO reasonably determines is attributable to such non-compliance, in addition to any other penalties or sanctions applicable under the CAISO Tariff.

**8.10.8.1 Rescission of Payments for Undispatchable Ancillary Service Capacity**

The CAISO shall calculate the Real-Time ability of each resource to deliver Energy from Ancillary Services capacity or Self-Provided Ancillary Services capacity for each Settlement Interval based on its maximum operating capability, actual telemetered output, and Operational Ramp Rate as described in Section 30.10. To make this determination for Multi-Stage Generating Resources the CAISO shall use the MSG-Configuration-specific Maximum Operating Limit and Operational Ramp Rate. System Resources that are awarded Ancillary Services are required to electronically tag (E-Tag as prescribed by the WECC) the Ancillary Services capacity. If the amounts of Ancillary Services capacity in an electronic tag differ from the amounts of Ancillary Services capacity for the System Resource, the Undispatchable Capacity will equal the amount of the difference, and will be settled in accordance with the provisions of Section 11.10.9.1.

**8.10.8.2 Rescission of Payments for Unavailable Ancillary Service Capacity**

If the CAISO determines that a Scheduling Coordinator has supplied Uninstructed Imbalance Energy to the CAISO during a Settlement Interval from the capacity of a resource that is obligated to supply Spinning Reserve or Non-Spinning Reserve to the CAISO, payments to the Scheduling Coordinator for the Ancillary Service capacity used to supply Uninstructed Imbalance Energy shall be eliminated to the extent of the deficiency, in accordance with the provisions of Section 11.10.9.2. For Multi-Stage Generating Resources that have supplied Uninstructed Imbalance Energy from capacity obligated to supply Spinning or Non-Spinning Reserves, the CAISO shall calculate the capacity for which payments will be rescinded at the Generating Unit or Dynamic Resource-Specific System Resource level, as applicable, and will use the MSG Configuration-specific Maximum Operating Limit.

**8.10.8.3 Rescission of Payments for Undelivered Ancillary Service Capacity**

For each Settlement Interval in which a resource fails to supply Energy from Spinning Reserve or Non-Spinning Reserve capacity in accordance with a Dispatch Instruction, or supplies only a portion of the Energy specified in the Dispatch Instruction, the capacity payment will be reduced to the extent of the deficiency, in accordance with the provisions of Section 11.10.9.3.

**8.10.8.4 [NOT USED]**

**8.10.8.5 [NOT USED]**

**8.10.8.6 Rescission of Payments for Regulation Up and Regulation Down Capacity**

Payment for Regulation Up and Regulation Down Capacity will be rescinded, in accordance with the provisions of Section 11.10.9, if the resource providing Regulation Up and Regulation Down capacity: (i) is off Regulation or off Automatic Generation Control, (ii) is not running, (iii) is not providing sufficient Regulating Range, (iv) is generating outside the Regulating Range, (v) has a Regulating Range that overlaps with its Forbidden Operating Regions, or (vi) has telemetry equipment that is not available.

**8.10.8.7 [NOT USED]**

**8.10.8.8 [NOT USED]**

**8.11 Temporary Changes To Ancillary Services Penalties**

**8.11.1 Application And Termination**

The temporary change, respecting Ancillary Services penalties, set out in Section 8.11.2 shall continue in effect until such time as the Chief Executive Officer of the CAISO issues a Notice of Full-Scale Operations, posted on the CAISO Website, at <http://www.CAISO.com>, or such other internet address as the CAISO may publish from time to time, specifying the date on which this Section 8.11 shall cease to apply, which date shall be not less than seven (7) days after the Notice of Full-Scale Operations is issued.

**8.11.2 Exemption for Penalties Due to CAISO Software Limitations**

For so long as this Section 8.11.2 remains in effect, Scheduling Coordinators shall not be liable for the penalties specified in Sections 8.10.7 and 8.10.8 if, as a result of limitations associated with the CAISO's Congestion Management software, the scheduled output of the resource from which the Scheduling Coordinator has committed to provide an Ancillary Service is adjusted by the CAISO to a level that conflicts with the Scheduling Coordinator's Ancillary Service capacity commitments, thereby resulting in a failed availability test

**9. Outages**

**9.1 Coordination And Approval For Outages**

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

**9.2 Responsibility For Authorized Work On Facilities**

The CAISO shall have authority to approve requests by Participating TOs to work on all energized transmission equipment under the Operational Control of the CAISO.



### **9.3 Coordination Of Outages And Maintenance**

#### **9.3.1 CAISO Outage Coordination Office**

The CAISO Outage Coordination Office shall be established by the CAISO and shall coordinate and approve Maintenance Outages of: (i) all facilities that comprise the CAISO Controlled Grid and (ii) Participating Generators. The 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 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 CAISO Operating Procedures, which are posted on the CAISO Website.

##### **9.3.1.1 Coordinating Maintenance Outages of UDC Facilities**

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.

##### **9.3.1.2 Coordinating Maintenance Outages of CDWR-SWP Participating Generating Units**

The provisions of Section 9.3 shall apply to CDWR-SWP Participating Generating Units. The submission by CDWR-SWP of an Outage schedule, Outage request, or request to change or cancel an Approved Maintenance Outage, and the CAISO's treatment of Outage schedules and requests relating to CDWR-SWP Participating Generating Units, shall be in accordance with Section 9.3, except as otherwise provided in Section 9.3.1.2.1.

###### **9.3.1.2.1 Coordinating Maintenance Outages of CDWR-SWP**

- (a) In each Outage schedule, Outage request, and request to change or cancel an Approved Maintenance Outage that CDWR-SWP submits to the CAISO for a CDWR-SWP Participating Generating Unit, CDWR-SWP will state whether CDWR-SWP has determined that the proposed maintenance work, and/or the timing of the Outage, is necessary in order for CDWR-SWP to:
  - (i) Comply with various federal and state legal and regulatory requirements that govern stream flow, water temperature, water quality and quantity,

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- flood control space, after-bay, reservoir, or lake elevation, and other environmental and wildlife constraints ("CDWR-SWP Statutory Compliance Outage"); or
- (ii) Maintain reliable operations of critical water infrastructure and not impair its ability to satisfy water delivery or conservation requirements ("CDWR-SWP Water System Reliability Outage").
- (b) CDWR-SWP will identify each CDWR-SWP Statutory Compliance or Water System Reliability Outage by designating the Outage with an appropriate cause code in the Outage schedule, Outage request, or request to change or cancel an Approved Maintenance Outage and will provide a description of the requirement or constraint. If the designation of an Outage changes, or the Outage no longer meets the criteria of Section 9.3.1.2.1(a)(i) or (ii), CDWR-SWP will notify the CAISO about this change in status as soon as practical but no more than one (1) Business Day after it occurs.
- (c) The CAISO will not deny, cancel, or reschedule a CDWR-SWP Statutory Compliance or Water System Reliability Outage that CDWR-SWP submits to the CAISO in an Outage schedule, Outage request, or request to change or cancel an Approved Maintenance Outage, provided that the Outage request is timely, designates the Outage as a CDWR-SWP Statutory Compliance or Water System Reliability Outage by an appropriate cause code and includes a description of the requirement or constraint.
- (d) The CAISO may contact CDWR-SWP to inquire whether the timing of a CDWR-SWP Statutory Compliance or Water System Reliability Outage can be changed. CDWR-SWP may agree to the change or, after making best efforts to accommodate the change, may notify the CAISO that the change is not feasible as determined by CDWR-SWP in its sole discretion due to the described requirement or constraint. In the event that CDWR-SWP determines that changing the timing of the Outage is not feasible due to the described

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requirement or constraint, the CAISO will not deny, cancel, or reschedule that CDWR-SWP Statutory Compliance or Water System Reliability Outage.

