

ISO TARIFF APPENDIX A

Master Definitions Supplement

Access Charge

A charge paid by all UDCs, MSSs and, in certain cases, Scheduling Coordinators, delivering Energy to Gross Load, as set forth in Section 7.1. 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. A Participating TO that has no transmission customers need not develop an Access Charge.

Active Zone

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

Actual Imbalance

A deviation between scheduled Generation and metered Generation at each UDC/ISO Controlled Grid boundary or at each Participating Generator's delivery point or a deviation between scheduled Load and metered Load at each UDC/ISO Controlled Grid boundary or ISO Control Area boundary.

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-SC 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-SC 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.

Administrative Price

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.

Affiliate

An entity, company or person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the subject entity, company, or person.

AGC (Automatic Generation Control)

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, 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.

<u>Aggregate Final Accepted Schedules</u>	ISO approved aggregated Final Schedules.
<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.
<u>Ancillary Services</u>	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.
<u>Ancillary Service Provider</u>	A Participating Generator or Participating Load who is eligible to provide an Ancillary Service.
<u>Applicable Reliability Criteria</u>	The reliability standards established by NERC, WSCC, and Local Reliability Criteria as amended from time to time, including any requirements of the NRC.
<u>Applicants</u>	Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company and any others as applicable.

Approved Credit Rating

With respect to whether security must be posted for payment of the Grid Management Charge:

(a) A short-term taxable commercial paper debt rating of not less than any one of the following: (i) A1 by Standard and Poor's Corporation; (ii) D1 by Duff & Phelps Credit Rating Agency; (iii) F1 by Fitch IBCA Incorporated; or (iv) P1 by Moody's Investors Service. This rating shall be an issuer, or counterpart rating, without the benefit of credit enhancement.

(b) A short-term tax exempt commercial paper debt rating of not less than any one of the following: (i) A1 by Standard and Poor's Corporation; (ii) V1 by Fitch IBCA Incorporated; or (iii) VMIG1 by Moody's Investors Service. This rating shall be an issuer, or counterparty rating, without the benefit of credit enhancement.

With respect to whether security must be posted for payment of all charges other than the Grid Management Charge:

(c) A short-term tax exempt commercial paper debt rating of not less than any one of the following: (i) A2 by Standard and Poor's Corporation; (ii) D2 by Duff & Phelps Credit Rating Agency; (iii) F2 by Fitch IBCA Incorporated; or (iv) P2 by Moody's Investors Service. This rating shall be an issuer, or counterparty rating, without the benefit of credit enhancement.

(d) A short-term tax exempt commercial paper debt rating of not less than any one of the following: (i) A2 by Standard and Poor's Corporation; (ii) V2 by Fitch IBCA Incorporated; or (iii) VMIG2 by Moody's Investors Service. This rating shall be an issuer, or counterparty rating, without the benefit of credit

enhancement.

(e) A long-term debt rating of not less than any one of the following: (i) A- by Standard and Poor's Corporation; (ii) A- by Duff & Phelps Credit Rating Agency; (iii) A- by Fitch IBCA Incorporated; or (iv) A3 by Moody's Investors Service. This rating shall be an issuer, or counterparty rating, without the benefit of credit enhancement.

With respect to whether security must be posted for payment of all charges:

(f) A federal agency shall be deemed to have an Approved Credit Rating if its financial obligations under the ISO Tariff are backed by the full faith and credit of the United States.

(g) A California state agency shall be deemed to have an Approved Credit Rating if its financial obligations under the ISO Tariff are backed by the full faith and credit of the State of California.

(h) Another credit rating approved by the ISO Board of Governors.

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.

Availability Measure

An indication for measuring the performance of Transmission Owners in maintaining the reliability and availability of the Transmission Owner's transmission system.

Available Transfer Capacity

For a given transmission path, the capacity rating in MW of the path established consistent with ISO and WSCC transmission capacity rating guidelines, less any reserved uses applicable to the path.

Balanced Schedule

A Schedule shall be deemed balanced when Generation, adjusted for Transmission Losses equals forecast Demand with respect to all entities for which a Scheduling Coordinator schedules.

Balancing Account

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.

Base Transmission Revenue Requirements

The Transmission Revenue Requirement adjusted to reflect the Transmission Revenue Balancing Account Adjustment (TRBAA).

