

## **38.25 Appendix B – Short-Term Reliability Process Cost, Revenue, and Other Information Requirements**

### **38.25.1 Overview of Information Requirements**

This Appendix B governs the information that must be received by the ISO from Market Parties for Short-Term Reliability Process Solutions, including Initiating Generators, Short-Term Reliability Process Solutions proposed pursuant to Section 38.4 of Attachment FF, and Generators that have submitted a statement of intent or are otherwise required by the ISO to submit this information pursuant to 38.5 of this Attachment FF. The term “information” as used in this Appendix B and in Attachment FF includes all sources and types of information and data. The information required by this Appendix shall be separately stated from and is in addition to the information requirements for Generators in certain outages set forth in Section 5.18 of the ISO Services Tariff, the information required by the ISO pursuant to Section 23.4.5.6 of the ISO Services Tariff, and the Short-Term Reliability Process project information requirements set forth in Section 38.4 of this Attachment FF. If the information required by this Appendix does not exist on the date due to the ISO, the Market Party shall promptly provide it to the ISO if and when it does exist in whole or in part.

### **38.25.2 Information Requirements Applicable to Initiating Generators**

38.25.2.1 The Market Party for an Initiating Generator must submit the information specified below, and any other information specified by the ISO on the section of its website identified for RMR Information Requirements, in the form and manner directed by the ISO. The items and their costs identified for (a) through (d), and (e) in this Section shall include only those costs necessary for the Initiating Generator to operate in

accordance with Good Utility Practice for the duration of the relevant information period (as set forth in Section 38.25.8).

- (a) Capital expenses, including those necessary to comply with federal or state environmental or safety laws, rules, regulations, and requirements, separately stating the financing cost (*e.g.*, interest and fees) for each item;
- (b) Fixed operating and maintenance costs;
- (c) Variable operating and maintenance costs, such as fuel, emissions, and start up costs, and other costs identified by the ISO in accordance with ISO Procedures; and if there is any difference between the submitted information and the information in the ISO's Reference Level System at the time of the submission, and an explanation of the reason for the difference;
- (d) The quantity of specific items of inventory necessary to be maintained, and costs thereof;
- (e) The cost of expenditures other than those identified in (a) through (d) of this section that are necessary for the Generator to operate;
- (f) All information pertaining to the capital structure of the Generator and its financing structure, the sources of capital, financing agreements, and dividend payout schedules;
- (g) If the Generator Deactivation Notice is for the Generator to be Retired, (a) all existing agreements and proposals pertaining to the cost of opportunities that would be foregone if the Generator is not retired, such agreements being for the reuse, repurposing, or distribution of the real property of or on which the unit is located, its personal property or appurtenances; and (b) all agreements that contain a cost, premium, or fee for termination of all or a portion thereof;
- (h) If the Generator is in an ICAP Ineligible Forced Outage or is Mothballed, and the Generator Deactivation Notice is for a retirement prior to the expiration of the period set forth in Section 5.18 of the ISO Services Tariff, the costs that are necessary to enable the Generator to return to service; and
- (i) All sources of revenue, and the amount of, and terms and conditions associated with each source of revenues related to the construction of, investment in, upgrade to, or operation of the Generator.

38.25.2.2 For each item of cost or revenue, the Market Party shall specify whether it can be avoided, in whole or in part or diminished, if the Generator (a) ceases operations in the manner specified in its Generator Deactivation Notice, or (b) does not resume service

from an ICAP Ineligible Forced Outage or Mothball Outage state. For each cost that can be avoided, the Market Party shall specify how it plans to do so and the potentially viable options examined to minimize the cost.

**38.25.3 Information Requirements Applicable to Short-Term Reliability Process Solutions Proposed Pursuant to Section 38.4 and Generators that Submit Statements of Intent or that Are Otherwise Required to Provide Information Pursuant to Section 38.5**

38.25.3.1 The Market Party for a Short-Term Reliability Process Solution proposed pursuant to Section 38.4, or for a Generator that submitted a statement of intent or that is otherwise required by the ISO to provide the information in Appendix B pursuant to Section 38.5, shall submit the information identified below, and any other information specified by the ISO on the ISO's website, in the form and manner directed by the ISO.

