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October 10, 2013

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: *Southwest Power Pool, Inc., Docket No. ER12-2292-00_*
(Compliance Filing and Request for Limited Waiver)

Dear Secretary Bose:

Southwest Power Pool, Inc. (“SPP”) submits this compliance filing in accordance with the Commission’s September 20, 2013 order¹ in this proceeding denying rehearing, granting requested limited tariff waivers, and conditionally accepting compliance amendments to Attachment AE of SPP’s Open Access Transmission Tariff² directed by the Commission in an earlier order.³ SPP also requests a temporary limited Tariff waiver to permit a delay in the implementation of the systematic curtailment of existing Non-Dispatchable Resources (that went into Commercial Operation before October 15, 2012)

¹ *Sw. Power Pool, Inc.*, 144 FERC ¶ 61,223 (2013) (“Compliance Order”).

² *Southwest Power Pool, Inc., Open Access Transmission Tariff, Sixth Revised Volume No. 1* (“Tariff”).

³ *Sw. Power Pool, Inc.*, 140 FERC ¶ 61,225 (2012) (“September 20, 2012 Order”), *reh’g denied by Compliance Order*.

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from September 20, 2013 to September 26, 2013 that was necessary to accommodate required software system changes.

I. BACKGROUND

On July 23, 2012, SPP submitted Tariff revisions to amend Attachment AE of the Tariff to permit the systematic curtailment of Non-Dispatchable Resources in the SPP EIS Market during periods of congestion. In the September 20, 2012 Order, the Commission conditionally accepted the Tariff revisions subject to a compliance filing. Among other things, the Commission directed SPP to:

- Revise the Tariff “to specify that automated curtailment applies only prospectively to Non-Dispatchable Resources that become commercially operable on or after October 15, 2012;”⁴ and
- Revise the Tariff to reflect the results of a stakeholder process established to address “the issues raised by the existing Non-Dispatchable Resources” relating to automating the curtailment of existing Non-Dispatchable Resources.⁵

SPP submitted its compliance filing on March 1, 2013.⁶ In response to the above directives, SPP amended Section 4.3(i) of Attachment AE of the Tariff to specify that (i) prior to October 15, 2013, Non-Dispatchable Resources that commenced Commercial Operation on or after October 15, 2012 are subject to systematic curtailment, and (ii) on

⁴ September 20, 2012 Order at P 47.

⁵ *Id.*

⁶ Compliance Filing of Southwest Power Pool, Inc., Docket No. ER12-2292-003 (Mar. 1, 2013) (“March 1 Compliance Filing”).

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or after October 15, 2013, except for certain Intermittent Resources, all Non-Dispatchable Resources are subject to systematic curtailment.⁷

In the Compliance Order, the Commission conditionally accepted these amendments subject to a further compliance filing to correct the date on which existing Non-Dispatchable Resources would be subject to systematic curtailment.⁸ Specifically, the Commission noted that “in the text of several of the proposed Tariff provisions there are incorrect references to October 15, 2013 as the effective date for systematic and automated curtailment of *existing* Non-Dispatchable Resources,” which is inconsistent with the September 20, 2012 Order, that stated “the systematic and automated curtailment of *existing* Non-Dispatchable Resources [are] to be effective one year from the date of the September 20 Order (i.e., September 20, 2013).”⁹ Consequently, the Commission directed SPP “to correct the effective date for systematic and automated curtailment of *existing* Non-Dispatchable Resources in a further compliance filing.”¹⁰

In addition, to be consistent with the registration requirement in the Integrated Marketplace, which allows wind-powered Variable Energy Resources (“VERs”) that executed interconnection agreements *on or before* May 21, 2011 to register as Non-Dispatchable VERs (and thereby avoid the applicable systematic and automated

⁷ *Id.* at Tariff, Attachment AE § 4.3(i)(i)–(i)(ii).

⁸ Compliance Order at P 44.