- (e) The CAISO will process any Outage that CDWR-SWP submits in an Outage schedule, Outage request, or request to change or cancel an Approved Maintenance Outage, that is not timely, does not contain a cause code identifying the Outage as a CDWR-SWP Statutory Compliance or Water System Reliability Outage or does not include a description of the requirement or constraint, under the otherwise applicable provisions of Section 9.3 and CAISO Operating Procedures.

**9.3.2 Requirement For Approval**

An Operator shall not take: (i) facilities that comprise the CAISO Controlled Grid or (ii) Generating Units of Participating Generators out of service for the purposes of planned maintenance or for new construction or other work except as approved by the CAISO 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 CAISO 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 CAISO Controlled Grid or (ii) Generating Units of Participating Generators in Real-Time operation shall be made by the Operator to the CAISO Control Center. The CAISO 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, (ii) the requested Outage will not compromise CAISO Controlled Grid reliability and (iii) with respect to requests to convert from a Forced Outage to a Maintenance Outage for Resource Adequacy Resources subject to the Availability Standards of Section 40.9, the CAISO determines, in its reasonable discretion, that the Outage does not require the CAISO to implement backstop procurement measures to replace the capacity at the time of the Outage request.

### **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 CAISO 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.

### **9.3.5 Method Of Communications**

The primary method of communication from an Operator to the CAISO with regard to maintenance and Outage planning will be as described in the Operating Procedure on the CAISO Website and in the applicable Business Practice Manual. 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 CAISO must be received by the Operator to validate the receipt of the request.

### **9.3.5.2 Communication of Approval or Rejection**

The CAISO 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.

9.3.5.2.1 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 owner of the Regulatory Must-Take Generation resource has not executed a Participating Generator Agreement or QF PGA. If the owner of a Regulatory Must-Take Generation resource has executed a Participating Generator Agreement or QF PGA, it shall comply with Section 9.3.5 and other provisions applicable to Participating Generators.

### **9.3.6 Maintenance Outage Planning**

Each Operator shall, by not later than October 15 each year, provide the CAISO 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 CAISO Controlled Grid and Generating Units subject to a Participating Generator Agreement (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 CAISO.

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

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- (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 CAISO, pursuant to Section 9.3.7, or an Operator, subject to Section 9.3.6.11, may at any time request a change to an Approved Maintenance Outage. An Operator may, as provided in Section 9.3.6.3, schedule with the CAISO Outage Coordination Office a Maintenance Outage on its system, subject to the conditions of Sections 9.3.6.4.1, 9.3.6.8, and 9.3.6.9.

#### **9.3.6.1 Quarterly Updates**

**9.3.6.1.1** Each Participating Generator will provide the CAISO 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 (12) months from the time of this report. In this report, each Participating Generator must include all known planned Outages for the following twelve (12) months.

**9.3.6.1.2** Each Participating TO will provide the CAISO with quarterly updates of the data provided under Section 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 CAISO Controlled Grid facility Maintenance Outages and any additional Outages anticipated over the next twelve (12) 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 (12) months.

#### **9.3.6.2 90 Day Look Ahead**

In addition to changes made at quarterly Outage submittals, each Participating Generator shall notify the CAISO in writing of any known changes to a Generating Unit or System Unit Outage scheduled to occur

within the next ninety (90) days and may submit changes to its planned Maintenance Outage schedule at any time. Participating Generators must obtain the approval of the CAISO 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, subject to the conditions of Sections 9.3.6.4.1, 9.3.6.8 and 9.3.6.9.

#### **9.3.6.3.2 For Transmission Facilities**

Except for Outages that may have a significant effect upon CRR revenue adequacy as defined in Section 36.4.3, 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 transmission facilities on its system, subject to the conditions of Sections 9.3.6.4.1, 9.3.6.8 and 9.3.6.9. For Outages that may have a significant effect upon CRR revenue adequacy as defined in Section 36.4.3, an Operator may, upon thirty (30) days notice in advance of the first day of the month the Outage is proposed to be scheduled (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 9.3.6.4.1, 9.3.6.8, 9.3.6.9, and 36.4.3.

#### **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 CAISO determines that the change was not required to preserve System Reliability, the CAISO may disregard the availability of the affected facilities in determining the availability of transmission capacity in the Day-Ahead Market.

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The CAISO will, however, notify Market Participants and reflect the availability of transmission capacity in the HASP and Real-Time Market as promptly as practicable.

**9.3.6.4.1** The CAISO 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 CAISO Controlled Grid or the facilities of a Connected Entity. The CAISO 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 CAISO in prioritizing conflicting requests for Outages.

**9.3.6.5 CAISO Analysis of Generating Unit Outage Plans**

**9.3.6.5.1 [NOT USED]**

**9.3.6.6 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 CAISO Outage Coordination Office or pursuant to Sections 9.3.8.1, 9.3.8.2 and 9.3.8.3, but the CAISO 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.

**9.3.6.7** 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 CAISO Outage Coordination Office prior to initiating the Approved Maintenance Outage. The CAISO Outage Coordination Office will review the Maintenance Outages to determine if any one or a combination of Maintenance Outage requests relating to CAISO Controlled Grid facilities, Generating Units or System Units may cause the CAISO 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;



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- (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.

**9.3.6.8** The CAISO Outage Coordination Office shall acknowledge receipt of each request to confirm or approve a Maintenance Outage for a Generating Unit, System Unit, or Physical Scheduling Plant. Where the CAISO 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 CAISO Controlled Grid, the CAISO 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.

**9.3.6.9** Where, in the reasonable opinion of the CAISO 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 CAISO Controlled Grid, the CAISO Outage Coordination Office may reject the requested Maintenance Outage or requested change to Approved Maintenance Outage. If in the CAISO's determination, any of the Maintenance Outages would cause the CAISO to violate the Applicable Reliability Criteria, the CAISO will notify the relevant Operator, and the Operator will then revise the proposed Maintenance Outage and inform the CAISO of the proposed changes. The CAISO Outage Coordination Office shall, in a rejection notice, identify the CAISO's reliability, security and market concerns which prompt the rejection and suggest possible remedies or schedule revisions which might mitigate any such concerns. The CAISO Outage Coordination Office may provide each Operator in writing with any suggested amendments to those Maintenance Outage requests rejected by the CAISO Outage Coordination Office. Any such suggested amendments will be considered as a CAISO maintenance request and will be approved in accordance with the process set forth in Section 9.3.7. The determination of the CAISO Outage Coordination Office shall be final and binding on the Operator. If, within fourteen (14) days of having made its determination,

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the Operator requests the CAISO Outage Coordination Office to provide reasons for its determination, it shall do so as soon as is reasonably practicable. The CAISO will give reasons for informational purposes only and without affecting in any way the finality or validity of the determination.

**9.3.6.10 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.

**9.3.6.11 Cancellation of Approved Maintenance Outage**

In the event an Operator of facilities forming part of the CAISO 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 CAISO determines that the change was not required to preserve System Reliability, the CAISO may disregard the availability of the affected facilities in determining the availability of transmission capacity in the Day-Ahead Market, provided, however, that the CAISO 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 HASP and Real-Time Market.

**9.3.7 Maintenance Outage Requests By The CAISO**

The CAISO 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 CAISO Outage Coordination Office, the requested Maintenance Outage or change is required to secure the efficient use and reliable operation of the CAISO Controlled Grid. In addition, the CAISO 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 CAISO Controlled Grid, to avoid unduly significant market impacts that would arise if the Outage were to proceed as scheduled. The Operator, acting in accordance with Good Utility Practice, shall comply with the CAISO's direction and the provisions of Sections 9.3.7.1 and 9.3.7.2 shall apply. The CAISO shall give notice of any such direction to Market Participants prior to the deadline for submission of Day-Ahead Market 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

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circumstance (e.g., unseasonable weather, a Forced Outage of a facility, or other occurrence) that adversely affects the competitive nature and efficient workings of the CAISO 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 CAISO Outage Coordination Office. In the event that the Operator refuses the CAISO's request, it shall provide to the CAISO Outage Coordination Office written justification for its position within seventy-two (72) hours.