BEEP Interval

The time period, which may range between five (5) and thirty (30) minutes, over which the ISO's BEEP Software measures deviations in Generation and Demand, and selects Ancillary Service and Supplemental Energy resources to provide balancing Energy in response to such deviations. As of the ISO Operations Date, the BEEP Interval shall be ten (10) 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 BEEP Interval within the range of five (5) to thirty (30) minutes.

<u>BEEP Interval Ex Post Prices</u>	The prices charged to or paid by Scheduling Coordinators for Imbalance Energy in each Zone in each BEEP Interval.
<u>BEEP Software</u>	The balancing energy and ex post pricing software which is used by the ISO to determine which Ancillary Service and Supplemental Energy resources to Dispatch and to calculate the Ex Post Prices.
<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>	A day on which banks are open to conduct general banking business in California.
<u>C.F.R.</u>	Code of Federal Regulations.
<u>Conditional Energy Bids</u>	A Bid for Energy to serve Demand at or below a specified price.
<u>Congestion</u>	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.
<u>Congestion Management</u>	The alleviation of Congestion in accordance with Applicable ISO Protocols and Good Utility Practice.

- Connected Entity** A Participating TO or any party that owns or operates facilities that are electrically interconnected with the ISO Controlled Grid.
- Constraints** Physical and operational limitations on the transfer of electrical power through transmission facilities.
- 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 the Grid Management 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) generator auxiliary Load equipment that is dedicated to the production of Energy and is electrically connected at the same point as the Generating Unit (*e.g.*, auxiliary Load equipment that is served via a distribution line

that is separate from the switchyard to which the
Generating Unit is connected will not be considered to
be electrically connected at the same point); and

- (b) Load that is isolated electrically from the ISO Control Area (*i.e.*, Load that is not synchronized with the ISO Control Area).

Control Area Services Charge

The component of the Grid Management Charge that provides for recovery of the ISO's costs of ensuring safe, reliable operation of the transmission grid and dispatch of bulk power supplies in accordance with regional and national reliability standards, including, but not limited to:

- performing operation studies;
- system security analyses;
- transmission maintenance standards;
- system planning to ensure overall reliability;
- integration with other Control Areas;
- emergency management;
- outage coordination;
- transmission planning; and
- scheduling generation, imports, exports, and wheeling in the Day-Ahead and Hour-Ahead of actual operations.

Converted Rights

Those transmission service rights as defined in Section 2.4.4.2.1 of the ISO Tariff.

Cost Shifting

A transfer of costs from one group of customers to another or from one utility to another.

CPUC

The California Public Utilities Commission, or its successor.

Critical Protective System 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.

CTC (Competition Transition Charge) 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.

Curtable 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 Curtable Demand may offer it to the ISO to meet Non-spinning or Replacement Reserve requirements.

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, the PX 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.

Default GMM Pre calculated GMM based on historical Load and interchange levels.

<u>Delivery Point</u>	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.
<u>Demand</u>	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.
<u>Demand Bid</u>	A bid into the PX indicating a quantity of Energy that an Eligible Customer wishes to purchase and, if relevant, the maximum price that the customer is prepared to pay for that Energy. This bid will only be accepted in the PX auction process if the Market Clearing Price is at or below the price of the Demand Bid. A Buyer may state, for each hour, a different price preference for each demand quantity in each location, <u>i.e.</u> , the maximum price in each hour at which it is prepared to take a specified amount of Energy in the Day-Ahead Schedule. If a bid is submitted without a price, it is assumed that the bidder is prepared to pay the Market-Clearing Price.
<u>Demand Forecast</u>	An estimate of Demand over a designated period of time.
<u>Demand Market Participant</u>	Any Eligible Customer on behalf of whom Demand and Ancillary Services are scheduled pursuant to the ISO Tariff.
<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.

- Direct Access Generation** An Eligible Customer who is selling Energy or Ancillary Services through a Scheduling Coordinator.
- Dispatch** 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.
- Dispatch Instruction** 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.
- Dispatch Operating Point** 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.
- Dispatchable Loads** Load which is the subject of an Adjustment Bid.
- Distribution System** The distribution assets of a TO or UDC.

**EEP (Electrical
Emergency Plan)**

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..

Effective Price

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

Electric Capacity

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

Eligible Customer

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

Eligible Intermittent Resource

A Generating Unit, the output of which is not marketed under a contract pursuant to the Public Utilities Regulatory Policy Act of 1978, 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.

