

2.2.12.2 Reliability Must Run Information. By no later than two hours before the close of the PX Day-Ahead Market for the Trading Day, the ISO will notify Scheduling Coordinators for Reliability Must-Run Units of the amount and time of Energy requirements from specific Reliability Must-Run Units that the ISO requires to deliver Energy in the Trading Day to the extent that the ISO is aware of such requirements (the “RMR Dispatch Notice”). The Energy to be delivered for each hour of the Trading Day pursuant to the RMR Dispatch Notice (including Energy the RMR Owner is entitled to substitute for Energy from the Reliability Must-Run Unit pursuant to the RMR Contract) shall be referred to as the “RMR Energy”.

2.2.12.2.1 No later than one hour before the close of the PX Day-Ahead Market for the Trading Day, any RMR Owner receiving an RMR Dispatch Notice as indicated in this Section 2.2.12.2 (the “Applicable RMR Owner”) must notify the ISO through the RMR Owner’s Scheduling Coordinator (the “Applicable RMR SC”), with regard to each hour of the Trading Day identified in the RMR Dispatch Notice, whether it intends to satisfy its obligation to deliver RMR Energy (i) by delivering RMR Energy pursuant to a market transaction, and receiving only market compensation therefor (the “RMR Market Option”), or (ii) by delivering RMR Energy as a contract transaction, and accepting payment under the relevant RMR Contract (the “RMR Contract Option”). Notwithstanding anything to the contrary in any RMR Contract, ~~(i) such election shall apply to the entire amount of the Applicable RMR Owner’s obligation to deliver the RMR Energy specified in the RMR Dispatch Notice; and (ii)~~ the Applicable RMR Owner may not elect to satisfy its obligation to deliver the RMR Energy specified in the RMR Dispatch Notice by delivering that RMR Energy pursuant to a transaction in the Real Time Market.

2.2.12.2.2 RMR Contract Option -- ~~If~~ For each hour for which the Applicable RMR Owner elects the RMR Contract Option (“Contract Hour”), it shall bid the entire amount of the RMR Energy into the PX Day-Ahead Market at zero dollars per MWh. The Applicable RMR SC shall include in its Preferred Day-Ahead Schedule the total amount of the RMR Energy for each Contract Hour, unless the Applicable RMR Owners’s total Energy award in PX Day-Ahead Market for that Contract Hour is less than the total amount of RMR Energy for that Contract Hour, in which case the Preferred Day-Ahead Schedule shall include that lesser amount. If the Applicable RMR Owner’s total Energy award in the PX Day-Ahead Market for any Contract Hour is less than the full amount of the RMR Energy for that Contract Hour, the

Applicable RMR Owner shall bid the remaining RMR Energy for that Contract Hour into the next PX Market for ~~each hour specified in the RMR Dispatch Notice such Contract Hour~~ at zero dollars per MWh. The Applicable RMR SC shall include the entire RMR Energy for each Contract Hour in its Preferred Hour-Ahead Schedule for each such hour, unless the Applicable RMR Owner's Energy award in the PX markets for that Contract Hour is less than the total RMR Energy for such hour, in which case the Applicable RMR SC shall include that lesser amount. Whether or not the RMR Energy is in the Final Schedule, the Applicable RMR Owner must deliver the RMR Energy pursuant to the RMR Dispatch Notice. Notwithstanding anything to the contrary in the RMR Contract, neither the Applicable RMR Owner nor the Applicable RMR SC shall be entitled to any payment from any source for RMR Energy that is not bid and scheduled as required by this Section 2.2.12.2.2. All RMR Energy delivered under this option shall be deemed delivered under a Nonmarket Transaction for the purposes of the RMR Contract.

2.2.12.2.3 RMR Market Option – This Section 2.2.12.2.3 provides how an Applicable RMR Owner electing the RMR Market Option shall satisfy its obligation to deliver RMR Energy.

