

MODULE E – RESOURCE ADEQUACY

I. INTRODUCTION..... 3

II. RESOURCE ADEQUACY REQUIREMENTS 3

68 Determination of PRM 3

68.3 Compliance with State Authorities..... 4

68.4 Contracts Supporting Reliability Obligations..... 4

69 Determination of RAR Compliance 4

69.1 Load Serving Entity Responsibilities 5

69.1.4 Submit Resource Plans 6

69.2 Qualification of Capacity Resources 6

69.2.1 Designating Capacity Resources..... 6

69.2.2 Alternative Capacity Resources..... 9

69.2.2.2 Behind-the-Meter Generation..... 11

69.2.3 Capacity Resource Must Offer Requirement..... 13

69.3 Compliance 13

69.3.1 State RAR Standards..... 13

69.4 Transition Period 14

 The Transmission Provider will commence prompt implementation of the provisions in Sections 68 and 69 upon Commission approval. Given the need for an equitable transition period, the provisions in Sections 69.3.4 and 69.3.5 will not be implemented by the Transmission Provider until February 1, 2009..... 14

 Proposed New Definitions for Module E..... 16

Planning Reserve Margin: the percentage of Capacity Resources that an LSE must maintain above its Forecast LSE Requirement for planning purposes to reliably be able to serve Load based upon a one occurrence in ten years probability analysis.. 16

Resource Adequacy Requirements (“RAR”): the planning reserve procedures found in Section 68 and 69 of the Tariff and the RAR Business Practices Manual to ensure that there are adequate Capacity Resources available to enable LSEs to reliably serve load..... 16

Loss of Load Expectation: the expected number of days in the year, in a probabilistic sense, when the daily peak demand exceeds the available Capacity Resources 16

Forecast LSE Requirement: the expected peak Load demand for an LSE for a given time period based upon considerations including, but not limited to, anticipated weather conditions and expected Load changes..... 16

Planning Year: the period of time from June 1 of one year to May 31 of the following year that is used for developing Resource Plans. 16

Resource Plans: the plans made by an LSE to ensure that its Forecast LSE Requirement plus PRM will be met or be exceeded by the Capacity Resources designated by the LSE. 16

Capacity Resource Transaction Price: the charge per MW/month of qualified Resources that are available to achieve Resource Adequacy Requirements. 16

Unforced Capacity: the amount of available capacity of a Capacity Resources after accounting for that resource's forced outage amount.....	16
Peak Requirement: the maximum hourly Load during the Planning Year or during a month that the Transmission Provider determines is the highest Load for an LSE.	16
Curtailed Service Provider: an entity that is responsible for coordinating demand reductions from multiple end use customers.....	16
Excess Capacity Resources:	17
Demand Resource.	17

MODULE E - RESOURCE ADEQUACY

I. INTRODUCTION

This Module E provides mandatory requirements to be met by the Transmission Provider, Load Serving Entities (“LSEs”) and other Market Participants (“MPs”) to ensure access to deliverable, reliable and adequate Capacity Resources to meet load requirements on the Transmission Provider System. The requirements established in this Module E recognize and are complimentary with the reliability mechanisms of the states and the Regional Reliability Organizations (“RRO”) within the Transmission Provider Region. Planning Reserve Margin (“PRM”) levels will be determined by analytical study methods in the Module E process. If higher or lower PRMs are mandated by states, then the Transmission Provider will recognize and incorporate such PRMs for any affected LSEs. Nothing in Module E affects existing state jurisdiction over the construction of additional capacity or the authority of states to set and enforce compliance with standards for adequacy. The Resource Adequacy Requirements (“RAR”) in Module E are also not intended to any way affect state actions over entities under their jurisdiction.

II. RESOURCE ADEQUACY REQUIREMENTS

68 Determination of PRM

The Transmission Provider shall perform analysis on an annual basis to establish one or more PRMs for LSEs in the Transmission Provider Region. The analysis shall be consistent with good utility practices and the reliability requirements of the RROs and applicable states in the Transmission Provider Region. The PRM analysis shall consider factors including, but not limited to: the forced outage rates of Capacity Resources, Generator Planned Outages, expected performance of Alternative Capacity Resources, Load forecast uncertainty, transmission congestion and available transmission import capability. LSEs shall comply with RAR by demonstrating in accordance with Sections 68 and 69 that they have sufficient Capacity Resources to meet Forecast LSE Requirements plus the applicable PRM established either by the Transmission Provider or established by the state having jurisdiction over the applicable LSE.

68.1 The Loss of Load Expectation

The Transmission Provider shall coordinate with LSEs to determine the appropriate PRMs for the Region based upon the probabilistic analysis of being able to reliably serve each LSE’s Forecast LSE Requirement for each month. This probabilistic analysis will utilise a Loss of Load Expectation (“LOLE”) study.. The LOLE procedures will be detailed in the **RAR** Business Practice Manual. The Transmission Provider may establish zones within the Transmission Provider Region for the study of the LOLE and may establish different PRMs for such zones.

68.2 Forecast LSE Requirement

The Transmission Provider shall coordinate with LSEs to determine the monthly anticipated peak Load for an LSE for a given period in time, expressed in MWs. The resulting Forecast LSE Requirement shall reflect the use of Unforced Capacity in measuring compliance.

