

ISO TARIFF APPENDIX A
Master Definitions Supplement

Appendix A **Master Definition Supplement**

Access Charge

A charge paid by all UDCs and MSS Operators with Gross Load in a PTO Service Territory, as set forth in Section 2.6.1. The Access Charge includes the High Voltage Access Charge, the Transition Charge and the Low Voltage Access Charge. The Access Charge will recover the Participating TO's Transmission Revenue Requirement in accordance with Appendix F, Schedule 3.

Active Zone

The Zones so identified in Appendix I to the ISO Tariff.

Adjustment Bid

A bid in the form of a curve defined by (i) the minimum MW output to which a Scheduling Coordinator will permit a resource (Generating Unit or Dispatchable Load) included in its Schedule or, in the case of an inter-Scheduling Coordinator trade, included in its Schedule or the Schedule of another Scheduling Coordinator, to be redispatched by the ISO; (ii) the maximum MW output to which a Scheduling Coordinator will permit the resource included in its Schedule or, in the case of an inter-Scheduling Coordinator trade, included in its Schedule or the Schedule of another Scheduling Coordinator, to be redispatched by the ISO; (iii) up to a specified number of MW values in between; (iv) a preferred MW operating point; and (v) for the ranges between each of the MW values greater than the preferred operating point, corresponding prices (in \$/MWh) for which the Scheduling Coordinator is willing to increase the output of the resource and sell Energy from that resource to the ISO (or, in the case of a Dispatchable Load, decrease the Demand); and (vi) for the ranges between each of the MW values less than the preferred operating point, corresponding prices (in \$/MWh) for which the Scheduling Coordinator is willing to decrease the output of the resource and purchase Energy from the ISO at the resource's location (or, in the case of a Dispatchable Load, increase the Demand). This data for an Adjustment Bid must result in a monotonically increasing curve.

<u>Administrative Price</u>	The price set by the ISO in place of a Market Clearing Price when, by reason of a System Emergency, the ISO determines that it no longer has the ability to maintain reliable operation of the ISO Controlled Grid relying solely on the economic Dispatch of Generation. This price will remain in effect until the ISO considers that the System Emergency has been contained and corrected.
<u>Adverse System Impact</u>	The negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.
<u>Affected System</u>	An electric system other than the ISO Controlled Grid that may be affected by the proposed interconnection, including the Participating TOs' electric systems that are not part of the ISO Controlled Grid.
<u>Affected System Operator</u>	The entity that operates an Affected System.
<u>Affiliate</u>	With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.
<u>AGC (Automatic Generation Control)</u>	Generation equipment that automatically responds to signals from the ISO's EMS control in real time to control the power output of electric generators within a prescribed area in response to a change in system frequency, tie-line loading, or the relation of these to each other, so as to maintain the target system frequency and/or the established interchange with other areas within the predetermined limits.
<u>Aggregate Credit Limit</u>	The sum of a Market Participant's or FTR Bidder's Unsecured Credit Limit and its Financial Security Amount, as provided for in Section 12 of the ISO Tariff.
<u>Alert Notice</u>	A Notice issued by the ISO when the operating requirements of the ISO Controlled Grid are marginal because of Demand exceeding forecast, loss of major Generation, or loss of transmission capacity that has curtailed imports into the ISO Control Area, or if the Hour-Ahead Market is short on scheduled Energy and Ancillary Services for the ISO Control Area.

Ancillary Services

Regulation, Spinning Reserve, Non-Spinning Reserve, Replacement Reserve, Voltage Support and Black Start together with such other interconnected operation services as the ISO may develop in cooperation with Market Participants to support the transmission of Energy from Generation resources to Loads while maintaining reliable operation of the ISO Controlled Grid in accordance with Good Utility Practice.

Ancillary Service Provider

A Participating Generator or Participating Load who is eligible to provide an Ancillary Services.

Annual Peak Demand Forecast

A Demand Forecast of the highest Hourly Demand in any hour in a calendar year, in MW.

Applicable Reliability Criteria

The reliability standards established by NERC, WECC, and Local Reliability Criteria as amended from time to time, including any requirements of the NRC.

Applicants

Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company and any others as applicable.

Approved Load Profile

Local Regulatory Authority approved Load profiles applied to cumulative End-Use Meter Data in order to allocate consumption of Energy to Settlement Periods.

Approved Maintenance Outage

A Maintenance Outage which has been approved by the ISO through the ISO Outage Coordination Office.

“Area Control Error (ACE)”

The sum of the instantaneous difference between the actual net interchange and the scheduled net interchange between the ISO Control Area and all adjacent Control Areas and the ISO Control Area’s frequency correction and time error correction obligations.

Authorized Users

A person or an entity identified as an authorized user in a meter service agreement between the ISO and an ISO Metered Entity or a meter service agreement between the ISO and a SC.

Automatic Mitigation Procedure (AMP)

The market power mitigation procedure described in Attachment A to Appendix P.

Available Import Capability

The Maximum Import Capability of a branch group into the ISO Control Area in MW deliverable to the ISO Control Area based on ISO study criteria minus the sum in MW of all Existing Contracts and Transmission Ownership Rights over that branch group held by load serving entities that do not serve Load within the ISO Control Area.

Available Transfer Capacity

For a given transmission path, the capacity rating in MW of the path established consistent with ISO and WECC transmission capacity

Average Rating Default Probability (ARDP)

The sum of Credit Rating Default Probabilities divided by the total number of Credit Rating Default Probabilities used.

	rating guidelines, less any reserved uses applicable to the path.
<u>Backup ISO Control Center</u>	The ISO Control Center located in Alhambra, California.
<u>Balanced Schedule</u>	A Schedule shall be deemed balanced when Generation, adjusted for Transmission Losses equals Demand with respect to all entities for which a Scheduling Coordinator schedules.
<u>Balancing Account</u>	An account set up to allow periodic balancing of financial transactions that, in the normal course of business, do not result in a zero balance of cash inflows and outflows.
<u>Black Start</u>	The procedure by which a Generating Unit self-starts without an external source of electricity thereby restoring power to the ISO Controlled Grid following system or local area blackouts.
<u>Black Start Generator</u>	A Participating Generator in its capacity as party to an Interim Black Start Agreement with the ISO for the provision of Black Start services, but shall exclude Participating Generators in their capacity as providers of Black Start services under their Reliability Must-Run Contracts.
<u>Bulk Supply Point</u>	A UDC metering point.
<u>Business Day</u>	Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.
<u>Business Practice Manual (BPM)</u>	A collection of documents made available by the CAISO on the CAISO Website that contain the rules, policies, procedures and guidelines established by the CAISO for operational, planning, accounting and settlement requirements of CAISO Market activities, consistent with the CAISO Tariff.
<u>C.F.R.</u>	Code of Federal Regulations.
<u>CAISO</u>	The California Independent System Operator Corporation, a California non-profit public benefit corporation that operates the transmission facilities of all Participating TOs and dispatches certain Generating Units and Loads.
<u>CAISO Controlled Grid</u>	The system of transmission lines and associated facilities of the Participating TOs that have been placed under the CAISO's Operational Control.
<u>CAISO Demand</u>	Power delivered to Load internal to the ISO Control Area.

<u>CAISO Tariff</u>	The California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time.
<u>CAISO Website</u>	The CAISO internet home page at http://www.aiso.com / or such other internet address as the CAISO shall publish from time to time.
<u>Calendar Day</u>	Any day including Saturday, Sunday or a federal holiday.
<u>Candidate CRR Holder</u>	Defined in Appendix BB.
<u>CDWR-SWP</u>	The California Department of Water Resources, State Water Project.
<u>CDWR-SWP Participating Generating Units</u>	The Generating Units operated by the California Department of Water Resources, State Water Project, that are subject to a Participating Generator Agreement with the ISO.
<u>Certificate of Compliance</u>	A certificate issued by the ISO which states that the Metering Facilities referred to in the certificate satisfy the certification criteria for Metering Facilities contained in the ISO Tariff.
<u>Check Meter</u>	A redundant revenue quality meter which is identical to and of equal accuracy to the primary revenue quality meter connected at the same metering point which must be certified in accordance with the ISO Tariff.

Circular Schedule

A Schedule or set of Schedules that creates a closed loop of Energy Schedules between the ISO Controlled Grid and one or more other Control Areas that do not have a source and sink in separate Control Areas, which includes Energy scheduled in a counter direction over a Congested Inter-Zonal Interface through two or

more Scheduling Points. A closed loop of Energy Schedules that includes a transmission segment on the Pacific DC Intertie shall not be a Circular Schedule because such a Schedule directly changes power flows on the network and can mitigate Congestion between SP15 and NP15. This definition of a Circular Schedule does not apply to the circumstance in which a Scheduling Coordinator submits a Schedule that is an amalgam of different Market Participants' separate but simultaneously submitted Schedules.

Clustering

The process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation

The status of a Generating Unit or project phase at a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation

Date

The date on which a Generating Unit or project phase at a Generating Facility commences Commercial Operation as agreed to by the applicable Participating TO, the CAISO, and the Interconnection Customer pursuant to Appendix E to the Large Generator Interconnection Agreement, and in accordance with the implementation plan agreed to by the Participating TO and the CAISO for multiple individual Generating Units or project phases at a Generating Facility where an Interconnection Customer intends to establish separate Commercial Operation Dates for those Generating Units or project phases.

Compatible Meter Data

Server

A meter data acquisition and processing system which is capable of passing Meter Data and/or Settlement Quality Meter Data to MDAS via File Transfer Protocol (FTP) and which has been certified by the ISO or its authorized representative.

Congestion

A condition that occurs when there is insufficient Available Transfer Capacity to implement all Preferred Schedules simultaneously or, in real time, to serve all Generation and Demand. "Congested" shall be construed accordingly.

Congestion Management

The alleviation of Congestion in accordance with Applicable ISO Protocols and Good Utility Practice.

Congestion Management Charge

The component of the Grid Management Charge that provides for the recovery of the ISO's costs of operating the Congestion Management process including, but not limited to, the management and operation of Inter-Zonal Congestion markets, Adjustment Bids, taking Firm Transmission Rights and Existing Contracts into

account, and determining the price for mitigating Congestion for flows on Congested paths. The formula for determining the Congestion Management Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.

Congestion Revenue

Defined in Appendix BB.

Right (CRR)

Congestion Zone

A Zone identified as an Active Zone in Appendix I of the ISO Tariff.

Connected Entity

A Participating TO or any party that owns or operates facilities that are electrically interconnected with the ISO Controlled Grid.

Constrained Output

Generating resources with only two viable operating states: (a) off-line or (b) operating at their maximum output level.

Generation

Constraints

Physical and operational limitations on the transfer of electrical power through transmission facilities.

Construction Activities

Actions by a Participating TO that result in irrevocable financial commitments for the purchase of major electrical equipment or land for Participating TO's Interconnection Facilities or Network Upgrades assigned to the Interconnection Customer that occur after receipt of all appropriate governmental approvals needed for the Participating TO's Interconnection Facilities or Network Upgrades.

Contingency

Disconnection or separation, planned or forced, of one or more components from an electrical system.

Control Area

An electric power system (or combination of electric power systems) to which a common AGC scheme is applied in order to: i) match, at all times, the power output of the Generating Units within the electric power system(s), plus the Energy purchased from entities outside the electric power system(s), minus Energy sold to entities outside the electric power system, with the Demand within the electric power system(s); ii) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice; iii) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and iv) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

Control Area Gross Load

For the purpose of calculating and billing Minimum Load Costs, Emission Costs Charge and Start-Up Fuel Costs Charge, Control Area Gross Load is all Demand for Energy within the ISO Control Area. Control Area Gross Load shall not include Energy consumed by:

- (a) Station Power that is netted pursuant to Section 10.1.3; and
- (b) Load that is isolated electrically from the ISO Control Area (*i.e.*, Load that is not synchronized with the ISO Control Area).

<u>Control Area Operator</u>	The person responsible for managing the real-time operations of a Control Area.
<u>Converted Rights</u>	Those transmission service rights as defined in Section 16.21A.1 of the ISO Tariff.
<u>Core Reliability Services - Demand Charge</u>	A component of the Grid Management Charge that provides for the recovery of the ISO's costs of providing a basic, non-scalable level of reliable operation for the ISO Control Area and meeting regional and national reliability requirements. The formula for determining the Core Reliability Services – Demand Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.
<u>Core Reliability Services – Energy Export Charge</u>	A component of the Grid Management Charge that provides for the recovery of the ISO's costs of providing a basic, non-scalable level of reliable operation for the ISO Control Area and meeting regional and national reliability requirements. The formula for determining the Core Reliability Services – Energy Exports Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.
<u>CPUC</u>	The California Public Utilities Commission, or its successor.
<u>Credit Margin</u>	The quantity equal to Expected Congestion Revenue minus Fifth Percentile Congestion Revenue.
<u>Credit Rating Default Probability</u>	The 5 Year Median Default Probability based on a rating agency's credit rating as listed in the Credit Rating Default Probabilities table in Section A-2.2 of the ISO Credit Policy & Procedures Guide.
<u>CRR Auction Price</u>	The positive or negative price to pay or be paid for a CRR at auction.
<u>CRR Holder</u>	As defined in Appendix BB.
<u>Critical Protective System</u>	Facilities and sites with protective relay systems and Remedial Action Schemes that the ISO determines may have a direct impact on the ability of the ISO to maintain system security and over which the ISO exercises Operational Control.
<u>CTC (Competition Transition Charge)</u>	A non-bypassable charge that is the mechanism that the California Legislature and the CPUC mandated to permit recovery of costs stranded as a result of the shift to the new market structure.

Curtailable Demand

Demand from a Participating Load that can be curtailed at the direction of the ISO in the real-time Dispatch of the ISO Controlled Grid. Scheduling Coordinators with Curtailable Demand may offer it to the ISO to meet Non-Spinning Reserve or Replacement Reserve requirements.

Day 0

The Trading Day to which the Settlement Statement or Settlement

calculation refers. For example "Day 41" shall mean the 41st day after that Trading Day and similar expressions shall be construed accordingly.

Day-Ahead

Relating to a Day-Ahead Market or Day-Ahead Schedule.

Day-Ahead Market

The forward market for Energy and Ancillary Services to be supplied during the Settlement Periods of a particular Trading Day that is conducted by the ISO and other Scheduling Coordinators and which closes with the ISO's acceptance of the Final Day-Ahead Schedule.

Day-Ahead Schedule

A Schedule prepared by a Scheduling Coordinator or the ISO before the beginning of a Trading Day indicating the levels of Generation and Demand scheduled for each Settlement Period of that Trading Day.

Decline Monthly Charge – Exports

A charge that applies to the aggregate of a Scheduling Coordinator's Hourly Pre-Dispatch Supplemental Energy bids to export Energy that are not delivered in a trading month, as determined pursuant to Section 11.31.1.

Decline Monthly Charge – Imports

A charge that applies to the aggregate of a Scheduling Coordinator's Hourly Pre-Dispatch Supplemental Energy bids to import Energy that are not delivered in a trading month, as determined pursuant to Section 11.31.1.

Decline Potential Charge – Exports

A potential charge that is calculated for any portion of an Hourly Pre-Dispatch Supplemental Energy bid to export Energy that is not delivered for any reason, which potential charge and its applicability are determined pursuant to Section 11.31.

Decline Potential Charge – Imports

A potential charge that is calculated for any portion of an Hourly Pre-Dispatch Supplemental Energy bid to import Energy that is not delivered for any reason, which potential charge and its applicability are determined pursuant to Section 11.31.

Decline Threshold Percentage – Imports/Exports

The rate at which Scheduling Coordinators may fail to deliver imports or exports in accordance with Hourly Pre-Dispatch bids for Supplemental Energy without incurring Decline Monthly Charges – Imports or Decline Monthly Charges – Exports, as measured by the respective percentages of Hourly Pre-Dispatch Supplemental Energy bids for import or export MWh quantities that the Scheduling Coordinator does not deliver during a trading month. The Decline Threshold Percentage – Imports/Exports is ten percent (10%).

