

ATTACHMENT BB

COMPENSATION FOR RESCHEDULING GENERATOR OUTAGES

A. APPLICABILITY

In the ordinary course of their operations, Generation Resources periodically need to be temporarily removed from operation in order to perform routine, or scheduled, maintenance. In discharging its responsibility to manage the Transmission System to maintain system reliability, the Transmission Provider must coordinate Generator Planned Outages by Generation Resources that are interconnected to the Transmission System. In order to prevent or manage abnormal system conditions or to prevent or limit equipment damage or the loss of facilities or supply that could adversely affect the reliability of the Transmission System, the Transmission Provider may need to request that a Generation Resource voluntarily defer such Generator Planned Outages, including a maintenance outage that has been previously scheduled, provided that, such request to reschedule must be made consistent with Good Utility Practice. The Transmission Provider may request such remedial action as further set forth in Article 9.7.1.2 and Article 13.4.1 of Attachment X, Appendix 6; Section 2.8.1.2 and Section 3.4.1 of the Operating Protocol for Existing Generators (Rate Schedule 4); the Business Practices Manual for Outage Operations; as well as Section 38.2.5.g of the Tariff, provided that any rescheduling of nuclear Generation Resources must be consistent with Section 38.2.5.g.v of the Tariff.

The voluntary rescheduling by Generation Resources or the mandatory rescheduling of Generation Resources in anticipation of an Emergency, or Emergency System Conditions, or other circumstances that compromise the reliability of the Transmission System as set forth in

Section 38.2.5.g.iii of the Tariff pursuant to a request by the Transmission Provider hereunder, of a previously scheduled Generator Planned Outage can give rise to certain costs for which Generation Resources may be entitled to compensation as set forth in this Attachment BB. Such costs of rescheduling outages for reliability purposes will be assessed to Market Participants as set forth herein.

B. ACTIONS TO MAINTAIN TRANSMISSION SYSTEM RELIABILITY

Generation Resources submitting Generator Planned Outage schedules to the Transmission Provider are responsible for allowing adequate time to perform the work and for providing accurate information concerning the start and end times of any outage. If a Generator Planned Outage unexpectedly exceeds the original outage schedule and conflicts with other accepted outages, the Transmission Provider may request, pursuant to Good Utility Practice, either: i) that such Generation Resource's subsequent Generator Planned Outage in progress be rescheduled, if practicable; or, ii) that another Generator's Planned Outage be rescheduled.

In addition, the Transmission Provider may require that a Generation Resource reschedule a previously scheduled Generator Planned Outage, consistent with Good Utility Practice, in order to prevent or minimize other events that could adversely affect the reliability of the Transmission System when the Transmission Provider foresees a documented reasonable expectation of an Emergency or Emergency System Conditions. Such Transmission Provider action may be a pre-emptive response to forecast conditions that are expected to be more severe than when the outage was previously scheduled or when an outage coordination study was conducted. The Transmission Provider also may request, pursuant to Good Utility Practice, interruption or expedited conclusion of an in-progress Generator Planned Outage in order to prevent or resolve

abnormal system conditions arising due to such a documented reasonable expectation of an Emergency or Emergency System Conditions.

The Transmission Provider will provide Generation Resources with all non-confidential information reasonably available to Transmission Provider relating to the need for any request to reschedule a Generator Planned Outage, as well as the reasonably foreseeable operational consequences of a failure to voluntarily reschedule by Generation Resource. The Transmission Provider will also provide the Generation Resource(s) with outage rescheduling alternative dates prior to requesting an outage be rescheduled. Such disclosure of information shall be in accordance with the Transmission Provider's Standards of Conduct contained in Appendix A to the ISO Agreement and the relevant provisions of the Tariff. Except in the case of an Emergency or Emergency System Conditions, the Generation Resource will be permitted a reasonable time to evaluate the information provided by Transmission Provider and respond to the rescheduling request.

If a Generation Resource requests that an outage be rescheduled, Transmission Provider will provide a response within a reasonable period indicating whether such request is acceptable.

