

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

2.2.12.2.1 No later than one hour before the close of the PX Day-Ahead Market for the Trading Day, any RMR Owner receiving an RMR Dispatch Notice as indicated in this Section 2.2.12.2 (the “Applicable RMR Owner”) must notify the ISO through the RMR Owner’s Scheduling Coordinator (the “Applicable RMR SC”), with regard to each hour of the Trading Day identified in the RMR Dispatch Notice whether it intends to satisfy its obligation to deliver RMR Energy, of, (i) the amount of its obligation to deliver RMR Energy that it intends to satisfy by delivering ~~the~~ RMR Energy pursuant to a market transaction, and receiving only market compensation therefor (the “RMR Market OptionEnergy”), and (ii) the amount of its obligation to deliver RMR Energy that it intends to satisfy by delivering ~~the~~ RMR Energy as a contract transaction, and accepting payment under the relevant RMR Contract (the “RMR Contract OptionEnergy”). If the Applicable RMR Owner so notifies the ISO by March 1, 2001, for calendar year 2001, and by January 1 of any subsequent calendar year, the RMR Owner may during that calendar year notify the ISO directly of its choice of payment option, rather than through the Applicable RMR Owner’s Scheduling Coordinator. If the Applicable RMR Owner elects to provide notice of its choice of payment option directly,

the ISO will not accept notice from the Applicable RMR Owner's Scheduling Coordinator during the relevant calendar year. Notwithstanding anything to the contrary in any RMR Contract, the Applicable RMR Owner may not elect to satisfy its obligation to deliver the RMR Energy specified in the RMR Dispatch Notice by delivering that RMR Energy pursuant to a transaction in the Real Time Market.

2.2.12.2.2 RMR Contract OptionEnergy -- For each hour specified in the RMR Dispatch Notice, for which the Applicable RMR Owner elects the RMR Contract Option ("Contract Hour"). it shall bid the entire amount of the RMR Contract Energy for that hour into the PX Day-Ahead Market at zero dollars per MWh, unless the Applicable RMR Owner is precluded from bidding into the PX because of law, regulation, the applicable PX rate schedule, or the unavailability of the PX Day-Ahead Market. The Applicable RMR SC shall include in its Preferred Day-Ahead Schedule the total amount of the RMR Energy for each Contract Hour, unless the Applicable RMR Owner's total Energy award in the PX Day-Ahead Market for that Contract Hour is less than the total amount of RMR Energy for that Contract Hour, in which case the Preferred Day-Ahead Schedule shall include that lesser amount. If the Applicable RMR Owner's total Energy award in the PX Day-Ahead Market for any Contract Hour is less than the full amount of the RMR Energy for that Contract Hour, the Applicable RMR Owner shall bid the remaining RMR Energy for that Contract Hour into the next PX Market for such Contract Hour at zero dollars per MWh. The Applicable RMR SC shall include the entire RMR Energy for each Contract Hour in its Preferred Hour-Ahead Schedule for each such hour, unless the Applicable RMR Owner's Energy award in the PX markets for that Contract Hour is less than the total RMR Energy for such hour, in which case the Applicable RMR SC shall include that lesser amount. Whether or not the RMR Energy is in the Final Schedule, the Applicable RMR Owner must deliver the RMR Energy pursuant to the RMR Dispatch Notice. --All RMR Energy delivered under this option

shall be deemed delivered under a Nonmarket Transaction for the purposes of the RMR Contract.

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

2.2.12.2.3.1 For each hour for which an Applicable RMR Owner has selected the Market Option (“Market Hour”)specified in the RMR Dispatch Notice, the Applicable RMR Owner (i) may bid into the PX Day-Ahead Market any amount of the RMR-Market Energy for that hour and (ii) may schedule as a bilateral Day-Ahead transaction any amount of RMR Energy for that hour.

2.2.12.2.3.1 ~~— [Not Used]~~

2.2.12.2.3.1.1 ~~—~~ The Preferred Day-Ahead Schedule of the Applicable RMR SC shall include as RMR Energy for each Market hHour no less than the sum of the amount awarded to the Applicable RMR Owner in the PX Day-Ahead Market for that RMR Contract Energy for that Market hHour and the amount of RMR Market Energy scheduled as a bilateral Day-Ahead transaction for that Market hHour, unless the Applicable RMR Owner is required to bid the Contract Energy into the PX Day-Ahead Market and the amount awarded in the PX Day-Ahead Market is less than the amount of the RMR Contract Energy, in which case the Preferred Day-Ahead Schedule shall include the sum of that lesser amount and the amount of RMR Market Energy scheduled as a bilateral Day-Ahead transaction for that hour. If the Preferred Day-Ahead Schedule of the Applicable RMR SC for any Market hHour includes Adjustment Bids for the RMR Unit, the Adjustment Bid shall specify the RMR Energy as the minimum MW output to which the Applicable RMR SC will allow the RMR Unit to be redispatched for that Market hHour.