**Decline Threshold
Quantity –
Imports/Exports**

The MWh quantity of Hourly Pre-Dispatch Supplemental Energy bids for imports or exports of Energy that a Scheduling Coordinator may fail to deliver during a trading month without incurring Decline Monthly Charges – Imports or Decline Monthly Charges – Exports. The Decline Threshold Quantity – Imports/Exports is 300 MWh.

Default GMM

Pre calculated GMM based on historical Load and interchange levels.

Deliverability Assessment

An evaluation by the Participating TO, ISO or a third party consultant for the Interconnection Customer to determine a list of facilities, the cost of those facilities, and the time required to construct these facilities, that would ensure a Generating Facility could provide Energy to the ISO Controlled Grid at peak load, under a variety of severely stressed conditions, such that the aggregate of Generation in the local area can be delivered to the aggregate of Load on the ISO Controlled Grid, consistent with the ISO's reliability criteria and procedures.

**Delivery Network
Upgrades**

Transmission facilities at or beyond the Point of Interconnection, other than Reliability Network Upgrades, identified in the Interconnection Studies to relieve constraints on the ISO Controlled Grid.

Delivery Point

The point where a transaction between Scheduling Coordinators is deemed to take place. It can be either the Generation input point, a Demand Take-Out Point, or a transmission bus at some intermediate location.

Demand

The rate at which Energy is delivered to Loads and Scheduling Points by Generation, transmission or distribution facilities. It is the product of voltage and the in-phase component of alternating current measured in units of watts or standard multiples thereof, e.g., 1,000W=1kW, 1,000kW=1MW, etc.

Demand Forecast

An estimate of Demand over a designated period of time.

<u>Department of Market</u>	The unit established under Appendix P.1.
<u>Analysis (DMA)</u>	
<u>Direct Access Demand</u>	The Demand of Direct Access End-Users.
<u>Direct Access End-User</u>	An Eligible Customer located within the Service Area of a UDC who purchases Energy and Ancillary Services through a Scheduling Coordinator.
<u>Dispatch</u>	The operating control of an integrated electric system to: i) assign specific Generating Units and other sources of supply to effect the supply to meet the relevant area Demand taken as Load rises or falls; ii) control operations and maintenance of high voltage lines, substations, and equipment, including administration of safety procedures; iii) operate interconnections; iv) manage Energy transactions with other interconnected Control Areas; and v) curtail Demand.
<u>Dispatch Instruction</u>	An instruction by the ISO to a resource for increasing or decreasing its energy supply or demand from the Hour-Ahead Schedule to a specified operating point pertaining to real-time operations.
<u>Dispatch Interval</u>	The time period, which may range between five (5) and thirty (30) minutes, over which the ISO's RTD Software measures deviations in Generation and Demand, and selects Ancillary Service and Supplemental Energy resources to provide balancing Energy in response to such deviations. The Dispatch Interval shall be five (5) minutes. Following a decision by the ISO Governing Board, the ISO may, by seven (7) days' notice published on the ISO's Home Page, at http://www.caiso.com (or such other internet address as the ISO may publish from time to time), increase or decrease the Dispatch Interval within the range of five (5) to thirty (30) minutes.
<u>Dispatch Interval Ex Post Prices</u>	The price of Imbalance Energy determined each Dispatch Interval based on 1) the Imbalance Energy requirements in that Dispatch Interval, and 2) the Energy Bid price of the resource eligible to set the price. The Dispatch Interval Ex Post Price is used to determine

	other prices used to settle Imbalance Energy.
<u>Dispatch Operating Point</u>	The expected operating point of a resource that has received a Dispatch Instruction. The resource is expected to operate at the Dispatch Operating Point after completing the Dispatch Instruction, taking into account any relevant ramp rate and time delays. Energy expected to be produced or consumed above or below the Final Hour-Ahead Schedule in response to a Dispatch Instruction constitutes Instructed Imbalance Energy. For resources that have not received a Dispatch Instruction, the Dispatch Operating Point defaults to the corresponding Final Hour-Ahead Schedule.
<u>Dispatchable Load</u>	Load which is the subject of an Adjustment Bid.
<u>Distribution System</u>	The distribution assets of an IOU or Local Publicly Owned Electric Utility.
<u>Distribution Upgrades</u>	The additions, modifications, and upgrades to the Participating TO's electric systems that are not part of the ISO Controlled Grid. Distribution Upgrades do not include Interconnection Facilities.
<u>Dynamic Schedule</u>	A telemetered reading or value which is updated in real time and which is used as a schedule in the ISO EMS calculation of ACE and the integrated value of which is treated as a schedule for interchange accounting purposes.
<u>EEP (Electrical Emergency Plan)</u>	A plan to be developed by the ISO in consultation with UDCs to address situations when Energy reserve margins are forecast to be below established levels.
<u>Electronic Data Interchange (EDI)</u>	The routine exchange of business documented on electronic media such as purchase orders, invoices and remittance. The format of the data is based on an industry-approved format such as those published by the ANSI ASC X12 committee.
<u>Eligible Capacity</u>	Capacity of Generating Units of Participating Generators located within the ISO Control Area except the following: capacity associated with hydroelectric generation, nuclear generation, QFs, generation resources within a Metered Subsystem, resources owned by the California Department of Water Resources, State

Water Project; capacity of a Generating Unit with a Reliability Must-Run contract, during the term of such contract; capacity of a Resource Adequacy Resource that is identified in any Resource Adequacy Plan in accordance with Section 40, during the time that such capacity is identified on the Resource Adequacy Plan; and capacity that has been designated to provide service under the TCPM, during the term of the designation.

Eligible Customer

(i) any utility (including Participating TOs, Market Participants and any power marketer), Federal power marketing agency, or any person generating Energy for sale or resale; Energy sold or produced by such entity may be Energy produced in the United

	<p>States, Canada or Mexico; however, such entity is not eligible for transmission service that would be prohibited by Section 212(h)(2) of the Federal Power Act; and (ii) any retail customer taking unbundled transmission service pursuant to a state retail access program or pursuant to a voluntary offer of unbundled retail transmission service by the Participating TO.</p>
<u>Eligible Intermittent Resource</u>	<p>A Generating Unit that is powered solely by 1) wind, 2) solar energy, or 3) hydroelectric potential derived from small conduit water distribution facilities that do not have storage capability.</p>
<u>Emissions Cost Charge</u>	<p>The charge determined in accordance with Section 40.11.</p>
<u>Emissions Cost Demand</u>	<p>The level of Demand specified in Section 40.11.3.</p>
<u>Emissions Cost Invoice</u>	<p>The invoice submitted to the ISO in accordance with Section 40.11.6.</p>
<u>Emissions Cost Trust Account</u>	<p>The trust account established in accordance with Section 40.11.2.</p>
<u>Emissions Costs</u>	<p>The mitigation fees, excluding capital costs, assessed against a Generating Unit by a state or federal agency, including air quality districts, for exceeding applicable NOx emissions limitations.</p>
<u>EMS (Energy Management System)</u>	<p>A computer control system used by electric utility dispatchers to monitor the real-time performance of the various elements of an electric system and to control Generation and transmission facilities.</p>
<u>Encumbrance</u>	<p>A legal restriction or covenant binding on a Participating TO that affects the operation of any transmission lines or associated facilities and which the ISO needs to take into account in exercising Operational Control over such transmission lines or associated facilities if the Participating TO is not to risk incurring significant liability. Encumbrances shall include Existing Contracts and may include: (1) other legal restrictions or covenants meeting the definition of Encumbrance and arising under other arrangements entered into before the ISO Operations Date, if any; and (2) legal restrictions or covenants meeting the definition of Encumbrance and arising under a contract or other arrangement entered into after the ISO Operations Date.</p>
<u>End-Use Customer or</u>	<p>A consumer of electric power who consumes such power to satisfy a</p>

<u>End-User</u>	Load directly connected to the ISO Controlled Grid or to a Distribution System and who does not resell the power.
<u>End-Use Meter Data</u>	Meter Data that measures the Energy consumption in respect of End-Users gathered, edited and validated by Scheduling Coordinators and submitted to the ISO in Settlement quality form.
<u>End-Use Meter</u>	A metering device collecting Meter Data with respect to the Energy consumption of an End-User.
<u>Energy</u>	The electrical energy produced, flowing or supplied by generation, transmission or distribution facilities, being the integral with respect to time of the instantaneous power, measured in units of watt-hours or standard multiples thereof, e.g., 1,000 Wh=1kWh, 1,000 kWh=1MWh, etc.
<u>Energy Bid</u>	The price at or above which a Generator has agreed to produce the next increment of Energy.
<u>Energy Resource Area (ERA)</u>	A geographic region certified by the California Public Utilities Commission and the California Energy Commission as an area in which multiple LCRIGs could be located, provided that, for the interim period before those agencies certify such areas and for LCRIFs that are proposed to connect LCRIGs located outside the State of California, an Energy Resource Area shall mean a geographic region that would be connected to the CAISO Controlled Grid by an LCRIF with respect to which the CAISO Governing Board determines that all of the requirements of Section 24.1.3 are satisfied, except for the requirement that the LCRIGs to which the LCRIF would connect are located in an area certified as an ERA by those agencies.

Energy Transmission
Services Net Energy
Charge

The component of the Grid Management Charge that provides, in conjunction with the Energy Transmission Services Uninstructed Deviations Charge, for the recovery of the ISO's costs of providing reliability on a scalable basis, i.e., a function of the intensity of the use of the transmission system within the Control Area and the occurrence of system outages and disruptions. The formula for determining the Energy Transmission Services Net Energy Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.

Energy Transmission
Services Uninstructed
Deviations Charge

The component of the Grid Management Charge that provides, in conjunction with the Energy Transmission Services Net Energy Charge, for the recovery of the ISO's costs of providing reliability on a scalable basis, in particular for the costs associated with balancing transmission flows that result from uninstructed deviations. The formula for determining the Energy Transmission Services Uninstructed Deviations Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.

Engineering &
Procurement (E&P)
Agreement

An agreement that authorizes the Participating TO to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Energy Export

For purposes of calculating the Grid Management Charge, Energy included in an interchange Schedule submitted to the ISO, or dispatched by the ISO, to serve a Load located outside the ISO's Control Area, whether the Energy is produced by a Generator in the ISO Control Area or a resource located outside the ISO's Control Area.

Entitlements

The right of a Participating TO obtained through contract or other means to use another entity's transmission facilities for the transmission of Energy.

Environmental Dispatch

Dispatch designed to meet the requirements of air quality and other environmental legislation and environmental agencies having authority or jurisdiction over the ISO.

Estimated Aggregate

Liability

The sum of a Market Participant's or FTR Bidder's known and reasonably estimated potential liabilities for a specified time period arising from charges described in the ISO Tariff, as provided for in Section 12 of the ISO Tariff.

**Exempt Scheduling
Deviation**

The difference between a Day-Ahead Schedule submitted by any Scheduling Coordinator, pursuant to Section 4.5.4.2.1.1, and its Demand Forecast, pursuant to Section 31.1.4.1, within any UDC or MSS Service Area that does not exceed the lesser of (a) three (3) MW or (b) five percent (5%) of that Scheduling Coordinator's Demand Forecast for the relevant UDC or MSS Service Area.

Export Percentage

Export Percentage will be calculated for each Participating Intermittent Resource as the ratio of the Participating Intermittent Resource's Pmax in the ISO Master File minus the MW subject to an exemption under EIRP 5.3.2 on a MW basis to the Participating Intermittent Resource's Pmax in the ISO Master File.

**Exporting Participating
Intermittent Resource**

A Participating Intermittent Resource with Export Percentage greater than zero (0).

Ex Post GMM

GMM that is calculated utilizing the real-time Power Flow Model in accordance with Section 27.2.1.2.1.2.

Ex Post Price

The Hourly Ex Post Price, the Dispatch Interval Ex Post Price, the Resource-Specific Settlement Interval Ex Post Price, or the Zonal Settlement Interval Ex Post Price.

Ex Post Transmission

Transmission Loss that is calculated based on Ex Post GMM.

Loss

Existing Contracts

The contracts which grant transmission service rights in existence on the ISO Operations Date (including any contracts entered into pursuant to such contracts) as may be amended in accordance with their terms or by agreement between the parties thereto from time to time.

<u>Existing Contract Import Capability</u>	The quantity of Available Import Capability reserved for Existing Contracts and Transmission Ownership Rights held by Load Serving Entities that serve Load within the ISO Control Area under Step 3 of ISO Tariff Section 40.5.2.2.1.
<u>Existing High Voltage Facility</u>	A High Voltage Transmission Facility of a Participating TO that was placed in service on or before the Transition Date defined in Section 4.2 of Schedule 3 of Appendix F.
<u>Existing Rights</u>	Those transmission service rights defined in Section 16.2.1.1 of the ISO Tariff.
<u>Expected Congestion Revenue</u>	The mean value based on the probability distribution of the historic Congestion revenue of a CRR.
<u>Facility Owner</u>	An entity owning transmission, Generation, or distribution facilities connected to the ISO Controlled Grid.
<u>Facility Study</u>	An engineering study conducted by a Participating TO to determine required modifications to the Participating TO's transmission system, including the cost and scheduled completion date for such modifications that will be required to provide needed services.

<u>Facility Study Agreement</u>	An agreement between a Participating TO and either a Market Participant, Project Sponsor, or identified principal beneficiaries pursuant to which the Market Participants, Project Sponsor, and identified principal beneficiaries agree to reimburse the Participating TO for the cost of a Facility Study.
<u>Fed-Wire</u>	The Federal Reserve Transfer System for electronic funds transfer.
<u>FERC</u>	The Federal Energy Regulatory Commission or its successor.
<u>FERC Annual Charges</u>	Those charges assessed against a public utility by the FERC pursuant to 18 C.F.R. § 382.201 and any related statutes or regulations, as they may be amended from time to time.
<u>FERC Annual Charge Recovery Rate</u>	The rate to be paid by Scheduling Coordinators for recovery of FERC Annual Charges assessed against the ISO for transactions on the ISO Controlled Grid.
<u>FERC Annual Charge Trust Account</u>	An account to be established by the ISO for the purpose of maintaining funds collected from Scheduling Coordinators for FERC Annual Charges and disbursing such funds to the FERC.
<u>FERC Must-Offer Generator</u>	All entities defined by Section 40.7.1 of this ISO Tariff.
<u>Fifth Percentile Congestion Revenue</u>	The fifth percentile value based on the probability distribution of the historic Congestion revenue of a CRR.
<u>Final Approval</u>	A statement of consent by the ISO Control Center to initiate a scheduled Outage.
<u>Final Day-Ahead Schedule</u>	The Day-Ahead Schedule which has been approved as feasible and consistent with all other Schedules by the ISO based upon the ISO's Day-Ahead Congestion Management procedures.
<u>Final Hour-Ahead Schedule</u>	The Hour-Ahead Schedule of Generation and Demand that has been approved by the ISO as feasible and consistent with all other Schedules based on the ISO's Hour-Ahead Congestion Management procedures.
<u>Final Invoice</u>	The invoice due from a RMR Owner to the ISO at termination of the RMR Contract.

Final Schedule

A Schedule developed by the ISO following receipt of a Revised Schedule from a Scheduling Coordinator.

Final NERC/WECC

Charge

A final invoice issued by the ISO that reflects an allocation of NERC/WECC Charges to a Scheduling Coordinator based on the Final NERC/WECC Charge Rate for the NERC/WECC Charge Assessment Year.

Final NERC/WECC Charge

Rate

The rate to be paid by Scheduling Coordinators for NERC/WECC Charges based on the WECC invoice to the ISO for NERC/WECC Charges for a given year and on the NERC/WECC Metered Demand for the NERC/WECC Charge Assessment Year.

