Attachment A – Clean Tariff Sheets

Tariff Amendment – Variable Operations and Maintenance Adders, Variable Operating Cost for Storage Resources, and After the Fact Cost Recovery for Natural Gas Resources

California Independent System Operator Corporation

November 18, 2026

30.4.5.4.1 Generally

Each resource that satisfies applicable fuel source and technology requirements will receive the default Variable Operations and Maintenance Adders specified in the Business Practice Manuals. The Scheduling Coordinator for any resource may choose to negotiate with the CAISO pursuant to Section 30.4.5.4.3 for negotiated Variable Operations and Maintenance Adders that supersede or replace any default Variable Operations and Maintenance Adders the resource may receive. Variable Operations and Maintenance Adders are subject to renegotiation pursuant to Section 30.4.5.4.4 and to informational filings pursuant to Section 30.4.5.4.5.

30.4.5.4.2 Default Variable Operations and Maintenance Adders

The CAISO will calculate default Variable Operations and Maintenance Adders for different resource technologies and publish these values in the Business Practice Manuals.

The CAISO will assess the default Variable Operations and Maintenance Adders set forth in its Business Practice Manuals at least every three years through a stakeholder process. The CAISO's assessment will reflect relevant factors that may include the amount of time elapsed since the default values were assessed, changes in technologies or cost profiles of resources, and applicable inflation rates. The CAISO may undertake or rely on additional studies reflecting Variable Operations and Maintenance costs to inform these updates or propose new default Variable Operations and Maintenance Adders. The CAISO's assessment will be included in the stakeholder process and stakeholders will be able to comment on the assessment. The CAISO will publish updated values for these default Variable Operations and Maintenance Adders in its Business Practice Manuals.

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30.12.1 Applicability

Scheduling Coordinators may request an additional uplift payment to cover a resource's actual fuel costs or fuel-equivalent costs associated with Start-Up Bid Costs, Minimum Load Bid Costs, Transition Bid Costs, and Energy Bid Costs used in the Bid Cost Recovery mechanism, and that are for:

(a) amounts in a Reference Level Change Request presented to the CAISO pursuant to Section 30.11 that the CAISO did not approve; or

(b) amounts in a Reference Level Change Request for a Default Energy Bid or Default Minimum Load Bid that exceeds the Hard Energy Bid Cap or the Minimum Load Cost Hard Cap, respectively.

Scheduling Coordinators may not request additional uplift payments under this Section 30.12 to cover costs: (1) associated with gas company imbalance penalties; or (2) that were not specifically included in a Reference Level Change Request unless a physical supply disruption occurred on the pipeline/fuel region indexed in the resource's Reference Levels after the Market Close and the physical supply disruption restricted access to delivery during the time period relevant to the cost recovery request. Scheduling Coordinators requesting additional uplift payments under this Section 30.12 that did not include those costs in a Reference Level Change Request must submit supporting information as described in the CAISO's Business Practice Manuals, including information about the physical supply disruption publicly noticed by the natural gas pipeline operator as well as documentation supporting actual fuel costs that exceeded costs reflected and recovered through the CAISO Markets.

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39.7.1.8 Storage Resource Option

For storage resources participating as Non-Generator Resources, the storage resource option will calculate the Default Energy Bid by selecting the maximum of (1) the sum of the expected energy cost and the variable operations cost for storage resources and, (2) the storage opportunity cost. The calculation is completed by adding ten percent (10%) to the value. To calculate the Default Energy Bid, the CAISO will use the PMin, PMax, Run Times, and other charging and discharging parameters registered in the Master File.

The expected energy cost represents the average cost to procure the amount of energy needed to charge the resource during the lowest-priced continuous block of time such that the resource can discharge completely, accounting for the resource's charging duration and round-trip efficiency, and excluding losses. To calculate this component in the Day-Ahead Market, the CAISO will use the average price of Energy during the lowest priced hours based upon the final Energy Supply Bids from the MPM process at

the relevant PNode, not to be below $0/MWh. To calculate this component in the Real-Time Market, the CAISO will use the average price of Energy during the lowest priced hours based upon the LMP from the IFM at the relevant PNode on the Trading Day, not to be below $0/MWh.

The variable operations cost for storage resources represents the variable costs of operating a storage resource beyond its designed daily cycling range, submitted by the Scheduling Coordinator in $/MWh. The CAISO will publish a default variable operations cost for storage resources in the Business Practice Manuals. The CAISO will assess the default variable operations cost for storage resources set forth in its Business Practice Manual at least every three years through a stakeholder process. The CAISO's assessment will reflect relevant factors that may include the amount of time elapsed since the default values were assessed, changes in technologies or cost profiles of resources, and applicable inflation rates. The CAISO may undertake or rely on additional studies reflecting variable operations costs for storage resources to inform these updates. The CAISO's assessment will be included in the stakeholder process and stakeholders will be able to comment on the assessment. The CAISO will publish an updated default variable operations cost for storage resources in the Business Practice Manuals. Alternatively, Scheduling Coordinators may submit a value in $/MWh to establish a variable operations cost for a storage resource and the CAISO will validate the value based on whether the costs represent variable costs of operating a storage resource beyond its designed daily cycling range, manufacturer warranty, available data, and supporting documentation submitted by the Scheduling Coordinator.

