

23.6 RMR Generator Energy and Ancillary Service Market Participation Rules

23.6.1 Submission of Bids for RMR Generators

23.6.1.1 A Market Party shall Bid into the Day-Ahead and Real-Time Markets all of the Energy, Operating Reserves and Regulation each RMR Generator is capable of providing by submitting ISO-committed flexible Bids at or below (equally restrictive to or less restrictive than for non-dollar parameters) the RMR Generator's reference levels.

23.6.1.1.1 The ISO develops reference levels for Bids and Bid parameters, including Bid parameters that are not denominated in dollars. See, e.g., Sections 23.3.1.2 and 23.3.1.2.3.3 of these Mitigation Measures. A Market Party must submit Bids for an RMR Generator that are consistent with *all* reference levels determined by the ISO, including all non-dollar Bid parameters that have been set as reference levels by the ISO.

23.6.1.1.2 If a RMR Generator is not able to operate to a reference level that has been set by the ISO, the Market Party must timely contact the ISO in accordance with [ISO Procedures](#) to request a change and explain the need there for.

23.6.1.1.3 If an RMR Generator is not capable of providing all or a portion of its capability flexibly, the ISO and Owner shall specify the restriction in the RMR Agreement. If a new operating constraint arises during the term of an RMR Agreement that prevents the Market Party from offering all or a portion of a RMR Generator's capability via an ISO-committed flexible Bid, then the Market Party must obtain written permission from the ISO to change how it offers the RMR Generator into the ISO Administered Markets.

23.6.1.1.4 Market Parties are not required to submit hourly Bids in the Real-Time Market for an RMR Generator that is not capable of being committed by RTC if the RMR Generator was not committed Day-Ahead. If such an RMR Generator was committed Day-Ahead, then the RMR Generator shall be Bid in real-time for the hours of its Day-Ahead schedule and for additional real-time hours consistent with the RMR Generator's operating capabilities.

23.6.1.1.5 Market Parties shall timely respond to a Supplemental Resource Evaluation ("SRE") or an Out-of-Merit ("OOM") commitment request issued by the ISO or by a Transmission Owner for an RMR Generator.

23.6.1.1.6 If and to the extent a RMR Generator is not available, or is not fully available, the Market Party shall timely notify the ISO of the outage or derate in accordance with ISO Procedures and accurately reflect each RMR Generator's availability in its Bids.

23.6.1.1.7 The ISO shall monitor Bids that are submitted at prices below an RMR Generator's reference levels for possible uneconomic overproduction. See Section 23.3.1.3. RMR Generators are compensated at the lesser of their Bid or the appropriate Reference Level in accordance with Rate Schedule 8 to the Services Tariff.

23.6.1.2 RMR Generators that are not Installed Capacity Suppliers, or that have not sold all of their Unforced Capacity, are still required to offer all of the Energy, Operating Reserves and Regulation each RMR Generator is capable of providing into each Day-Ahead Market.

23.6.1.3 RMR Generators that provide Voltage Support Services or Restoration Services shall do so in compliance with the relevant provisions of the ISO Tariffs and their RMR Agreement.

23.6.1.4 Market Parties shall not schedule Bilateral Transactions for an RMR Generators' output, unless the Bilateral Transaction is expressly permitted under the relevant RMR Agreement.

23.6.1.5 Market Parties may only self-schedule an RMR Generator if they are authorized to do so by the ISO.

23.6.2 RMR Generator Energy and Ancillary Service Reference Levels

23.6.2.1 RMR Generator reference levels shall be developed in accordance with the rules specified in these Mitigation Measures.

23.6.2.2 In advance of the execution of an RMR Agreement, the ISO, in consultation with the MMU and Owner, shall review and update the reference levels for each such Generator. The ISO shall make the ultimate determination with regard to each reference level.

23.6.2.2.1 If a possible RMR Generator faces operational constraints the ISO, in consultation with the MMU and Owner, will develop reference levels that will permit the Generator to operate consistent with the identified constraints, while ensuring that the Generator will be available (a) to resolve the Reliability Need the Generator is being retained to address, and (b) for economic commitment when appropriate.