<u>Financial Security</u>	Any of the types of financial instruments listed in Section 12 of the ISO Tariff that are posted by a Market Participant or FTR Bidder.
<u>Financial Security Amount</u>	The level of Financial Security posted in accordance with Section 12 of the ISO Tariff by a Market Participant or FTR Bidder.
<u>Final Settlement Statement</u>	The restatement or recalculation of the Preliminary Settlement Statement by the ISO following the issue of that Preliminary Settlement Statement.
<u>Forbidden Operating</u>	The operating region of a resource wherein the resource cannot

<u>Region</u>	operate in a stable manner and must ramp through at maximum ramp capacity.
<u>Forced Outage</u>	An Outage for which sufficient notice cannot be given to allow the Outage to be factored into the Day-Ahead Market or Hour-Ahead Market scheduling processes.
<u>Forecast Fee</u>	The charge imposed on a Participating Intermittent Resource pursuant to the terms of Appendix Q and ISO Tariff Appendix F, Schedule 4.
<u>Forward Scheduling Charge</u>	The component of the Grid Management Charge that provides for the recovery of the ISO's costs, including, but not limited to the costs of providing the ability to Scheduling Coordinators to forward schedule Energy and Ancillary Services and the cost of processing accepted Ancillary Service bids. For purposes of the Forward Scheduling Charge, a schedule is represented by each Final Hour-Ahead Schedule with a value other than 0 MW submitted to the scheduling infrastructure/scheduling application system (import, export, Load, Generation, inter-Scheduling Coordinator trade, and Ancillary Services, including self-provided Ancillary Services) submitted to the ISO's scheduling infrastructure. The formula for determining the Forward Scheduling Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.
<u>FPA</u>	Parts II and III of the Federal Power Act, 16 U.S.C. § 824 et seq., as they may be amended from time to time.
<u>FTR (Firm Transmission Right)</u>	A contractual right, subject to the terms and conditions of the ISO Tariff, that entitles the FTR Holder to receive, for each hour of the term of the FTR, a portion of the Usage Charges received by the ISO for transportation of energy from a specific originating Zone to a specific receiving Zone and, in the event of an uneconomic curtailment to manage Day-Ahead Congestion, to a Day-Ahead scheduling priority higher than that of a Schedule using Converted Rights capacity that does not have an FTR.
<u>FTR Bidder</u>	An entity that submits a bid in an FTR auction conducted by the ISO in accordance with Section 36.4 of the ISO Tariff.
<u>FTR Holder</u>	The owner of an FTR, as registered with the ISO.

FTR Market

A transmission path from an originating Zone to a contiguous receiving Zone for which FTRs are auctioned by the ISO in accordance with Section 36.4 of the ISO Tariff.

Full Capacity

Deliverability Status

The condition whereby a Large Generating Facility interconnected with the CAISO Controlled Grid, under coincident CAISO Control Area peak Demand and a variety of severely stressed system conditions, can deliver the Large Generating Facility's full output to the aggregate of Load on the CAISO Controlled Grid, consistent with the CAISO's reliability criteria and procedures and the CAISO On-Peak Deliverability Assessment.

Full Marginal Loss Rate

A rate calculated by the ISO for each Generation and Scheduling Point location to determine the effect on total system Transmission Losses of injecting an increment of Generation at each such location to serve an equivalent incremental MW of Demand distributed proportionately throughout the ISO Control Area.

Generating Facility

An Interconnection Customer's Generating Unit(s) used for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

**Generating Facility
Capacity**

The net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

GCC

The single point of contact at the grid control center of Southern California Edison Company.

Generating Unit

An individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered or a Physical Scheduling Plant that, in either case, is:

- (a) located within the ISO Control Area;
- (b) connected to the ISO Controlled Grid, either directly or via interconnected transmission, or distribution facilities; and
- (c) that is capable of producing and delivering net Energy (Energy in excess of a generating station's internal power requirements).

Generation

Energy delivered from a Generating Unit.

Generator

The seller of Energy or Ancillary Services produced by a Generating Unit.

**GMM (Generation Meter
Multiplier)**

A number which when multiplied by a Generating Unit's Metered Quantity will give the total Demand to be served from that Generating Unit.

Good Utility Practice

Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

Grid Management Charge

The ISO monthly charge on all Scheduling Coordinators that provides for the recovery of the ISO's costs listed in Section 11.2.2.2 through the eight service charges described in Section 11.2.2.3 calculated in accordance with the formula rate set forth in Appendix F, Schedule 1, Part A of this Tariff. The eight charges that comprise the Grid Management Charge consist of: 1) the Core Reliability Services - Demand Charge, 2) the Core Reliability Services – Energy Exports Charge, 3) the Energy Transmission Services Net Energy Charge, 4) the Energy Transmission Services Uninstructed Deviations Charge, 5) the Forward Scheduling Charge, 6) the Congestion Management Charge, 7) the Market Usage Charge, and 8) the Settlements, Metering, and Client Relations Charge.

Grid Operations Charge

An ISO charge that recovers Redispatch costs incurred due to Intra-Zonal Congestion in each Zone. These charges will be paid to the ISO by the Scheduling Coordinators, in proportion to their metered Demand within, and metered exports from, the Zone to a neighboring Control Area.

Gross Load

For the purposes of calculating the transmission Access Charge, Gross Load is all Energy (adjusted for distribution losses) delivered for the supply of End-Use Customer Loads directly connected to the transmission facilities or directly connected to the Distribution System of a UDC or MSS Operator located in a PTO Service Territory. Gross Load shall exclude 1) Load with respect to which the

Wheeling Access Charge is payable, 2) Load that is exempt from the Access Charge pursuant to SPP 4.1, and the portion of the Load of an individual retail customer of a UDC or MSS Operator that is served by a Generating Unit that: (a) is located on the customer's site or provides service to the customer's site through arrangements as authorized by Section 218 of the California Public Utilities Code; (b) is a qualifying small power production facility or qualifying cogeneration facility, as those terms are defined in the FERC's regulations implementing Section 201 of the Public Utility Regulatory Policies Act of 1978; and (c) secures Standby Service from a Participating TO under terms approved by a Local Regulatory Authority or FERC, as applicable, or can be curtailed concurrently with an outage of the Generating Unit serving the Load. Gross Load forecasts consistent with filed TRR will be provided by each Participating TO to the ISO.

Group Study

The process whereby more than one Interconnection Request is studied together, instead of individually, for the purpose of conducting one or more of the Interconnection Studies or analyses therein.

High Voltage Access Charge

The Access Charge applicable under Section 26.1 to recover the High Voltage Transmission Revenue Requirements of each Participating TO in a TAC Area.

High Voltage Transmission Facility

A transmission facility that is owned by a Participating TO or to which a Participating TO has an Entitlement that is represented by a Converted Right, that is under the CAISO Operational Control, and that operates at a voltage at or above 200 kilovolts, and supporting facilities, and the costs of which are not directly assigned to one or more specific customers, provided that the High Voltage Transmission Facilities of a Participating TO shall include any Location Constrained Resource Interconnection Facility of that Participating TO that has been turned over to the CAISO's Operational Control.

<u>High Voltage Transmission Revenue Requirement</u>	The portion of a Participating TO's TRR associated with and allocable to the Participating TO's High Voltage Transmission Facilities and Converted Rights associated with High Voltage Transmission Facilities that are under the ISO Operational Control.
<u>High Voltage Wheeling Access Charge</u>	The Wheeling Access Charge associated with the recovery of a Participating TO's High Voltage Transmission Revenue Requirements in accordance with Section 26.1.
<u>Historical Expected Value</u>	The expected value of a CRR, as calculated by the ISO, based on monthly historical market operation data for the applicable month. Such values will be established based on at least one (1) year and up to three (3) years of historical market operations data.
<u>Host Control Area</u>	The Control Area in which a System Resource subject to this ISO Tariff is connected to the electric grid. The Host Control Area may, or may not, be directly interconnected with the ISO Control Area.

Hour-Ahead

Relating to an Hour-Ahead Market or an Hour-Ahead Schedule.

<u>Hour-Ahead Forecast</u>	The Energy forecast to be used by the Scheduling Coordinator representing a Participating Intermittent Resource for its Preferred Hour-Ahead Schedule, in accordance with Appendix Q.
<u>Hour-Ahead Market</u>	The forward market for Energy and Ancillary Services to be supplied during a particular Settlement Period that is conducted by the ISO and other Scheduling Coordinators which opens after the ISO's acceptance of the Final Day-Ahead Schedule for the Trading Day in which the Settlement Period falls and closes with the ISO's acceptance of the Final Hour-Ahead Schedule.
<u>Hour-Ahead Schedule</u>	A Schedule prepared by a Scheduling Coordinator or the ISO before the beginning of a Settlement Period indicating the changes to the levels of Generation and Demand scheduled for that Settlement Period from that shown in the Final Day-Ahead Schedule.
<u>Hourly Demand</u>	The average of the instantaneous Demand integrated over a single clock hour, in MW.
<u>Hourly Ex Post Price</u>	The Energy-weighted average of the Dispatch Interval Ex Post Prices in each Zone during each Settlement Period. The Hourly Ex Post Price will vary between Zones when Congestion is present. This price is used in the Regulation Energy Payment Adjustment and in RMR settlements.
<u>Hourly Pre-Dispatch</u>	The process in which the ISO Dispatches Energy Bids from System Resources before the start of the next Settlement Period for the entire duration of that Settlement Period.
<u>Hydro Spill Generation</u>	Hydro-electric Generation in existence prior to the ISO Operations Date that: i) has no storage capacity and that, if backed down, would spill; ii) has exceeded its storage capacity and is spilling even though the generators are at full output, or iii) has inadequate storage capacity to prevent loss of hydro-electric Energy either immediately or during the forecast period, if hydro-electric Generation is reduced; iv) has increased regulated water output to avoid an impending spill.
<u>Identification Code</u>	An identification number assigned to each Scheduling Coordinator by the ISO.
<u>Imbalance Energy</u>	Imbalance Energy is Energy from Regulation, Spinning and Non-

Import Capability Load Share

Spinning Reserves, or Replacement Reserve, or Energy from other Generating Units, System Units, System Resources, or Loads that are able to respond to the ISO's request for more or less Energy. A Load Serving Entity's proportionate share of the forecasted RA Compliance Year coincident peak Demand for the ISO Control Area relative to the total coincident peak Demand for the ISO Control Area as determined by the California Energy Commission.

Import Capability Load Share Ratio

A Load Serving Entity's Import Capability Load Share divided by the sum of the Import Capability Load Shares of all Load Serving Entities with unfulfilled requests for import capability on a particular branch group.

Import Capability Transfer Registration Process

The electronic means by which Load Serving Entities and Market Participants must register with the ISO any bilateral transfers of Existing Contract Import Capability, Pre-RA Import Commitment Capability, or Remaining Import Capability.

Inactive Zone

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

Incremental Change

The change in dollar value of a specific charge type from the Preliminary Settlement Statement to the Final Settlement Statement including any new charge types or Trading Day charges appearing for the first time on the Final Settlement Statement.

In-Service Date

The date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Participating TO Interconnection Facilities to obtain back feed power.

"Interim Black Start Agreement"

An agreement entered into between the ISO and a Participating Generator (other than a Reliability Must-Run Agreement) for the provision by the Participating Generator of Black Start capability and Black Start Energy on an interim basis until the introduction by the ISO of its Black Start auction (or until terminated earlier by either party in accordance with its terms).

Intermediary Control Area

Any Control Area between a Host Control Area and the ISO Control Area. An Intermediary Control Area may, or may not, be directly interconnected with the ISO Control Area.

**Instructed Imbalance
Energy**

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

Inter-Scheduling

Ancillary Service transactions between Scheduling Coordinators.

Coordinator Ancillary

Service Trades

Inter-Scheduling

Energy transactions between Scheduling Coordinators.

Coordinator Energy

Trades

Inter-Zonal Congestion

Congestion across an Inter-Zonal Interface.

Inter-Zonal Interface

The (i) group of transmission paths between two adjacent Zones of the ISO Controlled Grid, for which a physical, non-simultaneous transmission capacity rating (the rating of the interface) has been established or will be established prior to the use of the interface for Congestion Management; (ii) the group of transmission paths between an ISO Zone and an adjacent Scheduling Point, for which a physical, non-simultaneous transmission capacity rating (the rating of the interface) has been established or will be established prior to the use of the interface for Congestion Management; (iii) the group of transmission paths between two adjacent Scheduling Points, where the group of paths has an established transfer capability and established transmission rights; or (iv) **the Miguel or South of Lugo constraints whenever** Congestion Management is necessary to mitigate Congestion due to flow from one or more Scheduling Points from adjacent Zones and/or due to generation within that Zone.

Interconnection

Transmission facilities, other than additions or replacements to existing facilities that: i) connect one system to another system where the facilities emerge from one and only one substation of the two systems and are functionally separate from the ISO Controlled Grid facilities such that the facilities are, or can be, operated and planned as a single facility; or ii) are identified as radial transmission lines pursuant to contract; or iii) produce Generation at a single point on the ISO Controlled Grid; provided that such interconnection does not include facilities that, if not owned by the Participating TO, would result in a reduction in the ISO's Operational Control of the Participating TO's portion of the ISO Controlled Grid.

Interconnection

Agreement

A contract between a party requesting interconnection and the Participating TO that owns the transmission facility with which the requesting party wishes to interconnect.

Interconnection Base Case

Data

Data including, but not limited to, base power flow, short circuit and stability databases, underlying Load, Generation, and transmission facility assumptions, Contingency lists and automated contingency files, including relevant Remedial Action Schemes, Operating Procedures, per unit costs, and transmission diagrams used to perform Phase I Interconnection Studies and Phase II Interconnection Studies. Interconnection Base Case Data may include Critical Energy Infrastructure Information (as that term is defined by FERC). The Interconnection Base Case Data shall include transmission facilities approved by the CAISO under Section 24 in Appendix EE and Network Upgrades associated with Generation Facilities in (iv) below and Generating Facilities that (i) are directly interconnected to the CAISO Controlled Grid; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending request to interconnect to an Affected System; or (iv) are not interconnected to the CAISO Controlled Grid, but are subject to a fully executed LGIA (or its equivalent predecessor agreement) or for which an unexecuted LGIA (or its equivalent predecessor agreement) has been requested to be filed with FERC. To the maximum extent practicable, the Interconnection Base Case Data shall utilize the Unified Planning Assumptions developed pursuant to Section 24.2.4 in Appendix EE.

<u>Interconnection Customer</u>	Any entity, including a Participating TO or any of its Affiliates or subsidiaries, that proposes to interconnect its Generating Facility with the ISO Controlled Grid.
<u>Interconnection Customer's Interconnection Facilities</u>	All facilities and equipment, as identified in Appendix A of the Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the ISO Controlled Grid. Interconnection Customer's Interconnection Facilities are sole use facilities.
<u>Interconnection Facilities</u>	The Participating TO's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the ISO Controlled Grid. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.
<u>Interconnection Facilities Study</u>	A study conducted by the Participating TO(s), ISO, or a third party consultant for the Interconnection Customer to determine a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility with the ISO Controlled Grid. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.
<u>Interconnection Facilities Study Agreement</u>	The form of agreement accepted by FERC and posted on the ISO Home Page for conducting the Interconnection Facilities Study.
<u>Interconnection Feasibility Study</u>	A preliminary evaluation conducted by the Participating TO(s), ISO, or a third party consultant for the Interconnection Customer of the system impact and cost of interconnecting the Generating Facility to the ISO Controlled Grid, the scope of which is described in Section

	6 of the Standard Large Generator Interconnection Procedures.
<u>Interconnection Feasibility Study Agreement</u>	The form of agreement accepted by FERC and posted on the ISO Home Page for conducting the Interconnection Feasibility Study.
<u>Interconnection Financial Security</u>	Any of the financial instruments listed in LGIP Section 9.1 set forth in Appendix GG that are posted by an Interconnection Customer.
<u>Interconnection Handbook</u>	A handbook, developed by the Participating TO and posted on the Participating TO's web site or otherwise made available by the Participating TO, describing technical and operational requirements for wholesale generators and loads connected to the Participating TO's portion of the ISO Controlled Grid, as such handbook may be modified or superseded from time to time. Participating TO's standards contained in the Interconnection Handbook shall be deemed consistent with Good Utility Practice and Applicable Reliability Criteria. In the event of a conflict between the terms of the LGIP or SGIP and the terms of the Participating TO's Interconnection Handbook, the terms in the LGIP or SGIP shall apply.
<u>Interconnection Request</u>	An Interconnection Customer's request, in the form of Appendix 1 to the Large Generator Interconnection Procedures or Attachment 2 to the Small Generator Interconnection Procedures, in accordance with Section 25.1 of the ISO Tariff.
<u>Interconnection Service</u>	The service provided by the Participating TO and ISO associated with interconnecting the Interconnection Customer's Generating Facility to the ISO Controlled Grid and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Large Generator Interconnection Agreement, the Participating TO's TO Tariff, and the ISO Tariff.

