

**7.2.6.1.3 [Not Used]**

**7.2.6.1.4 [Not Used]**

**7.2.6.1.5 [Not Used]**

**7.2.6.1.6 [Not Used]**

**7.2.6.2 Intra-Zonal Congestion During Initial Period.** Except as provided in Section 5.2, the ISO will perform Intra-Zonal Congestion Management in real time using available Adjustment Bids and Imbalance Energy bids, based on their effectiveness and in merit order, to minimize the cost of alleviating Congestion. If the Adjustment Bid or Imbalance Energy bid from a Generating Unit the ISO must Dispatch to manage Intra-Zonal Congestion is not the next bid in merit order, the ISO shall set the price of that bid equal to the default energy bid price of that Generating Unit as determined in accordance with Section 5.12.5.1.4.1.3 and Dispatch that Generating Unit pursuant to that adjusted bid to manage Intra-Zonal Congestion. The Scheduling Coordinator for that Generating Unit shall then be 1) paid the higher of its default energy bid price as determined in accordance with Section 5.12.5.1.4.1.3 or the BEEP Interval Ex Post Price for incremental Dispatch, or 2) charged the lower of its default energy bid price as determined in accordance with Section 5.12.5.1.4.1.3 or the BEEP Interval Ex Post Price for decremental Dispatch. In the event no Adjustment Bids or Imbalance Energy bids are available, the ISO will exercise its authority to direct the redispatch of resources as allowed under the Tariff, including Section 2.4.4.

**7.2.6.3 Cost of Intra-Zonal Congestion Management.** The net of the amounts paid by the ISO to the Scheduling Coordinators and the amounts charged to the Scheduling Coordinators will be calculated and charged to all Scheduling Coordinators through a Grid Operations Charge, as described in Section 7.3.2.

**7.2.7 Creation, Modification and Elimination of Zones.**

**7.2.7.1 Active Zones.** The Active Zones are as set forth in Appendix I to this ISO Tariff.

**7.2.7.2 Modifying Zones.** The ISO shall monitor usage of the ISO Controlled Grid to determine whether new Zones should be created, or whether existing Zones should be eliminated, in accordance with the following procedures.

**7.2.7.2.1** If over a 12-month period, the ISO finds that within a Zone the cost to alleviate the Congestion on a path is equivalent to at least 5 percent of the product of the rated capacity of the path and the weighted average High Voltage Access Charge and Low