Notwithstanding anything to the contrary in the RMR Contract, neither the Applicable RMR Owner nor the Applicable RMR SC shall be entitled to any payment from any source for RMR Energy that is not bid and scheduled as required by this Section 2.2.12.2.2. In the event that the RMR Energy is not delivered, (i) if the RMR Energy had been scheduled, the Applicable RMR Owner shall not be entitled to an Availability Payment under the RMR Contract and the Applicable RMR SC shall pay for the Imbalance Energy necessary to replace that RMR Energy, or (ii) if the RMR Energy had not been scheduled, the Applicable RMR Owner shall not be entitled to an Availability Payment under the RMR Contract and, if the variable costs saved by the Owner's failure to deliver the RMR Energy (which shall be equal to the Variable Cost Payment determined pursuant to Schedule C in the RMR Contract) are greater than the foregone Availability Payment under the RMR Contract, the Applicable RMR Owner shall pay the difference between the variable costs saved and the Availability Payment.

2.2.12.2.3.2 If the Applicable RMR SC's Preferred Day-Ahead Schedule does not include the entire amount of RMR Energy for any [Market hH](#)our, the Applicable RMR Owner shall bid all remaining RMR Energy for that [Market hH](#)our, net of any RMR [Market](#) Energy the Applicable RMR Owner elects to provide through an Hour-Ahead bilateral transaction for that [Market hH](#)our, into the next available PX Market for such hour at zero dollars per MWh.

2.2.12.2.3.2.1 The Applicable RMR SC's Preferred Hour-Ahead Schedule for each [Market hH](#)our shall include all RMR Energy specified in the RMR Dispatch Notice for that [Market hH](#)our, except for the amount of RMR Energy that the Applicable RMR Owner was required to bid into the PX Markets under Section 2.2.12.2.3.2 but was not awarded in such PX Markets for such hour. If the Preferred Hour-Ahead Schedule of the Applicable RMR SC for any [Market hH](#)our includes Adjustment Bids for the RMR Unit, the Adjustment Bid shall specify the RMR Energy as the minimum MW output to

which the Applicable RMR SC will allow the RMR Unit to be redispached for that [Market hHour](#).

2.2.12.2.3.3 Whether or not the RMR Energy is in ~~at~~the Final ~~Preferred~~ Schedule, the Applicable RMR Owner must deliver the RMR Energy pursuant to the RMR Dispatch Notice. ~~If the RMR Owner has bid and scheduled the RMR Energy as required by this Section 2.2.12.2.3, any RMR Energy provided but not included in the Final Schedule will be paid as Uninstructed Imbalance Energy. Notwithstanding anything to the contrary in the RMR Contract, neither the Applicable RMR Owner nor the Applicable RMR SC shall be entitled to any payment from any source for RMR Energy that is not bid and scheduled as required by this Section 2.2.12.2.3. If the amount of RMR Energy for any hour that is delivered is less than the amount specified for that hour in the RMR Dispatch Notice, the RMR Energy delivered shall be deemed RMR Contract Energy in an amount not to exceed the amount that the Applicable RMR Owner elected to deliver as RMR Contract Energy for that hour; the remainder shall be deemed RMR Market Energy. Notwithstanding anything to the contrary in the RMR Contract, neither the Applicable RMR Owner nor the Applicable RMR SC shall be entitled to any payment from any source for RMR Energy that is not bid and scheduled as required by this Section 2.2.12.2. If the amount of RMR Energy for any hour that is bid and scheduled as required by this Section 2.2.12.2 is less than the amount of RMR Energy specified in the RMR Dispatch Notice for that hour, the RMR Energy bid and scheduled as required shall be deemed RMR Contract Energy in an amount not to exceed the amount that the Applicable RMR Owner elected to deliver as RMR Contract Energy; the remainder shall be deemed RMR Market Energy.~~