Interconnection Study

Any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures set forth in Appendix U or the Phase I Interconnection Study and the Phase II Interconnection Study described in the LGIP set forth in Appendix GG.

Interconnection Study Cycle

All requirements, actions, and respective obligations of the CAISO, Participating TO, and Interconnection Customer under the LGIP set forth in Appendix GG applicable to an Interconnection Request submitted in a particular Queue Cluster Window through execution by the parties or submission to FERC by one or more of the parties to an LGIA.

Interconnection Study Deposit

The cash deposit provided to the CAISO by Interconnection Customers under LGIP Section 3.5.1 set forth in Appendix GG as a requirement of a valid Interconnection Request to be used to offset the cost of the Interconnection Studies as set forth in LGIP Sections 3.5.1.2 and 3.5.1.3 set forth in Appendix GG.

Interconnection System Impact Study

An engineering study conducted by the Participating TO(s), ISO, or a third party consultant for the Interconnection Customer that evaluates the impact of the proposed interconnection on the safety and reliability of the ISO Controlled Grid and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were

interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

**Interconnection System
Impact Study Agreement**

The form of agreement accepted by FERC and posted on the ISO Home Page for conducting the Interconnection System Impact Study.

Interest

Interest shall be calculated in accordance with the methodology specified for interest on refunds in the regulations of FERC at 18 C.F.R. §35.19(a)(2)(iii) (1996). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment, except as provided in Section 11.2.1. When payments are made by mail, bills shall be considered as having been paid on the date of receipt.

Interruptible Imports

Energy sold by a Generator or resource located outside the ISO Controlled Grid which by contract can be interrupted or reduced at the discretion of the seller.

Intra-Zonal Congestion

Congestion within a Zone.

IOU

An investor owned electric utility.

**ISO (Independent System
Operator)**

The California Independent System Operator Corporation, a state chartered, nonprofit corporation that controls the transmission facilities of all Participating TOs and dispatches certain Generating Units and Loads.

ISO Account

The ISO Clearing Account, the ISO Reserve Account or such other trust accounts as the ISO deems necessary or convenient for the purpose of efficiently implementing the funds transfer system under the ISO Tariff.

ISO ADR Committee

The Committee appointed by the ISO ADR Committee pursuant to Article IV, Section 3 of the ISO bylaws to perform functions assigned to the ISO ADR Committee in the ADR process in Section 13 of the ISO Tariff.

ISO ADR Procedures

The procedures for resolution of disputes or differences set out in Section 13 of the ISO Tariff, as amended from time to time.

**ISO Application File
Template**

All information (administrative, financial and technical) pertaining to Scheduling Coordinators which must be maintained in a current form by the ISO and the Scheduling Coordinator.

ISO Audit Committee

A Committee of the ISO Governing Board appointed pursuant to Article IV, Section 5 of the ISO bylaws to (1) review the ISO's annual independent audit (2) report to the ISO Governing Board on such audit, and (3) to monitor compliance with the ISO Code of Conduct.

ISO Authorized Inspector

A person authorized by the ISO to certify, test, inspect and audit meters and Metering Facilities (as that term is defined in this Appendix A) in accordance with the procedures established by the ISO pursuant to the Sections of this ISO Tariff on metering.

ISO Bank

The bank appointed by the ISO from time to time for the purposes of operating the Settlement process.

ISO Clearing Account

The account in the name of the ISO with the ISO Bank to which payments are required to be transferred for allocation to ISO Creditors in accordance with their respective entitlements.

ISO Code of Conduct

For employees, the code of conduct for officers, employees and substantially full-time consultants and contractors of the ISO as set out in exhibit A to the ISO bylaws; for Governors, the code of conduct for governors of the ISO as set out in exhibit B to the ISO bylaws.

**ISO Control Area
Balancing Function**

The real-time Dispatch of Generation (and Curtailable Demand), directed by the ISO, to balance with actual Demand during the current operating hour to meet operating Reliability Criteria.

ISO Control Center

The Control Center established, pursuant to Section 7.1.1 of the ISO Tariff.

ISO Controlled Grid

The system of transmission lines and associated facilities of the Participating TOs that have been placed under the ISO's Operational Control.

ISO Creditor

A Scheduling Coordinator, Participating TO, or other Market Participant to which amounts are payable under the terms of the ISO Tariff.

ISO Debtor

A Scheduling Coordinator, Participating TO, or other Market Participant that is required to make a payment to the ISO under the

ISO Tariff.

ISO Documents

The ISO Tariff, ISO bylaws, and any agreement entered into between the ISO and a Scheduling Coordinator, a Participating TO or any other Market Participant pursuant to the ISO Tariff.

ISO Governing Board

The Board of Governors established to govern the affairs of the ISO.

ISO Home Page

The ISO internet home page at <http://www.caiso.com/> or such other internet address as the ISO shall publish from time to time.

ISO Invoice

The invoices issued by the ISO to the Responsible Utilities or RMR Owners based on the Revised Estimated RMR Invoice and the Revised Adjusted RMR Invoice.

ISO Market

Any of the markets administered by the ISO under the ISO Tariff, including, without limitation, Imbalance Energy, Ancillary Services, and FTRs.

ISO Memorandum

The memorandum account established by each California IOU

Account

pursuant to California Public Utilities Commission Order D. 96-08-038 date August 2, 1996 which records all ISO startup and development costs incurred by that California IOU.

ISO Metered Entity

(a) any one of the following entities that is directly connected to the ISO Controlled Grid:

- i. a Generator other than a Generator that sells all of its Energy (excluding any Station Power that is netted pursuant to Section 10.1.3) and Ancillary Services to the UDC in whose Service Area it is located;
- ii. an Eligible Customer; or
- iii. an End-User other than an End-User that purchases all of its Energy from the UDC in whose Service Area it is located; and

(b) any one of the following entities:

- i. a Participating Generator;
- ii. a Participating TO in relation to its Tie Point Meters with other TOs or Control Areas;
- iii. a Participating Load;
- iv. a Participating Intermittent Resource; or
- v. a utility that requests that UFE for its Service Area be calculated

	separately, in relation to its meters at points of connection of its Service Area with the systems of other utilities.
<u>ISO Metered Entity Meter Service Agreements</u>	The meter service agreements between the ISO and ISO Metered Entities.
<u>ISO Operations Date</u>	The date on which the ISO first assumes Operational Control of the ISO Controlled Grid.
<u>ISO Outage Coordination Office</u>	The office established by the ISO to coordinate Maintenance Outages in accordance with Section 9.3 of the ISO Tariff.
<u>ISO Payments Calendar</u>	A calendar published by the ISO showing the dates on which Settlement Statements will be published by the ISO and the Payment Dates by which invoices issued under the ISO Tariff must be paid.
<u>ISO Protocols</u>	The rules, protocols, procedures and standards promulgated by the ISO (as amended from time to time) to be complied with by the ISO Scheduling Coordinators, Participating TOs and all other Market Participants in relation to the operation of the ISO Controlled Grid and the participation in the markets for Energy and Ancillary Services in accordance with the ISO Tariff.
<u>ISO Register</u>	The register of all the transmission lines, associated facilities and other necessary components that are at the relevant time being subject to the ISO's Operational Control.
<u>ISO Reserve Account</u>	The account established for the purpose of holding cash deposits which may be used in or towards clearing the ISO Clearing Account.
<u>ISO Surplus Account</u>	The account established by the ISO pursuant to Section 11.8.5.3.
<u>ISO Tariff</u>	The California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time.

ISO Website

The ISO internet home page at <http://www.caiso.com> or such other internet address as the ISO shall publish from time to time.

ISO-WECC Billing Services Agreement

The agreement between the ISO and the WECC entered into by those parties in August 2007, as it may be amended from time to time, regarding the ISO's performance of certain billing services to facilitate the WECC's collection of NERC/WECC Charges.

ISP (Internet Service Provider)

An independent network service organization engaged by the ISO to establish, implement and operate WEnet.

Joint Powers Agreement

An agreement governing a Joint Powers Authority that is subject to the California Joint Exercise of Powers Act (California Government Code, Section 6500, *et seq.*).

Joint Powers Authority

An authority authorized by law through which two or more public entities jointly exercise their powers.

Large Generating Facility

A Generating Facility having a Generating Facility Capacity of more than 20 MW.

Large Generator Interconnection Agreement (LGIA)

The form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, a pro forma version of which is set forth in Appendix V or Appendix HH, as applicable.

Large Generator Interconnection Procedures (LGIP)

The interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are set forth in Appendix U or Appendix GG, as applicable.

Large Generator Interconnection Study Process Agreement (LGISPA)

The agreement between the CAISO and the Interconnection Customer for conducting the Interconnection Studies for a proposed Large Generating Facility, a pro forma version of which is accepted by FERC, posted on the CAISO Website, and set forth in Appendix GG.

Large Project

A transmission upgrade or addition that exceeds \$200 million in capital costs and consists of a proposed transmission line or substation facilities capable of operating at voltage levels greater than 200 kV. Location Constrained Resource Interconnection Facilities are not included in this definition, regardless of the capital cost or voltage level of the transmission upgrade or addition. A Large Project may also be a project that does not meet the dollar or voltage level requirement, but that the CAISO determines raises significant policy issues warranting a separate planning process.

<u>LARN Report for 2006</u>	The report, published by the ISO, which identifies each Local Reliability Area for 2006 and the contingencies that require the ISO to specify a geographically contiguous area as a Local Reliability Area, and the amount of generation (in MW) needed for each Local Reliability Area in order to satisfy Applicable Reliability Criteria, taking into account Non-Generation Solutions.
<u>LGIA</u>	Standard Large Generator Interconnection Agreement or Large Generator Interconnection Agreement
<u>LGIP</u>	Standard Large Generator Interconnection Procedures or Large Generator Interconnection Procedures
<u>LGISPA</u>	Large Generator Interconnection Study Process Agreement
<u>Line Loss Correction Factor</u>	The line loss correction factor as set forth in the Technical Specifications.
<u>Load</u>	An end-use device of an End-Use Customer that consumes power. Load should not be confused with Demand, which is the measure of power that a Load receives or requires.
<u>Load-Serving Entity (LSE)</u>	Any entity (or the duly designated agent of such an entity, including, e.g. a Scheduling Coordinator), including a load aggregator or power marketer; (i) serving End Users within the ISO Control Area and (ii) that has been granted authority or has an obligation pursuant to California State or local law, regulation, or franchise to sell electric energy to End Users located within the ISO Control Area or (iii) is a Federal Power Marketing Authority that serves retail Load.
<u>Load Share Quantity</u>	The product of Total Import Capability and Import Capability Load Share.
<u>Load Shedding</u>	The systematic reduction of system Demand by temporarily decreasing the supply of Energy to Loads in response to transmission system or area capacity shortages, system instability, or voltage control considerations.

<u>Local Furnishing Bond</u>	Tax-exempt bonds utilized to finance facilities for the local furnishing of electric energy, as described in section 142(f) of the Internal Revenue Code, 26 U.S.C. § 142(f).
<u>Local Furnishing Participating TO</u>	Any Tax-Exempt Participating TO that owns facilities financed by Local Furnishing Bonds.
<u>Local Publicly Owned Electric Utilities</u>	A municipality or municipal corporation operating as a public utility furnishing electric service, a municipal utility district furnishing electric service, a public utility district furnishing electric services, an irrigation district furnishing electric services, a state agency or subdivision furnishing electric services, a rural cooperative furnishing electric services, or a joint powers authority that includes one or more of these agencies and that owns Generation or transmission facilities, or furnishes electric services over its own or its members' electric Distribution System.
<u>Local Regulatory Authority</u>	The state or local governmental authority responsible for the regulation or oversight of a utility.
<u>Local Reliability Area</u>	For 2006, a geographically contiguous area within a TAC Area that the CAISO has determined, through reliability studies, requires resources that are effective to meet Applicable Reliability Criteria.
<u>Local Reliability Criteria</u>	Reliability Criteria unique to the transmission systems of each of the PTOs established at the later of: (1) ISO Operations Date, or (2) the date upon which a New Participating TO places its facilities under

	the control of the ISO.
<u>Local Reliability Criteria</u>	Reliability Criteria established at the ISO Operations Date, unique to the transmission systems of each of the Participating TOs.
<u>Local Resource Adequacy Requirement Deficiency</u>	The difference in MWs, as determined under Section 40.7 of Appendix CC following the opportunity to resolve deficiencies that is provided under Section 40.7 of Appendix CC, between (1) the allocated responsibility for Local Capacity Area Resources under Section 40.3.2 of Appendix CC of a Scheduling Coordinator for an RA Entity and (2) the Net Qualifying Capacity of the Local Capacity Area Resources identified in the annual Resource Adequacy Plan submitted by that Scheduling Coordinator pursuant to Sections 40.2.1.1, 40.2.2.4, 40.2.3.4, or 40.2.4 of Appendix CC.
<u>Location Code</u>	The code assigned by the ISO to Generation input points, and Demand Take-Out Points from the ISO Controlled Grid, and transaction points from trades between Scheduling Coordinators. This will be the information used by the ISO Controlled Grid, and transaction points for trades between Scheduling Coordinators. This will be the information used by the ISO to determine the location of the input, output, and trade points of Energy Schedules. Each Generation input and Demand Take-Out Point will have a designated Location Code identification for use in submitting Energy and Ancillary Service bids and Schedules.
<u>Location Constrained Resource Interconnection Facility (LCRIF)</u>	A High Voltage Transmission Facility that has been determined by the CAISO to satisfy all of the requirements of Section 24.1.3.

<u>Location Constrained</u>	A Generating Unit that (a) uses a primary fuel source or source of
<u>Resource Interconnection</u>	energy that is in a fixed location and cannot practicably be
<u>Generator (LCRIG)</u>	transported from that location; and (b) is located in an Energy Resource Area. Generating Units meeting criterion (a) shall include, but not be limited to, wind, solar, geothermal, hydroelectric, digester gas, landfill gas, ocean wave and ocean thermal tidal current Generating Units.
<u>Loop Flow</u>	Energy flow over a transmission system caused by parties external to that system.
<u>Loss Scale Factor</u>	The ratio of expected Transmission Losses to the total Transmission Losses which would be collected if Full Marginal Loss Rates were utilized.
<u>Low Voltage Access Charge</u>	The Access Charge applicable under Section 26.1 to recover the Low Voltage Transmission Revenue Requirement of a Participating TO.

Low Voltage

Transmission Facility

A transmission facility owned by a Participating TO or to which a Participating TO has an Entitlement that is represented by a Converted Right, which is not a High Voltage Transmission Facility, that is under the ISO Operational Control.

Low Voltage

Transmission Revenue

Requirement

The portion of a Participating TO's TRR associated with and allocable to the Participating TO's Low Voltage Transmission Facilities and Converted Rights associated with Low Voltage Transmission Facilities that are under the ISO Operational Control.

**Low Voltage Wheeling
Access Charge**

The Wheeling Access Charge associated with the recovery of a Participating TO's Low Voltage Transmission Revenue Requirement in accordance with Section 26.1.

Maintenance Outage

A period of time during which an Operator (i) takes its transmission facilities out of service for the purposes of carrying out routine planned maintenance, or for the purposes of new construction work or for work on de-energized and live transmission facilities (e.g., relay maintenance or insulator washing) and associated equipment; or (ii) limits the capability of or takes its Generating Unit or System Unit out of service for the purposes of carrying out routine planned maintenance, or for the purposes of new construction work.

Market Behavior Rules

Those rules established by FERC under Docket No. EL01-118.

Market Clearing Price

The price in a market at which supply equals Demand. All Demand prepared to pay at least this price has been satisfied and all supply prepared to operate at or below this price has been purchased.

Market Manipulation

Has the meaning set forth in Section 37.7.

Market Monitoring Unit

The component of the ISO organization (currently the "Department of Market Monitoring") that is assigned responsibility in the first instance for the functions of a Market Monitoring Unit, as that term is used in Docket No. EL01-118.

