

ARTICLE V – RESOURCE ADEQUACY

**40 RESOURCE ADEQUACY DEMONSTRATION FOR ALL SCHEDULING
COORDINATORS SCHEDULING DEMAND IN THE CAISO CONTROL AREA.**

40.1 Applicability.

A Load Serving Entity, and its Scheduling Coordinator, shall be exempt from Section 40 during the compliance year, as defined in the Business Practice Manual, if the metered peak Demand of the Load Serving Entity did not exceed one (1) MW during the twelve months preceding the compliance year. Section 40 shall apply to all other Load Serving Entities and their respective Scheduling Coordinators.

40.1.1 Election of Load Serving Entity Status

On an annual basis, in the manner and schedule set forth in the Business Practice Manual, the Scheduling Coordinator for a Load Serving Entity, not exempt under Section 40.1, shall inform the CAISO whether each such LSE elects to be either: (i) a Reserve Sharing LSE or a (ii) Modified Reserve Sharing LSE. A Scheduling Coordinator for a Load-following MSS is not required to make an election under this Section. Scheduling Coordinators for Load-following MSSs are subject solely to Sections 40.2.4 and 40.3.

The CAISO may confirm with the CPUC, Local Regulatory Authority, or federal agency, as applicable, the accuracy of the election by the Scheduling Coordinator for any LSE under its respective jurisdiction, or, in the absence of any election by the Scheduling Coordinator, the desired election for any LSE under its jurisdiction. The determination of the CPUC, Local Regulatory Authority, or federal agency will be deemed binding by the CAISO on the Scheduling Coordinator and the LSE. If the Scheduling Coordinator and CPUC, Local Regulatory Authority, or federal agency, as appropriate, fail to make the election on behalf of an LSE in accordance with the Business Practice Manual, the LSE shall be deemed a Reserve Sharing LSE.

40.2 Information Requirements Regarding Resource Adequacy Programs.

40.2.1. Reserve Sharing LSEs.

40.2.1.1 Requirements for CPUC Load Serving Entities Electing Reserve Sharing LSE

Status

- (a) The Scheduling Coordinators for a CPUC Load Serving Entity electing Reserve Sharing LSE status must provide the CAISO with all information or data to be provided to the CAISO as required by the CPUC and pursuant to the schedule adopted by the CPUC, including, but not limited to, annual and monthly Resource Adequacy Plans.
- (b) Where the information or data provided to the CAISO under Section 40.2.1.1(a) does not include Reserve Margin(s), then the provisions of Section 40.2.2.1 shall apply.
- (c) Where the information or data provided to the CAISO under Section 40.2.1.1(a) does not include criteria for determining qualifying resource types and their Qualifying Capacity, then the provisions of Section 40.8 shall apply.
- (d) Where the information or data provided to the CAISO under Section 40.2.1.1(a) does not include annual and monthly Demand Forecasts requirements, then the provisions of Section 40.2.2.3 shall apply.
- (e) Where the information or data provided to the CAISO under Section 40.2.1.1(a) does not include annual and monthly Resource Adequacy Plan requirements, then Section 40.2.2.4 shall apply.

40.2.2 Requirements for Non-CPUC Load Serving Entities Electing Reserve Sharing LSE

Status, Including Default Provisions for CPUC Load Serving Entities

40.2.2.1 Reserve Margin

- (a) The Scheduling Coordinator for a Non-CPUC Load Serving Entity electing Reserve Sharing LSE status must provide the CAISO with the Reserve Margin(s) adopted by the appropriate Local Regulatory Authority or federal agency for use in the annual Resource Adequacy Plan and monthly Resource Adequacy Plans listed as a percentage of the Demand Forecasts developed in accordance with Section 40.2.2.3.
- (b) For the Scheduling Coordinator for a non-CPUC Load Serving Entity for which the appropriate Local Regulatory Authority or federal agency has not established a Reserve Margin(s) or a CPUC Load Serving Entity subject to Section 40.2.1.1(b) that has elected Reserve Sharing LSE status, the Reserve Margin shall be no less than 15% of the applicable month's peak hour Demand of the LSE as determined by the Demand Forecasts developed in accordance with Section 40.2.2.3.

40.2.2.2 Qualifying Capacity Criteria

The Scheduling Coordinator for a Non-CPUC Load Serving Entity electing Reserve Sharing LSE status must provide the CAISO with a description of the criteria adopted by the Local Regulatory Authority or federal agency for determining qualifying resource types and the Qualifying Capacity from such resources and any modifications thereto as they are implemented from time to time. The Reserve Sharing LSE may elect to utilize the criteria set forth in Section 40.8.

40.2.2.3 Demand Forecasts

The Scheduling Coordinator for a Non-CPUC Load Serving Entity or CPUC Load Serving Entity subject to Section 40.2.1.1(b) electing Reserve Sharing LSE status must provide annual and monthly Demand Forecasts on the schedule set forth in the Business Practices Manual. The annual and monthly Demand Forecasts shall set forth the Load Serving Entity's respective annual and monthly non-coincident peak Demand for its Service Area, MSS area, or TAC Area in which the Load Serving Entity serves Load, unless either (i) the Load Serving Entity agrees to utilize the annual and monthly coincident peak Demand determinations provided by the California Energy Commission for such Load Serving Entity; or (ii) if the

California Energy Commission does not produce coincident peak Demand forecasts for the Load Serving Entity, the annual and monthly coincident peak Demand forecasts produced by the CAISO in accordance with its Business Practice Manual. Scheduling Coordinators must provide data and/or supporting information, as requested by the CAISO, for the Demand Forecasts required by this Section for each Load Serving Entity and a description of the criteria upon which the Demand Forecasts were developed, if applicable, and any modifications thereto as they are implemented from time to time.

40.2.2.4 Annual and Monthly Resource Adequacy Plans

The Scheduling Coordinator for a non-CPUC Load Serving Entity or a CPUC Load Serving Entities subject to Section 40.2.1.1(b) electing Reserve Sharing LSE status must provide annual and monthly Resource Adequacy Plans, on a schedule and in the reporting formats set forth in the CAISO's Business Practice Manual, for such Load Serving Entity. The annual Resource Adequacy Plan must, at a minimum, set forth the Local Capacity Area Resources, if any, procured by the Load Serving Entity as described in Section 40.3. The monthly Resource Adequacy Plan should identify the resources the Load Serving Entity will rely upon to satisfy the applicable month's peak hour Demand of the Load Serving Entity as determined by the Demand Forecasts developed in accordance with Section 40.2.2.3. and applicable Reserve Margin. Resource Adequacy Plans must utilize the Net Qualifying Capacity requirements of Section 40.4.

40.2.3 Modified Reserve Sharing LSEs.

40.2.3.1 Reserve Margin

- (a) The Scheduling Coordinator for a Load Serving Entity electing Modified Reserve Sharing LSE status must provide the CAISO with the Reserve Margin(s) adopted by the CPUC, appropriate Local Regulatory Authority or federal agency, as appropriate, for use in the annual Resource Adequacy Plan and monthly Resource Adequacy Plans listed as a percentage of the Demand Forecasts developed in accordance with Section 40.2.3.3.
- (b) For the Scheduling Coordinator for a Load Serving Entity electing Modified Reserve Sharing LSE status for which the CPUC, Local Regulatory Authority, or federal agency, as appropriate, has not established a Reserve Margin(s), the Reserve Margin shall be no less than 15% of the applicable month's peak hour Demand of the LSE as determined by the Demand Forecasts developed in accordance with Section 40.2.3.3.

40.2.3.2 Qualifying Capacity

The Scheduling Coordinator for a Load Serving Entity electing Modified Reserve Sharing LSE status must provide the CAISO with a description of the criteria for determining qualifying resource types and the Qualifying Capacity from such resources and any modifications thereto as they are implemented from time to time. The Modified Reserve Sharing LSE may elect to utilize the criteria set forth in Section 40.8.

40.2.3.3 Demand Forecasts

- (a) The Scheduling Coordinator for a Load Serving Entity electing Modified Reserve Sharing LSE status must submit, as part of its monthly Resource Adequacy Plan as, a Demand Forecast reflecting the non-coincident peak hour Demand to be served by the Modified Reserve Sharing LSE for the relevant month, measured in megawatts. This Demand Forecast plus the applicable Reserve Margin as set forth in Section 40.2.3.1 shall establish the Scheduling Coordinator's monthly Resource Adequacy Plan demonstration for each Modified Reserve Sharing LSE for the relevant month.

- (b) The Scheduling Coordinator for a Load Serving Entity electing Modified Reserve Sharing LSE status must submit, on the schedule and in the manner set forth in the Business Practice Manual, hourly Demand Forecasts for each Trading Hour of the next Trading Day for each Modified Reserve Sharing LSE represented.
- (c) The Scheduling Coordinator for a Load Serving Entity electing Modified Reserve Sharing LSE status must provide data or supporting information, as requested by the CAISO, for the Demand Forecasts required by Section 40.2.3.3 for each Modified Reserve Sharing LSE served by the Scheduling Coordinator and a description of the criteria upon which the Demand Forecast was developed, and any modifications thereto as they are implemented from time to time.

40.2.3.4 Annual and Monthly Resource Adequacy Plans

The Scheduling Coordinator for a Load Serving Entity electing Modified Reserve Sharing LSE status must provide annual and monthly Resource Adequacy Plans, on a schedule and in the format set forth in the Business Practice Manual, for each Modified Reserve Sharing LSE served by the Scheduling Coordinator. The annual Resource Adequacy Plan should set forth the Local Capacity Area Resources, if any, procured by the Modified Reserve Sharing LSE as described in Section 40.3. The monthly Resource Adequacy Plan should identify the resources the Modified Reserve Sharing LSE will rely upon to satisfy its monthly forecasted monthly Demand and Reserve Margin as set forth in Section 40.2.3.1, for the relevant reporting period and must utilize the Net Qualifying Capacity requirements of Section 40.4.

40.2.4 Load-Following MSS.

A Scheduling Coordinator for a Load-following MSS must provide an annual Resource Adequacy Plan that sets forth the Local Capacity Area Resources, if any, procured by the Load-following MSS as described in Section 40.3.

40.3 Local Capacity Area Resource Requirements Applicable to Scheduling Coordinators for All Load Serving Entities.

40.3.1 CAISO Technical Study.

The CAISO will, on an annual basis, perform and publish on the CAISO Website a technical study that determines the minimum amount of Local Capacity Area Resources that must be available to the CAISO within each Local Capacity Area identified in the technical study. The CAISO shall collaborate with the CPUC, Local Regulatory Authorities within the CAISO Control Area, and other market participants to establish the parameters, assumptions, and other criteria to be used and described in the technical study that permit compliance with Applicable Reliability Criteria.

40.3.2 Allocation of Local Capacity Area Resource Obligations.

The CAISO will allocate responsibility for Local Capacity Area Resources to Scheduling Coordinators Load Serving Entities in the following sequential manner:

- i. The responsibility for the aggregate Local Capacity Area Resources required for all Local Capacity Areas within each TAC Area will be allocated to all Scheduling Coordinators for Load Serving Entities that serve Load in the TAC Area in accordance with the Load Serving Entity's proportionate coincident share, on a gross Load basis, of the previous annual peak Demand in the TAC Area under the conditions used in the technical study. This will result in a MW responsibility for the entire TAC Area that may be met by procurement of that MW quantity in any Local Capacity Area in the TAC Area.
- ii. For Scheduling Coordinators for Non-CPUC Load Serving Entities, the Local Capacity Area Resource obligation will be allocated based on Section 40.3.2(i) above.
- iii. For Scheduling Coordinators for CPUC Load Serving Entities, the CAISO will allocate the Local Capacity Area Resource obligation based on an allocation methodology, if any, adopted by the

CPUC. However, if the allocation methodology adopted by the CPUC does not fully allocate the total sum of each CPUC Load Serving Entity's proportionate share calculated under Section 40.3.2(i), the CAISO will allocate the difference to all Scheduling Coordinators for CPUC Load Serving Entities in accordance with their proportionate share calculated under 40.3.2(i). If the CPUC does not adopt an allocation methodology, the CAISO will allocate Local Capacity Area Resources to Scheduling Coordinators for CPUC Load Serving Entities based on Section 40.3.2(i).

Once the CAISO has determined the total responsibility, the CAISO will inform each Scheduling Coordinator for LSE of its specific allocated responsibility for Local Capacity Area Resources.

