23.4.5.7.2 An Examined Facility in a Mitigated Capacity Zone for which the Commission has accepted an ICAP Demand Curve shall be exempt from an Offer Floor if: (a) the price that is equal to the (x) average of the ICAP Spot Market Auction price for each month in the two Capability Periods, beginning with the Starting Capability Period, is projected by the ISO, in accordance with Section 23.4.5.7.15, to be higher than (y) the numerical value equal to 75 percent of the Mitigation Net CONE that would be applicable in the same two (2) Capability Periods (utilized to compute (x)), (b) the price that is equal to the average of the ICAP Spot Market Auction prices in the Mitigation Study Period is projected by the ISO, in accordance with Section 23.4.5.7.15, to be higher than the reasonably anticipated Unit Net CONE of the Examined Facility, (c) it has been determined to be exempt pursuant to Section 23.4.5.7.9 (the “Competitive Entry Exemption”), (d) it has been determined, and in the quantity of MW for which it has been determined, to be exempt pursuant to Section 23.4.5.7.13 (the “Renewable Exemption”), or (e) for an Examined Facility that participated in either a Class Year Study or an Additional SDU Study, it has been determined, and in the quantity of MW for which it has been determined, to be exempt pursuant to Section 23.4.5.7.14 (the “Self Supply Exemption”). For purposes of the determinations pursuant to (a) and (b) of this section, the ISO shall identify Unit Net CONE and the projected ICAP Spot Market Auction prices in accordance with Section 23.4.5.7.15, for each Examined Facility promptly after it (i) has accepted its Project Cost Allocation (as defined below) and deliverable MW, if any, from the Final Decision Round, or in the case of when there are two Examined Facilities that comprise a single Project as Co-located Storage Resources in a Class Year Study, Additional SDU Study, or Expedited Deliverability Study, both Examined Facilities have accepted their Project Cost Allocation and deliverable CRIS MW and (ii) along with all other remaining members, has posted any associated *S*ecurity pursuant to OATT Section 25 (OATT Attachment S) (for purposes of Section 23.4, a Project that “remains a member of the completed Class Year Study, Additional SDU Study, or Expedited Deliverability Study”), and it shall do so concurrently for an Expected CRIS Transferee (as defined in 23.4.5.7.3).

For purposes of Section 23.4.5.7 *et seq*, “Project Cost Allocation” shall mean the singular Project Cost Allocation or two Project Cost Allocations (*i.e.*, one for System Deliverability Upgrades (“SDUs”) and one for System Upgrade Facilities (SUFs”), for the Project, which in the case of Co-located Storage Resources may include up to two separate allocations for System Deliverability Upgrades, one for each Examined Facility that comprises the Co-located Storage Resources, as applicable, from the Final Decision Round.

The first year value of an Examined Facility’s Unit Net CONE calculated pursuant to Section 23.4.5.7 and Section 23.4.5.7.3.2, will be established in accordance with Section 23.4.5.7.3.7 at the time such Examined Facility first offers UCAP, and will be used by the ISO in subsequent mitigation exemption or Offer Floor determinations for Additional CRIS MW. A Unit Net CONE determination received pursuant to Section*s* 23.4.5.7.2, 23.4.5.7.6 or 23.4.5.7.7 shall only be final for the relevant Examined Facility, or in the case of a Co-located Storage Resource Project, the Examined Facilities, if the Projectaccepts its Project Cost Allocation or deliverable MW requested by the Project, and the Projectremains a member of the completed Class Year Study, Additional SDU Study, or Expedited Deliverability Study on the date the ISO issues a notice to stakeholders that the Class Year Study, Additional SDU Study, Expedited Deliverability Study decisional process of which the Project is a member has been completed, and as specified in the ISO’s notice to the Project of the final exemption and Offer Floor determinations for the quantity of CRIS MW accepted by the applicable Examined Facility or Examined Facilities in such Class Year Study, Additional SDU Study, or Expedited Deliverability Study at the time of its completion (or transferred CRIS if an Expected CRIS Transferee).

23.4.5.7.2.1 Promptly after Commission acceptance of the first ICAP Demand Curve to apply to a Mitigated Capacity Zone, the ISO shall make an exemption and Offer Floor determination for any NCZ Examined Project that has requested CRIS and remains a member of the completed Class Year Study, Additional SDU Study, or Expedited Deliverability Study, or was an Expected CRIS Transferee and could have been evaluated concurrently with a Class Year Study, and has received CRIS, unless exempt pursuant to section 23.4.5.7.6 or 23.4.5.7.8.

