

the sum of the Minimum Generation Bid, Start-Up Bid and the net Energy Bid Price over the twenty-four (24) hour day of such a Supplier exceeds its Day-Ahead LBMP revenue over the twenty-four (24) hour day, then that Supplier's Day-Ahead LBMP revenue may be augmented by a supplemental Day-Ahead Bid Production Cost guarantee payment. However, the amount of the shortfall of such a Supplier will be compared to the margin that the Supplier receives from being scheduled to provide Ancillary Services that it can provide only if scheduled to operate. The Supplier's Ancillary Service margin is equal to the revenue it would have received for providing these Ancillary Services prior to any reductions based on a failure to provide these services less its Bid to provide these services, if any. If, and only to the extent that, the shortfall exceeds these Ancillary Service margins, the Supplier will receive a payment pursuant to the provisions of Attachment C to this ISO Services Tariff. Suppliers bidding on behalf of Resources that were not committed by the ISO to operate in a given Dispatch Day, but which continue to operate due to minimum run time Constraints, shall not receive such a supplemental payment.

In addition, the ISO shall: (i) use RTD prices and schedules to calculate and pay real-time Bid Production Cost guarantee payments to ISO-Committed Flexible Generators and to Customers that schedule imports, and, to the extent that the ISO's software can support their provision of non-synchronized Operating Reserves, Demand Side Resources, that are ISO-committed during the entire Dispatch Day; (ii) use RTD prices and schedules to calculate and pay real-time Bid Production Cost guarantee

payments to any Self-Committed Flexible Generator if its self-committed minimum generation level does not exceed its Day-Ahead schedule at any point during the Dispatch Day. All such payments shall be calculated in the manner described in Attachment C to this ISO Services Tariff. No such payments shall be made to Customers that schedule Exports or Wheels-Through. Except as expressly noted in (ii) above, Self-Committed Flexible and Self-Committed Fixed Resources shall not be eligible for these Bid Production Cost guarantee payments.

An ISO-Committed Flexible Generator that is eligible to receive a Day-Ahead Bid Production Cost guarantee payment but that then self-commits in certain hours, thus becoming ineligible for a real-time Bid Production Cost guarantee payment, shall not be disqualified from receiving a Day-Ahead Bid Production Cost guarantee payment.

Any Supplier that provides Energy during a large event reserve pickup or a maximum generation event, as described in Sections 4.4.4(A) (1) and (2) of this ISO Services Tariff shall be eligible for a Bid Production Cost guarantee payment calculated, under Attachment C, for the duration of the large event reserve pickup or maximum generation pickup and the three RTD intervals following the termination of the large event reserve pickup or maximum generation pickup. Such payments shall be excluded from the ISO's calculation of real-time Bid Production Cost guarantee payments otherwise payable to Suppliers on that Dispatch Day.

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