40.3.3 Procurement of Local Capacity Area Resource Obligations by Load Serving Entities.

Nothing in this Section 40 obligates any Scheduling Coordinator to demonstrate on behalf of a Load Serving Entity that the Load Serving Entity has procured Local Capacity Area Resources to satisfy capacity requirements for each Local Capacity Area identified in the technical study. Scheduling Coordinators for Load Serving Entities may aggregate responsibilities for procurement of Local Capacity Area Resources. If a Load Serving Entity has procured Local Capacity Area Resources that satisfy generation capacity requirements for Local Capacity Areas, the Scheduling Coordinator for such Load Serving Entity shall include this information in its annual and monthly Resource Adequacy Plan(s).

40.3.4 Procurement of Local Capacity Area Resources by the CAISO.

The CAISO may procure Local Capacity Area Resources, pursuant to applicable provisions of the CAISO Tariff, including any mechanism incorporated into the CAISO Tariff specifically to permit procurement of Local Capacity Area Resources by the CAISO, to the extent:

- (i) a Scheduling Coordinator representing a Load Serving Entity with Load in the TAC Area in which the Local Capacity Area is located fails to demonstrate in an annual Resource Adequacy Plan procurement of the Load Serving Entity's share of Local Capacity Area Resources, as determined in Section 40.3.2, in which case the CAISO may procure Local Capacity Area

Resources to remedy the deficiency pursuant to Section 42.1.5 and allocate the costs of such procurement pursuant to Section 42.1.8(a); provided that the CAISO shall not procure Local Capacity Area Resources to remedy the deficiency of the Load Serving Entity unless in the aggregate a deficiency exists that results in the failure to comply with Applicable Reliability Criteria in the Local Capacity Area after taking into account Generating Units under Reliability Must-Run Contracts, if any, and all Resource Adequacy Resources reflected in all submitted annual Resource Adequacy Plans, whether or not such Resource Adequacy Resources are located in the applicable Local Capacity Area.

- (ii) the Local Capacity Area Resources specified in the annual Resource Adequacy Plans of all Scheduling Coordinators fail to permit or ensure compliance with Applicable Reliability Criteria

in one or more Local Capacity Areas, regardless of whether such resources satisfy, for the deficient Local Capacity Area, the minimum amount of Local Capacity Area Resources identified in the technical study performed under Section 40.3.1 and after taking into account Generating Units under Reliability Must-Run Contracts, if any, and all Resource Adequacy Resources reflected in all submitted annual Resource Adequacy Plans, whether or not such Resource Adequacy Resources are located in the applicable Local Capacity Area, in which case, the CAISO will procure Local Capacity Area Resources in an amount and location sufficient to permit or ensure compliance with such Applicable Reliability Criteria in the Local Capacity Area. The CAISO will procure any Local Capacity Resources required by this Section 40.3.4(ii) pursuant to Section 41 to the extent the failure to satisfy Applicable Reliability Criteria constitutes a violation of the technical evaluations performed pursuant to Section 41.3. The CAISO will procure any Local Capacity Area Resources required by this Section 40.3.4(ii) pursuant to Section 42.1 and will allocate the costs of such procurement pursuant to 42.1.8(b) to the extent the failure to satisfy Applicable Reliability Criteria constitutes a violation of the technical evaluations performed pursuant to Section 40.3.1, but not the technical evaluations performed pursuant to 41.3.

To the extent the cost of CAISO procurement under this Section is allocated to a Scheduling Coordinator, on behalf of a Load Serving Entity, that Scheduling Coordinator will receive credit toward its Local Capacity Area Resource obligation for the Load Serving Entity's pro rata share of the procured Local Capacity Area Resource. Whether or not the share of the Local Capacity Resource procured by the CAISO under this Section may count towards satisfaction of a Load Serving Entity's Reserve Margin shall be determined by the CPUC, Local Regulatory Authority, or federal agency with jurisdiction of the Load Serving Entity, unless the CPUC, Local Regulatory Authority, or federal agency has failed to establish a Reserve Margin, in which case the CAISO will assign the Load Serving Entity's share of the Local Capacity Area Resource towards satisfaction of its Reserve Margin pursuant to Sections 40.2.1.1(b), 40.2.2.1(b), and 40.2.3.1(b).

40.3.4.1 Factors for Procuring Local Capacity Resources

The CAISO shall procure Local Capacity Area Resources under Section 40.3.4 considering the

effectiveness of the capacity at meeting Applicable Reliability Criteria in the Local Capacity Area and the costs associated with the capacity. The CAISO is permitted to procure a Generating Unit or Participating Load resource even where only a portion of capacity of the Generating Unit or Participating Load resource is needed to meet Applicable Reliability Criteria in the Local Capacity Area.

40.3.4.2 Local Capacity Area Procurement Report

The CAISO shall publish a report on the CAISO Website which shall show the Local Capacity Area Resources procured under Section 40.3.4, the megawatts of capacity procured, the duration procurement, the reason(s) for the procurement, and all payments in dollars, itemized for each Local Capacity Area. The CAISO will provide a market notice of the availability of the report.

40.4 General Requirements on Resource Adequacy Resources.

40.4.1 Designation of Eligible Resources and Determination of Qualifying Capacity.

The CAISO shall use the criteria provided by the CPUC or Local Regulatory Authority to determine and verify, if necessary, the Qualifying Capacity of all Resource Adequacy Resources; however, to the extent a resource is listed by one or more Scheduling Coordinators in their Resource Adequacy Plans, which apply the criteria of more than one Local Regulatory Authority that leads to conflicting Qualifying Capacity values for that resource, the CAISO will accept the methodology that results in the highest Qualifying Capacity value. Only if the CPUC, Local Regulatory Authority, or federal agency has not established any Qualifying Capacity criteria, or chooses to rely on the criteria in this CAISO Tariff, will the provisions of Section 40.8 apply.

40.4.2 Net Qualifying Capacity Report.

The CAISO shall produce an annual report posted to the CAISO Website setting forth the Net Qualifying Capacity of all Participating Generators. All other Resource Adequacy Resources may be included in the annual report under Section 40.4.2 upon their request. Any disputes as to the CAISO's determination regarding Net Qualifying Capacity shall be subject to the CAISO ADR Procedures.

40.4.3 General Qualifications for Supplying Net Qualifying Capacity.

Resource Adequacy Resources included in a Resource Adequacy Plan submitted by a Scheduling Coordinator on behalf of a Load Serving Entity serving Load in the CAISO Control Area are subject to the following:

- (1) Be available for testing by the CAISO to validate Qualifying Capacity and determine Net Qualifying Capacity;
- (2) Provide any information requested by the CAISO to apply the performance criteria to be adopted by the CAISO pursuant to Section 40.4.5;
- (3) Submit Bids into the CAISO Markets as required by this CAISO Tariff;
- (4) Be in compliance with the criteria for Qualifying Capacity established by the CPUC, relevant Local Regulatory Authority, or federal agency and provided to the CAISO; and
- (5) Be subject to sanctions for non-performance as specified in the CAISO Tariff.