⁹ *Id.*

¹⁰ *Id.*

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curtailment procedures),¹¹ in the Compliance Order, the Commission further directed SPP to “exempt from its systematic and automated curtailment procedures wind-powered Non-Dispatchable Resources that began commercial operations before October 15, 2012 and executed interconnection agreements *on or before* May 21, 2011,”¹² rather than just “prior to May 21, 2011,” as currently indicated in Section 4.3(i)(ii) of Attachment AE.

This compliance filing addresses both of these directives.

II. COMPLIANCE FILING

A. Amendments to Section 4.3(i) of Attachment AE

To comply with the Commission’s directives (i) to correct the date on which existing Non-Dispatchable Resources are subject to systematic curtailment, and (ii) to exempt wind-powered Non-Dispatchable Resources that commenced Commercial Operation before October 15, 2012 and executed interconnection agreements *on or before* May 21, 2011, SPP amends Section 4.3(i) as follows:

- (i) Prior to ~~October 15, 2013~~September 20, 2013, a Non-Dispatchable Resource that has notified or notifies Transmission Provider pursuant to its interconnection agreement that it commenced Commercial Operation on or after October 15, 2012 shall be instructed to curtail via an XML notification; all other Non-Dispatchable Resources shall be instructed to curtail via a telephone call from Transmission Provider.

¹¹ *Id.* at P 45 nn.54, 55; *see also Sw. Power Pool, Inc.*, 141 FERC ¶ 61,048, at PP 85, 117 (2012), *order on reh’g and clarification*, 142 FERC ¶ 61,205 (2013).

¹² Compliance Order at P 45.

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- (ii) On ~~October 15, 2013~~September 20, 2013 and thereafter, all Non-Dispatchable Resources shall be instructed to curtail via an XML notification, except for Intermittent Resources with interconnection agreements executed on or before ~~prior to~~ May 21, 2011 and that commenced Commercial Operation prior to October 15, 2012. Such Intermittent Resources shall be instructed to curtail via telephone call from Transmission Provider.

No other Tariff revisions are required to comply with the Commission's directives in the Compliance Order.

B. Effective Date

Consistent with the Compliance Order, SPP requests an effective date of March 19, 2013 for the Tariff revisions submitted in this filing.¹³

¹³ See *id.* at P 44 & ordering para. (B).

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III. REQUEST FOR LIMITED WAIVER

Pursuant to Rule 207 of the Commission's Rules of Practice and Procedure,¹⁴ SPP petitions the Commission to grant a temporary limited waiver of the Tariff provisions that provide for the systematic curtailment of non-exempt existing Non-Dispatchable Resources in order to permit the implementation of systematic curtailment of such resources on September 26, 2013, rather than September 20, 2013.

A. Need For Waiver

As explained above, in the March 1 Compliance Filing, SPP proposed Tariff language, which indicated that as of October 15, 2013, all non-exempt existing Non-Dispatchable Resources that commenced Commercial Operation prior to October 15, 2012, would be subject to systematic curtailment. Based on this proposed language, SPP planned to implement modified computer software systems necessary to systematically curtail existing Non-Dispatchable Resources on October 15, 2013. However, the Compliance Order¹⁵ and the Tariff revisions directed to be submitted in this compliance filing establish an effective date of September 20, 2013 for systematic curtailment of such resources. Because the Compliance Order was issued on the same day as the date the Commission indicated was the correct effective date for systematic curtailment of existing Non-Dispatchable Resources (September 20, 2013), SPP was unable to implement the necessary system changes in time to comply with the Compliance Order.

¹⁴ 18 C.F.R. § 385.207.

¹⁵ Compliance Order at P 44.

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Fortunately, on September 20, 2013, SPP was ahead of schedule in completing the transition to the new curtailment software system. However, SPP still needed to complete a couple of steps before it could implement the logic that would permit systematic curtailment of existing Non-Dispatchable Resources. First, SPP had to finish verifying with respect to each existing Non-Dispatchable Resource: (i) whether it had an executed generation interconnection agreement; (ii) its Commercial Operation Date; and (iii) its level of transmission service rights. Second, SPP needed to update the market systems with these inputs.¹⁶ SPP completed these necessary verifications and software modeling updates by September 24, 2013. It then provided notice to market participants of the system change via an OASIS posting on September 24, 2013 and again through notification to the Change Working Group on September 25, 2013. After these notifications, SPP initiated the software logic that enabled the systematic curtailment of existing Non-Dispatchable Resources on September 26, 2013.