23.6.2.3 If an RMR Agreement is executed after the reference level review and update process described above is completed, then during the term of the RMR

Agreement, the ISO's authority to change the RMR Generator's reference levels will be limited to the following circumstances:

23.6.2.3.1 Reference levels may be adjusted based on season, the RMR Generator's remaining availability or other factors, to address operational constraints;

23.6.2.3.2 The costs used to develop a reference level (e.g., fuel, emissions, variable operation and maintenance expenses) may be revised whenever the ISO obtains updated or more accurate cost information;

23.6.2.3.3 Opportunity costs may be updated based on actual operating experience during the term of the RMR Agreement;

23.6.2.3.4 If a physical change to the RMR Generator occurs that alters the RMR Generator's capabilities (e.g., damage to the RMR Generator or Capital Expenditures that alter an RMR Generator's capabilities), then the ISO shall determine revised reference levels in consultation with the MMU and Owner; and

23.6.2.3.5 The ISO and Owner, in consultation with the MMU, may mutually agree to a reference level change that they expect will better reflect an RMR Generator's actual operating characteristics or variable costs.

23.6.2.4 The Market Party shall timely submit fuel price updates and fuel type updates to the ISO so that they can be incorporated to develop accurate reference levels for each RMR Generator.

23.6.2.4.1 If a Market Party fails to timely submit fuel price updates and fuel type updates for an RMR Generator, then the compensation paid for the RMR Generator's operation may be limited by the reference levels that were in place.

23.6.2.4.2 If a Market Party fails to timely update an RMR Generator's reference levels to reflect cost reductions that are not *de minimis*, and that are required to be reflected, then the ISO may recalculate the RMR Generator's reference levels and true-up the Variable Costs paid to the RMR Generator under Rate Schedule 8 to the Services Tariff consistent with the RMR Generator's demonstrated costs. The ISO shall inform the MMU if it performs such a true-up.

23.6.2.5 The responsibilities of the Market Monitoring Unit that are specified in Section 23.6.2 of the Mitigation Measures are also addressed in Section 30.4.6.2.13 of Attachment O.

23.6.3 Mitigation of RMR Generators

23.6.3.1 RMR Generators are required to Bid at or below their reference levels. The ISO shall mitigate all dollar-denominated Bids that exceed a RMR Generator's currently effective reference levels.

23.6.3.2 If a Market Party submits unit commitment data or non-dollar Bid parameters for an RMR Generator that is/are not consistent with the RMR Generator's reference levels without first requesting an adjustment to the RMR Generator's reference levels from the ISO, then the ISO shall inform the MMU of the Market Party's behavior and apply all Tariff-authorized mitigation measures, which may include the application of financial penalties in accordance with Section 23.4.3 of these Mitigation Measures.

23.6.3.3 The ISO shall apply all other Tariff-authorized mitigation measures to RMR Generators consistent with the Mitigation Measures.

23.6.4 Other Energy and Ancillary Service Market Rules

23.6.4.1 On and after the execution of an RMR Agreement, and for the duration of its term, a Market Party shall not enter into any new agreement or extend any other agreement that impairs or otherwise diminishes an RMR Generator's ability to comply with obligation under an RMR Agreement, or that limits the ability of an RMR Generator to provide Energy or Ancillary Services directly to the ISO Administered Markets.

23.6.4.2 Market Parties shall not enter into, renew or extend bilateral agreements for Energy or Ancillary Services from an RMR Generator during the term of an RMR Agreement.

23.6.4.3 RMR Generators are not eligible to receive Energy, Operating Reserves, Regulation or ICAP market revenues. Instead, RMR Generators are compensated in accordance with Rate Schedule 8 to the Services Tariff and associated Tariff Rules for their participation in the ISO Administered Markets.

23.6.5 ISO Authority to Terminate RMR Agreement with Under-Performing RMR Generator and Cease Reimbursing Capital Expenditures

23.6.5.1 The ISO may terminate an RMR Agreement, or may terminate an RMR Agreement with regard to one of the RMR Generators that is subject to an RMR Agreement if any of the following conditions occur:

- (a) Owner defaults under the RMR Agreement and fails to timely cure its default;
- (b) The RMR Generator fails to meet one or more of the Minimum Operating Standards set forth in the RMR Agreement (the Minimum Availability Standard, or the Minimum Performance Standard, or the Operation to Address the Reliability Need Standard); or

(c) The RMR Generator fails to operate as requested when it is called upon by the ISO or by a Transmission Owner to address the Reliability Need that it was retained to address on three or more occasions over the term of an RMR Agreement.

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23.6.5.2 If the ISO terminates an RMR Agreement for one of the reasons specified in Section 23.6.5.1 above, then it shall cease repaying the cost of any Capital Expenditures that were incurred at or for the terminated RMR Generator(s) unless the ISO is otherwise instructed by the Commission.

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