40.4.4. Reductions for Testing.

In accordance with the procedures specified in the Business Practice Manual, Participating Generators or other Generating Units or System Units included in a Resource Adequacy Plan submitted by a Scheduling Coordinator on behalf of a Load Serving Entity serving can have its Qualifying Capacity reduced if a CAISO testing program determines that it is not capable of supplying the full Qualifying Capacity amount.

40.4.5 Reductions for Performance Criteria.

No later than 12 months after the effective date of this Section 40, the CAISO will issue a report outlining a proposal with respect to performance criteria. The Scheduling Coordinator of a Resource Adequacy Resource shall provide or make available to the CAISO, subject to the confidentiality provisions of this CAISO Tariff, all documentation requested by the CAISO to determine, develop or implement the performance criteria, including, but not limited to, NERC Generating Availability Data System data. The CAISO will begin reducing Qualifying Capacity based on performance criteria after adoption of performance criteria by the CPUC and/or Local Regulatory Authorities.

40.4.6 Reductions for Deliverability.

40.4.6.1 Deliverability Within the CAISO Control Area.

In order to determine Net Qualifying Capacity from Resource Adequacy Resources subject to this Section 40.4, the CAISO will determine that a Resource Adequacy Resource is available to serve the aggregate of Load by means of a deliverability study. Documentation explaining the CAISO's deliverability analysis will be posted on the CAISO Website. The deliverability study will be performed annually and shall focus on peak Demand conditions. The results of the deliverability study shall be effective for a period no shorter than a compliance year. To the extent the deliverability study shows that the Qualifying Capacity is not deliverable to the aggregate of Demand under the conditions studied, the Qualifying Capacity of the Resource Adequacy Resource will be reduced on a MW basis for the capacity that is undeliverable.

40.4.6.2 Deliverability of Imports.

The CAISO shall, by means of an annual deliverability study, establish the total import capacity for each import path to be allocated to Scheduling Coordinators for Load Serving Entities. The study results shall be posted on the CAISO Website. For the purpose of accounting for import Resource Adequacy Capacity, the import capability of the system will be allocated by branch group to Scheduling Coordinators for Non-CPUC Load Serving Entities individually and to the Scheduling Coordinators for CPUC Load Serving Entities as an aggregated allocation, which will be subject to the allocation rules of the CPUC. The allocation to Scheduling Coordinators for CPUC Load Serving Entities will be the total import value by branch group minus import capacity associated with (i) Existing Transmission Contracts, (ii) Encumbrances and Transmission Ownership Rights, and (iii) resource commitments outside the CAISO Control Area of Non-CPUC Load Serving Entities, as of October 27, 2005. The allocation to Scheduling Coordinators for Non-CPUC Load Serving Entities will be the resource commitments outside the CAISO Control Area of Scheduling Coordinators for Non-CPUC Load Serving Entities, as of October 27, 2005. Import capacity associated with (i) Existing Transmission Contracts and (ii) Encumbrances and Transmission Ownership Rights shall be reserved for holders of such commitments as part of the deliverability study and will not be subject to allocation under these rules. Resource commitments outside the CAISO Control Area of any Load Serving Entity entered into after October 27, 2005 will be given

identical allocation priority. This allocation does not guarantee or result in any actual transmission service being allocated and is only used for determining the maximum Resource Adequacy Capacity that can be credited towards satisfying a Scheduling Coordinator's obligations under its Resource Adequacy Plan. Upon the request of the CAISO, Scheduling Coordinators must provide the CAISO with information on existing Energy or capacity import contracts and any trades or sales of their Load share allocation. Such information will be subject to the confidentiality provisions of this CAISO Tariff. The CAISO will inform the CPUC if a Resource Adequacy Plan submitted by a Scheduling Coordinator for a CPUC Load Serving Entity exceeds its allocation of import capacity. The CAISO will inform the Scheduling Coordinator for a Non-CPUC Load Serving Entity if its Resource Adequacy Plan exceeds the Non-CPUC Load Serving Entity's allocation of import capacity and will either: (i) reduce all Resource Adequacy Capacity from imports of that Scheduling Coordinator on a pro rata basis or (ii) reduce a specific Resource Adequacy Capacity from imports as instructed by the Scheduling Coordinator so as to equal the allocated amount of import capacity.

40.4.7 Submission of Supply Plans.

Scheduling Coordinators representing Resource Adequacy Resources supplying Resource Adequacy Capacity shall provide the CAISO with an annual and/or monthly plan, as applicable, on the schedule set forth in the Business Practices Manual verifying their agreement to provide the Resource Adequacy Capacity listed on the annual and/or monthly Resource Adequacy Plan, as applicable, submitted by a Scheduling Coordinator for a Load Serving Entity. The Supply Plan must be in the form of the template provided on the CAISO Website.

40.5 Requirements Applicable to Modified Reserve Sharing LSEs Only.

40.5.1 Day Ahead Scheduling and Bidding Requirements.

Scheduling Coordinators on behalf of Modified Reserve Sharing LSEs serving Load within the CAISO Control Area for whom they submit Demand Bids:

(1) Submit into the IFM, a Self-Schedule or Bid equal to 115% of the hourly Demand Forecasts for each Modified Reserve Sharing LSE it represents for each Trading Hour for the next Trading Day. Subject to Section 40.5.5, the resources included in a Self-Scheduled and/or bid in each Trading Hour to satisfy 115% of the Modified Reserve Sharing LSE's hourly Demand Forecasts will be deemed Resource Adequacy Resources and (i) shall be those resources listed in the Modified Reserve Sharing LSE's monthly Resource Adequacy Plan and (ii) shall include all Local Capacity Area Resources listed in the Modified Reserve Sharing LSE's annual Resource Adequacy Plan, if any, except to the extent the Local Capacity Area Resources, if any, are unavailable due to any outages or reductions in capacity reported to the CAISO in accordance with this CAISO Tariff.