Eligible Regulatory Must-Take Generation

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

Eligible Regulatory Must-Run Generation

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

Emergency Startup

A startup order from the ISO delivered to a Generator in response to a System Emergency.

EMS (Energy Management System) 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.

Encumbrance 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.

End-Use Customer or End-User A purchaser of electric power who purchases such power to satisfy a Load directly connected to the ISO Controlled Grid or to a Distribution System and who does not resell the power.

End-Use Meter Data 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.

End-Use Meter 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 Efficiency Services</u>	Services that are intended to assist End-Users in achieving savings in their use of Energy or increased efficiency in their use of Energy.
<u>Entitlements</u>	The right of a Participating TO obtained through contract or other means to use another entity's transmission facilities for the transmission of Energy.
<u>Environmental Dispatch</u>	Dispatch designed to meet the requirements of air quality and other environmental legislation and environmental agencies having authority or jurisdiction over the ISO.
<u>Environmental Quality</u>	In relation to Energy, means Energy which involves production sources that reduce harm to the environment.
<u>Equipment Clearances</u>	The process by which the ISO grants authorization to another party to connect or disconnect electric equipment interconnected to the ISO Controlled Grid.
<u>Ex Post GMM</u>	GMM that is calculated utilizing the real time Power Flow Model in accordance with Section 7.4.2.1.2.
<u>Ex Post Price</u>	The Hourly Ex Post Price or the BEEP Interval Ex Post Price.
<u>Ex Post Transmission Loss</u>	Transmission Loss that is calculated based on Ex Post GMM.

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.

Existing Rights

Those transmission service rights defined in Section 2.4.4.1.1 of the ISO Tariff.

Facilities Study Agreement

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.

Facility Owner

An entity owning transmission, Generation, or distribution facilities connected to the ISO Controlled Grid.

Facility Study Agreement

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.

Facility Thermal Ratings

For all electric current carrying facilities, all applicable capacity or electric limits to be observed during normal, short-term emergencies, and long-term emergency operating conditions.

FERC

The Federal Energy Regulatory Commission or its successor.

FERC Annual Charges

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.

**FERC Annual Charge
Recovery Rate**

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.

**FERC Annual Charge
Trust Account**

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.

Final Day-Ahead Schedule

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.

Final Hour-Ahead Schedule

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.

Final Schedule

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

Final Settlement Statement

The restatement or recalculation of the Preliminary Settlement Statement by the ISO following the issue of that Preliminary Settlement Statement.

Flexible Generation

Generation that is capable of, and for which the Generator has agreed to, adjust operating levels in response to real time market price or ISO control signals.

Forced Outage

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.

FPA

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.

FTR (Firm Transmission Right)

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.

FTR Bidder

An entity that submits a bid in an FTR auction conducted by the ISO in accordance with Section 9.4 of the ISO Tariff.

<u>FTR Holder</u>	The owner of an FTR, as registered with the ISO.
<u>FTR Market</u>	A transmission path from an originating Zone to a contiguous receiving Zone for which FTRs are auctioned by the ISO in accordance with Section 9.4 of the ISO Tariff.
<u>Full Marginal Loss Rate</u>	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.
<u>Generating Unit</u>	<p>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:</p> <ul style="list-style-type: none">(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).
<u>Generation</u>	Energy delivered from a Generating Unit.

Generation Dispatch Constraints

Details of any mandatory Generating Unit commitment requirements (e.g., Must-Run Generation) or dispatch limits (minimum output or maximum output) that must be observed due to system operating constraints (e.g., thermal, voltage, or stability limits). These limits are in addition to limits that may be specified by Generators in their Energy or Ancillary Service bids to the ISO or PX.

Generation Scheduling

The ISO's planned hourly pattern of Generation.

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 any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Grid Management Charge The ISO monthly charge on all Scheduling Coordinators and other appropriate parties that provides for the recovery of the ISO's costs through the three service charges described in Section 8.3: 1) the Control Area Services Charge, 2) the Inter-Zonal Scheduling Charge, and 3) the Market Operations Charge. The three component charges are formula rates.

