

If the Generating Unit, Curtailable Demand, System Unit or System Resource is scheduled to provide more than one Ancillary Service in the Settlement Period, then the actual output will be attributed first to Replacement Reserve, then to Non-Spinning Reserve, and finally to Spinning Reserve, and the capacity payments associated with the balance of each Ancillary Service shall be rescinded. If the same Ancillary Service is scheduled in both the Day Ahead and Hour Ahead Markets, then payments shall be rescinded in proportion to the amount of each Ancillary Service scheduled in each market.

2.5.26.4 Penalties applied pursuant to Section 2.5.26.1, and payments rescinded pursuant to Section 2.5.26.2 and 2.5.26.3 shall be redistributed to Scheduling Coordinators in proportion to ISO Control Area metered Demand and scheduled exports for the same Trading Day.

2.5.26.5 If the ISO determines that non-compliance of a Load, Generating Unit, System Unit or System Resource, with an operating order or Dispatch instruction from the ISO, or with any other applicable technical standard under the ISO Tariff, causes or exacerbates system conditions for which the WSCC imposes a penalty on the ISO, then the Scheduling Coordinator of such Load, Generating Unit, System Unit or System Resource shall be assigned that portion of the WSCC penalty which the ISO reasonably determines is attributable to such non-compliance, in addition to any other penalties or sanctions applicable under the ISO Tariff.

2.5.26.6 Any Participating Load that has entered into a Participating Load Agreement will, for the period June 15, 2000 through October 15, 2000, be exempt from the requirements of Section 2.5.26.2.3 in the event that the Participating Load has responded to a Dispatch instruction, in the hour of the Dispatch and for the following two (2) hours.

2.5.27 Settlements For Contracted Ancillary Services.

Based on the prices and quantities determined in accordance with this Section, the ISO shall operate a daily Settlement function for Ancillary Services it contracts for with Scheduling Coordinators.

The ISO shall calculate imbalances between scheduled, instructed and actual quantities of Energy provided based upon Meter Data obtained pursuant to Section 10. Schedules between Control Areas shall be deemed as being delivered in accordance with Good Utility Practice. The difference between actual and scheduled interchange shall then be addressed in accordance with the WSCC and NERC inadvertent interchange practices and procedures. Following this practice, all dynamic schedules for Ancillary Services provided to the ISO by other Control Areas shall be deemed delivered to the ISO. The difference between the Energy requested by the ISO and that actually delivered by the other Control Area shall then be accounted for and addressed through the WSCC and NERC inadvertent interchange practices and procedures.

Separate payments shall be calculated for each Settlement Period t for each Generating Unit, System Unit, System Resource and Curtailable Demand. The ISO shall