Market Participant

An entity, including a Scheduling Coordinator, who either: (1) participates in the Energy marketplace through the buying, selling, transmission, or distribution of Energy or Ancillary Services into, out of, or through the ISO Controlled Grid; or (2) is a CRR Holder or Candidate CRR Holder.

**Market Surveillance
Committee (MSC)**

The committee established under Appendix P.2.

Market Usage Charge

The component of the Grid Management Charge that provides for the recovery of the ISO's costs, including, but not limited to the costs for processing Supplemental Energy and Ancillary Service bids, maintaining the Open Access Same-Time Information System, monitoring market performance, ensuring generator compliance with market protocols, and determining Market Clearing Prices. The formula for determining the Market Usage Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff.

Master File

A file containing information regarding Generating Units, Loads and other resources.

Material Change in Financial Condition

A change in or potential threat to the financial condition of a Market Participant or FTR Bidder that increases the risk that the Market Participant or FTR Bidder will be unlikely to meet some or all of its financial obligations. The types of Material Change in Financial Condition include but are not limited to the following:

- (a) a credit agency downgrade;
- (b) being placed on a credit watch list by a major rating agency;
- (c) a bankruptcy filing;
- (d) insolvency;
- (e) the filing of a material lawsuit that could significantly and adversely affect past, current, or future financial results;
or
- (f) any change in the financial condition of the Market Participant or FTR Bidder which exceeds a five percent (5%) reduction in the Market Participant's or FTR Bidder's Tangible Net Worth or Net Assets for the Market Participant or FTR Bidder's preceding fiscal year, calculated in accordance with generally accepted accounting practices.

Material Modification

A modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request with a later queue priority date.

Maximum Import Capability

A quantity in MW determined by the ISO for each branch group into the ISO Control Area to be deliverable to the ISO Control Area based on ISO study criteria.

MDAS

The ISO's revenue meter data acquisition and processing system.

Meter Data

Energy usage data collected by a metering device or as may be otherwise derived by the use of Approved Load Profiles.

Meter Points

Locations on the ISO Controlled Grid at which the ISO requires the collection of Meter Data by a metering device.

Metered Control Area Load

For purposes of calculating and billing the Grid Management Charge, Metered Control Area Load is:

(a) all metered Demand for Energy of Scheduling Coordinators for the supply of Loads in the ISO's Control Area, plus (b) all Energy for exports by Scheduling Coordinators from the ISO Control Area; less (c) Energy associated with the Load of a retail customer of a Scheduling Coordinator, UDC, or MSS that is served by a Generating Unit that: (i) is located on the same site as the customer's Load or provides service to the customer's Load through arrangements as authorized by Section 218 of the California Public Utilities Code; (ii) is a qualifying small power production facility or qualifying cogeneration facility, as those terms are defined in FERC's regulations implementing Section 201 of the Public Utility Regulatory Policies Act of 1978; and (iii) the customer secures Standby Service from a Participating TO

under terms approved by a Local Regulatory Authority or FERC, as applicable, or the customer's Load can be curtailed concurrently with an outage of the Generating Unit.

Meter Data Exchange

Format

The format for submitting Meter Data to the ISO which will be published by the ISO on the ISO Home Page or available on request to the Meter and Data Acquisition Manager, ISO Client Service Department.

Meter Data Request

Format

The format for requesting Settlement Quality Meter Data from the ISO which will be published by the ISO on the ISO Home Page or available on request to the Meter and Data Acquisition Manager, ISO Client Service Department.

Metered Quantities

For each Direct Access End-User, the actual metered amount of MWh and MW; for each Participating Generator the actual metered amounts of MWh, MW, MVAR and MVARh.

Metering Facilities

Revenue quality meters, instrument transformers, secondary circuitry, secondary devices, meter data servers, related communication facilities and other related local equipment.

Minimum Load Costs

The costs a Generating Unit incurs operating at minimum load.

MKMV Default Probability

A calculated result of Moody's KMV CreditEdge or RiskCalc software products.

Month-Ahead System

Resource Adequacy

Requirements

The amount of Qualifying Capacity that a RA Entity must reflect in its monthly Resource Adequacy Plan submitted pursuant to Section 40.2.2 in compliance with Resource Adequacy Rules adopted by the CPUC or a Local Regulatory Authority, as applicable.

<u>Month-Ahead System</u>	The monthly deficiency in meeting the Month-Ahead System
<u>Resource Deficiency</u>	Resource Adequacy Requirements as determined under Section 40.7 of Appendix CC following the opportunity to resolve deficiencies that is provided under Section 40.7 of Appendix CC.
<u>Monthly Peak Load</u>	The maximum hourly Demand on a Participating TO's transmission system for a calendar month, multiplied by the Operating Reserve Multiplier.
<u>Monthly TCPM Charge</u>	The monthly charge determined in accordance with Appendix F, Schedule 6.
<u>MRTU Tariff</u>	The ISO Tariff that will implement the ISO's Market Redesign and Technology Upgrade ("MRTU").

<u>MSS (Metered Subsystem)</u>	A geographically contiguous system located within a single Zone which has been operating as an electric utility for a number of years prior to the ISO Operations Date as a municipal utility, water district, irrigation district, State agency or Federal power administration subsumed within the ISO Control Area and encompassed by ISO certified revenue quality meters at each interface point with the ISO Controlled Grid and ISO certified revenue quality meters on all Generating Units or, if aggregated, each individual resource and Participating Load internal to the system, which is operated in accordance with a MSS Agreement described in Section 4.9.1.
<u>MSS Operator</u>	An entity that owns an MSS and has executed a MSS Agreement.
<u>Municipal Tax Exempt Debt</u>	An obligation the interest on which is excluded from gross income for federal tax purposes pursuant to Section 103(a) of

	<p>the Internal Revenue Code of 1986 or the corresponding provisions of prior law without regard to the identity of the holder thereof. Municipal Tax Exempt Debt does not include Local Furnishing Bonds.</p>
<u>Nationally Recognized Statistical Rating Organizations (NRSRO)</u>	<p>National credit rating agencies as designated by the U.S. Securities & Exchange Commission.</p>
<u>Native Load</u>	<p>Load required to be served by a utility within its Service Area pursuant to applicable law, franchise, or statute.</p>
<u>NERC</u>	<p>The North American Electric Reliability Corporation or its successor.</p>
<u>NERC/WECC Charge Assessment Year</u>	<p>A given year for which NERC/WECC Charges will be assessed by the WECC based on data from the calendar year two years prior to the year of the NERC/WECC Charge assessment.</p>
<u>NERC/WECC Charges</u>	<p>The charges approved by FERC, pursuant to Section 215 of the FPA and FERC issuances related thereto, that provide funding for the statutory-related functions performed by NERC, the WECC, and regional advisory bodies that serve the WECC, or their successors or assignees.</p>
<u>NERC/WECC Charge Trust Account</u>	<p>An account to be established by the ISO for the purpose of maintaining funds collected from Scheduling Coordinators and disbursing such funds to the WECC.</p>

NERC/WECC Metered Demand

For purposes of calculating NERC/WECC Charges, a Scheduling Coordinator's net metered CAISO Demand plus Unaccounted for Energy for net metered CAISO Demand and Transmission Losses for metered CAISO Demand. A Scheduling Coordinator's net metered CAISO Demand equals the Scheduling Coordinator's metered CAISO Demand (which adds Energy associated with imports from and subtracts Energy associated with exports to other balancing authority areas), less metered CAISO Demand for Station Power and for Energy required for storage at electric energy storage facilities, such as pumped storage. For purposes of calculating NERC/WECC Metered Demand, **Unaccounted for Energy and** Transmission Losses allocable to **net** metered CAISO Demand will be allocated pro rata to each Scheduling Coordinator based on the Scheduling Coordinator's **net** metered CAISO Demand.

Net Assets (NA)

For governmental and not-for-profit entities, defined as total assets minus total liabilities.

Net FTR Revenue

The sum of: 1) the revenue received by the New Participating TO from the sale, auction, or other transfer of the FTRs provided to it pursuant to Section 36.4.3 FTR, or any substantively identical successor provision of the ISO Tariff; and 2) for each hour: a) the Usage Charge revenue received by the New Participating To associated with its Section 36.4.3 FTRs; minus b) Usage Charges that are: i) incurred by the Scheduling Coordinator for the New Participating TO under ISO Tariff Section 27.1.2.1.4 ii) associated with the New Participating TO's Section 36.4.3 FTRs, and iii) incurred by the New Participating TO for its energy transactions but not incurred as a result of the use of the transmission by a third-party and minus c) the charges paid by the New Participating TO pursuant to Section 27.1.2.1.7, to the extent such charges are incurred by the Scheduling Coordinator of the New Participating TO on Congested Inter-Zonal Interfaces that are associated with the Section 36.4.3 FTRs provided to the New Participating TO. The component of New FTR Revenue represented by item 2) immediately above shall not be less than zero for any hour.

<u>Net Negative Uninstructed Deviation</u>	The real-time change in Generation or Demand associated with underscheduled Load (i.e., Load that appears unscheduled in real time) and overscheduled Generation (i.e., Generation that is scheduled in forward markets and does not appear in real time). Deviations are netted for each Settlement Interval, apply to a Scheduling Coordinator's entire portfolio, and include Load, Generation, imports and exports.
<u>Net Output</u>	The gross Energy output from a Generating Unit less the Station Power requirements for such Generating Unit during the Netting Period, or the Energy available to provide Remote Self-Supply from a generating facility in another Control Area during the Netting Period.
<u>Netting Period</u>	A calendar month, representing the interval over which the Net Output of one or more generating resources in a Station Power Portfolio is available to be attributed to the self-supply of Station Power in that Station Power Portfolio.
<u>Net Qualifying Capacity</u>	Qualifying capacity reduced, as applicable, based on: (1) testing and verification; and (2) deliverability restrictions. The Net Qualifying Capacity determination shall be made by the ISO pursuant to the provisions of this ISO Tariff and any applicable manual or procedure.

Network Upgrades

The additions, modifications, and upgrades to the ISO controlled Grid required at or beyond the Point of Interconnection to accommodate the interconnection of the Generating Facility to the ISO Controlled Grid. Network Upgrades shall consist of Delivery Network Upgrades and Reliability Network Upgrades. Network Upgrades do not include Distribution Upgrades.

New High Voltage Facility

A High Voltage Transmission Facility of a Participating TO that is placed in service after the beginning of the transition period described in Section 4 of Schedule 3 of Appendix F, or a capital addition made and placed in service after the beginning of the transition period described in Section 4.2 of Schedule 3 of Appendix F to an Existing High Voltage Facility.

New Participating TO

A Participating TO that is not an Original Participating TO.

Nomogram

A set of operating or scheduling rules which are used to ensure that simultaneous operating limits are respected, in order to meet NERC and WECC reliability standards, including any requirements of the NRC.

Non-Generation Solutions

Solutions proposed by a PTO or an RA Entity that satisfy local area reliability needs of the ISO which serve as an alternative to generation capacity, including equipment upgrades, operating procedures such as switching, manual Load shedding or automatic Load shedding, and other operational strategies or tools.

Non-Load-Serving

Participating TO

A Participating TO that (1) is not a UDC, MSS Operator or Scheduling Coordinator serving End-Use Customers and (2) does not have Gross Load in accordance with Section 9 of Schedule 3 of Appendix F.

Non-Participating

Generator

A Generator that is not a Participating Generator.

Non-Participating TO

A TO that is not a party to the TCA or for the purposes of Sections 16.1 and 16.2 of the ISO Tariff the holder of transmission service rights under an Existing Contract that is not a Participating TO.

Non-Spinning Reserve

The portion of off-line generating capacity that is capable of being synchronized and Ramping to a specified load in ten minutes (or load that is capable of being interrupted in ten minutes) and that is capable of running (or being interrupted) for at least two hours.

NRC

The Nuclear Regulatory Commission or its successor.

NRC (Standards)

The reliability standards published by the NRC from time to time.

Off-Peak Deliverability Assessment

The technical study performed under LGIP Section 6.3.2.2 set forth in Appendix GG.

On-Peak Deliverability Assessment

The technical study performed under LGIP Section 6.3.2.1 set forth in Appendix GG.

Operating Procedures

Procedures governing the operation of the ISO Controlled Grid as the ISO may from time to time develop, and/or procedures that Participating TOs currently employ which the ISO adopts for use.

On-Site Self-Supply

Energy from a Generating Unit that self-supplies all or a portion of its contemporaneous Station Power Load that is netted pursuant to Section 10.1.3 or is deemed to have self-supplied all or a portion of its associated non-contemporaneous Station Power load without use of the ISO Controlled Grid during the Netting Period pursuant to SPP 3.1.

Operating Reserve

The combination of Spinning and Non-Spinning Reserve required to meet **NERC and WECC reliability standards, including any requirements of the NRC** for reliable

	operation of the ISO Control Area.
<u>Operating Transfer Capability</u>	The maximum capability of a transmission path to transmit real power, expressed in MW, at a given point in time.
<u>Operational Control</u>	The rights of the ISO under the Transmission Control Agreement and the ISO Tariff to direct Participating TOs how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting Applicable Reliability Criteria.
<u>Operational Flexibility</u>	The latitude allowed the CAISO necessary to provide reasonable assurance that the transmission network is designed in such a way that it will be secure considering the inherent uncertainty in system conditions or unforeseen circumstances, based on the current system configuration and available generation.
<u>Operator</u>	The operator of facilities that comprise the ISO Controlled Grid or a Participating Generator.
<u>OPF (Optimal Power Flow)</u>	A computer optimization program which uses a set of control variables (which may include active power and/or reactive power controls) to determine a steady-state operating condition for the transmission grid for which a set of system operating Constraints (which may include active power and/or reactive power constraints) are satisfied and an objective function (e.g. total cost or shift of schedules) is minimized.
<u>Optional Interconnection Study</u>	A sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.
<u>Optional Interconnection Study Agreement</u>	The form of agreement accepted by FERC and posted on the ISO Home Page for conducting the Optional Interconnection Study.

Order No. 888

The final rule issued by FERC entitled "Promoting Wholesale Competition through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities," 61 Fed. Reg. 21,540 (May 10, 1996), FERC Stats. & Regs., Regulations Preambles [1991-1996] ¶ 31,036 (1996), Order on Rehearing, Order No. 888-A, 78 FERC ¶ 61,220 (1997), as it may be amended from time to time

Order No. 889

The final rule issued by FERC entitled "Open Access Same-Time Information System (formerly Real Time Information Networks) and Standards of Conduct," 61 Fed. Reg. 21,737

(May 10, 1996), FERC Stats. & Regs., Regulations Preambles [1991-1996] ¶ 31,035 (1996), Order on Rehearing, Order No. 889-A, 78 FERC ¶ 61,221 (1997), as it may be amended from time to time.

Original Participating TO

A Participating TO that was a Participating TO as of January 1, 2000.

Outage

Disconnection, separation or reduction in capacity, planned or forced, of one or more elements of an electric system.

Overgeneration

A condition that occurs when total Generation exceeds total Demand in the ISO Control Area.

Participant

- (a) Scheduling Coordinators (SCs);
- (b) Utility Distribution Companies (UDCs);
- (c) Participating Transmission Owners (PTOs);
- (d) Participating Generators;
- (e) Control Area Operators, to the extent the agreement between the Control Area Operator and the ISO so provides; and
- (f) Metered Subsystem (MSS) Operators.

Participating Buyer

A Direct Access End-User or a wholesale buyer of Energy or Ancillary Services through Scheduling Coordinators.

Participating Intermittent Resource

One or more Eligible Intermittent Resources that meets the requirements of the technical standards for Participating Intermittent Resources adopted by the ISO and published on the ISO Home Page.

Participating Intermittent Resource Export Fee

Fee based on Schedule 4 of Appendix F and EIRP 5.3.

Participating Intermittent Resource Fees

Fees set forth in Section 11.2.4.5.4 of the ISO Tariff

Participating Load

An entity providing Curtailable Demand, which has undertaken in writing to comply with all applicable provisions of the ISO Tariff, as they may be amended from time to time.