- i. A Local Capacity Area Resource that has not fully submitted a Bid or Self-Schedule for all of its Resource Adequacy capacity of will be subject to the CAISO's optimization for the remainder of its capacity, which must be Bid into the Day-Ahead Market; however, to the extent the Generating Unit providing Local Capacity Area Resource capacity constitutes a Use-Limited Resource under Section 40.6.4, the provisions of Section 40.6.4 will apply.
- ii. If the Resource Adequacy Resource submits a Bid for Ancillary Services, the Energy Bid associated with the Bid for Ancillary Services will be optimized by the CAISO. However, pursuant to Section 8.6.2, to the extent the Local Capacity Area Resource Self-Provides Ancillary Services and local constraints result is a solution in the MPM-RRD that involves Load

reduction, then Self-Provided AS from the Local Capacity Area Resource will be converted into Ancillary Service Bids at the Minimum Bid Price for Ancillary Services as prescribed in Section 39.6.1.5.

- iii. Resource Adequacy Resources must participate in the RUC to the extent that the resource has not submitted a Self-Schedule or already committed to provide Energy or capacity in the IFM. Resource Adequacy Resources will be required to offer into RUC and will be considered based on a \$0 RUC Availability Bid.
 - iv. Capacity from Resource Adequacy Resources selected in RUC will not be eligible to receive a RUC Availability Payment.
- (2) Resource Adequacy Resources of Modified Reserve Sharing LSEs that do not clear in the IFM or are not committed in RUC shall have no further offer requirements in HASP or Real-Time, except under System Emergencies as provided in this CAISO Tariff.
- (3) Resource Adequacy Resources committed by the CAISO must maintain that commitment through Real-Time. In the event of a forced outage on a Resource Adequacy Resource committed in the Day-Ahead Market to provide Energy, the Scheduling Coordinator for the Modified Reserve Sharing LSE will have up to the next HASP bidding opportunity, plus one hour, to replace the lesser of: (i) the committed resource suffering the forced outage, (ii) the quantity of Energy committed in the Day-Ahead Market, or (iii) 107% of the hourly forecast load.

40.5.2 Demand Forecast Accuracy.

On a monthly basis, the CAISO will review meter data to evaluate the accuracy or quality of the hourly Day-Ahead Demand Forecasts submitted by the Scheduling Coordinator on behalf of Modified Reserve Sharing LSEs. If the CAISO determines, based on its review, that one or more Demand Forecasts materially under-forecasts the Load of the Modified Reserve Sharing LSEs for whom the Scheduling Coordinator schedules, after accounting for weather adjustments, the CAISO will notify the Scheduling Coordinator of the deficiency and will cooperate with the Scheduling Coordinator and Modified Reserve Sharing LSE(s) to revise its Demand Forecast protocols or criteria. If the material deficiency persists for three (3) consecutive months with respect to the monthly Demand Forecast or ten (10) hourly

occurrences over a minimum of two (2) non-consecutive week days within a month, the CAISO may: (i) inform State authorities including, but not necessarily limited to the Legislature, and identify the Modified Reserve Sharing LSE(s) represented by the Scheduling Coordinator and (ii) assign to the Scheduling Coordinator responsibility for all Tier 1 RUC charges as specified in Section 11.8.6.5 to address the uncertainty caused by the Scheduling Coordinator's deficient hourly Demand Forecasts until the deficiency is addressed.

40.5.3 Requirement to Make Resources Available During System Emergencies.

Scheduling Coordinators for Modified Reserve Sharing LSEs that are MSS Operators shall make resources available to the CAISO during a System Emergency in accordance with the provisions of Section 4.9 and their Metered Subsystem Agreement. Scheduling Coordinators for all other Modified Reserve Sharing LSEs shall make available to the CAISO upon a warning or emergency notice of an actual or imminent System Emergency all resources that have not submitted a Self-Schedule or Economic Bid in the IFM that were listed in the Modified Reserve Sharing LSEs monthly Resource Adequacy Plan that are physically capable of operating without violation of any applicable law.

40.5.4 Consequence of Failure to Meet Scheduling Obligation.

(1) If the Scheduling Coordinator for the Modified Reserve Sharing LSE fails to submit a Self-Schedule or submit Bids equal to 115% of its hourly Demand Forecasts for each Trading Hour for the next Trading Day in the IFM and RUC, the Scheduling Coordinator will be charged a capacity surcharge of three times the price of the relevant Day-Ahead Hourly LAP LMP in the amount of the shortfall. To the extent the Scheduling Coordinator for the Modified Reserve Sharing LSE schedules imports on one or more Scheduling Points in an aggregate megawatt amount greater than its aggregate import deliverability allocation under Section 40.4.6.2, the quantity of megawatts in excess of its import deliverability allocation will not count toward satisfying the Modified Reserve Sharing LSE's scheduling obligation, unless it clears the Day-Ahead Market.

(2) If the Scheduling Coordinator for the Modified Reserve Sharing LSE cannot fulfill its obligations under Section 40.5.1(3) of this CAISO Tariff, the Scheduling Coordinator for the Modified Reserve Sharing LSE will be charged a capacity surcharge of two times the average of the six (6) Settlement

Interval LAP prices for the hour in the amount of the shortfall. Energy scheduled in the HASP will not net against, or be used as a credit to correct, any failure to fulfill the Day-Ahead IFM hourly scheduling and RUC obligation in Section 40.5.2(1).

(3) Any Energy surcharge received by the CAISO pursuant to Section 40.5.4, shall be allocated to Scheduling Coordinators representing other Load Serving Entities in proportion to metered Demand during the relevant Trading Hour(s).

40.5.5 Substitution of Resources.

Subject to the provisions of this Section 40.5, the Scheduling Coordinator for a Modified Reserve Sharing LSE may substitute for its Resource Adequacy Resources listed in its monthly Resource Adequacy Plan provided:

- 1) Substitutions must occur no later than the close of the IFM; and
- 2) Resources eligible for substitution are either imports or capacity from Non-Resource Adequacy Resources or Resource Adequacy Resources with additional available capacity defined as Net Qualifying Capacity in excess of previously sold Resource Adequacy Capacity; however the Local Capacity Area Resource may be substituted only with capacity from Non-Resource Adequacy Resources located in the same Local Capacity Area.

40.6 Requirements Applicable to Scheduling Coordinators for Reserve Sharing LSEs and Resources Providing Resource Adequacy Capacity to Reserve Sharing LSEs.