**9.3.7.2** In response the CAISO 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 CAISO 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 CAISO Outage Coordination Office and the Operator shall determine if acceptable alternative conditions or changes can be agreed. If the Operator and the CAISO Outage Coordination Office cannot agree on acceptable alternative conditions or changes to the CAISO Outage Coordination Office's request for a Maintenance Outage or change to an Approved Maintenance Outage, the CAISO Outage Coordination Office determination shall be final. If the Operator and the CAISO Outage Coordination Office cannot agree on acceptable alternative conditions or changes to the CAISO Outage Coordination Office's request for a Maintenance Outage or change to an Approved Maintenance Outage, the CAISO may notify the FERC of the dispute and take any other steps that are within its authority to maintain the reliability of the CAISO Controlled Grid.

**9.3.7.3** The CAISO 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 CAISO'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 CAISO's cancellation of

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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 CAISO Notice Required Re Maintenance Outages**

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

**9.3.8.1 Data Required**

The Operator of a Generating Unit owned or controlled by a Participating Generator shall submit to the CAISO pursuant to Sections 9.3.4 and 9.3.5.2.1 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 CAISO Outage Coordination Office by no later than 11:30 a.m. three (3) working days prior to the starting date of the proposed Outage (or as specified on the CAISO Website). Likewise, all Participating TOs shall submit a formal request to confirm or change an Approved Maintenance Outage with respect to any CAISO Controlled Grid facility to the CAISO 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;

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- (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 CAISO Controlled Grid must be submitted no later than 11:30 a.m. at least three (3) working days prior to the starting date of the Approved Maintenance Outage (or as posted on the CAISO Website). This Section applies to facilities as described on the CAISO Website and in the applicable Business Practice Manual.

Failure to submit a request for an Outage by the proper time may mean a delay in approval from the CAISO 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**

Any request to confirm or change the schedule for an Approved Maintenance Outage requiring only one (1) day notice (as detailed on the CAISO 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 CAISO Website). Failure to submit a request for an Outage by the proper time may mean a delay in approval from the CAISO 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 CAISO 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**

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The CAISO Outage Coordination Office may delay its approval of an Approved Maintenance Outage schedule if sufficient or complete information is not received by the CAISO 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 CAISO 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 CAISO Control Center whose decision shall be final. The CAISO 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 CAISO Outage Coordination Office within the time frames set forth in Section 9.3.8.1. The CAISO 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 CAISO Controlled Grid or market impact. The CAISO Control Center shall immediately notify the relevant Operator of its intention to withhold the Final Approval. The Generator Maintenance Outage or CAISO Controlled Grid facility Maintenance Outage will then be rescheduled pursuant to this CAISO Tariff.

**9.3.10 Forced Outages**

**9.3.10.1** Coordination of all Forced Outages (consistent with Sections 9.3.4 and 9.3.5.2.1) will be through the single point of contact between the Operator and the CAISO Control Center.

**9.3.10.2** Each Participating TO shall report any change or potential change in equipment status of the Participating TO's transmission assets turned over to the control of the CAISO or in equipment that affects transmission assets turned over to the control of the CAISO immediately upon discovery to the CAISO (this will include line and station equipment, line protection, Remedial Action Schemes and communication problems, etc.). Each Participating TO shall also keep the CAISO immediately informed upon discovery as to any change or potential change in the Participating TO's transmission system that could affect the reliability of the CAISO Controlled Grid. This would include, but is not limited to, adverse weather conditions, fires, bomb threats, system failures, etc. To the extent possible, the CAISO shall reflect all transmission Outages in the Integrated Forward Market, HASP, and Real-Time Market.

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**9.3.10.3** The following requirements apply to the advance reporting to the CAISO of anticipated and actual Forced Outages:

- (a) 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 reducing the maximum output capability of a Generating Unit or a Resource-Specific System Resource by ten (10) MW or more from the value most recently recorded in SLIC, or removing a transmission facility from service, shall communicate directly with the CAISO Control Center.
- (b) Notwithstanding Section 9.3.10.3(a), and unless otherwise exempted pursuant to the terms of a Business Practice Manual, the Operator of an Eligible Intermittent Resource with a PMax of greater than ten (10) MW for its entire generating facility, 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 reducing the maximum output capability of the Eligible Intermittent Resource generating facility by one (1) MW or more from the value most recently recorded in SLIC, shall communicate directly with the CAISO Control Center. The failure of the Operator of the Eligible Intermittent Resource to report a Forced Outage between one (1) MW and ten (10) MW in accordance with this Section 9.3.10.3(b) shall be subject only to the provisions of Section 37.4.1.2(a) and (b)(1) of Section 37.4.1.2.

All notifications of Forced Outages shall be communicated to the CAISO Control Center with as much notice as possible in order that the necessary security analysis and CAISO Controlled Grid assessments may be performed. If prior notice of a Forced Outage cannot be given, the Operator shall notify the CAISO 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 sometime more than twenty-four (24) hours in the future will be subject to the provisions of Section 9 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 CAISO provided notice is given as soon as possible.

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**9.3.10.3.1** The following requirements apply if prior notice of a Forced Outage cannot be given to the CAISO:

- (a) The Operator of a Generating Unit or a Resource-Specific System Resource is required to notify the CAISO within sixty (60) minutes after discovering any change in the maximum output capability of at least ten (10) MW or five percent (5%) of the value registered in the Master File, whichever is greater, from the value registered in SLIC that lasts for fifteen (15) minutes or longer.
- (b) Notwithstanding Section 9.3.10.3.1(a), and unless otherwise exempted pursuant to the terms of a Business Practice Manual, the Operator of an Eligible Intermittent Resource with a PMax of greater than ten (10) MW for its entire generating facility is required to notify the CAISO within sixty (60) minutes after discovering any change in the maximum output capability of the generating facility of at least one (1) MW from the value registered in SLIC that lasts for fifteen (15) minutes or longer. The failure of the Operator of the Eligible Intermittent Resource to report a Forced Outage between one (1) MW and ten (10) MW in accordance with this Section 9.3.10.3.1(b) shall be subject only to the provisions of Section 37.4.1.2(a) and (b)(1) of Section 37.4.1.2.

**9.3.10.4** The CAISO Control Center shall coordinate any operational changes necessary to accommodate a Forced Outage and Market Participants shall comply with the CAISO's instructions given for that purpose.

**9.3.10.5** All Forced Outages shall be communicated by the CAISO Control Center to Operators likely to be affected by the Outage using the same procedures adopted for Maintenance Outage coordination procedures.

**9.3.10.6** With respect to Forced Outages of Generating Units that result in a reduction in maximum output capability that lasts fifteen (15) minutes or longer of 40 MW or more below the value registered in the Master File and ten (10) percent of the value registered in the Master File, the Operator shall provide to the CAISO an explanation of the Forced Outage and the estimated return time, within two (2) Business Days after the Operator initially notifies the CAISO pursuant to Section 9.3.10.3.1 of the change in maximum output capability. The explanation shall include a description of the equipment failure or other



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cause and a description of all remedial actions taken by the Operator. Upon request of the CAISO, Operators, and where applicable, Eligible Customers, Scheduling Coordinators, UDCs and MSS Operators promptly shall provide information requested by the CAISO to enable the CAISO to review the changes made to the maximum output capability or to provide further information relative to the explanation of the Forced Outages submitted by the Operator and to prepare reports on Forced Outages. If the CAISO determines that any Forced Outage may have been the result of gaming or other questionable behavior by the Operator, the CAISO shall submit a report describing the basis for its determination to the FERC. The CAISO 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 Exceptional Dispatches; 2) if the Forced Outage coincided with a change in the Bids submitted for any units or resources controlled by the Operator or the Operator's Scheduling Coordinator; 3) if the CAISO 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 CAISO 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 CAISO an explanation of the Forced Outage within two (2) Business Days or failed to provide any additional information or access to the generating facility requested by the CAISO within a reasonable time.