The storage opportunity cost represents the value of preserving energy for discharge during higher-priced intervals instead of being dispatched in lower-priced intervals. It is calculated as the value of the Energy the resource could discharge during the highest-priced continuous time block, taking into account the resource's maximum discharge duration. To calculate this component in the Day-Ahead Market, the CAISO will use the lowest price of Energy during the highest priced period over which the resource could have discharged, based upon advisory prices from the Market Power Mitigation process at the relevant PNode. To calculate this component in the Real-Time Market, the CAISO will use the lowest price of Energy during the highest priced period over which the resource could have discharged, based upon the LMP from the IFM at the relevant PNode on the Trading Day.

Attachment B – Redlined Tariff Sheets

Tariff Amendment – Variable Operations and Maintenance Adders, Variable Operating Cost for Storage Resources, and After the Fact Cost Recovery for Natural Gas Resources

California Independent System Operator Corporation

November 18, 2026

30.4.5.4.1 Generally

Each resource that satisfies ~~the~~ applicable fuel source and technology requirements ~~set forth in Section 30.4.5.4.2~~ will receive the default Variable Operations and Maintenance Adders specified in the Business Practice Manuals~~thereunder~~. The Scheduling Coordinator for any resource may choose to negotiate with the CAISO pursuant to Section 30.4.5.4.3 for negotiated Variable Operations and Maintenance Adders that supersede or replace any default Variable Operations and Maintenance Adders the resource may receive. Variable Operations and Maintenance Adders are subject to renegotiation pursuant to Section 30.4.5.4.4 and to informational filings pursuant to Section 30.4.5.4.5.

30.4.5.4.2 Default Variable Operations and Maintenance Adders

The CAISO will calculate default Variable Operations and Maintenance Adders for different resource technologies and publish these values in the Business Practice Manuals.

~~The default Variable Start-Up Operations and Maintenance Adder for a frame combustion turbine resource will equal $61.89 per start per MW multiplied by the PMax of the resource or MSG Configuration of the resource.~~

~~The default Variable Minimum Load Operations and Maintenance Adder will vary by fuel source or technology as follows: (1) for a natural gas-fired combined cycle resource, the adder will equal $2.07 per run-hour per MW multiplied by the PMax of the resource or MSG Configuration of the resource; (2) for an aeroderivative combustion turbine resource, the adder will equal $5.20 per run-hour per MW multiplied by the PMax of the resource or MSG Configuration of the resource; and (3) for a hydroelectric resource, the adder will equal $0.77 per run-hour per MW multiplied by the PMax of the resource or MSG Configuration of the resource.~~

~~The default Variable Energy Operations and Maintenance Adder will vary by fuel source or technology as follows: (1) nuclear $1.28/MWh; (2) coal $3.19/MWh; (3) wind $0.33/MWh; (4) natural gas-fired combined cycle units $0.70/MWh; (5) steam units $0.39/MWh; (6) geothermal $1.38/MWh; (7) landfill gas $1.44/MWh; (8) frame combustion turbines $1.15/MWh; (9) aeroderivative combustion turbines $2.55/MWh; (10) reciprocating internal combustion engines $1.31/MWh; and (11) biomass $1.96/MWh.~~

The CAISO will assess the default Variable Operations and Maintenance Adders set forth in its Business Practice Manuals at least every three years through a stakeholder process. The CAISO's assessment

will reflect relevant factors that may include the amount of time elapsed since the default values were assessed, changes in technologies or cost profiles of resources, and applicable inflation rates. The CAISO may undertake or rely on additional studies reflecting Variable Operations and Maintenance costs to inform these updates or propose new default Variable Operations and Maintenance Adders. The CAISO's assessment will be included in the stakeholder process and stakeholders will be able to comment on the assessment. The CAISO will publish updated values for these default Variable Operations and Maintenance Adders in its Business Practice Manuals.

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30.12.1 Applicability

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The storage opportunity cost represents the value of preserving energy for discharge during higher-priced intervals instead of being dispatched in lower-priced intervals. It is calculated as the value of the Energy the resource could discharge during the highest-priced continuous time block, taking into account the resource's maximum discharge duration. ~~The storage opportunity cost represents the opportunity cost of being dispatched during lower-priced intervals, equal to the cost of Energy the resource could discharge during the highest-priced continuous block, accounting for the resource's discharge duration.~~ To calculate this component in the Day-Ahead Market, the CAISO will use the lowest price of Energy during the highest priced period over which the resource could have discharged, based upon advisory prices from the Market Power Mitigation process at the relevant PNode. To calculate this component in the Real-Time Market, the CAISO will use the lowest price of Energy during the highest priced period over which the resource could have discharged, based upon the LMP from the IFM at the relevant PNode on the Trading Day.