Participating Seller or

A Generator or other seller of Energy or Ancillary Services

Participating Generator through a Scheduling Coordinator over the ISO Controlled Grid from a Generating Unit with a rated capacity of 1 MW or greater, or from a Generating Unit providing Ancillary Services and/or submitting Supplemental Energy bids through an aggregation arrangement approved by the ISO, which has undertaken to be bound by the terms of the ISO Tariff, in the case of a Generator through a Participating Generator Agreement.

Participating TO's
Interconnection Facilities All facilities and equipment owned, controlled, or operated by the Participating TO from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Participating TO's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Participating TO A party to the TCA whose application under Section 2.2 of the TCA has been accepted and who has placed its transmission assets and Entitlements under the ISO's Operational Control in accordance with the TCA. A Participating TO may be an Original Participating TO or a New Participating TO.

Path 15 Upgrade The upgraded transmission facilities across the Path 15 Inter-Zonal Interface that have been turned over to ISO Operational Control.

Payment Date The date by which invoiced amounts are to be paid under the terms of the ISO Tariff.

PBR (Performance-Based Ratemaking) Regulated rates based in whole or in part on the achievement of specified performance objectives.

Phase I Interconnection Study

The engineering study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), that evaluates the impact of the proposed interconnection on the safety and reliability of the CAISO Controlled Grid and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility(ies) were interconnected without identified project modifications or system modifications, as provided in the On-Peak Deliverability Assessment or Off-Peak Deliverability Assessment, and other potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Large Generator Interconnection Procedures set forth in Appendix GG. The study will also identify the approximate total costs, based on per unit costs, of mitigating these impacts, along with an equitable allocation of those costs to Interconnection Customers for their individual Generating Facilities.

Phase II Interconnection Study

An engineering and operational study conducted or caused to be performed by the CAISO, in coordination with the applicable Participating TO(s), to determine the Point of Interconnection and a list of facilities (including the Participating TO's Interconnection Facilities, Network Upgrades, Distribution Upgrades, and Stand Alone Network Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility(ies) with the CAISO Controlled Grid.

Physical Scheduling Plant

A group of two or more related Generating Units, each of which is individually capable of producing Energy, but which either by physical necessity or operational design must be operated as if they were a single Generating Unit and any Generating Unit or Units containing related multiple generating components which meet one or more of the following criteria: i) multiple generating components are related by a common flow of fuel which cannot be interrupted without a substantial loss of efficiency of the combined output of all components; ii) the Energy production

from one component necessarily causes Energy production from other components; iii) the operational arrangement of related multiple generating components determines the overall physical efficiency of the combined output of all components; iv) the level of coordination required to schedule individual generating components would cause the ISO to incur scheduling costs far in excess of the benefits of having scheduled such individual components separately; or v) metered output is available only for the combined output of related multiple generating components and separate generating component metering is either impractical or economically inefficient.

Planning Reserve Margin

A Planning Reserve Margin shall be that quantity or percentage of capacity in MWs that exceeds the Demand Forecast set forth in Section 40.3 as provided for in Section 40.4 of this ISO Tariff.

PMS (Power Management System)

The ISO computer control system used to monitor the real-time performance of the various elements of the ISO Controlled Grid, control Generation, and perform operational power flow studies.

Point of Change of Ownership

The point, as set forth in Appendix A to the Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Participating TO's Interconnection Facilities.

Point of Interconnection

The point, as set forth in Appendix A to the Large Generator Interconnection Agreement or Attachment 3 to the Small Generator Interconnection Agreement, where the Interconnection Facilities connect to the ISO Controlled Grid.

Power Flow Model

The computer software used by the ISO to model the voltages, power injections and power flows on the ISO Controlled Grid and determine the expected Transmission Losses and Generation Meter Multipliers.

Power System Stabilizers (PSS)

An electronic control system applied on a Generating Unit that helps to damp out dynamic oscillations on a power system. The PSS senses Generator variables, such as voltage, current and shaft speed, processes this information and sends control signals to the Generator voltage regulator.

**Pre-Construction
Activities**

Actions by a Participating TO, other than those required by an Engineering and Procurement Agreement under LGIP Section 10 in Appendix GG, undertaken prior to Construction Activities in order to prepare for the construction of Participating TO's Interconnection Facilities or Network Upgrades assigned to the Interconnection Customer, including, but not limited to, preliminary engineering, permitting activities, environmental analysis, or other activities specifically needed to obtain governmental approvals for the Participating TO's Interconnection Facilities or Network Upgrades.

**Preferred Day-Ahead
Schedule**

A Scheduling Coordinator's Preferred Schedule for the ISO Day-Ahead scheduling process.

**Preferred Hour-Ahead
Schedule**

A Scheduling Coordinator's Preferred Schedule for the ISO Hour-Ahead scheduling process.

Preferred Schedule

The initial Schedule produced by a Scheduling Coordinator that represents its preferred mix of Generation to meet its Demand. For each Generator, the Schedule will include the quantity of output, details of any Adjustment Bids, and the location of the Generator. For each Load, the Schedule will include the quantity of consumption, details of any Adjustment Bids, and the location of the Load. The Schedule will also specify quantities and location of trades between the Scheduling Coordinator and all other Scheduling Coordinators. The Preferred Schedule will be balanced with respect to Generation, Transmission Losses, Load and trades between Scheduling Coordinators.

**Preliminary
NERC/WECC Charge
Invoice**

An initial invoice issued by the ISO that reflects an allocation of NERC/WECC Charges to a Scheduling Coordinator for a NERC/WECC Charge Assessment Year based on (i) the Scheduling Coordinator's NERC/WECC Metered Demand for the NERC/WECC Charge Assessment Year as described in Section 11.2.19.4, multiplied by (ii) the Preliminary NERC/WECC Charge Rate for the NERC/WECC Charge Assessment Year.

**Preliminary Settlement
Statement**

The initial statement issued by the ISO of the calculation of the Settlements and allocation of the charges in respect of all Settlement Periods covered by the period to which it relates.

**Preliminary NERC/WECC
Charge Rate**

The preliminary rate to be paid by Scheduling Coordinators for NERC/WECC Charges for a NERC/WECC Charge Assessment Year based on (i) the portions of the proposed budgets of NERC, WECC, and regional advisory bodies that serve the WECC that the WECC notifies the ISO in writing are allocable to the ISO for the NERC/WECC Charge Assessment Year or, alternatively, if the WECC does not provide such written notification to the ISO in accordance with the ISO-WECC Billing Services Agreement, the portions of the budgets of NERC, WECC, and regional advisory bodies that serve that WECC that the WECC informed the ISO were allocable to the ISO for the immediately preceding NERC/WECC Charge Assessment Year divided by (ii) the total of all Scheduling Coordinators' NERC/WECC Metered Demand for the NERC/WECC Charge Assessment Year as described in Section 11.2.19.4, including any adjustments to the calculation of NERC/WECC Metered Demand, as reported to the WECC pursuant to Section 11.2.19.4(b), and including any additional adjustments to the calculation of NERC/WECC Metered Demand, based on decisions by the WECC to permit such adjustments, that the WECC provides to the ISO in a written statement in accordance with the ISO-WECC Billing Services Agreement.

**Pre-RA Import
Commitment Capability**

The quantity in MW assigned to a particular branch group into the ISO Control Area based on a Pre-RA Import Commitment.

Price Overlap

The price range of bids for Supplemental Energy or Energy associated with Ancillary Services bids for any Dispatch Interval that includes decremental and incremental Energy Bids where the price of the decremental Energy Bids exceeds the price of the incremental Energy Bids.

**Primary ISO Control
Center**

The ISO Control Center located in Folsom, California.

Project Sponsor

A Market Participant or group of Market Participants, a Participating TO, or a project developer that is not a Market Participant or Participating TO that proposes the construction of a transmission addition or upgrade in accordance with Section 24 of the ISO Tariff.

Proposal for Installation

A written proposal submitted by an ISO Metered Entity to the ISO describing a proposal for the installation of additional Metering Facilities.

Proxy Price

The value determined for each gas-fired Generating Unit owned or controlled by a Must-Offer Generator in accordance with Section 40.10.1.

PTO Service Territory

The area in which an IOU, a Local Public Owned Electric Utility, or federal power marketing administration that has turned over its transmission facilities and/or Entitlements to ISO Operational Control is obligated to provide electric service to Load. A PTO

Service Territory may be comprised of the Service Areas of more than one Local Public Owned Electric Utility, if they are operating under an agreement with the ISO for aggregation of their MSS and their MSS Operator is designated as the Participating TO.

Queue Position

The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the ISO.

Qualifying Capacity

The maximum capacity of a Resource Adequacy Resource. The criteria for calculating Qualifying Capacity from Resource Adequacy Resources may be established by the CPUC or other applicable Local Regulatory Authority and provided to the ISO, or default provisions in Section 40.13 of this ISO Tariff.

Qualifying Facility

A qualifying co-generation or small power production facility recognized by FERC.

RA Compliance Year

Calendar year from January 1 to December 31.

RA Entity

Any entity identified in Section 40.1 of the ISO Tariff.

RA Entity Load Share

Percentage

An RA Entity's proportionate share of load in a TAC Area. The RA Entity Load Share Percentage shall be calculated for each RA Entity by dividing the RA Entity's actual annual coincident peak Load in each TAC area in 2005 by the total coincident peak Load of all RA Entities in the TAC Area in 2005.

Ramping

Changing the loading level of a Generating Unit in a constant manner over a fixed time (e.g., ramping up or ramping down). Such changes may be directed by a computer or manual control.

RAS (Remedial Action Schemes)

Protective systems that typically utilize a combination of conventional protective relays, computer-based processors, and telecommunications to accomplish rapid, automated response to unplanned power system events. Also, details of RAS logic and any special requirements for arming of RAS schemes, or changes in RAS programming, that may be required.

Rated Governmental Entity

A municipal utility or state or federal agency that holds an issuer, counterparty, or underlying credit rating by a Nationally Recognized Statistical Rating Organization.

Rated Public/Private Corporation

An investor-owned or privately held entity that holds an issuer, counterparty, or underlying credit rating by a Nationally Recognized Statistical Rating Organization.

Reactive Power Control

Generation or other equipment needed to maintain acceptable voltage levels on the ISO Controlled Grid and to meet reactive capacity requirements at points of interconnection on the ISO Controlled Grid.

Real Time Market

The competitive generation market controlled and coordinated by the ISO for arranging real-time Imbalance Energy.

Redispatch

The readjustment of scheduled Generation or Demand side management measures, to relieve Congestion or manage Energy imbalances.

Registered Data

Those items of technical data and operating characteristics relating to Generation, transmission or distribution facilities which are identified to the owners of such facilities as being information, supplied in accordance with the ISO Tariff, to assist the ISO to maintain reliability of the ISO Controlled Grid and to carry out its functions.

Regulation

The service provided either by Generating Units certified by the ISO as equipped and capable of responding to the ISO's direct digital control signals, or by System Resources that have been certified by the ISO as capable of delivering such service to the ISO Control Area, in an upward and downward direction to match, on a real-time basis, Demand and resources, consistent with NERC and WECC reliability standards, including any requirements of the NRC. Regulation is used to control the power output of electric generators within a prescribed area in response to a change in system frequency, tieline loading, or the relation of these to each other so as to maintain the target system frequency and/or the established interchange with other areas within the predetermined limits. Regulation includes both the increase of output by a Generating Unit or System Resource ("Regulation Up") and the decrease in output by a Generating Unit or System Resource ("Regulation Down"). Regulation Up and Regulation Down are distinct capacity products, with separately stated requirements and Market Clearing Prices in each Settlement Period.

Regulation Energy

The additional value of regulating Energy.

Payment Adjustment

Regulatory Must-Run

Generation

Hydro Spill Generation and Generation which is required to run by applicable Federal or California laws, regulations, or other governing jurisdictional authority. Such requirements include but are not limited to hydrological flow requirements, environmental requirements, such as minimum fish releases, fish pulse releases and water quality requirements, irrigation and water supply requirements of solid waste Generation, or other Generation contracts specified or designated by the jurisdictional regulatory authority as it existed on December 20, 1995, or as revised by Federal or California law or Local Regulatory Authority.

Regulatory Must-Take

Generation

Those Generation resources identified by CPUC, or a Local Regulatory Authority, the operation of which is not subject to competition. These resources will be scheduled by the relevant

Scheduling Coordinator directly with the ISO on a must-take basis. Regulatory Must-Take Generation includes qualifying facility Generating Units as defined by federal law, nuclear units and pre-existing power purchase contracts with minimum energy take requirements.

Reliability Coordinator

The person responsible for Security Monitoring in real time for the California Area.

Reliability Criteria

Pre-established criteria that are to be followed in order to maintain desired performance of the ISO Controlled Grid under contingency or steady state conditions.

Reliability Must-Run Charge (RMR Charge)

The sum payable by a Responsible Utility to the ISO pursuant to Section 30.6.1.1 of the ISO Tariff for the costs, net of all applicable credits, incurred under the RMR Contract.

Reliability Must-Run Contract (RMR Contract)

A Must-Run Service Agreement between the owner of an RMR Unit and the ISO.

Reliability Must-Run Generation (RMR Generation)

Generation that the ISO determines is required to be on line to meet Applicable Reliability Criteria requirements. This includes i) Generation constrained on line to meet NERC and WECC reliability criteria for interconnected systems operation; ii) Generation needed to meet Load demand in constrained areas; and iii) Generation needed to be operated to provide voltage or security support of the ISO or a local area.

Reliability Must-Run Unit (RMR Unit)

A Generating Unit which is the subject of a Reliability Must-Run Contract.

Reliability Network

Upgrades

The transmission facilities at or beyond the Point of Interconnection identified in the Interconnection Studies as necessary to interconnect one or more Large Generating Facility(ies) safely and reliably to the ISO Controlled Grid, which would not have been necessary but for the interconnection of one or more Large Generating Facility(ies), including Network Upgrades necessary to remedy short circuit or stability problems, or thermal overloads. Reliability Network Upgrades shall only be deemed necessary for thermal overloads, occurring under any system condition, where such thermal overloads cannot be adequately mitigated through Congestion Management, Operating Procedures, or special protection systems based on the characteristics of the Large Generating Facilities included in the Interconnection Studies, limitations on market models, systems, or information, or other factors specifically identified in the Interconnection Studies. Reliability Network Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact the Large Generating Facility's interconnection may have on a path's WECC rating.

Reliability Services Costs

The costs associated with services provided by the ISO: 1) that

are deemed by the ISO as necessary to maintain reliable electric service in the ISO Control Area; and 2) whose costs are billed by the ISO to the Participating TO pursuant to the ISO Tariff.

Reliability Services Costs include costs charged by the ISO to a Participating TO associated with service provided under an RMR Contract (Section 30.6.1.2), local out-of-market dispatch calls (Section 11.2.4.2.1) and Minimum Load Costs associated with units committed under the must-offer obligation for local reliability requirements (Section 40.8.6)

Remaining Import Capability

The quantity in MW of Total Import Capability assigned to a Load Serving Entity up to its Load Share Quantity after the assignment of Existing Contract Import Capability and Pre-RA Import Commitment. Capability.

Remote Self-Supply

Positive Net Output from generating resources in the Station Power Portfolio that is deemed to have self-supplied Station Power load of other Generating Units in the Station Power Portfolio during the Netting Period, where such self-supply requires use of the ISO Controlled Grid.

REMnet

The Wide Area Network through which the ISO acquires Meter Data.

Replacement Reserve

Generating capacity that is dedicated to the ISO, capable of starting up if not already operating, being synchronized to the ISO Controlled Grid, and Ramping to a specified operating level within a sixty (60) minute period, the output of which can be continuously maintained for a two hour period. Also, Curtailable Demand that is capable of being curtailed within sixty minutes and that can remain curtailed for two hours.

Resource Adequacy

The program that ensures that adequate physical generating capacity dedicated to serving all load requirements is available to meet peak demand and planning and operating reserves, at or deliverable to locations and at times as may be necessary to ensure local area reliability and system reliability.

Resource Adequacy Capacity

The capacity of a Resource Adequacy Resource listed on a Resource Adequacy Plan and a Supply Plan.

Resource Adequacy Plan

A submission by a Scheduling Coordinator for a Load Serving Entity serving Load in the ISO Control Area in order to satisfy the requirements of Section 40 of this ISO Tariff.