**9.3.10.7 Other Balancing Authority Areas**

The CAISO Outage Coordination Office shall make all reasonable efforts to coordinate Outages involving other Balancing Authority Areas or affecting an Intertie, import or export capability not under the Operational Control of the CAISO to the extent that they may affect the reliability of the CAISO Controlled Grid.

## **9.4 Outage Coordination For New Facilities**

### **9.4.1 Coordination By CAISO**

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

### **9.4.2 Types Of Work Requiring Coordination**

The types of work which the CAISO will coordinate includes any new addition, replacement or modification to the CAISO Controlled Grid, including:

- (a) transmission lines forming part of the CAISO Controlled Grid;
- (b) equipment including circuit breakers, transformers, disconnects, reactive devices, wave traps, forming part of the CAISO 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 CAISO Outage Coordination Office may determine that the work can be accomplished using Outages approved in accordance with Section 9.3.6. The CAISO 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 CAISO to approve Outages in a manner that enables the necessary work to proceed. The CAISO Outage Coordination Office must approve the procedure.

#### **9.4.4.2 Information to be Provided to the CAISO**

The written procedure must be received by the CAISO 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 CAISO Website.

#### **9.4.4.3 Approval of the Procedure**

Upon receipt of the procedure and drawings referred to in Section 9.4.4.2, the CAISO Outage Coordination Office will review the procedure and notify the Operator or Connected Entity of any required modifications. The CAISO 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 CAISO to reflect the requirements of the CAISO. Following the CAISO 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**

Once the procedure is approved by the CAISO Outage Coordination Office any modifications to the procedure will require the requesting Operator or Connected Entity to notify the CAISO 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 CAISO 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 CAISO Outage Coordination Office.

### **9.5 Information About Outages**

#### **9.5.1 Approved Maintenance Outages**

The CAISO and all Operators shall develop procedures to keep a record of Approved Maintenance Outages as they are implemented and to report the completion of Approved Maintenance Outages. Such records are available for inspection by Operators and Connected Entities at the CAISO 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 CAISO Outage Coordination Office, and such records will only be made available provided notice is given in writing to the CAISO fifteen (15) days in advance of the requested inspection date.

#### **9.5.2 Publication to Website**

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The CAISO shall publish on the CAISO Website a list of all Generating Units that have been reported to the CAISO pursuant to the CAISO Tariff or contract as undergoing Outages, together with the Generating Unit's PMax, the amount of the curtailment, the name of its Scheduling Coordinator, and other non-confidential information about these Generating Units as CAISO determines.

**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.

**9.7 Multi-Stage Generating Resources Outages**

Participating Generators of Multi-Stage Generating Resources shall report Outages in accordance with the Outage reporting requirements in Section 9 for the Generating Unit and for each MSG Configuration, as applicable. In addition, to the extent that the responsible Scheduling Coordinator modifies the registered Multi-Stage Generating Resource's characteristics as provided in Section 27.8.3, the Participating Generator for the Multi-Stage Generating Resource shall modify any information or reports previously submitted pursuant to this Section 9 to account for any registered status and characteristic changes as soon as possible after receiving notice from the CAISO acceptance of the registered status or characteristics changes and no later than two (2) business days prior to the date on which the Section 27.8.3 changes are expected to be in effect.

**10. Metering**

**10.1 General Provisions**

**10.1.1 Role Of The CAISO**

The CAISO is responsible for establishing and maintaining the Revenue Meter Data Acquisition and Processing System (RMDAPS) and the Settlement Quality Meter Data Systems (SQMDS). RMDAPS will acquire Revenue Quality Meter Data for use in the CAISO's Settlement and billing process, and SQMDS acquires Scheduling Coordinators' Settlement Quality Meter Data. The CAISO is also responsible for the following for CAISO Metered Entities:

- (a) setting standards and procedures for the registration, certification, auditing, testing and maintenance of revenue quality meters and Meter Data servers; and

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- (b) establishing procedures for the collection, security, validation and estimation of Meter Data.

**10.1.2 Meter Data Retention By The CAISO**

The CAISO will maintain a record of all Revenue Quality Meter Data and Settlement Quality Meter Data provided to it, as well as the Settlement Quality Meter Data it produces, for a period of 18 months on site at the CAISO's facilities and for a period which, at least, allows for the re-run of data as required by this CAISO Tariff and any adjustment rules of the Local Regulatory Authority governing the Scheduling Coordinators and their End-Use Customers and FERC. The CAISO will, on reasonable notice, provide a Scheduling Coordinator with access to Settlement Quality Meter Data (actual or Scheduling Coordinator estimated) provided that the Scheduling Coordinator requesting access represented the entity for which that data was provided at the time the data was provided to the CAISO.

**10.1.3 Netting**

**10.1.3.1 Permitted Netting**

CAISO Metered Entities and Scheduling Coordinators may, when providing Meter Data to the CAISO, 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**

CAISO Metered Entities or Scheduling Coordinators may not net values for Generating Unit output and Load. CAISO 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 CAISO 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 CAISO to use RMDAPS to perform the addition. Scheduling Coordinators representing Scheduling Coordinator Metered Entities that serve third party Load connected

to the auxiliary system of a Generating Unit must ensure that those Scheduling Coordinator 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 CAISO Metered Entity or the Scheduling Coordinator must ensure that the third party Load has Metering Facilities that meet the standards referred to in this Section 10 and the Business Practice Manuals.

#### **10.1.3.3 Permitted Netting for a QF with a QF PGA and Other QF Metering Requirements**

A Generating Unit that is a QF and that qualifies as Regulatory Must-Take Generation is subject to the revenue metering requirements set forth in the Existing QF Contract for the QF and is not subject to the revenue metering requirements of Section 10. A QF Generating Unit not operating under the terms of an Existing QF Contract is subject to the metering requirements of Section 10 prohibiting the net metering of Generation and Load, except if it is subject to a QF PGA. A Generating Unit that is a QF and that operates under the terms of a QF PGA is eligible for net metering treatment. Notwithstanding Section 10.1.3.2, a Participating Generator with a QF PGA may net the value for the Generation produced by each Net Scheduled QF listed in its QF PGA and the value for the Demand of the Self-provided Load that is (i) served by the Net Scheduled QF and (ii) electrically located on the same side of the Point of Demarcation. The Participating Generator with a QF PGA may satisfy the provisions of Section 10 for the installation of revenue metering by installing Metering Facilities at the Point of Demarcation; provided that the installed Metering Facilities satisfy the technical, functional, and performance requirements for Metering Facilities set forth in Section 10 and the applicable Business Practice Manual.

#### **10.1.4 Meter Service Agreements**

A CAISO Metered Entity shall enter into a Meter Service Agreement for CAISO Metered Entities with the CAISO. A Scheduling Coordinator representing a Scheduling Coordinator Metered Entity shall enter into a Meter Service Agreement for Scheduling Coordinators. If a CAISO Metered Entity is also a Scheduling Coordinator, it shall be treated as a CAISO Metered Entity for the purposes of this Section 10 and will be required to enter into a Meter Service Agreement for CAISO Metered Entities. A CAISO Metered Entity will not be required to enter into a Meter Service Agreement for Scheduling Coordinators unless it represents any Scheduling Coordinator Metered Entities. A Meter Service Agreement for Scheduling Coordinators entered into by a CAISO Metered Entity shall only apply to those Scheduling Coordinator

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Metered Entities that the CAISO Metered Entity represents; the Meter Service Agreement for Scheduling Coordinators shall not apply to the CAISO Metered Entity other than in its capacity as Scheduling Coordinator for those Scheduling Coordinator Metered Entities.

