

and will suspend the real-time Regulation Service market. The ISO will not procure any Regulation Service and will establish a real-time Regulation Service market clearing price of zero for settlement and balancing purposes. The ISO will resume sending AGC Base Point Signals and restore the real-time Regulation Service market as soon as possible after the end of the reserve or maximum generation pickup.

Rate Schedule “3-A”

Charges Applicable to Suppliers That Are Not Providing Regulation Service

1.0 Persistent Undergeneration Charges

A Supplier that is not providing Regulation Service and that persistently operates at a level below its schedule shall pay a persistent undergeneration charge to the ISO, unless its operation is within a tolerance described below, provided, however, no persistent undergeneration penalty shall apply to a Fixed Block Unit that has reached a percentage of its Normal Upper Operating Limit, which percentage shall be set pursuant to ISO Procedures and shall be initially set at seventy percent (70%). Persistent undergeneration charges per interval shall be calculated as follows:

$$\text{Persistent undergeneration charge} = \text{Energy Difference} \times \text{MCP}_{\text{reg}} \times \text{Length of Interval} / 60 \text{ Minutes}$$

Where:

Energy Difference in (MW) is determined by subtracting the actual Energy provided by the Supplier from its RTD Base Point Signal for the dispatch interval. The Energy Difference

shall be set at zero for any Energy Difference that is otherwise negative or that falls within a tolerance, set pursuant to ISO Procedures, and which shall contain a steady-state and a dynamic

Issued by: William J. Museler, President
Issued on: November 26, 2003

Effective: