Schedule 52 – Compensation for Restoration Energy

A. Restoration Event

A Restoration Event is when Blackstart Resources are utilized to re-energize a shutdown area of the Bulk Electric System (BES), or separation has occurred between neighboring Reliability Coordinators (RC), or an energized island has been formed on the BES within the Reliability Coordinator Area (NERC EOP-006-3). If any of these system conditions exist, the Transmission Provider will issue a statement declaring a Restoration Event. The Transmission Provider will rely on the Transmission Operator (TOP) and Local Balancing Authorities (LBA) to issue reliability directives and make emergency energy purchases to restore energy to the affected area. Attachment AA of the Tariff will not apply to any actions taken under a Restoration Event, as defined herein.

B. Restoration Event Area

The RC and TOPs, in consultation with the Transmission Provider, will identify the load and generation affected by the Restoration Event and define the boundary of the island or area of the blackout. For the purposes of this Schedule 52, such island or area of the blackout will be called the Restoration Event Area.

C. Participation Requirement

In a Restoration Event, TOPs are responsible for using transmission, generation, and distribution assets in their respective areas to restore energy along designated transmission corridors. NERC Standard TOP-001-4 provides TOPs with the authority to issue Operating Instructions and obligates its Balancing Authorities, Generator Operators, and Distribution Providers to comply with such directives.

D. Offer Cost Compensation for Restoration Resources

For the purposes of this Schedule 52, Restoration Resources are defined as those Generation Resources that respond to the reliability directive of the TOP or LBA to restore energy in the Restoration Event Area. Restoration Resources will be compensated for the operation of the resource for the hours during the Restoration Event in which the resource had Actual Energy Injections. In those hours, the Transmission Provider shall calculate the Market Participant's Production Costs, called Restoration Compensation for the purposes of this Schedule 52. For the purpose of this calculation, Production Costs shall mean the Energy output cost pursuant to Section 40.2.19 Real-Time Sufficiency Guarantee of the Tariff. The Start Up, No Load, and Energy Offer used in the compensation calculation will be based on the Real-Time Offer in place the hour prior to the start of the Restoration Event.

E. After-the-Fact Offer Updates

For the purposes of Restoration Compensation, Market Participants may update their Real-Time Offers after the start of the Restoration Event. The updated Real-Time Offers will be subject to monitoring by the Independent Market Monitor per Section 64.1.2.f of the Tariff. Given the unique circumstances that may arise from a Restoration Event, the Market Participant may initiate consultation with the Independent Market Monitor, per Section 64.1.4.a.ii of the Tariff, to revise their Reference Levels prior to or after the Real-Time Offer has been updated. The updated Real-Time Offer, subject to mitigation by the Independent Market Monitor, will be used for the Restoration Compensation calculation described in Section d of this Schedule 52.

F. Emergency Energy Purchases

TOPs and LBAs who have emergency energy purchase agreements with neighboring Balancing Authorities or external resources may utilize those agreements in order to re-energize the designated Restoration Event Area. The costs associated with those energy purchases will be subject to the cost allocation described in Section G.3. of this Schedule 52. The TOPs and LBAs will report the hourly costs of those energy purchases.

G. Cost Allocation

A Market Participant's share of the cost for Restoration Compensation and emergency energy purchases under this Schedule 52, shall be the sum of the following:

1. The hourly sum of all Restoration Resources' No Load and Energy Offer costs will be allocated to Load Zone(s) with Actual Energy Withdrawal in the designated Restoration Event Area in that hour, on a Load Ratio Share basis;
2. The sum of all Restoration Resources' Start-up Costs will be allocated to Load Zone(s) with Actual Energy Withdrawal in the designated Restoration Event Area based on their Load Ratio Share over the duration of the Restoration Event; and
3. The hourly sum of all emergency energy purchases made by the TOPs or LBAs for the purpose of re-energizing the designated Restoration Event Area will be allocated to Load Zone(s) with Actual Energy Withdrawal in the designated Restoration Event Area in that hour, on a Load Ratio Share basis.

H. Meter Data

Market Participants with Generation or Load in the designated Restoration Event Area will be required to submit meter data for those assets outside of the standard meter data

submission process. Restoration Resources will submit hourly Actual Energy Injection volumes. Load Zones may be partially or wholly in the Restoration Event Area; therefore, for the portion of the Load Zone in the Restoration Event Area, the Market Participant will submit the hourly Actual Energy Withdrawal volumes. If a portion of the Load Zone remains interconnected to the transmission system, the Market Participant will report that volume using the standard meter data submission process.

I. Restoration Event Report

The Transmission Provider shall prepare a report, called the Restoration Event Report, stating the costs outlined in Sections D and F as a total amount for the Restoration Event by Commercial Pricing Node and the Load Ratio Share percentage for the impacted Load Zone(s) in the designated Restoration Event Area. The report shall be posted by the Transmission Provider fourteen (14) days prior to charges and credits being issued on a settlement statement. The Transmission Provider shall post the Restoration Event Report on the public website, in a machine-readable format.