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 Loads directly connected to the transmission facilities or Distribution System of a UDC or MSS, and all Energy provided by a Scheduling Coordinator for the supply of Loads not directly connected to the transmission facilities or Distribution System of a UDC or MSS. Gross Load shall exclude Load with respect to which the Wheeling Access Charge is payable and the portion of the Load of an individual retail customer of a UDC, MSS, or Scheduling Coordinator 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 over-the-fence 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; (c) was serving the customer's

Load on or before March 31, 2000; and (d) secured Standby Service from a Participating TO under terms approved by a Local Regulatory Authority or FERC, as applicable, as of March 31, 2000 and continues to secure Standby Service from the Participating TO 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.

High Voltage Access Charge

The Access Charge applicable under Section 7.1 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 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.

High Voltage Transmission Revenue Requirement

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.

**High Voltage
Transmission Standby
Serve**

Service provided by a Participating TO which allows a Standby Service Customer to utilize the Participating TO's High Voltage Transmission Facilities as a backup to ensure that Energy may be reliably delivered to the Standby Service Customer in the event of an outage of a Generating Unit located on or near the customer's premise.

**High Voltage Wheeling
Access Charge**

The Wheeling Access Charge associated with the recovery of a Participating TO's High Voltage Transmission Revenue Requirements in accordance with Section 7.1.

Hour-Ahead

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

Hour-Ahead Market

The forward market for Energy and Ancillary Services to be supplied during a particular Settlement Period that is conducted by the ISO, the PX 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.

Hour-Ahead Schedule

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.

Hourly Ex Post Price

The price charged or paid to Scheduling Coordinators Responsible for Participating Generators and Participating Buyers for Imbalance Energy in each Zone. The price will vary between Zones if Congestion is present. The Hourly Ex Post Price is the Energy weighted average of the BEEP Interval Ex Post Prices in each Zone during each Settlement Period.

Hydro Spill Generation

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.

Identification Code

An identification number assigned to each Scheduling Coordinator by the ISO.

Imbalance Energy

Imbalance Energy is Energy from Regulation, Spinning and Non-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.

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.

Instructed Imbalance Energy

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

Inter-Scheduling Coordinator Ancillary Service Trades

Ancillary Service transactions between Scheduling Coordinators.

Inter-Scheduling Energy Coordinator Trades

Energy transactions between Scheduling Coordinators.

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; or (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.

Inter-Zonal Scheduling Charge

The component of the Grid Management Charge that provides for the recovery of the ISO's costs of operating the Congestion Management process.

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.

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. 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.

<u>ISO ADR Procedures</u>	The procedures for resolution of disputes or differences set out in Section 13 of the ISO Tariff, as amended from time to time.
<u>ISO Audit Committee</u>	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.
<u>ISO Authorized Inspector</u>	A person authorized by the ISO to certify, test, inspect and audit meters and metering facilities in accordance with the procedures established by the ISO pursuant to the ISO Protocols on metering.
<u>ISO Bank</u>	The bank appointed by the ISO from time to time for the purposes of operating the Settlement process.
<u>ISO Clearing Account</u>	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.
<u>ISO Code of Conduct</u>	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.
<u>ISO Control Area Balancing Function</u>	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.
<u>ISO Control Center</u>	The Control Center established, pursuant to Section 2.3.1.1 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

(i) A Scheduling Coordinator to which amounts are payable pursuant to the terms of the ISO Tariff with respect to the amounts standing to the credit of its account; or amounts owing to it by another Scheduling Coordinator; or
(ii) A Participating TO to which amounts are payable pursuant to the terms of the ISO Tariff with respect to Access Charges or Wheeling Access Charges.

ISO Debtor

A Scheduling Coordinator or a Participating TO that is required to make a payment to the ISO under the ISO Tariff.

ISO Default Interest Rate

The rate which is equal to 2% above the average rate of interest which the ISO Bank charges to the ISO in respect of its borrowings.

ISO Documents

The ISO Tariff, the ISO Protocols, 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 Market

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

ISO Memorandum Account

The memorandum account established by each California IOU pursuant to California Public Utility 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 Energy consumed by auxiliary load equipment electrically connected to that Generator at the same point) 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; or
- iv. a Participating Intermittent Resource.

ISO Operations Date

The date on which the ISO first assumes Operational Control of the ISO Controlled Grid.

ISO Outage Coordination Office

The office established by the ISO to coordinate Maintenance Outages in accordance with Section 2.3.3 of the ISO Tariff.