2.2.12.2.3.1 ~~An~~ For each hour for which an Applicable RMR Owner has selected the Market Option (“Market Hour”), the Applicable RMR Owner (i) may bid into the PX Day-Ahead Market any amount of the RMR Energy and (ii) may schedule as a bilateral Day-Ahead transaction any amount of RMR Energy. The Preferred Day-Ahead Schedule of the Applicable RMR SC shall include as RMR Energy for each Market Hour the sum of the amount awarded to the Applicable RMR Owner in the PX Day-Ahead Market for that Market Hour and the amount scheduled as a bilateral Day-Ahead transaction for that Market Hour. If the Preferred Day-Ahead Schedule of the Applicable RMR SC for any Market Hour includes Adjustment Bids for the RMR Unit, the Adjustment Bid shall specify the RMR Energy as the minimum MW output to which the Applicable RMR SC will allow the RMR Unit to be redispatched for that Market Hour.

2.2.12.2.3.2 If the Applicable RMR SC's Preferred Day-Ahead Schedule does not include the entire amount of RMR Energy for any Market Hour, the Applicable RMR Owner shall bid all remaining RMR Energy for that Market Hour, net of any RMR Energy the Applicable RMR Owner elects to provide through an Hour-Ahead bilateral transaction for that Market Hour, into the next available PX Market for ~~the such hour specified in the Dispatch Notice~~ at zero dollars per MWh. The Applicable RMR SC's Preferred Hour-Ahead Schedule for each Market Hour shall include all RMR Energy specified in the RMR

Dispatch Notice for that Market Hour, except for the amount of RMR Energy that the Applicable RMR Owner was required to bid into the PX Markets under this Section 2.2.12.2.3.2 but was not awarded in such PX Markets for such hour. If the Preferred Hour-Ahead Schedule of the Applicable RMR SC for any Market Hour includes Adjustment Bids for the RMR Unit, the Adjustment Bid shall specify the RMR Energy as the minimum MW output to which the Applicable RMR SC will allow the RMR Unit to be redispatched for that Market Hour.

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2.2.12.2.4 If, at any time after two hours before the close of the PX Day-Ahead Market for the Trading Day, the ISO determines that it requires additional Energy from specific Reliability Must Run Units during the Trading Day, the ISO will notify Scheduling Coordinators for such Reliability Must-Run Units of the amount and time of the additional Energy requirements from such Reliability Must-Run Units (the “Supplemental RMR Dispatch Notice”). The Energy specified in the Supplemental Dispatch Notice shall be subject to the same bidding, scheduling, and delivery requirements and pricing provisions specified in this section 2.2.12.2 as is RMR Energy not included in the Day-Ahead Schedule. If the ISO issues the Supplemental RMR Dispatch Notice less than two hours before the close of the last PX Market for any particular hour of the Trading Day, the Energy specified in the Supplemental Dispatch Notice for such particular hour shall be exempt from the bidding and scheduling requirements and the pricing provisions of this Section 2.2.12.2, except that, if the owner of the RMR Unit has already selected a payment option for any hour, the RMR Owner will be paid for that Energy in ~~those that~~ particular hours according to that payment option. If the owner of the RMR Unit specified in the Supplemental RMR Dispatch Notice has not already notified the ISO of a payment option for any hour of the Trading Day included in the Supplemental Dispatch Notice at the time the Supplemental Dispatch Notice is issued, the RMR Owner shall do so no later than one hour before the close of the next PX Market for the Energy specified in the Supplemental RMR Dispatch Notice and the elected payment option for such hour shall apply to RMR Energy bid into that and subsequent PX Markets for such hour during the Trading Day.

SP 3.2.1.2 By One Hour Before Close of the PX Day-Ahead Market, One Day Ahead

By one hour before the close of the PX Day-Ahead Market on the day prior to the Trading Day, SCs that have been notified that a Reliability Must-Run Unit is required to run in the Trading Day will inform the ISO, with regard to each hour for which the ISO has provided such notice, whether the RMR Owner will take payment from the market or under the RMR Contract.