B. SPP's Request Meets the Standard for Granting a Waiver

The "Commission has granted limited waivers of tariff provisions where: (i) the applicant has been unable to comply with the tariff provision at issue in good faith; (ii) the waiver is of limited scope; (iii) a concrete problem will be remedied by granting the

¹⁶ The effort to complete these verifications and software inputs was not insubstantial as the number of registered Non-Dispatchable Resources subject to systematic curtailment increased from 30 to 400.

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requisite waiver; and (iv) the waiver does not have undesirable consequences, such as harming third parties.”¹⁷ SPP’s waiver request meets these criteria.

SPP was unable in good faith to comply with the September 20, 2013 date for systematically curtailing existing Non-Dispatchable Resources. As explained above, based on the Tariff revisions submitted in the March 1 Compliance Filing, SPP planned to implement systematic curtailment of existing Non-Dispatchable Resources on October 15, 2013; therefore, as of September 20, 2013, it had not completed all of the steps necessary to execute the system changes required to implement systematic curtailment of existing Non-Dispatchable Resources. Consequently, SPP could not comply with the Tariff provisions directed by the Compliance Order issued September 20, 2013, providing for systematic curtailment of existing Non-Dispatchable Resources to be effective September 20, 2013.

The requested waiver is limited in scope. In light of the Compliance Order, SPP worked diligently to employ the necessary software to systematically curtail existing Non-Dispatchable Resources as soon as possible, and was able to do so in six days. Therefore, SPP only is requesting a limited temporary waiver of Section 4.3(i) of Attachment AE of the Tariff (and any other sections the Commission deems necessary) for a six day period, from September 20, 2013 until September 26, 2013.

The requested waiver solves a concrete problem. The waiver will enable SPP to avoid potential Tariff violations for a brief period in which, in good faith, it was unable to

¹⁷ Compliance Order at P 50 (citing *PJM Interconnection, L.L.C.*, 135 FERC ¶ 61,069, at P 8 (2011); *Hudson Transmission Partners, LLC*, 131 FERC ¶ 61,157, at P 10 (2010)).

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comply with Tariff provisions required by the Compliance Order. In addition, because market participants received advanced notice of the system change and the waiver would be only for a short period of time, there should be no undesirable consequences.

Finally, the Commission has found good cause for similar waivers and deferrals of effective dates for previously-accepted tariff revisions to permit additional time to “fully test and prepare” required software and because of “problems implementing needed computer software.”¹⁸

For these reasons, good cause exists to grant SPP’s request for a limited waiver, which would permit the delay in implementation of systematic curtailment of non-exempt existing Non-Dispatchable Resources from September 20, 2013 to September 26, 2013.

¹⁸ *N.Y. Indep. Sys. Operator, Inc.*, 135 FERC ¶ 61,256, at PP 3–4 (2011); *see also* Compliance Order at P 50.

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IV. CONCLUSION

For the foregoing reasons, SPP requests that the Commission accept for filing the Tariff provisions submitted in this compliance filing and grant the limited waiver to delay the implementation of systematic curtailment for non-exempt existing Non-Dispatchable Resources from September 20, 2013 to September 26, 2013.

Respectfully submitted,



Barry S. Spector
Carrie L. Bumgarner

**Attorneys for
Southwest Power Pool, Inc.**

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 10th day of October, 2013.

Respectfully submitted,

A handwritten signature in cursive script, reading "Carrie L. Bumgarner", written in black ink. The signature is positioned above a horizontal line.