38.25.3.2 If a Market Party has submitted a statement of intent to offer its Generator, or if the ISO otherwise requires the Market Party to provide the information in Appendix B regarding the Generator pursuant to Section 38.5, then the Market Party shall submit the information set forth in Section 38.25.2.1 and 38.25.2.2.

38.25.3.3 If a proposed Short-Term Reliability Process Solution is a new Generator, the Market Party shall submit those costs necessary for the Generator to be sited, permitted, and constructed, and the information below. The items and their costs identified for (a) through (d) in this Section shall include only those costs necessary for the Generator to operate in accordance with Good Utility Practice for the duration of the relevant information period.

- (a) Capital expenses, including those necessary to comply with federal or state environmental or safety laws, rules, regulations, and requirements, separately stating the financing cost (*e.g.*, interest and fees) for each item;
- (b) Fixed operating and maintenance costs;

- (c) Variable operating and maintenance costs;
- (d) The quantity of specific items of inventory necessary to be maintained, and costs thereof;
- (e) All information pertaining to the capital structure of the Generator and its financing structure, including the sources of capital, financing agreements, and dividend payout schedules;
- (f) All existing agreements and proposals pertaining to opportunity costs that would be foregone if the Generator served as a Short-Term Reliability Process Solution; and
- (g) All sources of revenue, and the amount of, and terms and conditions associated with each source of revenues related to the construction of, investment in, upgrade to, or operation of the proposed Short-Term Reliability Process Solution or Generator.

38.25.3.4 If a proposed Short-Term Reliability Process Solution is a transmission project, the Market Party shall provide:

- (a) Capital expenses, including the following elements:
  - (i) Capital expenses necessary to comply with federal or state environmental or safety requirements, separately stating the financing cost (*e.g.*, interest and fees) for each item;
  - (ii) Worksheets setting forth all relevant material and labor cost assumptions. These assumptions should be itemized, and should include the following elements:
    - (A) equipment, including, to the extent applicable and available, sub-itemized estimates for equipment associated with each of the following categories: (i) the proposed project; (ii) interconnection facilities (including Attachment Facilities and Direct Assignment Facilities); and (iii) System Upgrade Facilities, System Deliverability Upgrades, Network Upgrades, and Distribution Upgrades
    - (B) engineering and design work
    - (C) permitting
    - (D) site acquisition
    - (E) procurement
    - (F) construction work

- (G) other commissioning work;
- (iii) For each category or sub-category of cost estimate, a quantification of cost variance, including an assumed plus/minus range around the capital cost estimate.
- (b) Fixed operating and maintenance costs;
- (c) Variable operating and maintenance costs;
- (d) The quantity of specific items of inventory necessary to be maintained, and costs thereof;
- (e) The cost of expenditures other than those identified in (a) through (d) of this Section that are necessary to enable the project to operate, including any costs to obtain right of way, siting, and other federal, state and local permits;
- (f) All information pertaining to the capital structure of the project and its financing structure, including the sources of capital, financing agreements, and dividend payout schedules;
- (g) All existing agreements and proposals pertaining to opportunity costs that would be foregone if the project served as a Short-Term Reliability Process Solution; and
- (h) All sources of revenue, and the amount of, and terms and conditions associated with each source of revenue related to the construction of, investment in, upgrade to, or operation of the project.

#### **38.25.4 Obligation to Submit Further Information**

Market Parties for Short-Term Reliability Process Solutions, including Initiating Generators, Short-Term Reliability Process Solutions proposed pursuant to Section 38.4, Generators that submitted a statement of intent pursuant to Section 38.5, and Generators otherwise required to provide the information in Appendix B pursuant to Section 38.5, shall provide any new information, and shall update and revise information previously submitted to the ISO in accordance with Sections 38.25.2 or 38.25.3, (i) no more than fifteen days after (a) a material change (or a series of changes that results in a material change) in (I) the physical condition of a proposed or potential Short-Term Reliability Process Solution or any aspect of its proposal, or (II) the information previously submitted, (b) an event occurring that makes any

element of the information submitted materially inaccurate, (c) actual cost information becoming available where estimated information had been provided, (d) changes to costs based on physical events or regulatory developments that might reasonably be expected to impact planned operations, and also (ii) promptly upon the request of the ISO for any other information. The obligation to provide information pursuant to this Section 38.25.4 shall cease (a) for any proposed or potential Short-Term Reliability Process Solution (other than an Initiating Generator) on the earlier of the date (x) the ISO provides notice that a Short-Term Reliability Process Solution is not needed, (y) the request for Short-Term Reliability Process Solutions is withdrawn, or (z) that the ISO determines a Short-Term Reliability Process Solution other than it is expected to satisfy the Short-Term Reliability Process Need, and (b) for any Initiating Generator, upon the earlier of the date that (x) it withdraws its Generator Deactivation Notice if it stated it was a notice of retirement, or (y) it permanently retires.

