**Blacklines**

**Price Corrections Make Whole Payments**

**Fourth Replacement CAISO Tariff**

**March 17, 2010**

**\* \* \***

**11.2.1.2 IFM Charges for Demand at LAPS.**

For each Settlement Period that the CAISO clears Energy transactions in the IFM, except as specified in Section 30.5.3.2 and except for Participating Loads, which shall be subject to the charges specified in 11.2.1.3, the CAISO shall charge Scheduling Coordinators for the MWh quantity of Demand scheduled at an individual LAP in the Day-Ahead Schedule, in an amount equal to the IFM LMP for the applicable LAP multiplied by the MWh quantity scheduled in the Day-Ahead Schedule at the relevant LAP. For resources that have been impacted by price corrections as specified in Section 11.3, the IFM LMP will be the Price Correction Derived LMP.

\* \* \*

**11.2.1.4 IFM Charges for Energy Exports at Scheduling Points.**

For each Settlement Period that the CAISO clears Energy transactions in the IFM, the CAISO shall charge Scheduling Coordinators for the Energy export MWh quantity at individual Scheduling Points scheduled in the Day-Ahead Schedule, an amount equal to the IFM LMP for the applicable Scheduling Point multiplied by the MWh quantity at the individual Scheduling Point scheduled in the Day-Ahead Schedule. For resources that have been impacted by Price Corrections as specified in Section 11.3, the IFM LMP will be the Price Correction Derived LMP.

\* \* \*

**11.3 Make Whole Payments for Price Corrections**

**11.3.1 CAISO Demand and Exports**

If the CAISO corrects an LMP pursuant to Section 35 that impacts Demand in the Day-Ahead Market and the HASP such that the market clearing price is adjusted upward and either a portion of or the entire cleared CAISO Demand or Export Bid curve becomes uneconomic, then the CAISO will calculate and apply the derived LMP for settlement of CAISO Demand and Exports for the affected resource in Section 11.2.1.2\_ and 11.2.1.4. The CAISO will calculate a Price Correction Derived LMP for each affected resource as follows: the total cleared MWhs of CAISO Demand or Export in the Day-Ahead Schedule or HASP Intertie Schedule, as applicable, multiplied by the corrected LMP, minus the make-whole payment amount, all of which is divided by the total cleared MWhs of CAISO Demand or Export in the Day-Ahead Schedule or HASP Intertie Schedule, as applicable. The make-whole payment amount will be calculated on an hourly basis determined by the area between the resource’s CAISO Demand or Export Bid curve and the corrected price, which is calculated as the MWhs cleared in the Day-Ahead Schedule or HASP Intertie Schedule for the affected resource multiplied by the maximum of zero or the corrected price minus the bid segment price.

**11.3.2 [NOT USED]**

**\* \* \***

**11.4.1 HASP Settlement for Exports.**

For each Settlement Period that the CAISO clears Energy transactions at Scheduling Points in HASP, the Settlement for such transactions will be the CAISO HASP Intertie LMP multiplied by the MWh quantity of export scheduled at the individual Scheduling Point in excess of or less than the Day-Ahead Schedule, respectively. For resources that have been impacted by price corrections as specified in Section 11.3, the HASP Intertie LMP will be the Price Correction Derived LMP.

\* \* \*

**Appendix A**

**Master Definition Supplement**

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| --- | --- |
| **Price Correction Derived LMP** | The applicable settlement LMP calculated pursuant to Section 11.3 for resources impacted by price corrections. |

\* \* \*