Resource Adequacy

A resource that is required to offer Resource Adequacy Capacity.

Resource

The criteria for determining the types of resources that are eligible to provide Qualifying Capacity may be established by the CPUC, other applicable Local Regulatory Authority and provided to the ISO, or the default provision in Section 40.13 of this ISO Tariff.

Resource-Specific

Settlement Interval Ex

Post Price

The Resource-Specific Settlement Interval Ex Post Price will equal the Energy-weighted average of the applicable Dispatch Interval Ex Post Prices for each Settlement Interval taking into account each resource's Instructed Imbalance Energy, except Regulation Energy. The Resource-Specific Settlement Interval Ex Post Price shall apply to those resources that are capable of responding to ISO Dispatch Instructions.

Responsible Utility

The utility which is a party to the TCA in whose PTO Service Territory the Reliability Must-Run Unit is located or whose PTO Service Territory is contiguous to the PTO Service Territory in which a Reliability Must-Run Unit owned by an entity outside of the ISO Controlled Grid is located.

Results Meeting

The meeting among the CAISO, the applicable Participating TO(s), the Interconnection Customer, and, if applicable, other Affected System Operators to discuss the results of the Phase I Interconnection Study as set forth in LGIP Section 6 set forth in Appendix GG.

Revenue Requirement

The revenue level required by a utility to cover expenses made on an investment, while earning a specified rate of return on the investment.

Revised Adjusted RMR

Invoice

The monthly invoice issued by the RMR Owner to the ISO pursuant to the RMR Contract reflecting any appropriate revisions to the Adjusted RMR Invoice based on the ISO's validation and actual data for the billing month.

<u>Revised Estimated RMR Invoice</u>	The monthly invoice issued by the RMR Owner to the ISO pursuant to the RMR Contract reflecting appropriate revisions to the Estimated RMR Invoice based on the ISO's validation of the Estimated RMR Invoice.
<u>Revised Schedule</u>	A Schedule submitted by a Scheduling Coordinator to the ISO following receipt of the ISO's Suggested Adjusted Schedule.
<u>RMR Owner</u>	The provider of services under a Reliability Must-Run Contract.
<u>Real-Time Dispatch (RTD) Software</u>	The security constrained optimal dispatch and ex post pricing software used by the ISO to determine which Ancillary Service and Supplementary Energy resources to Dispatch and to calculate the Ex Post Prices.
<u>Rules of Conduct</u>	The rules set forth in 37.2 through 37.7.
<u>Sanction</u>	A consequence specified in Section 37 for the violation of a Rule of Conduct, which may include a) a warning letter notifying the Market Participant of the violation and future consequences specified under Section 37 if the behavior is not corrected, or b) financial penalties. Neither referral to FERC nor rescission of payment for service not provided shall constitute a Sanction.
<u>SCADA (Supervisory Control and Data Acquisition)</u>	A computer system that allows an electric system operator to remotely monitor and control elements of an electric system.
<u>SC-RA Entity</u>	A Scheduling Coordinator for an RA Entity.
<u>Scheduling Coordinator Agreement</u>	An agreement between a Scheduling Coordinator and the ISO whereby the Scheduling Coordinator agrees to comply with all ISO rules, protocols and instructions, as those rules, protocols and instructions may be amended from time to time.
<u>Scheduling Coordinator Applicant</u>	An applicant for certification by the ISO as a Scheduling Coordinator.
<u>Scheduling Coordinator Application Form</u>	The form specified by the ISO from time to time in which a Scheduling Coordinator Applicant must apply to the ISO for certification as a Scheduling Coordinator.

Scheduling Coordinator

Customer

A customer of the Scheduling Coordinator Applicant or a Scheduling Coordinator for whom the Scheduling Coordinator provides services relevant to the ISO Controlled Grid.

Scaled Marginal Loss

Rate

A factor calculated by the ISO for a given Generator location for each hour by multiplying the Full Marginal Loss Rate for such Generator location by the Loss Scale Factor for the relevant hour.

<u>Schedule</u>	A statement of (i) Demand, including quantity, duration and Take-Out Points and (ii) Generation, including quantity, duration, location of Generating Unit, and Transmission Losses; and (iii) Ancillary Services which will be self-provided, (if any) submitted by a Scheduling Coordinator to the ISO. "Schedule" includes Preferred Schedules, Suggested Adjusted Schedules, Final Schedules and Revised Schedules.
<u>Scheduled Maintenance</u>	Maintenance on Participating Generators, TOs and UDC facilities scheduled more than twenty-four hours in advance.
<u>Scheduling Coordinator (SC)</u>	An entity certified by the ISO for the purposes of undertaking the functions specified in Section 4.5.3 of the ISO Tariff.
<u>Scheduling Coordinator Metered Entity</u>	A Generator, Eligible Customer or End-User that is not an ISO Metered Entity.
<u>Scheduling Point</u>	A location at which the ISO Controlled Grid is connected, by a group of transmission paths for which a physical, non-simultaneous transmission capacity rating has been established for Congestion Management, to transmission facilities that are outside the ISO's Operational Control. A Scheduling Point typically is physically located at an "outside" boundary of the ISO Controlled Grid (e.g., at the point of interconnection between a Control Area utility and the ISO Controlled Grid). For most practical purposes, a Scheduling Point can be considered to be a Zone that is outside the ISO's Controlled Grid.
<u>Scoping Meeting</u>	The meeting among representatives of the Interconnection Customer, the applicable Participating TO, and the ISO conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.
<u>Security</u>	The form of security provided by a Scheduling Coordinator pursuant to Section 12.1 of the ISO Tariff (i.e., letter of credit, guarantee or cash deposit) to secure its trading obligations.
<u>Security Monitoring</u>	The real-time assessment of the ISO Controlled Grid that is conducted to ensure that the system is operating in a secure state, and in compliance with all Applicable Reliability Criteria.
<u>Service Area</u>	An area in which an IOU or a Local Publicly Owned Electric Utility is

	obligated to provide electric service to End-Use Customers.
<u>Set Point</u>	Scheduled operating level for each Generating Unit or other resource scheduled to run in the Hour-Ahead Schedule.
<u>Settlement</u>	Process of financial settlement for products and services purchased and sold undertaken by the ISO under Section 11 of the ISO Tariff. Each Settlement will involve a price and a quantity.
<u>Settlement Account</u>	An Account held at a bank situated in California, designated by a Scheduling Coordinator or a Participating TO pursuant to the Scheduling Coordinator's Scheduling Coordinator Agreement or in the case of a Participating TO, Section 2.2.1 of the TCA, to which the ISO shall pay amounts owing to the Scheduling Coordinator or the Participating TO under the ISO Tariff.
<u>Settlement Interval</u>	The time period, which is equal to or a multiple of the Dispatch Interval, over which the ISO settles deviations in Generation and Demand from Final Hour-Ahead Schedules.
<u>Settlement Period</u>	For all ISO transactions the period beginning at the start of the hour, and ending at the end of the hour. There are twenty-four Settlement Periods in each Trading Day, with the exception of a Trading Day in which there is a change to or from daylight savings time.
<u>Settlement Quality Meter Data</u>	Meter Data gathered, edited, validated, and stored in a settlement-ready format, for Settlement and auditing purposes.
<u>Settlement Statement</u>	Either or both of a Preliminary Settlement Statement or Final Settlement Statement.
<u>Settlement Statement Re-run</u>	The re-calculation of a Settlement Statement in accordance with the provisions of the ISO Tariff.
<u>Settlements, Metering, and Client Relations Charge</u>	The component of the Grid Management Charge that provides for the recovery of the ISO's costs, including, but not limited to the costs of maintaining customer account data, providing account information to customers, responding to customer inquiries, calculating market charges, resolving customer disputes, and the costs associated with the ISO's Settlement, billing, and metering activities. Because this is a fixed charge per Scheduling Coordinator ID, costs associated with activities listed above also are allocated to other charges under the Grid Management Charge according to formula set forth in Appendix F, Schedule 1, Part A of this Tariff.
<u>Severance Fee</u>	The charge or periodic charge assessed to customers to recover the

reasonable uneconomic portion of costs associated with Generation-related assets and obligations, nuclear decommissioning, and capitalized Energy efficiency investment programs approved prior to August 15, 1996 and as defined in the California Assembly Bill No. 1890 approved by the Governor on September 23, 1996.

Short Start

Generating Units that that have a cycle time less than five hours (Start-Up Time plus Minimum Run Time is less than five hours) have a Start Up Time less than two hours, and that can be fully optimized with respect to this cycle time.

Site Control

Documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Site Exclusivity

Documentation reasonably demonstrating:

- (1) For private land:
 - (a) Ownership of, a leasehold interest in, or a right to develop property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility; or
 - (b) an option to purchase or acquire a leasehold interest in property upon which the Generating Facility will be located consisting of a minimum of 50% of the acreage reasonably necessary to accommodate the Generating Facility.
- (2) For public land, including that controlled or managed by any federal, state or local agency, a final, non-appealable permit, license, or other right to use the property for the purpose of generating electric power and in acreage reasonably necessary to accommodate the Generating Facility, which exclusive right to use public land under the management of the federal Bureau of Land Management shall be in a form specified by the Bureau of Land Management.

Site Exclusivity Deposit

The cash deposit provided to the CAISO by Interconnection Customers under LGIP Section 3.5.1 set forth in Appendix GG as an option in lieu of demonstrating Site Exclusivity for a valid Interconnection Request and treated in accordance with LGIP Section 3.5.1.4 set forth in Appendix GG.

Scheduling and Logging system for the ISO of California (SLIC)

A logging application that allows Market Participants to notify the ISO when a unit's properties change due to physical problems. Users can modify the maximum and minimum output of a unit, as well as the ramping capability of the unit.

Small Generating Facility

A Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

Spinning Reserve

The portion of unloaded synchronized generating capacity that is immediately responsive to system frequency and that is capable of being loaded in ten minutes, and that is capable of running for at least two hours.

**Stand Alone Network
Upgrades**

Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the ISO Controlled Grid or Affected Systems during their construction. The Participating TO, the ISO, and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Large Generator Interconnection Agreement.

**Standard Large Generator
Interconnection
Agreement
(LGIA)**

The form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility, a pro forma version of which is set forth in Appendix V.

**Standard Large Generator
Interconnection**

The ISO Protocol that sets forth the interconnection procedures applicable to an Interconnection Request pertaining to a Large

<u>Procedures</u>	Generating Facility that is set forth in Appendix U.
<u>(LGIP)</u>	
<u>Standard Ramp (-ing)</u>	A ramp calculated from two consecutive Final Hour Ahead Schedules that results in a straight trajectory between 10 minutes before the start of an operating hour to 10 minutes after the start of the operating hour
<u>Standby Rate</u>	A rate assessed a Standby Service Customer by the Participating TO that also provides retail electric service, as approved by the Local Regulatory Authority, or FERC, as applicable, for Standby Service which compensates the Participating TO, among other things, for costs of High Voltage Transmission Facilities.
<u>Standby Service</u>	Service provided by a Participating TO that also provides retail electric service, which allows a Standby Service Customer, among other things, access to High Voltage Transmission Facilities for the delivery of backup power on an instantaneous basis to ensure that Energy may be reliably delivered to the Standby Service Customer in the event of an outage of a Generating Unit serving the customer's Load.
<u>Standby Service Customer</u>	A retail End-Use Customer of a Participating TO that also provides retail electric service that receives Standby Service and pays a Standby Rate.
<u>Standby Transmission Revenue</u>	The transmission revenues, with respect to cost of both High Voltage Transmission Facilities and Low Voltage Transmission Facilities, collected directly from Standby Service Customers through charges for Standby Service.
<u>Start-Up Cost Charge</u>	The charge determined in accordance with Section 40.12.
<u>Start-Up Cost Demand</u>	The level of Demand specified in Section 40.12.3.
<u>Start-Up Cost Invoice</u>	The invoice submitted to the ISO in accordance with Section 40.12.6.
<u>Start-Up Cost Trust Account</u>	The trust account established in accordance with Section 40.12.2.
<u>Start-Up Costs</u>	The cost incurred by a particular Generating Unit from the time of first fire, the time of receipt of an ISO Dispatch instruction, or the time the unit was last synchronized to the grid, whichever is later, until the time the generating unit reaches its minimum operating level. Start-Up Costs are determined as the sum of (1) the cost of auxiliary power used during the start-up and (2) the number that is determined multiplying the actual amount of fuel consumed by the proxy gas price

as determined by Equation C1-8 (Gas) of the Schedules to the Reliability Must-Run Contract for the relevant Service Area (San Diego Gas & Electric Company, Southern California Gas Company, or Pacific Gas and Electric Company), or, if the Must-Offer Generator is not served from one of those three Service Areas, from the nearest of those three Service Areas.

Station Power

Energy for operating electric equipment, or portions thereof, located on the Generating Unit site owned by the same entity that owns the Generating Unit, which electrical equipment is used exclusively for the production of Energy and any useful thermal energy associated with the production of Energy by the Generating Unit; and for the incidental heating, lighting, air conditioning and office equipment needs of buildings, or portions thereof, that are owned by the same entity that owns the Generating Unit; located on the Generating Unit site; and used exclusively in connection with the production of Energy and any useful thermal energy associated with the production of Energy by the Generating Unit. Station Power includes the Energy associated with motoring a hydroelectric Generating Unit to keep the unit synchronized at zero real power output to provide Regulation or Spinning Reserve. Station Power does not include any Energy used to power synchronous condensers; used for pumping at a pumped storage facility; or provided during a Black Start procedure. Station Power does not include Energy to serve loads outside the ISO Control Area.

Station Power Portfolio

One or more generating resources eligible to self-supply Station Power, including Generating Units in the ISO Control Area, and generating facilities outside the ISO Control Area, all of which are owned by the same entity.

**SUDC (Small Utility
Distribution Company)**

An entity that owns a Distribution System that is capable of transmitting or delivery of Energy to and/or from the ISO Controlled Grid that provides retail electric service to End-Use Customers, and has the following characteristics:

1. Annual peak Demand is 25 MW or less;
2. The Distribution System is not in a local reliability area defined by the ISO; and
3. Good Utility Practice was used in designing all substation facilities that are owned or operated by the entity and interconnected to the ISO Controlled Grid, and none of those substations have transmission circuit breakers.

**Suggested Adjusted
Schedule**

The output of the ISO's initial Congestion Management for each Scheduling Coordinator for the Day-Ahead Market ("Suggested Adjusted Day-Ahead Schedule") or for the Hour-Ahead Market ("Suggested Adjusted Hour-Ahead Schedule"). These Schedules will reflect ISO suggested adjustments to each Scheduling Coordinator's Preferred Schedule to resolve Inter-Zonal Congestion on the ISO Controlled Grid, based on the Adjustment Bids submitted. These Schedules will be balanced with respect to Generation, Transmission Losses, Load, and trades between Scheduling Coordinators to resolve Inter-Zonal Congestion.

Supplemental Energy

Energy from Generating Units bound by a Participating Generator Agreement, Loads bound by a Participating Load Agreement, System Units, and System Resources which have uncommitted capacity following finalization of the Hour-Ahead Schedules and for which Scheduling Coordinators have submitted bids to the ISO at least half

an hour before the commencement of the Settlement Period.

Supply

The rate at which Energy is delivered to the ISO Controlled Grid measured in units of watts or standard multiples thereof, e.g., 1,000W=1 KW; 1,000 KW = 1MW, etc.

Supply Plan

A submission by a Scheduling Coordinator for a Resource Adequacy Resource in order to satisfy the requirements of Section 40 of this ISO Tariff.

System Emergency

Conditions beyond the normal control of the ISO that affect the ability of the ISO Control Area to function normally including any abnormal system condition which requires immediate manual or automatic action to prevent loss of Load, equipment damage, or tripping of system elements which might result in cascading Outages or to restore system operation to meet the minimum operating reliability criteria.

System Planning Studies

Reports summarizing studies performed to assess the adequacy of the ISO Controlled Grid as regards conformance to Reliability Criteria.

System Reliability

A measure of an electric system's ability to deliver uninterrupted service at the proper voltage and frequency.