C. COMPENSATION

The Generation Resource that has either agreed to voluntarily reschedule or has been required to reschedule a Generation Planned Outage at the Transmission Provider's request hereunder shall be compensated in accordance with the provisions of this Section C.

1. Direct Costs

The Transmission Provider will compensate the Market Participant owning the Generation Resource for any reasonable and explicit additional cost that such Generation Resource incurs as a result of the Transmission Provider's rescheduling of a Generator Planned

Outage under this Attachment BB. A Generation Resource shall not be compensated for any opportunity costs associated with such rescheduling.

A Generation Resource shall not receive compensation hereunder if the Transmission Provider determines that rescheduling of a Generator Planned Outage is required as a result of the Generator Planned Outage of any Generation Resource(s) that are owned, controlled or operated by the same entity or entities owning, controlling or operating the Generation Resource being requested to reschedule.

Each Generation Resource must make Reasonable Efforts to avoid or minimize any such Rescheduling Costs through such measures as, but not limited to, the prompt cancellation of all contractual arrangements with third parties related to the Generator Planned Outage. All costs are subject to audit and must be justified by documentation describing the nature of the charges prior to payment, as set forth below.

2. Settlement of Charges

The Market Participant owning the Generation Resource will submit to Transmission Provider a request for compensation of incurred Rescheduling Costs within sixty (60) Calendar Days of the Transmission Provider's notification of the rescheduling of the maintenance outage. The request will include all supporting documentation describing the nature of the Rescheduling Costs. If documentation is incomplete or insufficient, the Transmission Provider will notify the Market Participant within fifteen (15) Calendar Days that further information is necessary to process the request, and payment to Market Participant shall be deferred pending resolution of any issues by Transmission Provider.

Within fifteen (15) Calendar Days after receipt of an undisputed request for compensation, the Transmission Provider shall verify the Rescheduling Costs, calculate the appropriate allocation

of such Rescheduling Costs in accordance with the methodology described in Section E of this Attachment BB, and assign charges to Market Participants for those costs and credits to the Market Participant owning the Generation Resource whose outage was rescheduled, to be included on Settlement Statements within fourteen (14) Calendar Days after the Rescheduling Costs have been assigned by the Transmission Provider.

Within sixty (60) Calendar Days after completion of the rescheduled Generator Planned Outage, the Generation Resource whose outage was rescheduled shall submit to the Transmission Provider a properly documented statement either: (i) attesting that the actual Rescheduling Costs incurred are equal to those previously submitted to Transmission Provider; or, (ii) specifying the amount by which the actual Rescheduling Costs are less, or more, than those that were earlier submitted by the Generation Resource to Transmission Provider. If the actual Rescheduling Costs are less than the sums paid to the Market Participant owning the Generation Resource, any excess payments shall be refunded by the Market Participant owning the Generation Resource to the Transmission Provider within fourteen (14) Calendar Days after submission of the statement on Rescheduling Costs, and the Transmission Provider shall either refund or credit the returned amounts to Market Participants on the next Settlement Statement issued. If the actual Rescheduling Costs are more than the sums paid to the Market Participant owning the Generation Resource, the Transmission Provider shall reimburse the Market Participant owning the Generation Resource for such additional Rescheduling Costs pursuant to the same process applicable to an initial request for compensation set forth above. Any claims for additional reimbursement submitted by the Generation Resource hereunder shall be subject to the review and audit procedures set forth in Section D.

3. Emergency Condition Costs and Direct Assignment of Costs

The compensation provisions of this Attachment BB are not intended to compensate a Generation Resource for any redispatch of generation by the Generation Resource during an Emergency or Emergency System Conditions, including redispatch that may occur as a result of an outage that was voluntarily rescheduled by the Generation Resource. Any compensation for such redispatch shall be made pursuant to the provisions of Attachment AA of this Tariff, and shall be in addition to any compensation to which Market Participant owning the Generation Resource may be entitled under this Attachment BB.