Carrie L. Bumgarner

**Attorney for
Southwest Power Pool, Inc.**

4.3 Coordination of Market Operations under SPP Congestion Management

The Transmission Provider shall use the following process to coordinate the operations of the Energy Imbalance Market during times when a Congestion Management and/or TLR event is declared to manage congestion on one or more flowgates:

- (a) The Transmission Provider shall identify schedules in the NERC IDC that are also included in Market Flows.
- (b) The Transmission Provider shall submit the Market Flow impact on each Coordinated Flowgate and Reciprocal Coordinated Flowgate to the NERC IDC. The Market Flow impact on each flowgate shall include the aggregate MW flow impacts on the identified flowgate including the following:
 - i. Energy Schedules relating to native load for which no tag has been identified;
 - ii. Energy Schedules entirely within a Balancing Authority Area for which a tag has been identified and where the source is either a Dispatchable Resource or Self-Dispatched Resource; and
 - iii. Energy Schedules between Balancing Authority Areas for which a tag has been identified where the source is a Dispatchable Resource or Load Settlement Location and the sink is a Load Settlement Location.
 - iv. Unscheduled output from Non-Dispatchable Resources subject to curtailment in accordance with Section 4.3(i) in this Attachment AE.
- (c) The Transmission Provider shall assign curtailment priorities to the Energy Schedules causing Market Flow on each flowgate using the identified tags, or for an Energy Schedule associated with native load using an assumed Network Service tag, and in the following priority categories:
 - i. Curtailment priorities for flowgates that have not been defined as a Coordinated Flowgate or a Reciprocal Coordinated Flowgate shall be assigned in accordance with NERC TLR procedures.
 - ii. For Coordinated Flowgates, the Transmission Provider will assign Market Flow in the Firm priority up to the Firm limit with any excess Market Flow assigned as Non-Firm Network.

- iii. For Reciprocal Coordinated Flowgates, the Transmission Provider will divide its Market Flows into Firm, Non-Firm Network, and Non-Firm Hourly curtailment priorities. The Transmission Provider will first assign Market Flow in the Firm priority up to the Firm limit, then assign remaining Market Flow in the Non-firm Network priority up to the Non-firm Network limit, and finally assign any excess Market Flow as Non-firm Hourly.
- (d) The Market Flow contribution associated with Energy Imbalance Service shall be determined by the Transmission Provider by subtracting the Market Flow associated with the Energy Schedules defined in Section 4.3(b) within that priority level defined in Section 4.3(c) from the total calculated Market Flow for that priority. For Coordinated Flowgates, any Market Flow contribution of Energy Imbalance Service in excess of that assigned to the Firm priority shall be assigned a Non-Firm Priority. For Reciprocal Coordinated Flowgates, any Market Flow contribution of the Energy Imbalance Service in excess of amounts assigned to Firm or Non-Firm Network priorities shall be assigned a Non-Firm Hourly priority.
- (e) When congestion occurs on a flowgate that requires a TLR event, the NERC IDC will prescribe curtailments for tags of all Physical Schedules and identify the amount of relief required from Market Flows on the Coordinated Flowgate or Reciprocal Coordinated Flowgate.
- (f) The Transmission Provider shall achieve the required reduction in Market Flows provided by the NERC IDC using its security constrained dispatch software and curtailment/adjustment tool (“CAT”), which curtails schedules identified in Sections 4.3(c) and 4.3(d) in the following order until the desired reduction in Market Flows is achieved:
 - i. To the extent that Market Flows are contributing to the constrained condition, the Transmission Provider shall restrict the ability of the market operating system from contributing further to the constrained condition by binding the Coordinated Flowgate or Reciprocal Coordinated Flowgate constraint. The security constrained dispatch of Dispatchable Resources

shall continue within each priority level until the Market Flows within that priority level have been reduced to zero or the flowgate constraint is eliminated, whichever comes first. Any impact on Locational Imbalance Prices will be calculated per Section 4.4 of Attachment AE.