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SP 3.2.6.1 Actions by SCs and the ISO

By 10:00 am on the day ahead of the Trading Day (for example, by 10:00 am on Tuesday for the Wednesday Trading Day) and for each Settlement Period of that Trading Day (see SP 3.2.6.2 for information on the pre-validation performed at ten (10) minutes prior to the 10:00 am deadline):

- (a) SCs will submit their Preferred Day-Ahead Schedules to the ISO in accordance with the SBP;
- (b) SCs will submit, as part of their Preferred Day-Ahead Schedules, their Adjustment Bids, if any, to the ISO in accordance with the SBP;
- (c) SCs will submit their Ancillary Services bids, if any, to the ISO in accordance with the SBP and SP 9;
- (d) SCs will submit their schedules for self-provided Ancillary Services, if any, to the ISO in accordance with the SBP and SP 9;
- (e) the ISO will validate (in accordance with the SBP) all SC submitted Preferred Day-Ahead Schedules for Energy and Adjustment Bids and may assist SCs to resolve mismatches in scheduled quantities or locations for Inter-Scheduling Coordinator Energy Trades in accordance with the procedure described in SP 3.2.6.4;
- (f) the ISO will validate (in accordance with the SBP) all SC submitted schedules for self-provided Ancillary Services, Inter-Scheduling Coordinator Ancillary Service Trades, and Ancillary Services bids which were part of their Preferred Day-Ahead Schedules;
- (g) the ISO will validate (in accordance with the SBP) all contract usage templates received from SCs for scheduled uses of Existing Contract rights and Firm Transmission Rights;
- (h) the ISO will validate that all SC submitted Preferred Day Ahead Schedules are compatible with the RMR requirements of which SCs were notified for that Trading Day and with the SCs' elected options for delivering the required Energy;
- (i) the ISO will start the first iteration of Inter-Zonal Congestion Management process as described in SP 10; and
- (j) the ISO will start the Ancillary Services bid evaluation process as described in SP 9;

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SP 3.3.1.1 Actions by SCs and the ISO

- (a) SCs will submit their Preferred Hour-Ahead Schedules to the ISO in accordance with the SBP;

- (b) SCs will submit, as part of their Preferred Hour-Ahead Schedules, their Adjustment Bids, if any, to the ISO in accordance with the SBP;
- (c) SCs will submit their Ancillary Services bids, if any, to the ISO in accordance with the SBP and SP 9;
- (d) SCs will submit their Schedules for self-provided Ancillary Services and Inter-Scheduling Coordinator Ancillary Service Trades, if any, to the ISO in accordance with the SBP and SP 9;
- (e) the ISO will validate (in accordance with the SBP) all SC submitted Preferred Hour-Ahead Schedules for Energy and Adjustment Bids;
- (f) SCs will submit contract usage templates for scheduled uses of Existing Contract Rights and Firm Transmission Rights in accordance with the Hour-Ahead Market schedule, including usage template changes needed in response to line derations;
- (g) the ISO will validate (in accordance with the SBP) all contract usage templates received from SCs for scheduled uses of Existing Contract rights and Firm Transmission Rights;
- (h) the ISO will validate (in accordance with the SBP) all SC submitted Schedules for self-provided Ancillary Services, Inter-Scheduling Coordinator Ancillary Service Trades, and Ancillary Services bids which were part of their Preferred Hour-Ahead Schedules;
- (i) the ISO will start the Inter-Zonal Congestion Management process as described in SP 10;
- (j) the ISO will start the Ancillary Services bid evaluation process as described in SP 9; and
- (k) the ISO will validate that all SC submitted Preferred Hour-Ahead Schedules are compatible with the RMR requirements of which SCs were notified for that Trading Day and with the SCs' elected options for delivering the required Energy. |