This Section 40.6 does not apply to Resource Adequacy Resources of Load-following MSSs and those entities that participate in the Modified Reserve Sharing program in Section 40.5. Scheduling Coordinators supplying Resource Adequacy Capacity shall make the Resource Adequacy Capacity listed in the Scheduling Coordinator's monthly Supply Plans under Section 40.4.7 available to the CAISO each hour of each day of the report-month in accordance with this Section 40.6.

40.6.1 Day-Ahead Availability.

Scheduling Coordinators supplying Resource Adequacy Capacity shall make the Resource Adequacy Capacity, except for that subject to Section 40.6.4, available Day-Ahead to the CAISO as follows:

(1) Resource Adequacy Resources physically capable of operating must Self-Schedule or submit Economic Bids or Self-Schedules for their Resource Adequacy Capacity into the IFM and RUC.

(2) Any inter-temporal constraints such as Minimum Run times must not be more restrictive than those pre-specified in the Master File limitations or as otherwise required by this CAISO Tariff or by Good Utility Practice.

(3) Resource Adequacy Resources that do not submit Self-Schedules or Economic Bids reflecting all of their Resource Adequacy Capacity will be subject to the CAISO's optimization for the remainder of their Resource Adequacy Capacity Bids into the Day-Ahead Market. If the Resource Adequacy Resource submits a Bid for Ancillary Service(s), the Energy Bid associated with the Bid for Ancillary Services will be optimized by the CAISO.

(4) Resource Adequacy Resources must participate in the RUC to the extent that the resource has available Resource Adequacy Capacity that is not reflected in a Self-Scheduled is already committed to provide Energy or capacity in the IFM. Resource Adequacy Resources will be subject to RUC and will be optimized at a zero dollar RUC Availability Bid.

(5) Capacity from Resource Adequacy Resources selected in RUC will not be eligible to receive a RUC Availability Payment.

40.6.2 Real-Time Availability.

Resource Adequacy Resources that have been committed by the CAISO in the Day-Ahead Market or the RUC for part of their Resource Adequacy Capacity or have submitted a Self-Schedule for part of their Resource Adequacy Capacity must remain available to the CAISO through Real-Time, including capacity reflected in the Day-Ahead Schedule and any remaining capacity, for the scheduled and non-scheduled portions of their Resource Adequacy Capacity, subject to the provisions of Section 40.6.4.

40.6.3 Additional Availability Requirements For Short-Start Units.

Short Start Units must meet the following Real-Time availability requirements:

- 1) Submit a Bid for the resource in the HASP; or
- 2) Submit a Bid for the resource into the Real-Time Market.

The CAISO may waive these availability obligations for Short-Start Units not have not submitted a Bid or Self-Schedule or selected in the IFM or RUC based on the procedure published on the CAISO Website.

40.6.4 Additional Availability Requirements for Use-Limited Resources.

40.6.4.1 Registration of Use-Limited Resources.

Scheduling Coordinators for Use-Limited Resources, other than for hydro Generating Units, must provide the CAISO an application in the form specified on the CAISO Website requesting registration of a specifically identified resource as a Use-Limited Resource. This application shall include specific operating data and supporting documentation including, but not limited to;

- 1) a detailed explanation of why the unit is subject to operating limitations;
- 2) historical data to show attainable MWhs for each 24-hour period during the preceding year. This data should include, as applicable, environmental restrictions for NOx, SOx, or other factors.
- 3) further data or other information as may be requested by the CAISO to understand the operating characteristics of the unit.

Within, 5 days upon receipt of the application, the CAISO will respond to the Scheduling Coordinator as to whether or not the CAISO agrees that the facility is eligible to be a Use-Limited Resource. If the CAISO determines the facility is not a Use-Limited Resource, the Scheduling Coordinator may challenge that determination in accordance with the CAISO ADR Procedures.

40.6.4.2 Use Plan.

With regard to Use-Limited Resources, the Scheduling Coordinator will provide by September for the following year, a proposed annual use plan for each Use-Limited Resource that is a Resource Adequacy Resource. The proposed annual use plan will delineate on a month-by-month basis the total MWhs of generation, total run hours, expected daily supply capability (if greater than four hours) and the daily energy limit, operating constraints, and the timeframe for each constraint. The CAISO will have an opportunity to discuss the proposed annual use plan with the Scheduling Coordinator and suggest potential revisions to meet reliability needs of the system. The Scheduling Coordinator shall then submit its final annual plan by October of each year. The Scheduling Coordinator will be able to update the projections made in the annual use plan in the monthly Resource Adequacy Plans. The annual use plan

must reflect the potential operation of the Use-Limited Resource at a level no less than the minimum criteria set forth by the Local Regulatory Authority for qualification of the resource.

40.6.4.3 Bidding Requirements on Use-Limited Resources.

40.6.4.3.1 Non-Hydro and Dispatchable Use Limited Resources.

Use-Limited Resources, other than those subject to the provisions of 40.6.4.3.2, must submit a Supply Bid or Self-Schedule for their Resource Adequacy Capacity in the Day-Ahead Market whenever the Use-Limited Resources are physically capable of operating in accordance with their operating criteria, including environmental or other regulatory requirements. Use-Limited Resources will also provide a daily energy limit as part of its Day-Ahead Market offer to enable the CAISO to schedule them for the period in which they are capable of providing the Energy. To the extent that the daily Energy limit has been Self-Scheduled, no further action is necessary by the CAISO, unless rescheduling of the Energy is necessary for system reliability. Use-Limited Resources will attempt to reschedule the Energy in recognition of the system reliability concern, to the extent that the change is possible without violating a Use-Limited Resource's operating criteria.

40.6.4.3.2 Hydro and Non-Dispatchable Use Limited Resources.

Hydro resources and Non-Dispatchable Use-Limited Resources shall submit Self-Schedule or Bids in the Day-Ahead Market for their expected available Energy or their expected as-available Energy, as applicable, in the Day-Ahead Market and HASP. Such Resources shall also revise their Self-Schedules or submit additional Bids in HASP based on the most current information available regarding expected Energy deliveries. Hydro resources and Non-Dispatchable Use-Limited Resources will not be subject to commitment in the RUC process. The CAISO will retain discretion as to whether a particular resource should be considered a Non-Dispatchable Use-Limited Resource, and this decision will be made in accordance with the provisions of Section 40.6.4.1.

40.6.4.3.3 Availability of Use Limited Resources During System Emergencies.

All Use-Limited Resources remain subject to Section 7.7.2.3 regarding System Emergencies to the extent the Use-Limited Resource is owned or controlled by a Participating Generator.