- ii. Simultaneously with the security constrained dispatch of Dispatchable Resources that contribute to Market Flows, the CAT shall determine if sufficient Energy Imbalance Service exists to achieve the desired Market Flow relief. If there is an insufficient amount of Energy Imbalance Service to achieve the desired Market Flow relief, CAT shall curtail the remaining schedules identified in Section 4.3(c) impacting the Coordinated Flowgate or Reciprocal Coordinated Flowgate, using their assigned priority level, starting from lowest priority to highest, until the desired Market Flow reduction is achieved or until all such schedules in that priority have been reduced to zero. During this curtailment process, CAT also adjusts the Scheduled Generation of Resources, to the extent that such Resources need to be dispatched below their scheduled amount to achieve the desired Market Flow relief, and such adjusted Scheduled Generation shall be used for settlement purposes. The impact of schedule curtailments on Locational Imbalance Prices will be realized as soon as the changes to Self-Dispatched Resource schedules resulting from the curtailments are reflected within the EIS Market dispatch software and Locational Imbalance Prices shall continue to be calculated in accordance with Section 4.4.
- (g) The Transmission Provider shall notify each Market Participant of the aggregate curtailments it is required to make, and such notification shall include Resource name, original schedule, and the generation shift factor associated with their Resources for the constrained flowgates.
- (h) The Transmission Provider shall notify each Market Participant if a curtailment is expected to continue into the next Operating Hour. Market Participants may revise their Energy Schedules or operating schedule for Self-Dispatched

Resources for the next Operating Hour so long as they maintain the required reduction level in Market Flows required.

(i) Curtailment of Non-Dispatchable Resources

(i) Prior to September 20, 2013, a Non-Dispatchable Resource that has notified or notifies Transmission Provider pursuant to its interconnection agreement that it commenced Commercial Operation on or after October 15, 2012 shall be instructed to curtail via an XML notification; all other Non-Dispatchable Resources shall be instructed to curtail via a telephone call from Transmission Provider.

(ii) On September 20, 2013 and thereafter, all Non-Dispatchable Resources shall be instructed to curtail via an XML notification, except for Intermittent Resources with interconnection agreements executed on or before May 21, 2011 and that commenced Commercial Operation prior to October 15, 2012. Such Intermittent Resources shall be instructed to curtail via telephone call from Transmission Provider.

(iii) The XML notification to a Non-Dispatchable Resource shall include the resource name, time period of curtailment, and the curtailment level. A Non-Dispatchable Resource that is instructed to curtail via an XML notification shall operate at the lower of its (1) curtailment level or (2) actual net output.

(iv) The curtailment level of a Non-Dispatchable Resource shall be the sum of the curtailed unscheduled and scheduled portion of the output of Resource as determined by CAT.

(v) The output of the Non-Dispatchable Resource shall be curtailed equivalent to firm service, where the Resource is: (1) a Qualifying Facility exercising its rights under PURPA to deliver its net output to its host utility; (2) a Non-Dispatchable Resource with Long-Term Service for the full capacity of the Non-Dispatchable Resource; or (3) a Non-Dispatchable Resource receiving monthly short-term firm transmission service, which has a pending request for Long-Term Service.

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The Transmission Provider shall use the following process to coordinate the operations of the Energy Imbalance Market during times when a Congestion Management and/or TLR event is declared to manage congestion on one or more flowgates:

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 - i. To the extent that Market Flows are contributing to the constrained condition, the Transmission Provider shall restrict the ability of the market operating system from contributing further to the constrained condition by binding the Coordinated Flowgate or Reciprocal Coordinated Flowgate constraint. The security constrained dispatch of Dispatchable Resources

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- ii. Simultaneously with the security constrained dispatch of Dispatchable Resources that contribute to Market Flows, the CAT shall determine if sufficient Energy Imbalance Service exists to achieve the desired Market Flow relief. If there is an insufficient amount of Energy Imbalance Service to achieve the desired Market Flow relief, CAT shall curtail the remaining schedules identified in Section 4.3(c) impacting the Coordinated Flowgate or Reciprocal Coordinated Flowgate, using their assigned priority level, starting from lowest priority to highest, until the desired Market Flow reduction is achieved or until all such schedules in that priority have been reduced to zero. During this curtailment process, CAT also adjusts the Scheduled Generation of Resources, to the extent that such Resources need to be dispatched below their scheduled amount to achieve the desired Market Flow relief, and such adjusted Scheduled Generation shall be used for settlement purposes. The impact of schedule curtailments on Locational Imbalance Prices will be realized as soon as the changes to Self-Dispatched Resource schedules resulting from the curtailments are reflected within the EIS Market dispatch software and Locational Imbalance Prices shall continue to be calculated in accordance with Section 4.4.
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FERC rendition of the electronically filed tariff records in Docket No. ER12-02292-004