- ISO Payments Calendar** 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.
- ISO Protocols** The rules, protocols, procedures and standards attached to the ISO Tariff as Appendix L, 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.
- ISO Register** 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.
- ISO Reserve Account** The account established for the purpose of holding cash deposits which may be used in or towards clearing the ISO Clearing Account.
- ISO Security Amount** The level of security provided in accordance with Section 2.2.3.2 of the ISO Tariff by an SC Applicant who does not have an Approved Credit Rating. The ISO Security Amount may be separated into two components: (i) the level of security required to secure payment of the Grid Management Charge; and (ii) the level of security required to secure payment of all charges other than the Grid Management Charge.
- ISO Tariff** The California Independent System Operator Corporation Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time.

**ISO Grid Operations
Committee**

A committee appointed by the ISO Governing Board pursuant to Article IV, Section 4 of the ISO bylaws to advise on additions and revisions to its rules and protocols, tariffs, reliability and operating standards and other technical matters.

**ISP (Internet Service
Provider)**

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

Load

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.

Load Shedding

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.

Local Furnishing Bond

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).

**Local Furnishing
Participating TO**

Any Tax-Exempt Participating TO that owns facilities financed by Local Furnishing Bonds.

**Local Publicly Owned
Electric Utilities**

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.

Local Regulatory Authority

The state or local governmental authority responsible for the regulation or oversight of a utility.

Local Reliability Criteria

Reliability criteria established at the ISO Operations Date, unique to the transmission systems of each of the Participating TOs.

Location Code

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.

Loop Flow

Energy flow over a transmission system caused by parties external to that system.

Loss Scale Factor

The ratio of expected Transmission Losses to the total Transmission Losses which would be collected if Full Marginal Loss Rates were utilized.

Low Voltage Access Charge

The Access Charge applicable under Section 7.1 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.

**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.

**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 7.1.

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) 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.

**Marginal Proxy Clearing
Price**

The Market Clearing Price determined in accordance with Section 2.5.23.3.1.

Marginal Generators

Those Generating Units which, in an hour, are the sources of the last increments of Generation in the Preferred Schedule, excluding: (i) Must-Run Generation, (ii) Must-Take Generation, (iii) units scheduled to ramp at their maximum ramp rate throughout the hour, or (iv) units operating at minimum operating levels (when less costly Generation must be backed down).

Marginal Loss Factor

The marginal impact of a given Generating Unit's output on total system Transmission Losses.

Market Operations Charge

The component of the Grid Management Charge that provides for the recovery of the ISO's costs of market and settlement related services, including, but not limited to:

- Providing open and non-discriminatory access for market making activities for participants through Ancillary Services auctions and provision of Energy balancing services;
- Posting of market information;
- Market surveillance and analysis;
- Settlement, billing, and metering including using information from Day-Ahead scheduling, Hour-Ahead scheduling, and real-time operations, Market Clearing Prices, bid prices, Ex Post Prices, and metered information from Generators, Loads, and inter-tie points, ultimately to balance the billing of and payments for energy, capacity, and transmission service in and out of the systems through Scheduling Coordinators. Statements and invoices are sent to Scheduling Coordinators, Participating Transmission Owners, and non SCs (e.g., other Control Areas) to collect and pay for use of the ISO market and Control Area needs.

Market Participant

An entity, including a Scheduling Coordinator, who 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.

<u>Master File</u>	A file containing information regarding Generating Units, Loads and other resources.
<u>Meter Data</u>	Energy usage data collected by a metering device or as may be otherwise derived by the use of Approved Load Profiles.
<u>Meter Points</u>	Locations on the ISO Controlled Grid at which the ISO requires the collection of Meter Data by a metering device.
<u>Metered Quantities</u>	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.
<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>MSS (Metered Subsystem)</u>	A geographically contiguous system of a New Participating TO, located within a single Zone which has been operating for a number of years prior to the ISO Operations Date 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 internal to the system, which is operated in accordance with an agreement described in Section 3.3.1.
<u>MSS Operator</u>	An entity that owns an MSS and has executed an agreement described in Section 3.3.1.

Municipal Tax Exempt Debt

An obligation the interest on which is excluded from gross income for federal tax purposes pursuant to Section 103(a) of 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.

Municipal Tax Exempt TO

A Transmission Owner that has issued Municipal Tax Exempt Debt with respect to any transmission facilities, or rights associated therewith, that it would be required to place under the ISO's Operational Control pursuant to the Transmission Control Agreement if it were a Participating TO.

NERC

The North American Electric Reliability Council or its successor.