23.4.5.7.2.2 The ISO shall make an “Indicative Buyer-Side Mitigation Exemption Determination” for any NCZ Examined Project if (i) the Commission has accepted an ICAP Demand Curve for the Mitigated Capacity Zone that will become effective when the Mitigated Capacity Zone is first effective, or (ii) if the Commission has not accepted the first ICAP Demand Curve to apply specifically to the Mitigated Capacity Zone in which the NCZ Examined Project is located, provided the ISO has filed an ICAP Demand Curve pursuant to Services Tariff Section 5.14.1.2.2.4.11. The Indicative Buyer-Side Mitigation Exemption Determination shall be computed using such ICAP Demand Curve for the Mitigated Capacity Zone concurrent with the determinations the ISO makes for Examined Facilities pursuant to Sections 23.4.5.7.3.2 and 23.4.5.7.3.3. The ISO shall recompute the Indicative Buyer-Side Mitigation Exemption Determination promptly after Commission acceptance of the first ICAP Demand Curve for the applicable Locality provided that such NCZ Examined Project (i) received CRIS if the Class Year completed at the time the Commission accepts the Demand Curve, or (ii) has not been removed from the Class Year Deliverability Study if the Class Year is not completed. The Indicative Buyer-Side Mitigation Exemption Determination is for informational purposes only. The exemption or Offer Floor for an NCZ Examined Project to which this Section applies shall be determined for such projects receiving CRIS using the Commission-accepted Locality ICAP Demand Curve.

23.4.5.7.2.3 Any NCZ Examined Project not exempt pursuant to 23.4.5.7.8 shall provide data and information requested by the ISO by the date specified by the ISO, in accordance with the ISO Procedures.

23.4.5.7.2.3.1 The ISO shall compute the reasonably anticipated ICAP Spot Market Auction forecast in accordance with Section 23.4.5.7.15.

23.4.5.7.2.4 When the ISO is evaluating more than one NCZ Examined Project concurrently, the ISO shall recognize in its computation of the anticipated ICAP Spot Market Auction forecast price that Generators or UDR projects will clear from lowest to highest, using for each NCZ Examined Project the lower of (i) the first year value of its Unit Net CONE, or (ii) the numerical value equal to 75 percent of the Mitigation Net Cone, then inflated in accordance with 23.4.5.7 for each of the year two and year three of the Mitigation Study Period. However, if a NCZ Examined Project elects to pursue an Additional SDU Study or an Expedited Deliverability Study and that study is not completed prior to the completion of the current Class Year Study then the NCZ Examined Project shall not be included in the BSM Forecast for the current Class Year Study. If a NCZ Examined Project completes its Additional SDU Study after the completion of the Class Year Study that it originally entered but before the time the ISO completes a subsequent Class Year’s Annual Transmission Baseline Assessment study cases then that NCZ Examined Project shall have a separate decisional process utilizing the Mitigation Study Period from the most recently completed Class Year Study.

23.4.5.7.2.5 When evaluating NCZ Examined Projects pursuant to Sections 23.4.5.7.2.1 or 23.4.5.7.2.2, the ISO shall seek comment from the Market Monitoring Unit on matters relating to the determination of price projections and cost calculations. The ISO shall inform the NCZ Examined Project of the Offer Floor and/or Offer Floor exemption determinations or Indicative Buyer-Side Mitigation Exemption Determinations promptly. The responsibilities of the Market Monitoring Unit that are addressed in this Section 23.4.5.7.2.5 are also addressed in Section 30.4.6.2.13 of Attachment O *to this Services Tariff*.

23.4.5.7.2.6 If an NCZ Examined Project under the criteria in 23.4.5.7.2.1 or 23.4.5.7.2.2 does not provide all of the requested data by the date specified by the ISO, the MW of CRIS received at that time by the Project shall be subject to the Mitigation Net CONE Offer Floor for the period determined by the ISO in accordance with Section 23.4.5.7.

23.4.5.7.2.7 An NCZ Examined Project or Examined Facility located in more than one Mitigated Capacity Zone shall be evaluated pursuant to the tests in Section 23.4.5.7.2 (a) and (b) or 23.4.5.7.3 (as applicable), calculating Mitigation Net CONE for the smallest Mitigated Capacity Zone that contains the Load Zone in which such NCZ Examined Project or Examined Facility is electrically located.