Filing Data:

CID: C000771

Filing Title: Compliance Filing and Request for Limited Waiver

Company Filing Identifier: 612

Type of Filing Code: 80

Associated Filing Identifier: 456

Tariff Title: Open Access Transmission Tariff, Sixth Revised Volume No. 1

Tariff ID: 5

Payment Confirmation:

Suspension Motion:

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Att AE Section 4.3, Attachment AE Section 4.3, 2.2.0, A

Record Narrative Name: Attachment AE Section 4.3 Coordination of Market Operations Under TLR Conditions

Tariff Record ID: 908

Tariff Record Collation Value: 506678936 Tariff Record Parent Identifier: 905

Proposed Date: 2013-03-19

Priority Order: 550

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier: 456

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 - ii. Simultaneously with the security constrained dispatch of Dispatchable Resources that contribute to Market Flows, the CAT shall determine if sufficient Energy Imbalance Service exists to achieve the desired Market Flow relief. If there is an insufficient amount of Energy Imbalance Service to achieve the desired Market Flow relief, CAT shall curtail the remaining schedules identified in Section 4.3(c) impacting the Coordinated Flowgate or Reciprocal Coordinated Flowgate, using their assigned priority level, starting from lowest priority to highest, until the desired Market Flow

reduction is achieved or until all such schedules in that priority have been reduced to zero. During this curtailment process, CAT also adjusts the Scheduled Generation of Resources, to the extent that such Resources need to be dispatched below their scheduled amount to achieve the desired Market Flow relief, and such adjusted Scheduled Generation shall be used for settlement purposes. The impact of schedule curtailments on Locational Imbalance Prices will be realized as soon as the changes to Self-Dispatched Resource schedules resulting from the curtailments are reflected within the EIS Market dispatch software and Locational Imbalance Prices shall continue to be calculated in accordance with Section 4.4.

- (g) The Transmission Provider shall notify each Market Participant of the aggregate curtailments it is required to make, and such notification shall include Resource name, original schedule, and the generation shift factor associated with their Resources for the constrained flowgates.
- (h) The Transmission Provider shall notify each Market Participant if a curtailment is expected to continue into the next Operating Hour. Market Participants may revise their Energy Schedules or operating schedule for Self-Dispatched Resources for the next Operating Hour so long as they maintain the required reduction level in Market Flows required.
- (i) **Curtailment of Non-Dispatchable Resources**
 - (i) Prior to September 20, 2013, a Non-Dispatchable Resource that has notified or notifies Transmission Provider pursuant to its interconnection agreement that it commenced Commercial Operation on or after October 15, 2012 shall be instructed to curtail via an XML notification; all other Non-Dispatchable Resources shall be instructed to curtail via a telephone call from Transmission Provider.
 - (ii) On September 20, 2013 and thereafter, all Non-Dispatchable Resources shall be instructed to curtail via an XML notification, except for Intermittent Resources with interconnection agreements executed on or

before May 21, 2011 and that commenced Commercial Operation prior to October 15, 2012. Such Intermittent Resources shall be instructed to curtail via telephone call from Transmission Provider.

(iii) The XML notification to a Non-Dispatchable Resource shall include the resource name, time period of curtailment, and the curtailment level. A Non-Dispatchable Resource that is instructed to curtail via an XML notification shall operate at the lower of its (1) curtailment level or (2) actual net output.

(iv) The curtailment level of a Non-Dispatchable Resource shall be the sum of the curtailed unscheduled and scheduled portion of the output of Resource as determined by CAT.

(v) The output of the Non-Dispatchable Resource shall be curtailed equivalent to firm service, where the Resource is: (1) a Qualifying Facility exercising its rights under PURPA to deliver its net output to its host utility; (2) a Non-Dispatchable Resource with Long-Term Service for the full capacity of the Non-Dispatchable Resource; or (3) a Non-Dispatchable Resource receiving monthly short-term firm transmission service, which has a pending request for Long-Term Service.

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