SCHEDULE 28B

Sub-Regional Power Balance Constraint Demand Curve

1. Introduction

The Sub-Regional Power Balance Constraint Demand Curve is used by the Transmission Provider to manage dispatched intra-regional transfers within the Transmission Provider Region. The Sub-Regional Power Balance Constraint Demand Curve is applied in both the Day-Ahead and Real-Time Energy and Operating Reserve Markets.

2. General

Sub-Regional Power Balance Constraint Demand Curves shall be used to price Sub-Regional Power Balance Constraints during any Dispatch Interval in which such constraint(s) cannot be managed within its binding limit using the Security Constrained Economic Dispatch (SCED) engine.

3. Sub-Regional Power Balance Constraint Demand Curve

Binding Sub-Regional Power Balance Constraints will be priced based on the percentage of intra-regional transfer range exceedance relative to the binding limit established to reflect the Offer of Settlement Agreement filed and accepted in Docket Nos. ER14-1174, *et al*. effective February 1, 2016. 154 FERC ¶ 61,021.

3.1 The Sub-Regional Power Balance Constraint Demand Curve includes two levels of exceedance percentages and corresponding prices:

Exceedance Percentage	Price
≥ 100% and < 102%	$40.00
≥ 102%	$500.00

4. Temporary Overrides

When the constraint exceedance percentage is expected to be greater than the Sub-Regional Power Balance Constraint's binding limit for more than two consecutive Dispatch Intervals, the Transmission Provider may temporarily override the Sub-Regional Power Balance Constraint Demand Curve to more effectively manage intra-regional transfers. Constraint exceedances will be returned to their applicable Sub-Regional Power Balance Constraint Demand Curve as soon as the Transmission Provider determines that system conditions or reliability needs no longer require the adjustment to the applicable demand curve. Overridden binding constraints will be publically posted by the Transmission Provider. The public posting will: (1) explain the circumstances in which the temporary override was in place; (2) identify the Dispatch Intervals and length of time the temporary override was in place; and, (3) state the price values applied in place of the default Sub-Regional Power Balance Constraint Demand Curve values during the temporary override.