If a Generation Resource has been directed by Transmission Provider under Section B to reschedule a Generator Planned Outage because a documented reasonable expectation of an Emergency or Emergency System Conditions requires that the Generation Resource be rescheduled, and such rescheduling is consistent with Good Utility Practice but the Generation Resource does not reschedule the Generator Planned Outage, and such failure to reschedule contributes to the Emergency or Emergency System Conditions, the Generation Resource shall be subject to the direct cost assignment provisions set forth in Section C of Attachment AA, provided that, prior to any such direct assignment of costs, the Transmission Provider must receive approval from the Commission pursuant to a filing under Section 205 of the Federal Power Act to directly assign such costs.

Where the Generator Planned Outage of a Generation Resource (“Generator A”) is rescheduled due to the fault, negligence or other action or inaction inconsistent with Good Utility Practice by another Generation Resource (“Generator B”) during a Generator Planned Outage, Generator B shall be subject to the direct assignment of Rescheduling Costs incurred by Generator

A, provided that, prior to any such direct assignment of costs, the Transmission Provider must receive approval from the Commission pursuant to a filing under Section 205 of the Federal Power Act to directly assign such costs.

D. AUDIT AND DISPUTE PROCEDURES

1. Audit Procedures

Each Generation Resource shall keep and maintain records of actions taken upon the Transmission Provider's request that the Generation Resource reschedule an outage and make such records available for audit by the Transmission Provider.

A Market Participant subject to the cost recovery requirements of Section E also may audit, at its own expense, such records regarding any rescheduled outage costs for which the Market Participant has been billed. The audit shall take place during normal business hours following reasonable advanced notice to the Transmission Provider. Market Participant may have a nationally recognized accounting firm act as its independent agent, at Market Participant's expense, to conduct the audit, *provided* that, any such independent agent will be subject to the confidentiality requirements set forth in Section D.4.

2. Dispute of Charges

A Market Participant may make written request to the Transmission Provider to review Generation Resource's Rescheduling Costs and those related charges assessed to the Market Participant when the Market Participant disputes the Rescheduling Costs on the Settlement Statement. Any such request shall specify all data in dispute, including dates/hours, amounts paid and any billing determinants associated with the Market Participant.

3. Written Response

The Transmission Provider will provide a written response to the Market Participant within

ten (10) Business Days after receipt of the Market Participant's written request under Section D.2.

Such response will indicate the procedures under which the Transmission Provider will make the relevant data and records available to the Market Participant for review at the Transmission Provider's offices. The Transmission Provider shall make Reasonable Efforts to address the merits of the Market Participant's inquiry, and will provide Market Participant access to the relevant data and records, within thirty (30) Calendar Days of such inquiry.

4. Confidentiality of Data

The Transmission Provider shall maintain the confidentiality of all information provided to it by the Generation Resource, and shall require that any Market Participant, or its independent agent, to which such information is made available by such auditing rights be subject to the same requirements as the Transmission Provider. The confidentiality requirements of the Transmission Provider are set forth in the Transmission Provider's Standards of Conduct, Appendix A to the ISO Agreement, and the relevant provisions of the Tariff.

E. COST RECOVERY

Subject to the direct cost assignment provisions of Section C.3 of this Attachment BB, and except as may otherwise be provided in Article 9.7.1.2 of Attachment X, Appendix 6 and Section 2.8.1.2 of the Operating Protocol for Existing Generators (Rate Schedule 4), Rescheduling Costs shall be allocated, *pro rata*, to Market Participants based on their Market Load Ratio Share during the relevant time period in which Rescheduling Costs have been incurred by the Generation Resource. Settlement of all such costs shall be pursuant to the applicable terms set forth in the Business Practices Manuals.

F. DISPUTE RESOLUTION PROCESS

In the event any party disputes the results of an audit or claim arising out of or in connection with any inquiry under this Attachment BB, the disputing party shall provide the other party with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each of the parties for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of receipt of the Notice of Dispute, such claim or dispute shall be submitted for resolution in accordance with the dispute resolution procedures of Section 12 of the Tariff.