System Resource

A group of resources, single resource, or a portion of a resource located outside of the ISO Control Area, or an allocated portion of a Control Area's portfolio of generating resources that are directly responsive to that Control Area's Automatic Generation Control (AGC) capable of providing Energy and/or Ancillary Services to the ISO Controlled Grid.

System Unit

One or more individual Generating Units and/or Loads within a Metered Subsystem controlled so as to simulate a single resource with specified performance characteristics, as mutually determined and agreed to by the MSS Operator and the ISO. The Generating Units and/or Loads making up a System Unit must be in close physical proximity to each other such that the operation of the resources comprising the System Unit does not result in significant differences in flows on the ISO Controlled Grid.

TAC Area

A portion of the ISO Controlled Grid with respect to which Participating TOs' High Voltage Transmission Revenue Requirements are recovered through a High Voltage Access Charge. TAC Areas are listed in Schedule 3 of Appendix F.

Take-Out Point

The metering points at which a Scheduling Coordinator Metered Entity or ISO Metered Entity takes delivery of Energy.

Tangible Net Worth (TNW)

Total assets minus intangibles (e.g., good will) minus total liabilities.

Tax Exempt Debt

Municipal Tax Exempt Debt or Local Furnishing Bonds.

<u>Tax Exempt Participating TO</u>	A Participating TO that is the beneficiary of outstanding Tax Exempt Debt issued to finance any electric facilities, or rights associated therewith, which are part of an integrated system including transmission facilities the Operational Control of which is transferred to the ISO pursuant to the TCA.
<u>TCA (Transmission Control Agreement)</u>	The agreement between the ISO and Participating TOs establishing the terms and conditions under which TOs will become Participating TOs and how the ISO and each Participating TO will discharge their respective duties and responsibilities, as may be modified from time to time.
<u>TCPM</u>	The Transitional Capacity Procurement Mechanism contained in Section 43.
<u>TCPM Capacity</u>	Eligible Capacity that has been designated under the TCPM.
<u>TCPM Capacity Payment</u>	The payment provided pursuant to Section 43.7.1 of the ISO Tariff.
<u>TCPM Significant Event</u>	A Significant Event is a substantial event, or a combination of events, that is determined by the ISO to either result in a material difference from what was assumed in the RA program for purposes of determining the RA capacity requirements, or produce a material change in system conditions or in ISO-Controlled Grid Operations, that causes, or threatens to cause, a failure to meet Reliability Criteria absent the recurring use of a non-RA resource(s) on a prospective basis.
<u>Technical Specifications</u>	Parts B to G (inclusive) of Appendix O.
<u>Third Party Supply</u>	Energy that is deemed to have been purchased from third parties to supply Station Power load during the Netting Period.
<u>Tie Point Meter</u>	A revenue meter, which is capable of providing Settlement Quality Meter Data, at a Scheduling Point or at a boundary between UDCs within the ISO Controlled Grid.
<u>TO (Transmission Owner)</u>	An entity owning transmission facilities or having firm contractual rights to use transmission facilities.
<u>TO Tariff</u>	A tariff setting out a Participating TO's rates and charges for transmission access to the ISO Controlled Grid and whose other terms and conditions are the same as those contained in the document referred to as the Transmission Owners Tariff approved by FERC as it may be amended from time to time.

TOC

The single point of contact at the transmission operations center of Pacific Gas & Electric Company.

Tolerance Band

The tolerance band expressed in terms of Energy (MWh) for the performance requirement for Generating Units, System Units and imports from dynamically scheduled System Resources for each Settlement Interval will equal the greater of the absolute value of: 1) 5 MW divided by number of Settlement Intervals per Settlement Period or 2) three percent (3%) of the relevant Generating Unit's, dynamically scheduled System Resource's or System Unit's maximum output (Pmax), as registered in the Master File, divided by number of Settlement Intervals per Settlement Period. The maximum output (Pmax) of a dynamically scheduled System Resource will be established by agreement between the ISO and the Scheduling Coordinator representing the System Resource on an individual case basis, taking into account the number and size of the

generating resources, or allocated portions of generating resources, that comprise the System Resource.

The tolerance band expressed in terms of Energy (MWh) for the performance requirement for Participating Loads for each Settlement Interval will equal the greater of the absolute value of: 1) 5 MW divided by number of Settlement Intervals per Settlement Period or 2) three percent (3%) of the applicable Final Hour-Ahead Schedule or ISO Dispatch amount divided by number of Settlement Intervals per Settlement Period.

The Tolerance Band shall not be applied to non-dynamically scheduled System Resources.

Total Import Capability

The aggregate Maximum Import Capability of all branch groups into the ISO Control Area in MW deliverable to the ISO Control Area based on ISO study criteria minus the aggregate sum in MW of all Existing Contracts and Transmission Ownership Rights held by load serving entities that do not serve Load within the ISO Control Area.

Total Transfer Capability (TTC)

The amount of power that can be transferred over an interconnected transmission network in a reliable manner while meeting all of a specific set of defined pre-contingency and post-contingency system conditions.

Trading Day

The twenty-four hour period beginning at the start of the hour ending 0100 and ending at the end of the hour ending 2400 daily, except where there is a change to and from daylight savings time.

Transition Charge

The component of the Access Charge collected by the ISO with the High Voltage Access Charge in accordance with Section 5.7 of Appendix F, Schedule 3.

Trading Interval

A Settlement Period as defined in the Master Definitions Supplement of the ISO Tariff.

Transformer Loss Correction Factor

The transformer loss correction factor as set forth in the Technical Specifications to be applied to revenue quality meters of ISO Metered Entities which are installed on the low voltage side of step-up transformers.

Transition Period

The period of time established by the California Legislature and CPUC to allow IOUs and Local Publicly Owned Electric Utilities an opportunity to recover Transition Costs or Severance Fees.

Transmission Losses

Energy that is lost as a natural part of the process of transmitting Energy from Generation to Load delivered at the ISO/UDC boundary or Control Area boundary.

Transmission Ownership Rights

A non-Participating TO ownership or joint ownership right to transmission facilities within the ISO Control Area that has not executed the Transmission Control Agreement and the transmission facilities are not incorporated into the ISO Controlled Grid.

Transmission Revenue Credit

For an Original Participating TO, the proceeds received from the CAISO for Wheeling service, FTR auction revenue and Usage Charges, plus (a) the revenues received from any LCRIG with respect to an LCRIF, unless FERC has approved an alternative mechanism to credit such revenues against the Original Participating TO's TRR, and (b) the shortfall or surplus resulting from any cost differences between Transmission Losses and Ancillary Service requirements associated with Existing Rights and the CAISO's rules and protocols, minus any Low Voltage Access Charge amounts paid for the use of the Low Voltage Transmission Facilities of a Non-Load-Serving Participating TO pursuant to Section 26.1 and Appendix F, Schedule 3, Section 13. For a New Participating TO during the 10-year transition period described in Section 4 of Schedule 3 of Appendix F, the revenues received from the CAISO for Wheeling service and Net FTR Revenue, plus (a) the revenues received from any LCRIG with respect to an LCRIF, unless FERC has approved an alternative mechanism to credit such revenues against the New Participating TO's TRR, and (b) the shortfall or surplus resulting from any cost differences between Transmission Losses and Ancillary Service requirements associated with Existing Rights and the CAISO's rules and protocols, minus any Low Voltage Access Charge amounts paid for the use of the Low Voltage Transmission Facilities of a Non-Load-Serving Participating TO pursuant to Section 26.1 and Appendix F, Schedule 3, Section 13. After the 10-year transition period, the New Participating TO Transmission Revenue Credit shall be calculated the same as the Transmission Revenue Credit for the Original Participating TO.

TRBA (Transmission Revenue Balancing Account)

A mechanism to be established by each Participating TO which will ensure that all Transmission Revenue Credits and other credits specified in Sections 6, 8, and 13 of Appendix F, Schedule 3, flow through to transmission customers.

**TRR (Transmission
Revenue Requirement)**

The TRR is the total annual authorized revenue requirements associated with transmission facilities and Entitlements turned over to the Operational Control of the ISO by a Participating TO. The costs of any transmission facility turned over to the Operational Control of the ISO shall be fully included in the Participating TO's TRR. The TRR includes the costs of transmission facilities and Entitlements and deducts Transmission Revenue Credits and credits for Standby Transmission Revenue and the transmission revenue expected to be actually received by the Participating TO for Existing Rights and Converted Rights.

TRR Operation

The period during which Interconnection Customer is engaged in on-

site test operations and commissioning of a Generating Unit prior to Commercial Operation.

Trustee

The trustee of the California Independent System Operator trust established by order of the California Public Utilities Commission on August 2, 1996 Decision No. 96-08-038 relating to the Ex Parte Interim Approval of a Loan Guarantee and Trust Mechanism to Fund the Development of an Independent System Operator (ISO) and a Power Exchange (PX) pursuant to Decision 95-12-063 as modified.

UDC (Utility Distribution Company)

An entity that owns a Distribution System for the delivery of Energy to and from the ISO Controlled Grid, and that provides regulated retail electric service to Eligible Customers, as well as regulated procurement service to those End-Use Customers who are not yet eligible for direct access, or who choose not to arrange services through another retailer.

UDP Aggregation

Two or more units scheduled by the same Scheduling Coordinator with the same resource identification that are to be considered interchangeable for calculating the UDP.

Unaccounted for Energy (UFE)

UFE is the difference in Energy, for each utility Service Area and Settlement Period, between the net Energy delivered into the utility Service Area, adjusted for utility Service Area Transmission Losses (calculated in accordance with Section 27.2.1.2), and the total metered Demand within the utility Service Area adjusted for distribution losses using Distribution System loss factors approved by the Local Regulatory Authority. This difference is attributable to meter measurement errors, power flow modeling errors, energy theft, statistical Load profile errors, and distribution loss deviations.

Uncontrollable Force

Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of the ISO or Market Participant which could not be avoided through the exercise of Good Utility Practice.

Uninstructed Deviation

A deviation from the resources' Dispatch Operating Point.

Uninstructed Deviation

The penalty as set forth in Section 11.2.4.1.2 of this ISO Tariff.

Penalty

Uninstructed Imbalance

The real-time change in Generation or Demand other than that

<u>Energy</u>	instructed by the ISO or which the ISO Tariff provides will be paid at the price for Uninstructed Imbalance Energy.
<u>Unit Commitment</u>	The process of determining which Generating Units will be committed (started) to meet Demand and provide Ancillary Services in the near future (e.g., the next Trading Day).
<u>Unrated Governmental Entity</u>	A municipal utility or state or federal agency that does not hold an issuer, counterparty, or underlying credit rating by a Nationally Recognized Statistical Rating Organization.
<u>Unrated Public/Private Corporation</u>	An investor-owned or privately held entity that does not hold an issuer, counterparty, or underlying credit rating by a Nationally Recognized Statistical Rating Organization.
<u>Un-Recovered Minimum Load Cost</u>	The Un-Recovered Minimum Load Cost for each hour of Waiver Denial Period shall be calculated as the difference between: (1) a resource's Minimum Load Costs as calculated in this Section for the same Settlement Interval and (2) the Imbalance Energy payment for a resource's minimum load energy in the Settlement Interval.
<u>Unsecured Credit Limit</u>	The level of credit established for a Market Participant or FTR Bidder that is not secured by any form of Financial Security, as provided for in Section 12 of the ISO Tariff.
<u>Upgrades</u>	The required additions and modifications to the ISO Controlled Grid and the Distribution System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.
<u>Usage Charge</u>	The amount of money, per 1 kW of scheduled flow, that the ISO charges a Scheduling Coordinator for use of a specific Congested Inter-Zonal Interface during a given hour.
<u>Validation, Estimation and Editing (VEE)</u>	Applies to Meter Data directly acquired by the ISO. Validation is the process of checking the data to ensure that it is contiguous, within pre-defined limits and has not been flagged by the meter. Estimation and Editing is the process of replacing or making complete Meter Data by using data from redundant meters, schedules, PMS or, if necessary, statistical estimation.

**Value Added Network
(VAN)**

A data communications service provider that provides, stores and forwards electronic data delivery services within its network and to subscribers on other VANs. The data is mostly EDI type messages.

Voltage Limits

For all substation busses, the normal and post-contingency Voltage Limits (kV). The bandwidth for normal Voltage Limits must fall within the bandwidth of the post-contingency Voltage Limits. Special voltage limitations for abnormal operating conditions such as heavy or light Demand may be specified.

Voltage Support

Services provided by Generating Units or other equipment such as shunt capacitors, static var compensators, or synchronous condensers that are required to maintain established grid voltage criteria. This service is required under normal or System Emergency conditions.

Waiver Denial Period

The period determined in accordance with Section 40.7.6.

Warning Notice

A Notice issued by the ISO when the operating requirements for the ISO Controlled Grid are not met in the Hour-Ahead Market, or the quantity of Regulation, Spinning Reserve, Non-Spinning Reserve, Replacement Reserve and Supplemental Energy available to the ISO does not satisfy the Applicable Reliability Criteria.

Weekly Peak Demand

Forecast

Demand Forecast of the highest Hourly Demand in any hour in a period beginning at the start of the hour ending 0100 on Sunday and ending at the end of the hour ending 2400 the following Saturday, in MW.

WEnet (Western Energy Network)

An electronic network that facilitates communications and data exchange among the ISO, Market Participants and the public in relation to the status and operation of the ISO Controlled Grid.

Western Interconnection Western Path 15

A network of transmission lines embodied within the WECC region. The Western Area Power Administration, Sierra Nevada Region (or its successor) with respect solely to its rights and interests in the Path 15 Upgrade.

Wheeling

Wheeling Out or Wheeling Through.

Wheeling Access Charge

The charge assessed by the ISO that is paid by a Scheduling Coordinator for Wheeling in accordance with Section 26.1. Wheeling Access Charges shall not apply for Wheeling under a bundled non-economy Energy coordination agreement of a Participating TO executed prior to July 9, 1996. The Wheeling Access Charge may consist of a High Voltage Wheeling Access Charge and a Low Voltage Wheeling Access Charge.

Wheeling Out

Except for Existing Rights exercised under an Existing Contract in accordance with Sections 16.1 and 16.2, the use of the ISO Controlled Grid for the transmission of Energy from a Generating Unit located within the ISO Controlled Grid to serve a Load located outside the transmission and Distribution System of a Participating TO.

Wheeling Through

Except for Existing Rights exercised under an Existing Contract in accordance with Sections 16.1 and 16.2, the use of the ISO Controlled Grid for the transmission of Energy from a resource located outside the ISO Controlled Grid to serve a Load located outside the transmission and Distribution System of a Participating TO.

Wholesale Customer

A person wishing to purchase Energy and Ancillary Services at a Bulk Supply Point or a Scheduling Point for resale.

Wholesale Sales

The sale of Energy and Ancillary Services at a Bulk Supply Point or a Scheduling Point for resale.

WSCC (Western System Coordinating Council)

The Western Systems Coordinating Council or its successor, the WECC.

WECC (Western Electricity Oversight Council)

The Western Electricity Coordinating Council or its successor.

WSCC Reliability Criteria

The Western Systems Coordinating Council Reliability Criteria

Agreement

Agreement dated June 18, 1999 among the WSCC and certain of its Member transmission operators, as such may be amended from time to time.

**Year-Ahead System
Resource Adequacy
Requirements**

The amount of Qualifying Capacity that a RA Entity must reflect in its year-ahead Resource Adequacy Plan submitted pursuant to Section 40.2.1 in compliance with Resource Adequacy Rules adopted by the CPUC or a Local Regulatory Authority, as applicable.

**Year-Ahead System
Resource Deficiency**

The monthly deficiency in meeting Year-Ahead System Resource Adequacy Requirements as determined under Section 40.7 of Appendix CC following the opportunity to resolve deficiencies that is provided under Section 40.7 of Appendix CC.

Zone

A portion of the ISO Controlled Grid within which Congestion is expected to be small in magnitude or to occur infrequently. "Zonal" shall be construed accordingly.

**Zonal Settlement Interval
Ex Post Price**

The Zonal Settlement Interval Ex Post Price in a Settlement Interval in each Zone will equal the absolute-value Energy-weighted average of the Dispatch Interval Ex Post Prices in each Zone, where the weights are the system total Instructed Imbalance Energy, except Regulation Energy, for the Dispatch Interval.