2.2.12.2.4 If, at any time after two hours before the close of the PX Day-Ahead Market for the Trading Day, the ISO determines that it requires additional Energy from specific Reliability Must-Run Units during the Trading Day, the ISO will notify Scheduling Coordinators for such Reliability Must-Run Units of the amount and time of

the additional Energy requirements from such Reliability Must-Run Units (the “Supplemental RMR Dispatch Notice”). ~~No later than one hour before the close of the next PX Market for each hour specified in the Supplemental RMR Dispatch Notice, the Applicable RMR Owner must notify the ISO through the the Applicable RMR SC, with regard to each such hour, of (i) the amount of its obligation to deliver RMR Energy specified in the Supplemental RMR Dispatch Notice that it intends to satisfy by delivering RMR Contract Energy, and (ii) the amount of its obligation to deliver RMR Energy that it intends to satisfy by delivering RMR Market Energy.~~ The Energy specified in the Supplemental Dispatch Notice shall be subject to the same bidding, scheduling, and delivery requirements and pricing provisions specified in this Section 2.2.12.2 as is RMR Energy not included in the Day-Ahead Schedule. If the ISO issues the Supplemental RMR Dispatch Notice less than two hours before the close of the last PX Market for any particular hour of the Trading Day, the Energy specified in the Supplemental Dispatch Notice for such particular hour shall be exempt from the bidding and scheduling requirements and the pricing provisions of this Section 2.2.12.2, except that, if the owner of the RMR Unit has already selected a payment option for any hour, the RMR Owner will be paid for that RMR Energy in that particular hour according to that payment option. If the owner of the RMR Unit specified in the Supplemental RMR Dispatch Notice has not already notified the ISO of a payment option for any hour of the Trading Day included in the Supplemental Dispatch Notice at the time the Supplemental Dispatch Notice is issued, the RMR Owner shall do so no later than one hour before the close of the next PX Market for the RMR Energy specified in the Supplemental RMR Dispatch Notice and the elected payment option for such hour shall apply to RMR Energy bid into that and subsequent PX Markets for such hour during the Trading Day.

5.1.3 Actions for Maintaining Reliability of ISO Controlled Grid.

The ISO plans to obtain the control over Generating Units that it needs to control the ISO Controlled Grid and maintain reliability by purchasing Ancillary Services from the market auction for these services. When the ISO responds to events or circumstances, it shall first use the generation control it is able to obtain from the Ancillary Services bids it has received to respond to the operating event and maintain reliability. Only when the ISO has used the Ancillary Services that are available to it under such Ancillary Services bids which prove to be effective in responding to the problem and the ISO is still in need of additional control over Generating Units, shall the ISO assume supervisory control over other Generating Units. It is expected that at this point, the operational circumstances will be so severe that a real-time system problem or emergency condition could be in existence or imminent.

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

- (a) compliance with the ISO's Dispatch instructions including instructions to deliver Ancillary Services in real time pursuant to the Final Day-Ahead Schedules and Final Hour-Ahead Schedules;
- (b) compliance with the system operation requirements set out in Section 2.3 of this ISO Tariff;
- (c) notification to the ISO of the persons to whom an instruction of the ISO should be directed on a 24-hour basis, including their telephone and facsimile numbers; and
- (d) the provision of communications, telemetry and direct control requirements, including the establishment of a direct communication link from the control room of the Generator to the ISO in a manner that ensures that the ISO will have the ability, consistent with this ISO Tariff and the ISO Protocols, to direct the operations of the Generator as necessary to maintain the reliability of the ISO Controlled Grid, except that a Participating Generator will be exempt from ISO requirements imposed in accordance with this subsection (d)

with regard to any Generating Unit with a rated capacity of less than 10 MW, unless that Generating Unit is certified by the ISO to participate in the ISO's Ancillary Services and/or [to submit ImbalanceSupplemental Energy bidsmarkets](#).

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5.1.4.1 Exemption for Generating Units Less Than 1 MW

A Generator with a Generating Unit directly connected to a UDC system will be exempt from compliance with this Section 5 and with Section MP 2.3.5 of the Metering Protocol in relation to that Generating Unit provided that (i) the rated capacity of the Generating Unit is less than 1 MW, and (ii) the Generator does not use the Generating Unit to participate in the ISO's Ancillary Services and/or [to submit ImbalanceSupplemental Energy bidsmarkets](#). This exemption in no way affects the calculation of or any obligation to pay the appropriate charges or to comply with all the other applicable Sections of this ISO Tariff.

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**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 [submitting imbalance Supplemental Energy bids](#) through an aggregation arrangement approved by the ISO, which has undertaken to be bound by the terms of the ISO Tariff, in the case of a Generator through a Participating Generator Agreement.