40.6.4.3.4 Availability of Intermittent Resources

Any Eligible Intermittent Resource that provides Resource Adequacy Capacity may, but is not required to, submit Bids in the Day-Ahead Market.

40.6.5 Additional Availability Requirements for System Resources.

In the IFM, the multi-hour block constraints of the System Resource are honored in the optimization. The CAISO anticipates that multi-hour block System Resources that are Resource Adequacy Resources must be capable of hourly selection by the CAISO in RUC if not fully committed in the IFM. If selected in the RUC, the System Resource must be dispatchable in those hours in the HASP and Real Time Market. For existing System Resources with a call-option that expires prior to the completion of the IFM, such System Resources listed on a Resource Adequacy Plan must be reported to the CAISO for consideration in any CAISO Extremely Long-Start Resource commitment process.

40.6.6 Availability Requirements for Partial Resource Adequacy Resources.

A Partial Resource Adequacy Resource has capacity that is not committed to meet a Resource Adequacy obligation in the CAISO Control Area. Only that output of the resource that is designated by a Scheduling Coordinator as Resource Adequacy Capacity in its monthly or annual Resource Adequacy Plan shall have an availability obligation to the CAISO.

40.6.7 Availability Requirements for Long Start Units.

40.6.7.1 Release of Long-Start Units.

Long-Start Units not committed in the Day-Ahead Market will be released from any further obligation to submit Self-Schedules or Bids for the relevant Operating Day. Scheduling Coordinators for Long-Start Units are not precluded from self-committing the unit after the Day-Ahead Market and submit a Self-Schedule a Wheel-Out in the HASP, unless precluded by terms of its contract.

40.6.7.2 Obligation of Long-Start Units to Offer Remaining Capacity in Real-Time.

Long Start Units that have been committed by the CAISO in the Day-Ahead Market or the RUC for part of their Resource Adequacy Capacity or have submitted a Self-Schedule for part of their Resource Adequacy Capacity must remain available to the CAISO through Real-Time for the full value of their Resource Adequacy Capacity.

40.6.8 Use of Default Energy Bids.

Prior to completion of the Day-Ahead Market, the CAISO will determine if dispatchable Resource Adequacy Capacity from Resource Adequacy Resources has not been reflected in a Bid and will insert a Default Energy Bid for any dispatchable Resource Adequacy Capacity that is not reflected in a Bid into the CAISO Day-Ahead Market and for which the CAISO has not received notification of an Outage. In addition, the CAISO will determine if all dispatchable Resource Adequacy Capacity from Short-Start Units, not otherwise selected in the IFM or RUC, is reflected in a Bid into the HASP process and will insert a Default Energy Bid for any remaining dispatchable Resource Adequacy Capacity for which the CAISO has not received notification of an Outage.

40.6.9 Availability Requirements for Grandfathered Firm Liquidated Damages Contracts.

Resource Adequacy Capacity represented by a Firm Liquidated Damages Contract and relied upon by a Scheduling Coordinator in a monthly or annual Resource Adequacy shall be Self-Scheduled or Bid in the Day-Ahead IFM to the extent such scheduling right exists under the Firm Liquidated Damages Contract. For purposes of this Section, Firm Liquidated Damages Contracts are those transactions utilizing or consistent with Service Schedule C of the Western Systems Power Pool Agreement or the Firm Liquidated Damages product of the Edison Electric Institute pro forma agreement, or any other similar firm energy contract that does not require the seller to source the energy from a particular unit, and specifies a delivery point internal to the CAISO Control Area.

40.6.10 Exports of Energy from Resource Adequacy Capacity.

Resource Adequacy Capacity may be utilized to serve an Export Bid. An Export Bid may be submitted into the CAISO Markets and be cleared by the Energy being provided by Resource Adequacy Capacity.

40.6.11 Curtailment of Exports in Emergency Situations.

At its sole discretion, the CAISO may curtail exports from a Resource Adequacy Resource to prevent or alleviate a System Emergency.

40.6.12 Participating Loads.

Participating Loads included in a Resource Adequacy Plan and Supply Plan, if the Scheduling Coordinator for the Participating Loads is not the same as that for the Load Serving Entity, will be dispatched by the CAISO in accordance with the terms and conditions established by the CPUC or the Local Regulatory Authority.

40.7 Compliance.

If the CAISO's review of an annual or monthly Resource Adequacy Plan reveals resource deficiencies, the CAISO will report the deficiencies to the CPUC or Local Regulatory Authority and Scheduling Coordinator submitting Bids for the Load Serving Entity and will coordinate with the CPUC or Local Regulatory Authority to request that the Scheduling Coordinator scheduling Demand revise the plan, as appropriate.

40.7.1 Other Compliance Issues.

Scheduling Coordinators representing Generating Units, System Units or System Resources supplying Resource Adequacy Capacity that fail to provide the CAISO with an annual and/or monthly plan, as applicable, as set forth in Section 40.7, shall be subject to Section 37.6.1.

40.7.2 Penalties for Non-Compliance.

The failure of a Resource Adequacy Resource or Resource Adequacy Capacity to make itself available to the CAISO in accordance with the requirements of Sections 40 and/or to operate the Resource Adequacy Resource by placing it online and/or in a manner consistent with a submitted Bid or Default Energy Bid shall be subject to the sanctions set forth in Section 37.2.

40.8 CAISO Default Qualifying Capacity Criteria.

40.8.1 Applicability.

The criteria in this Section 40.8 shall apply only: (i) where the CPUC or Local Regulatory Authority has not established and provided to the CAISO criteria to determine the types of resources that may be eligible to provide Qualifying Capacity and for calculating Qualifying Capacity for such eligible resource types and (ii) until the CAISO has been notified in writing by the CPUC of its intent to overturn, reject or fundamentally modify the capacity-based framework in CPUC Decisions 04-01-050 (Jan. 10, 2004), 04-10-035 (Oct. 28, 2004), and 05-10-042 (Oct. 31, 2005).

40.8.1.2 Nuclear and Thermal.

Nuclear and thermal units, other than Qualifying Facilities with effective contracts under the Public Utility Regulatory Policies Act addressed in Section 40.8.1.8 below, must be a Participating Generator or a System Unit. The Qualifying Capacity of nuclear and thermal units, other than Qualifying Facilities addressed in Section 40.8.1.8, will be based on net dependable capacity defined by North American Electric Reliability Council ("NERC") Generating Availability Data System ("GADS") information.