Net Negative Uninstructed Deviation

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 BEEP Interval, apply to a Scheduling Coordinator's entire portfolio, and include Load, Generation, Imports and Exports.

New High Voltage Facility

A High Voltage Transmission Facility of a Participating TO that enters service after the beginning of the transition period described in Section 4 of Schedule 3 of Appendix F, or a capital addition made after the beginning of the transition period described in Section 4.1 of Schedule 3 of Appendix F to an Existing High Voltage Transmission 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 WSCC operating criteria.

Non-ISO Transmission Facilities

Transmission facilities, either inside or outside the State of California, over which the ISO does not exert Operational Control.

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 2.4.3 and 2.4.4 of the ISO Tariff the holder of transmission service rights under an Existing Contract that is not a Participating TO.

Non-PX Generation

Generation that is scheduled by a Scheduling Coordinator, other than the PX, and that supplies Loads through the use of transmission or distribution facilities owned by Participating TOs.

Non-PX Load

Load that is scheduled by a Scheduling Coordinator, other than the PX, and which is supplied through the use of transmission or distribution facilities owned by Participating TOs.

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.

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.

Operating Reserve

The combination of Spinning and Non-Spinning Reserve required to meet WSCC and NERC requirements for reliable operation of the ISO Control Area.

Operational Control

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.

Operator

The operator of facilities that comprise the ISO Controlled Grid or a Participating Generator.

OPF (Optimal Power Flow)

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.

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 or separation, 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.
- 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 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
Participating Generator**

A Generator or other seller of Energy or Ancillary Services 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 Imbalance Energy 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

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.

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.

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.

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.

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.

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 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.

Project Sponsor

A Market Participant or group of Market Participants or a Participating TO that proposes the construction of a transmission addition or upgrade in accordance with Section 3.2 of the ISO Tariff.

PX (Power Exchange)

The California Power Exchange Corporation, a state chartered, nonprofit corporation charged with providing a Day-Ahead forward market for Energy in accordance with the PX Tariff. The PX is a Scheduling Coordinator and is independent of both the ISO and all other Market Participants.

PX Auction Activity Rules

The rules by which bids submitted to and validated by the PX may be modified or withdrawn during a PX Energy market auction.

PX Participant

An entity that is authorized to buy or sell Energy or Ancillary Services through the PX, and any agent authorized to act on behalf of such entity.

PX Protocols

The rules, protocols, procedures and standards attached to the PX Tariff as Appendix E, promulgated by the PX (as amended from time to time) to be complied with by the PX and Market Participants in relation to operation and participation in the PX Markets.

PX Tariff

The California Power Exchange Operating Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time.

<u>Ramping</u>	Changing the loading level of a Generating Unit in a constant manner over a fixed time (<u>e.g.</u> , ramping up or ramping down). Such changes may be directed by a computer or manual control.
<u>RAS (Remedial Action Schemes)</u>	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.
<u>Reactive Power Control</u>	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.
<u>Real Time Market</u>	The competitive generation market controlled and coordinated by the ISO for arranging real time Imbalance Energy.
<u>Redispatch</u>	The readjustment of scheduled Generation or Demand side management measures, to relieve Congestion or manage Energy imbalances.
<u>Registered Data</u>	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 ISO Protocols, 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 established NERC and WSCC operating criteria.

Regulation is used to control the power output of electric generators within a prescribed area in response to a change in system frequency, tieline loading, or the relation of these to each other so as to maintain the target system frequency and/or the established interchange with other areas within the predetermined limits. Regulation includes both the increase of output by a Generating Unit 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
Payment Adjustment**

The additional value of regulating Energy.

**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 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**

The sum payable each month by a Responsible Utility to the ISO for the cost of Reliability Must-Run Generation.

**Reliability Must-Run
Contract (RMR Contract)**

A rate schedule on file at FERC and in effect, or a contract between the ISO and a Generator, giving the ISO the right to call on the Generator to generate Energy or provide Ancillary Services from the Generating Unit as and when required to ensure the reliability of the ISO Controlled Grid, in return for certain payments.

**Reliability Must-Run
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 WSCC 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

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

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 Load point 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.

Responsible Utility

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

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.

Revenue Review Panel

The panel established by the ISO Governing Board to review the Transmission Revenue Requirement of non-FERC jurisdictional Participating TOs.