**10.1.5 Access To Meter Data**

The CAISO has complete authority over all rights of access to (and has authority to deny access to) the CAISO's 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 CAISO authority as a condition of CAISO Controlled Grid service and participation. For CAISO Metered Entities, authority over the sealing of meters, and all related Metering Facilities, shall reside solely with the CAISO for all CAISO 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 CAISO Tariff. Meter Data supplied by a CAISO Metered Entity shall be made available by the CAISO to the Scheduling Coordinator representing such CAISO Metered Entity at the time the Meter Data was provided and the other authorized users identified in its Meter Service Agreement for CAISO Metered Entities, 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 CAISO Tariff. Meter Data supplied by a Scheduling Coordinator for a Scheduling Coordinator Metered Entity shall be made available by the CAISO to the Scheduling Coordinator representing such Scheduling Coordinator Metered Entity at the time the Meter Data was provided and the other authorized users identified in its Meter Service Agreement for Scheduling Coordinators, 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 CAISO Tariff. Access by third parties other than authorized users to Meter Data held by the CAISO shall be coordinated through the Scheduling Coordinator that provided the Meter Data or that is representing the relevant CAISO Metered Entity that supplied the data and shall not be obtained directly from the CAISO on any basis including, without limitation, by accessing the RMDAPS.

#### **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 are described in the applicable Business Practice Manual.

#### **10.2 Metering For CAISO Metered Entities**

CAISO Metered Entities' 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 CAISO Metered Entities**

###### **10.2.1.1 Duty to Provide Revenue Quality Meter Data**

CAISO Metered Entities shall ensure that Revenue Quality Meter Data from their meters directly connected to the CAISO Controlled Grid or at interconnections thereto, including interconnections between utility Service Areas which have separate UFE calculations, is made available to the CAISO RMDAPS in accordance with the requirements of this Section 10 and the Business Practice Manuals.

###### **10.2.1.2 Format for Data Submission**

CAISO Metered Entities must ensure that the Meter Data obtained by the CAISO directly from their revenue quality meters is raw, unedited and unaggregated Meter Data in kWh and kVarh values, as specified in the applicable Business Practice Manual. The CAISO will be responsible for the Validation, Estimation and Editing of that Meter Data in order to produce Settlement Quality Meter Data.

###### **10.2.1.3 Provision of and Access to Settlement Quality Meter Data**

Scheduling Coordinators may obtain Settlement Quality Meter Data relating to the CAISO Metered Entities they represent by directly accessing the Settlement Quality Meter Data Systems as specified in the applicable Business Practice Manual.

- For CAISO Metered Entities, Revenue Quality Meter Data obtained by successfully polled meters will be validated, estimated and edited by the CAISO to produce Settlement Quality Meter Data (actual), which will be made available to Scheduling Coordinators within five (5) Business Days from the Trading Day (T+5B) and will be used in the Recalculation Settlement Statement T+12B calculation.



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- In the event that Revenue Quality Meter Data remains unavailable at midnight on the eighth (8) Business Day after the Trading Day (T+8B) due to unsuccessfully polled meters or facility and/or systems failures, the CAISO will estimate Settlement Quality Meter Data for CAISO Metered Entities for any outstanding metered Demand and/or Generation for the Recalculation Settlement Statement T+12B calculation as provided in Section 11.1.5.
- If the CAISO is notified in accordance with Section 10.2.13.2 that the revenue quality meter for a CAISO Metered Entity requires repair, the CAISO will produce Settlement Quality Meter Data (actual) for that entity using the estimation procedures referred to in Section 10.2.9, which will be made available to the Scheduling Coordinator for the CAISO Metered Entity within forty-eight (48) Business Days from the Trading Day (T+48B) and will be used in the Recalculation Settlement Statement T+55B calculation.

**10.2.2 Duty To Install And Maintain Meters**

CAISO Metered Entities, at their cost, shall install and maintain, or cause to be installed and maintained, metering equipment and associated communication devices at CAISO-designated 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 CAISO, in addition to those connected to or existing on the CAISO Controlled Grid at the CAISO Operations Date. In directing the addition of meters and metering system components that would impose increased costs on a CAISO Metered Entity, the CAISO shall give due consideration to whether the expected benefits of such equipment are sufficient to justify such increased costs. Nothing in this Section 10 shall preclude CAISO 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 Metering Facilities until the CAISO has approved the CAISO Metered 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 CAISO Metered Entity shall ensure that each of its meters used to provide Meter Data to the CAISO complies with the meter standards and accuracy requirements for meters set forth in this CAISO Tariff and the applicable Business Practice Manuals.

### **10.2.4 Certification Of Meters**

Each CAISO Metered Entity that makes Meter Data available to the CAISO shall ensure that Metering Facilities used to produce such Meter Data have been certified by the CAISO as meeting the requirements of Section 10. Certification of the relevant Metering Facilities shall only be provided upon the production of such evidence as the CAISO may reasonably require to demonstrate that the facilities in question have been documented, inspected and successfully tested by the CAISO or a CAISO Authorized Inspector for conformance to the standards and accuracy requirements referred to in the Business Practice Manuals and this Section 10. CAISO certification pursuant to this Section 10.2.4 shall not relieve the CAISO Metered Entity from the obligation to ensure that its Metering Facilities continue to remain in compliance with the requirements of this CAISO Tariff and the applicable Business Practice Manuals.

#### **10.2.4.1 Requesting Certification**

A CAISO Metered Entity seeking certification of its Metering Facilities shall independently engage a CAISO Authorized Inspector to perform certification of its Metering Facilities. A CAISO Metered Entity may request the CAISO to perform the certification of its Metering Facilities if it would be impractical or impossible for that CAISO Metered Entity to engage a CAISO Authorized Inspector to perform the certification. The CAISO may refuse any such request by a CAISO Metered Entity if it is of the opinion that it is not impractical or impossible for that CAISO Metered Entity to engage a CAISO Authorized Inspector.

#### **10.2.4.2 Certification by the CAISO.**

All requests made to the CAISO to perform the certification of Metering Facilities must be made in accordance with the certification process for Metering Facilities and technical specifications published in

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the Business Practice Manuals and be accompanied by the documents referred to in the applicable Business Practice Manual. If the CAISO agrees to perform the certification of Metering Facilities, the CAISO and that CAISO Metered Entity will agree the terms and conditions on which the CAISO will undertake the certification, including the assistance to be provided by the CAISO 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 CAISO, the criteria for certifying the Metering Facilities of CAISO Metered Entities pursuant to the CAISO Tariff are the criteria set forth in the 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 CAISO), the CAISO will issue a Certificate of Compliance in respect of those Metering Facilities and provide the original Certificate of Compliance to the CAISO Metered Entity that requested the certification of those Metering Facilities.

**10.2.4.5 Obligation to Maintain Certification**

CAISO Metered Entities must ensure that their Metering Facilities continue to comply with the certification criteria referred to in the CAISO Tariff and the Business Practice Manuals.

**10.2.4.6 Revocation of Certification**

The CAISO 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 CAISO Tariff and the Business Practice Manuals; and
- (b) it has given written notice to the relevant CAISO 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 CAISO Metered Entity fails to satisfy the CAISO, within the time period specified in the CAISO's notice, that the Metering Facilities meet the certification criteria.

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If the CAISO revokes in full or part a Certificate of Compliance, the relevant CAISO Metered Entity may seek recertification of the relevant Metering Facilities by requesting certification. Such request must indicate that it relates to Metering Facilities in respect of which the CAISO 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 Revenue Quality 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 CAISO's approval must be obtained before any modifications or changes are made to any Metering Facilities of a CAISO Metered Entity which have been certified pursuant to the CAISO Tariff. The CAISO may, at its discretion, require those Metering Facilities to be recertified.

**10.2.5 CAISO Authorized Inspectors**

**10.2.5.1 Published List of Inspectors**

The CAISO will publish on the CAISO Website, for informational purposes only, a list of the CAISO Authorized Inspectors and details of the procedure for applying to become a CAISO Authorized Inspector. The CAISO will, on request, provide a copy of that list to entities that do not have access to the CAISO Website.

