

23.3.1.4.5 Notwithstanding the foregoing provisions, the reference level for 10-Minute Non-Synchronized reserves shall be the lower of (i) the amount determined in accordance with the provisions of Section 23.3.1.4.1.1, or (ii) ~~\$5.00 per MW~~\$2.52.

Within seven months of the date the \$5.00 per MW reference level maximum, referred to in the first paragraph of this Section, becomes effective, the MMU shall independently evaluate the competitiveness of the 10-Minute Non-Synchronized reserves market and issue a recommendation to the ISO to either maintain the \$5.00 per MW reference level maximum, lower the \$5.00 per MW reference level maximum (but not lower than \$2.52 per MW), or raise the \$5.00 per MW reference level maximum to \$10.00 per MW. The MMU shall present its recommendation to Market Participants. The scope of the MMU's evaluation shall include, but not be limited to, an analysis of: (i) the competitiveness of the 10-Minute Non-Synchronized reserves market and whether there is conduct that the ISO or the MMU determine constitutes an abuse of market power; and (ii) whether an adjustment to the reference level maximum is expected to impact the convergence of day-ahead and real-time 10-Minute Non-Synchronized reserves prices. The ISO will duly consider and, absent any material change in circumstances, implement the MMU's recommendation in a timely manner. The ISO shall undertake best efforts to notice its Market Participants of its decision within two weeks, but no later than one month, after the MMU presents its recommendation. The ISO shall also provide contemporaneous notice of its decision to the FERC which, if such notice is to revise the reference level maximum, shall be accompanied by an appropriately revised Section 23.3.1.4.5. The ISO shall provide such notices at least two weeks in advance of the implementation of any revision to the \$5.00 reference level maximum.

Within six months of the date of the MMU's last recommendation, the MMU shall again evaluate the competitiveness of the 10-Minute Non-Synchronized reserves market and issue a recommendation to the ISO to maintain or adjust the reference level maximum, which recommendation shall be presented to Market Participants. The scope of the evaluation shall include, but not be limited to, an analysis of: (i) the competitiveness of the 10-Minute Non-Synchronized reserves market and whether there is conduct that the ISO or the MMU determine constitutes an abuse of market power; and (ii) whether an adjustment to the reference level maximum is expected to impact the convergence of day-ahead and real-time 10-Minute Non-Synchronized reserves prices.

The MMU may recommend the then-effective reference level maximum be maintained, raised or lowered, or eliminated. The reference level maximum must be set at \$2.52 per MW, or \$5.00 per MW, or \$10.00 per MW, until it is eliminated. The responsibilities of the MMU that are addressed in this Section of the Mitigation Measures are also addressed in Section 30.4.6.2.12 of Attachment O.

The ISO will duly consider and, absent any material change in circumstances, implement the MMU's recommendation in a timely manner. The ISO shall undertake best efforts to notice its Market Participants of its decision within two weeks, but no later than one month, after the MMU presents its recommendation. The ISO shall also provide contemporaneous notice of its decision to the FERC which, if such notice is to revise the reference level maximum, shall be accompanied by an appropriately revised Section 23.3.1.4.5. The ISO shall provide such notices at least two weeks in advance of the implementation of any revision to the reference level maximum.

When the MMU recommends, and the ISO implements, elimination of the reference level maximum, the ISO shall submit a compliance filing to the FERC, at least two weeks in advance of the implementation, that removes Section 23.3.1.4.5 from the Mitigation Measures and includes appropriate accompanying revisions to Section 30.4.6.2.12 of Attachment O.