40.8.1.3 Hydro.

Hydro units, other than Qualifying Facilities with contracts under the Public Utility Regulatory Policies Act, must be either Participating Generators or System Units. The Qualifying Capacity of a pond or pumped storage hydro unit, other than a QF, will be determined based on net dependable capacity defined by NERC GADS minus variable head derate based on an average dry year reservoir level. The Qualifying Capacity of a pond or pumped storage hydro unit that is a QF will be determined based on historic performance during the Standard Offer 1 peak hours of noon to 6:00 p.m., using a three-year rolling average.

The Qualifying Capacity of all run-of-river hydro units, including Qualifying Facilities, will be based on net dependable capacity defined by NERC GADS minus an average dry year conveyance flow, stream flow, or canal head derate. As used in this section, average dry year reflects a one-in-five year dry hydro scenario (for example, using the 4th driest year from the last 20 years on record).

40.8.1.4 Unit-Specific Contracts.

Unit-specific contracts with Participating Generators or System Units will qualify as Resource Adequacy Capacity subject to the verification that the total MW quantity of all contracts from a specific unit do not exceed the total Net Qualifying Capacity (MW) consistent with the Net Qualifying Capacity determination for that unit.

40.8.1.5 Contracts with Liquidated Damage Provisions.

Firm energy contracts with liquidated damages provisions, as generally reflected in Service Schedule C of the Western Systems Power Pool Agreement or the Firm LD product of the Edison Electric Institute pro forma agreement, or any other similar firm energy contract that does not require the seller to source the energy from a particular unit, and specifies a delivery point internal to the CAISO Control Area entered into before October 27, 2005 shall be eligible to count as Qualifying Capacity until the end of 2008. A Scheduling Coordinator, however, cannot have more than 75% of its portfolio of Qualifying Capacity met by contracts with liquidated damage provisions for 2006. This percentage will be reduced to 50% for 2007 and 25% for 2008.

40.8.1.6 Wind and Solar.

As used in this Section, wind units are those wind Generating Units without backup sources of generation and solar units are those solar Generating Units without backup sources of generation. Wind and Solar units, other than Qualifying Facilities with effective contracts under the Public Utility Regulatory Policies Act, must be participants in the CAISO's Participating Intermittent Resource Program ("PIRP") or subject to availability provisions of Section 40.6.4.3.4.

The Qualifying Capacity of all wind or solar units, including Qualifying Facilities, will be based on their monthly historic performance during the Standard Offer 1 peak hours of noon to 6:00 p.m., using a three-year rolling average.

40.8.1.7 Geothermal.

Geothermal units, other than Qualifying Facilities addressed in Section 40.8.1.8, must be Participating Generators or System Units. The Qualifying Capacity of geothermal units, other than Qualifying Facilities addressed in Section 40.8.1.8, will be based on NERC GAD net dependable capacity minus a derate for steam field degradation.

40.8.1.8 Treatment of Qualifying Capacity for Qualifying Facilities.

Qualifying Facilities must be Participating Generators (signed a Participating Generator or QF Participating Generator Agreement) or System Units, unless they have a PURPA contract. Except for hydro, wind, and solar Qualifying Facilities addressed pursuant to Sections 40.8.1.3 and 40.8.1.6 above, the Qualifying Capacity of Qualifying Facilities under PURPA contracts, will be based on historic monthly generation output during Standard Offer 1 peak hours of noon to 6:00 p.m. (net behind the meter loads) during a three-year rolling average.

40.8.1.9 Participating Loads.

The Qualifying Capacity of Participating Loads shall be the average reduction in demand for over a three-year period on a per dispatch basis or, if the Participating Load does not have three years of performance history, based on comparable evaluation data using similar programs. Participating Loads must be available at least 48 hours and if the Participating Loads can only be dispatched for a maximum of two hours per event, than only .89 of a Scheduling Coordinator's portfolio may be made up of such Participating Loads.

40.8.1.10 Jointly-Owned Facilities.

A jointly-owned facility must be either a Participating Generator or a System Unit. The Qualifying Capacity for the entire facility will be determined based on the type of resource as described elsewhere in this Section. In addition, the Scheduling Coordinator must provide the CAISO with a demonstration of its entitlement to the output of the jointly-owned facility's Qualified Capacity and an explanation of how that entitlement may change if the facility's output is restricted.

40.8.1.11 Facilities under Construction

The Qualifying Capacity for facilities under construction will be determined based on the type of resource as described elsewhere in this Section. In addition, the facility must have been in commercial operation for no less than one month to be eligible to be included as a Resource Adequacy Resource in a Scheduling Coordinator's monthly plan.

40.8.1.12 System Resources

40.8.1.12.1 Dynamic System Resources

Dynamic System Resources shall be treated similar to resources within the CAISO Control Area, except with respect to the deliverability screen under Section 40.4.6.1. However, eligibility as a Resource Adequacy resource is contingent upon a showing by the Scheduling Coordinator that the Dynamic System Resource has secured transmission through any intervening Control Areas for the operating hours that cannot be curtailed for economic reasons or bumped by higher priority transmission and that the Load Serving Entity upon which the Scheduling Coordinator is submitting Demand Bids has an allocation of import capacity at the import Scheduling Point under Section 40.4.6.2 of the CAISO Tariff that is not less than the Resource Adequacy Capacity provided by the Dynamically Scheduled System Resource.

40.8.1.12.2 Non-Dynamic System Resources.

For Non-Dynamic System Resources, the Scheduling Coordinator must demonstrate that the Load Serving Entity upon which the Scheduling Coordinator is scheduling Demand has an allocation of import capacity at the import Scheduling Point under Section 40.4.6.2 of the CAISO Tariff that is not less than the Resource Adequacy Capacity from the Non-Dynamic System Resource. The Scheduling Coordinator must also demonstrate that the Non-Dynamic System Resource is covered by Operating Reserves, unless, unit contingent, in the sending Control Area. Eligibility as Resource Adequacy Capacity would be contingent upon a showing by the Scheduling Coordinator of the System Resource that it has secured transmission through any intervening Control Areas for the operating hours that cannot be curtailed for economic reasons or bumped by higher priority transmission. With respect to Non-Dynamic System Resources, any inter-temporal constraints such as multi-hour run blocks, must be explicitly identified in the monthly Resource Adequacy plan, and no constraints may be imposed beyond those explicitly stated in the plan.