**10.2.5.2 Current Certificates**

It is the responsibility of the relevant CAISO 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 CAISO which authorizes that inspector to carry out the duties of a CAISO Authorized Inspector.

**10.2.6 Metering Communications**

The CAISO's RMDAPS shall collect and process Revenue Quality Meter Data made available by CAISO Metered Entities pursuant to Meter Service Agreements for CAISO Metered Entities and the applicable Business Practice Manual. Revenue Quality Meter Data for CAISO Metered Entities shall be made available to the CAISO's RMDAPS as specified in the applicable Business Practice Manual either directly by the CAISO Metered Entity or via a central data server which collects Revenue Quality Meter Data for

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various CAISO Metered Entities provided that the central data server does not aggregate or adjust that data. Revenue Quality Meter Data on the CAISO's RMDAPS may be 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 CAISO may, at its discretion, exempt a CAISO Metered Entity from the requirement to make Revenue Quality Meter Data directly available to the CAISO's RMDAPS, for example, where the installation of communication links is unnecessary, impracticable or uneconomic. The CAISO shall maintain the RMDAPS and remedy any faults occurring in such system. Scheduling Coordinators and other authorized users requiring Settlement Quality Meter Data for CAISO Metered Entities on whose behalf they Bid may obtain such data by accessing the CAISO's Settlement Quality Meter Data Systems in accordance with the CAISO Tariff and applicable Business Practice Manuals. Scheduling Coordinators and other authorized users shall not poll the CAISO revenue meters for any other purpose, unless specifically authorized in the Meter Service Agreement for CAISO Metered Entities.

**10.2.7 Format Of Meter Data**

CAISO Metered Entities shall make available to the CAISO's RMDAPS Revenue Quality Meter Data meeting the requirements of this Section 10. The format of Meter Data to be submitted shall be identified by Transmission Owner, Distribution System, PNode, CAISO Controlled Grid interface point and other information reasonably required by the CAISO.

**10.2.8 Security And Meter Data Validation Procedures**

The applicable Business Practice Manuals shall specify, in such detail as the CAISO may deem necessary, the Meter Data security and validation procedures that the CAISO shall apply to the Revenue Quality Meter Data made available by each CAISO Metered Entity. The CAISO may base the security and validation procedures on historical data or an appropriate alternative data source. The 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 CAISO

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prior to the data being sent to the CAISO for Settlement purposes. Security and validation measures for existing Tie Point Meters shall be consistent with existing arrangements with the operators in adjacent Balancing Authority Areas. Any additional measures or changes to the existing arrangements shall only be implemented upon mutual agreement of the CAISO and the operator in the adjacent Balancing Authority Area.

**10.2.8.1 Meter Site Security**

Metering Facilities of CAISO Metered Entities (including communications devices) and secondary devices that could have any impact on the performance of the Metering Facilities must be sealed by the CAISO.

**10.2.8.2 Third Party Access to Meters**

**10.2.8.2.1 Local Access**

If a CAISO Metered Entity desires to grant a third party local access to its revenue quality meters, those meters must be equipped with CAISO approved communications capabilities in accordance with the applicable Business Practice Manuals. The CAISO may set the password and any other security requirements for locally accessing the revenue quality meters of CAISO Metered Entities so as to ensure the security of those meters and their Revenue Quality Meter Data. The CAISO may alter the password and other requirements for locally accessing those meters from time to time as it determines necessary. The CAISO must provide CAISO Metered Entities with the current password and other requirements for locally accessing their revenue quality meters. CAISO Metered Entities must not give a third party other than its Scheduling Coordinator local access to its revenue quality meters or disclose to that third party the password to its revenue quality meters without the CAISO's prior approval as set forth in a schedule to the Meter Service Agreement for CAISO Metered Entities which shall not unreasonably be withheld. CAISO Metered Entities will be responsible for ensuring that a third party approved by the CAISO 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.

**10.2.8.2.2 Remote Access**

The CAISO may set the password and any other security requirements for remotely accessing the revenue quality meters of CAISO Metered Entities so as to ensure the security of those meters and their Revenue Quality Meter Data. The CAISO will alter the password and other requirements for remotely

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accessing those meters from time to time as it determines necessary. The CAISO must provide CAISO Metered Entities with the current password and other requirements for remotely accessing their revenue quality meters.

CAISO Metered Entities must not give a third party other than its Scheduling Coordinator remote access to its revenue quality meters or disclose to that third party the password to its revenue quality meters without the CAISO's prior approval as set forth in a schedule to the Meter Service Agreement for CAISO Metered Entities which shall not unreasonably be withheld. CAISO Metered Entities will be responsible for ensuring that a third party approved by the CAISO 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 CAISO, access granted to a third party by a CAISO Metered Entity in any way interferes or impedes with the CAISO's ability to poll any revenue quality meter, the CAISO may require that CAISO Metered Entity to immediately withdraw any access granted to a third party.

**10.2.8.4 SQMDS Security**

The CAISO will provide any needed information to entities that are permitted to access SQMDS. The CAISO must maintain the security and integrity of Revenue Quality Meter Data brought into SQMDS.

**10.2.9 Validation, Estimation And Editing Of Meter Data**

Subject to any exemption granted by the CAISO, Revenue Quality Meter Data that CAISO Metered Entities provide to the CAISO will be processed using the Validation, Estimation and Editing procedures published in the Business Practice Manuals in order to produce Settlement Quality Meter Data.

**10.2.9.1 Obligation to Assist**

At the request of the CAISO, CAISO Metered Entities shall assist the CAISO 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.

**10.2.9.2 Availability of Meter Data**

Subject to any exemption granted by the CAISO, Meter Data of CAISO Metered Entities must be recorded at 5-minute intervals and will be collected in accordance with the provisions of the applicable

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Business Practice Manual. The CAISO may also collect Meter Data on demand as provided in the applicable Business Practice Manual.

**10.2.9.3 [NOT USED]**

**10.2.9.4 [NOT USED]**

**10.2.10 Low Voltage Side Metering**

**10.2.10.1 Requirement for CAISO Approval**

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 CAISO in accordance with Section 10.2.10.

CAISO Metered Entities that have installed low voltage side metering, whether such installation was before or after the CAISO Operations Date, shall apply the Transformer and Line Loss Correction Factor in accordance with Section 10.2.10.4.

**10.2.10.2 Request for Approval**

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

- (a) request approval to apply the Transformer and Line Loss Correction Factor to its revenue quality meter or request approval to have the CAISO apply the Transformer and 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 Line Loss Correction Factor required by the Business Practice Manuals; and
- (d) any other information reasonably requested by the CAISO.

**10.2.10.3 CAISO's Grounds for Approval**

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

**10.2.10.4 Application of Transformer and Line Loss Correction Factor**



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CAISO Metered Entities will apply the Transformer and Line Loss Correction Factor as set forth in the Business Practice Manuals. If the CAISO has approved a request from a CAISO Metered Entity for RMDAPS to apply the Transformer and Line Loss Correction Factor, RMDAPS will apply the Transformer and Line Loss Correction Factor set forth in the Business Practice Manuals. If the CAISO applies the Transformer and Line Loss Correction Factor, the CAISO may require the CAISO Metered Entity to pay the reasonable costs incurred by it in applying the Transformer and Line Loss Correction Factor.

**10.2.11 Audit, Testing Inspection And Certification Requirements**

CAISO Metered Entities are subject to CAISO audit, testing and certification requirements for their entire metering system(s), including all relevant communication facilities and instrument transformers. The CAISO 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 CAISO Metered Entity or a CAISO Authorized Inspector engaged by the CAISO Metered Entity or the CAISO to carry out those audits or tests.