38.25.5        The Market Party shall provide the ISO the actual costs and revenues for each item in Sections 38.25.2 through 38.25.4 to the greatest extent practicable. If actual costs and revenues are not available, the Market Party shall provide estimated costs and revenues along with a description of how the estimates were prepared. The Market Party must identify and describe the accounting protocols used to identify or determine all actual and estimated costs and revenues.

38.25.6        For each cost identified under Subsections (a), (b), (d) and (e) of Sections 38.25.2.1, 38.25.3.1, 38.25.3.4, or 38.25.3.5, or Subsections (a), (b) and (d) of Section 38.25.3.3, the Market Party shall provide a detailed plan specifying the schedule and timing of the planned action and expenditure, and if it is an existing Resource, an explanation and supporting documentation of how that plan compares to the Market

Party's past similar expenditures, actions, and protocols. The Market Party shall also specify the terms in any contracts associated with (a) avoidable capital expenses, normal maintenance, extraordinary maintenance and repairs, or variable costs that contain a cost, premium, and/or fee for termination of the agreement in whole or for a portion thereof, and shall provide a copy of the contract and documents pertinent to the calculation of the early termination premium, cost, and fee, and (b) revenues, and shall provide a copy of the contract and documents pertinent to the calculation of the revenues, and the historic revenues.

38.25.7 The Market Party shall specify whether each cost is associated solely with the individual unit(s) of the Generator, or a component of the transmission project, or whether the cost is for services or functions shared with other units or businesses. If a cost is a shared cost, the Market Party shall identify the other entities with which the cost is shared, the entity that allocates the cost to it; and the accounting protocols and methodology used in the allocation of the costs, and across which units and business the cost is allocated.

### **38.25.8 Information Periods**

38.25.8.1 Information provided under Sections 38.25.2.1 and 38.25.2.2 shall encompass one year periods, for the five (5) years prior to and (a) if by an Initiating Generator or a Generator that submits a statement of intent pursuant to Section 38.5 for six (6) years from the date of the initial provision of information, and each annual update thereto, and (b) if by a Generator that did not provide a statement of intent, but is required to provide information by the ISO pursuant to 38.5, for the number of years identified by the ISO in the notification provided pursuant to 38.5 of Attachment FF.

38.25.8.2 Information provided by proposed Short-Term Reliability Process Solutions, other than an Initiating Generator or a Generator that has submitted a statement of intent or is otherwise required to provide information in Appendix B pursuant to Section 38.5, shall encompass one year periods, from the date of the initial provision of information for the period identified in the request for Short-Term Reliability Process Solutions.

38.25.8.3 For the financing cost of any mandatory capital expense, the Market Party shall provide information and data for: (a) the one-year period beginning on the estimated date of expenditure for the item of capital expense; and in addition (b) the period beginning on the estimated date of expenditure for the item of capital expense and ending, respectively, (i) if an Initiating Generator or a Generator that submitted a statement of intent pursuant to Section 38.5 two years, three years, four years, five years, and six years, from the date of the Generator Deactivation Notice or statement of intent (but excluding data and information beyond the date that is six years from the Generator Deactivation Notice or statement of intent); (ii) if a Generator that did not provide a statement of intent, but is required to provide information by the ISO pursuant to Section 38.5, for the number of years identified by the ISO in the notification provided pursuant to Section 38.5, from the date of its initial submission of information in accordance with Section 38.25.3, and (iii) if a proposed Short-Term Reliability Process Solution (other than an Initiating Generator or a Generator that has submitted a statement of intent or its otherwise required by the ISO to provide information pursuant to Section 38.5), for the duration of the Short-Term Reliability Process Need identified by the ISO in its request for Short-Term Reliability Process Solutions.