Revised Schedule

A Schedule submitted by a Scheduling Coordinator to the ISO following receipt of the ISO's Suggested Adjusted Schedule.

RMR Owner

The provider of services under a Reliability Must-Run Contract.

**RTG (Regional
Transmission Group)**

A voluntary organization approved by FERC and composed of transmission owners, transmission users, and other entities, organized to efficiently coordinate the planning, expansion and use of transmission on a regional and inter-regional basis.

**SCADA (Supervisory
Control and Data
Acquisition)**

A computer system that allows an electric system operator to remotely monitor and control elements of an electric system.

SC Agreement

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.

SC Applicant

An applicant for certification by the ISO as a Scheduling Coordinator.

SC Application Form

The form specified by the ISO from time to time in which an SC Applicant must apply to the ISO for certification as a Scheduling Coordinator.

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.

Schedule

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.

Scheduled Maintenance

Maintenance on Participating Generators, TOs and UDC facilities scheduled more than twenty-four hours in advance.

Scheduling Coordinator

An entity certified by the ISO for the purposes of undertaking the functions specified in Section 2.2.6 of the ISO Tariff.

Scheduling Coordinator Metered Entity or SC Metered Entity

means a Generator, Eligible Customer or End-User that is not an ISO Metered Entity.

Scheduling Point

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.

Security Monitoring

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.

Self-Sufficiency Test Period

For the initial Self-Sufficiency determination for a Participating TO, the Self-Sufficiency Test Period shall be the twelve-month period ending December 31, 1996. The Self-Sufficiency Test Period for a Participating TO undergoing a new Self-Sufficiency determination as a result of the termination or modification of an Existing Contract as referred in Section 7.1.3.2 of the ISO Tariff shall be the twelve-month period ending in the month prior to the month that the Existing Contract was terminated or modified.

Service Area

An area in which, as of December 20, 1995, an IOU or a Local Publicly Owned Electric Utility was obligated to provide electric service to End-Use Customers.

Set Point

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 SC 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 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 including any protocol of the ISO.

Severance Fee

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.

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.

Standby Rate

Means a rate assessed a Standby Service Customer by the Participating TO, 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.

Standby Service

Service provided by a Participating TO 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.

Standby Service Customer

A retail End-Use Customer of a Participating TO that receives Standby Service and pays a Standby Rate.

Standby Transmission Revenue

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.

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 Market Participant

Any Generator on behalf of whom Generation and Ancillary Services are scheduled pursuant to the 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 located outside of the ISO Control Area 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.

<u>Take-Out Point</u>	The metering points at which a Scheduling Coordinator Metered Entity or ISO Metered Entity takes delivery of Energy.
<u>Tax Exempt Debt</u>	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>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.
<u>Trading Day</u>	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.

Transfer Schedule

A Schedule for Energy that is delivered from one Scheduling Coordinator to another. Each Transfer Schedule must originate and terminate completely within the ISO Control Area and may not involve more than two (one sending and one receiving) Scheduling Coordinators.

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.

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 Revenue Credit

The proceeds received by the Participating TO from the ISO for Wheeling service , FTR auction revenue and Usage Charges, plus the shortfall or surplus resulting from any cost differences between Transmission Losses and Ancillary Service requirements associated with Existing Rights and the ISO's rules and protocols.

TRBA (Transmission Revenue Balancing Account)

A mechanism to be established by each Participating TO that has transmission customers which will ensure that all Transmission Revenue Credits and other credits specified in Sections 6 and 8 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 that has transmission customers. 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. .

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.

Unaccounted for Energy (UFE)

UFE is the difference in Energy, for each UDC Service Area and Settlement Period, between the net Energy delivered into the UDC Service Area, adjusted for UDC Service Area Transmission Losses (calculated in accordance with Section 7.4.2), and the total metered Demand within the UDC 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 Imbalance Energy

The real time change in Generation or Demand other than that instructed by the ISO or which the ISO Tariff provides will be paid at the price for Uninstructed Imbalance Energy.

Unit Commitment

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).

Usage Charge

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.

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.

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.

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.

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 7.1. 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 2.4.3 and 2.4.4, 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 2.4.3 and 2.4.4, 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.

WSCC Reliability Criteria Agreement

The Western Systems Coordinating Council Reliability Criteria Agreement dated June 18, 1999 among the WSCC and certain of its Member transmission operators, as such may be amended from time to time.

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.