**10.2.12 Exemptions**

The CAISO has the authority to grant exemptions from certain CAISO metering standards for a CAISO Metered Entity, as set forth in Section 10.4. A CAISO Metered Entity with a temporary exemption shall provide site specific Revenue Quality Meter Data to the CAISO in accordance with its Meter Service Agreement for CAISO Metered Entities and the CAISO Tariff. A Generating Unit that provides Regulatory Must-Take Generation connected directly to a UDC Distribution System and that sells its entire output to the UDC in which the Generating Unit is located is not subject to the audit, testing or certification requirements of the CAISO.

**10.2.13 Maintenance Of Metering Facilities**

**10.2.13.1 Duty to Maintain Metering Facilities**

CAISO Metered Entities must maintain their Metering Facilities so that those Metering Facilities continue to meet the standards prescribed by the CAISO Tariff and the applicable Business Practice Manuals.

**10.2.13.2 Repairs**

If a revenue quality meter of a CAISO Metered Entity requires repairs to ensure that it operates in accordance with the requirements of the CAISO Tariff and the applicable Business Practice Manuals, the

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CAISO Metered Entity must immediately notify the CAISO of the need for repairing that meter and must ensure that those repairs are completed in accordance with the applicable Business Practice Manual. During periods for which no Revenue Quality Meter Data is available from a meter which has a current Certificate of Compliance, the CAISO will create and provide access to Settlement Quality Meter Data for use in the Settlement Statement calculations, as provided in Section 10.2.1.3.

**10.2.14 Installation Of Additional Metering Facilities**

**10.2.14.1 CAISO Requirement to Install Additional Metering**

If the CAISO determines that there is a need to install additional Metering Facilities on the CAISO Controlled Grid pursuant to Section 10.2.2, it will notify the relevant CAISO Metered Entity of that need and will process the CAISO Metered Entity's Proposal for Installation in accordance with the applicable Business Practice Manual.

**10.2.14.2 CAISO Metered Entities' Election to Install Additional Metering**

In accordance with Section 10.2.2, a CAISO Metered Entity may choose to install additional metering, including Backup Meters. If a CAISO Metered Entity installs such additional metering, such metering must, unless the CAISO agrees otherwise:

- (a) be installed and maintained at the CAISO Metered Entity's cost;
- (b) be located on the CAISO 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 CAISO, the CAISO's ability to directly poll that meter.

Any Meter Data produced by any such additional metering may be used by the CAISO 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 CAISO Metered Entity gives the CAISO 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 CAISO, the additional metering must also be capable of being directly polled by the CAISO.

### **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 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 CAISO**

##### **10.3.2.1 Duty to Provide Settlement Quality Meter Data**

Scheduling Coordinators shall 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 no later than the day specified in Section 10.3.6. Each Scheduling Coordinator for a Demand Response Provider shall aggregate the Settlement Quality Meter Data of the underlying Proxy Demand Resource to the level of the registration configuration of the Proxy Demand Resource in the Demand Response System.

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; (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 entities operating pursuant to Existing Contracts.

##### **10.3.2.2 Format for Data Submission**

Scheduling Coordinators shall submit Settlement Quality Meter Data to the Settlement Quality Meter Data System for the Scheduling Coordinator Metered Entities they represent using one of the CAISO's

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approved Meter Data Exchange Formats. Subject to any exemption granted by the CAISO, Scheduling Coordinators must ensure that Settlement Quality Meter Data submitted to the CAISO is in intervals of five (5) minutes for Loads and Generators providing Ancillary Services and/or Imbalance Energy, and one (1) hour for other Scheduling Coordinator Metered Entities.

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

- (a) LAPs and PNodes, as applicable; and
- (b) the relevant PNode for Generating Units.

**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 the CAISO's Settlement Quality Meter Data Systems using the Meter Data request formats as published in the Business Practice Manuals. The CAISO 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 CAISO Controlled Grid level measure. Such estimated Distribution System loss factors shall be approved by the relevant Local Regulatory Authority prior to their use.

**10.3.4 Load Profile Authorization**

Scheduling Coordinators shall be responsible for obtaining all necessary authorizations of Approved Load Profiles from Local Regulatory Authorities having jurisdiction over the use of profiled Meter Data and shall use Approved Load Profiles 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 CAISO in accordance with Section 11.29.24.1, Section 37.5, and applicable Business Practice Manuals.

### **10.3.6 Settlement Quality Meter Data Submission**

Scheduling Coordinators shall submit to the CAISO Actual Settlement Quality Meter Data or Scheduling Coordinator Estimated Settlement Quality Meter Data, as provided in Section 10.3.6.2(a), for Scheduling Coordinator Metered Entities they represent for each Settlement Period in an Operating Day according to the timelines established in Section 10.3.6.2 and the CAISO Payments Calendar and as provided in the applicable Business Practice Manual. Scheduling Coordinators must also submit Settlement Quality Meter Data (actual and Scheduling Coordinator estimated) on demand as provided in the applicable Business Practice Manual.

#### **10.3.6.1 No Meter Data Submission for Initial Settlement Statement T+3B**

Because Initial Settlement Statement T+3B is solely based on CAISO Estimated Settlement Quality Meter Data for metered Demand and Generation, Scheduling Coordinators cannot submit Actual Settlement Quality Meter Data or Scheduling Coordinator Estimated Settlement Quality Meter Data for the entities they represent for purposes of the Initial Settlement Statement T+3B calculation.

#### **10.3.6.2 Timing of SQMD Submission for Calculation of Recalculation Statement T+12B**

Scheduling Coordinators must submit Actual Settlement Quality Meter Data or Scheduling Coordinator Estimated Settlement Quality Meter Data for the Scheduling Coordinator Metered Entities they represent to the CAISO no later than midnight on the eighth (8) Business Day after the Trading Day (T+8B) for the Recalculation Settlement Statement T+12B calculation. Scheduling Coordinators can submit Estimated Settlement Quality Meter Data for Demand Response Resources.

- (a) In the absence of Actual Settlement Quality Meter Data, Scheduling Coordinators may submit Scheduling Coordinator Estimated Settlement Quality Meter Data using interval metering when available, sound estimation practices, and other available information including, but not limited to, bids, schedules, forecasts, temperature data, operating logs, recorders, and historical data. Scheduling Coordinator Estimated Settlement Quality Meter Data must be a good faith estimate that reasonably represents Demand and/or Generation quantities for each Settlement Period.
- (b) When Actual Settlement Quality Meter Data or Scheduling Coordinator Estimated Settlement Quality Meter Data is not received by the CAISO for a Scheduling Coordinator

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Metered Entity within eight (8) Business Days from the Trading Day (T+8B), the CAISO will estimate the entity's Settlement Quality Meter Data for any outstanding metered Demand and/or Generation, including Demand Response Resources, for use in the Recalculation Settlement Statement T+12B calculation, as provided in Section 11.1.5.

**10.3.6.3 Timing of SQMD Submission for Recalculation Settlement Statement T+55B**

Scheduling Coordinators must submit Actual Settlement Quality Meter Data for the Scheduling Coordinator Metered Entities they represent to the CAISO no later than midnight on the forty-eighth (48) Business Day after the Trading Day (T+48B) for the Recalculation Settlement Statement T+55B calculation. A Scheduling Coordinator that timely submits Actual Settlement Quality Meter Data for the Recalculation Settlement Statement T+12B pursuant to Section 10.3.6.2 may submit revised Actual Settlement Quality Meter Data for the Recalculation Settlement Statement T+55B no later than the forty-eighth (48) Business Day after the Trading Day pursuant to this Section.

- (a) When Actual Settlement Quality Meter Data is not received by the CAISO for a Scheduling Coordinator Metered Entity by forty-eight (48) Business Days after the Trading Day (T+48B), the Scheduling Coordinator has failed to submit complete and accurate meter data as required by Section 37.5.2.1 and will be subject to monetary penalty pursuant to Section 37.5.2.2.
- (b) Any Scheduling Coordinator Estimated Settlement Quality Meter Data submitted by a Scheduling Coordinator on behalf of the Scheduling Coordinator Metered Entities it represents that is not replaced with Actual Settlement Quality Meter Data by forty-eight (48) Business Days after the Trading Day (T+48B) has failed to submit complete and accurate meter data as required by Section 37.5.2.1 and will be subject to monetary penalty pursuant to Section 37.5.2.2. In the absence of Actual Settlement Quality Meter Data, Scheduling Coordinator Estimated Settlement Quality Meter Data will be used in the Recalculation Settlement Statements.
- (c) The CAISO will not estimate a Scheduling Coordinator Metered Entity's Settlement Quality Meter Data for any outstanding metered Demand and/or Generation for use in a Recalculation Settlement Statement T+55B calculation. Any previous CAISO Estimated

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Settlement Quality Meter Data that the Scheduling Coordinator does not replace with Actual Settlement Quality Meter Data by forty-eight (48) Business Days after the Trading Day (T+48B) will be set to zero. The CAISO will follow the control process described in the BPM for Metering to monitor and identify the CAISO Estimated Settlement Quality Meter Data that was not timely replaced and will take proactive measures to obtain the Actual Settlement Quality Meter Data. A Scheduling Coordinator that fails to replace CAISO Estimated Settlement Quality Meter Data with Actual Settlement Quality Meter Data by forty-eight (48) Business Days after the Trading Day (T+48B) has failed to provide complete and accurate Settlement Quality Meter Data as required by Section 37.5.2.1 and will be subject to monetary penalty pursuant to Section 37.5.2.2.

**10.3.6.4 Timing of SQMD Submission for Recalculation Settlement Statement T+9M**

Scheduling Coordinators may submit Actual Settlement Quality Meter Data for the Scheduling Coordinator Metered Entities they represent to the CAISO, during the period from one-hundred and sixty-eight Business Days after the Trading Day (T+168B) to one-hundred and seventy-two Business Days after the Trading Day (T+172B) for use in Recalculation Settlement Statement T+9M. **Scheduling Coordinators submitting Actual Settlement Quality Meter Data during the period, from T+168B to T+172B, which is more than forty-eight (48) Business Days after the Trading Day (T+48B) have failed to provide complete and accurate Settlement Quality Meter Data as required by Section 37.5.2.1 and will be subject to monetary penalty pursuant to Section 37.5.2.2.** Any Actual Settlement Quality Meter Data that is submitted by a Scheduling Coordinator after the T+48B meter data submittal deadline, and outside of the period from T+168B to T+172B, will be rejected by the CAISO and not used in settlement calculations.

**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 this CAISO Tariff and as further detailed in the Business Practice Manuals.

**10.3.8 Access To Meter Data**

The CAISO has complete authority over rights of access to (and has authority to deny access to) its Settlement Quality Meter Data Systems by Scheduling Coordinators and Scheduling Coordinator Metered Entities for Settlement, billing and related purposes. Each Scheduling Coordinator, on behalf of itself and Scheduling Coordinator Metered Entities that it serves or represents, acknowledges this CAISO authority as a condition of access to the CAISO 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 the permission of its Scheduling Coordinator or as otherwise required by law or provided for in this CAISO Tariff.

**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 CAISO supply promptly copies of all certificates issued by the relevant Local Regulatory Authority. The End-Use Meter of a Scheduling Coordinator Metered Entity in place as of the CAISO Operations Date is deemed to be certified as in compliance with 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 the Business Practice Manuals and this Section 10. Recertification is not required by the CAISO 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**

**10.3.10.1 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



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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 (actual or Scheduling Coordinator estimated) provided by them to the CAISO.

**10.3.10.2 Audit and Testing by CAISO**

Subject to any applicable Local Regulatory Authority requirements, the Metering Facilities and data handling and processing procedures of Scheduling Coordinators and Scheduling Coordinator Metered Entities are subject to audit and testing by the CAISO or a CAISO Authorized Inspector. Subject to any applicable Local Regulatory Authority requirements, the CAISO 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 CAISO 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 CAISO 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 10.3.9. Scheduling Coordinators must engage a CAISO Authorized Inspector to perform the certification of any Metering Facilities that are to be certified under the CAISO Tariff.

**10.3.11.1 Confirmation of Certification**

On the written request of the CAISO, each Scheduling Coordinator must give the CAISO 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 the CAISO Tariff and Business Practice Manuals within five (5) Business Days of receiving a request from the CAISO.

**10.3.11.2 Deemed Certification**

Revenue quality meters of Scheduling Coordinator Metered Entities that are subject to certification and which were installed and operational as of the CAISO Operations Date will be deemed to be certified for the purposes of the CAISO Tariff. Revenue quality meters that have been fully installed as of the CAISO 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 CAISO Tariff.

**10.3.12 [NOT USED]**

**10.3.13 [NOT USED]**

**10.3.14 Approval By LRA 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 CAISO will not perform any Validation, Estimation and Editing 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 Coordinator Metered Entity they represent and must notify the UDC and/or Participating TO of any discrepancies of which they become aware.

**10.3.15 [NOT USED]**

**10.3.16 [NOT USED]**

**10.3.17 Meter Identification**

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

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

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

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 applicable Business Practice Manuals. The Scheduling Coordinator must, at the CAISO's request, provide the CAISO with a copy of any information contained in that record within five (5) Business Days of a request by the CAISO in a format to be prescribed by the CAISO.

**10.4 Exemptions From Compliance**

**10.4.1 Authority To Grant Exemptions**

In addition to the specific exemptions granted under the CAISO Tariff, the CAISO has the authority under the CAISO Tariff to grant exemptions from compliance with certain requirements imposed by the CAISO Tariff.

**10.4.2 Guidelines For Granting Exemptions**

The CAISO will use the following guidelines when considering applications for exemptions from compliance with the provisions of Section 10.

(a) Publication of Guidelines

The CAISO will publish on the CAISO Website 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.

(b) Publication of Exemption Applications

The CAISO will promptly publish on the CAISO Website a description of each application it receives for an exemption.

(c) Publication of Decision

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The CAISO will publish on the CAISO Website details of whether the application was approved or rejected by it and, if the CAISO considers it appropriate, the reasons for rejecting the application.

(d) Class Exemptions

In addition to exemptions granted to individual entities, the CAISO may grant exemptions that will apply to a class of entities. The CAISO may grant class exemptions whether or not it has received any application for an exemption. The CAISO will publish details of the class exemptions it has granted on the CAISO Website.

**10.4.3 Procedure For Applying For Exemptions**

All applications to the CAISO for exemptions from compliance with the requirements of Section 10 must be made in writing and will be processed by the CAISO in accordance with the provisions of the applicable Business Practice Manual. The CAISO may require the applicant to provide additional information in support of its application. The applicant must provide such additional information to the CAISO within five (5) Business Days of receiving the request for additional information or within such other period as the CAISO may notify to the applicant. If the CAISO makes a request for additional information more than five (5) Business Days after the date on which it received the application, the CAISO will have an additional five (5) Business Days after receiving that additional information in which to consider the application. If the applicant does not provide the additional information requested, the CAISO 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.

**10.4.4 Permitted Exemptions**

**10.4.4.1 Exemptions from Providing Meter Data Directly to RMDAPS**

The CAISO has the authority under Section 10.2.6 to exempt CAISO Metered Entities from the requirement to make Meter Data directly available to the CAISO via RMDAPS. The applicable Business Practice Manual sets forth specific exemptions available. In addition, the CAISO may, at its discretion, grant such an exemption where it considers the requirement to install communication links (or related facilities) between the CAISO Metered Entity and CAISO's secure communication system to allow the CAISO to directly poll the meters of that CAISO Metered Entity would be unnecessary, impractical or uneconomic.

**10.4.4.2 Exemptions from Meter Standards**

The CAISO has the authority under Section 10.2.12 to exempt CAISO Metered Entities from the requirement to comply with the meter standards referred to in the CAISO Tariff. The applicable Business Practice Manual sets forth specific exemptions available.