Nothing in this Module E shall be interpreted as pre-emption of state authority to establish reliability standards, safety standards, planning reserve margins, or the enforcement thereof. LSEs within the Transmission Provider Region must comply with all regulations and laws regarding reliability, including but not limited to any reserve margin requirements, of the states in which the Transmission Provider operates. To the extent that an LSE serves Load in two (2) or more states in the Transmission Provider Region, the LSE must comply with the reliability or resource adequacy requirements of each state in which it serves Load.

68.3 Compliance with State Authorities

Nothing in this Module E shall be interpreted as pre-emption of state authority to establish reliability standards, safety standards, planning reserve margins, or the enforcement thereof. LSEs within the Transmission Provider Region must comply with all regulations and laws regarding reliability, including but not limited to any reserve margin requirements, of the states in which the Transmission Provider operates. To the extent that an LSE serves Load in two (2) or more states in the Transmission Provider Region, the LSE must comply with the reliability or resource adequacy requirements of each state in which it serves Load.

68.4 Contracts Supporting Reliability Obligations

An LSE may contract with other entities to ensure compliance with the RAR requirements of Module E, an RRO or a state, consistent with any RRO or state requirements for, or limitations related to, such contracts. An LSE that utilizes a contract to demonstrate that it has adequate Capacity Resources to meet its RAR must identify the specific Resource, External Resource or the specific Alternative Capacity Resource from which Capacity Resources will be obtained, at least 30 days prior to the Operating Month. Details regarding qualifying contracts are in the RAR Business Practice Manual.

69 Determination of RAR Compliance

The Transmission Provider will, in a non-discriminatory manner, provide technical support and expertise that may include, but not be limited to, conducting studies to establish reserve requirements as described in Section 68 in order to ascertain an LSE's PRM for the next Planning Year. The Transmission Provider will also perform or verify PRM for each of the nine subsequent Planning Years to provide information for long-

term resource planning, without establishing specific resource planning reserve requirements. The Transmission Provider will regularly report the results of such analysis on its website. The Transmission Provider will also validate through tracking tools that LSEs have arranged for sufficient Capacity Resources to meet their PRM requirements under Section 68 of this tariff. The Transmission Provider will, upon request, submit RAR information to the applicable RRO, ERO, State or FERC. The Transmission Provider will track shifts in load for retail switching to ensure meeting reserve requirements.

To facilitate capacity transactions between Market Participants, the Transmission Provider will administer a title tracking tool that will permit MPs to confirm transfer of title to Capacity Resources permitted to fulfill a LSE's resource adequacy requirements. The system will be a means to track the transfer of title to planning reserves as well as a means to automate the communication, reporting and monitoring functions under Module E.

69.1 Load Serving Entity Responsibilities

Nothing in this Module E shall prohibit any state from requesting data relating to reliability standards, safety standards, planning reserve margins, or the enforcement thereof. Load Serving Entities will provide sufficient data to the Transmission Provider and will comply with the following provisions to enable the Transmission Provider to perform its duties. The Transmission Provider shall report to the affected state commission(s), to the Commission and to the applicable RRO(s) if an LSE does not provide such data or otherwise fails to comply with any of the provisions in Sections 68 or 69.

69.1.1 Load Forecasts

By March 1 of each year, LSEs must report their annual and monthly anticipated peak Forecast LSE Requirements to the Transmission Provider by their Commercial Pricing Nodes for the upcoming Planning Year. LSEs shall promptly submit updates to such Forecast LSE Requirement projections whenever they become aware of Load changes that will affect prior Forecast LSE Requirements by more than 1%.

69.1.2 Designating Capacity Resources

No later than thirty (30) days prior to the first day of each calendar month, each LSE shall demonstrate to the Transmission Provider that for such subsequent calendar month it has designated megawatts of Capacity Resources that qualify pursuant to section 69.2 to serve the LSE's Load in an amount equal to or greater than the Forecast LSE Requirement plus the PRM requirement established in Section 68 that is applicable to such LSE. LSEs shall promptly submit updates to such designated Capacity Resource plans whenever they become aware of Capacity Resource or Forecast LSE Requirement changes that will affect the likelihood of meeting RAR by more than 1%.

69.1.3 Obtain Firm Transmission Service

Each LSE shall document to the Transmission Provider that it has obtained sufficient Firm Transmission Service for each month adequate for delivery of its Capacity Resources to the Commercial Pricing Node in which it serves Load.

69.1.4 Submit Resource Plans

Each LSE shall submit to the Transmission Provider its Resource Plans (or revisions to previously submitted plans) to install or to contract for Capacity Resources, as follows:

69.1.4.1 By March 1 of each year, each LSE shall submit to the Transmission Provider its Resource Plans for satisfying its RAR for the upcoming Planning Year.

69.1.4.2 Each LSE shall submit to the Transmission Provider a notice of any change in its Resource Plans for Resources and/or Forecast LSE Requirements no later than 30 days prior to the start of each month in a Planning Period.

69.1.4.3 The Resource Plans of each LSE shall indicate the nature and current status of commitments with respect to each addition, retirement and sale or purchase of Capacity Resources included in its Resource Plans. The Transmission Provider will review the adequacy of the submittals hereunder both as to timing and content.

69.1.4.4 At the LSE's request, the Transmission Provider will provide an LSE's Resource Plan to the LSE's RRO, state commission or to the Commission or NERC.

69.1.5 Sustained Commitment

Each LSE shall remain committed to each addition, retirement, sale or purchase of Capacity Resources included in its Resource Plan unless such LSE otherwise notifies the Transmission Provider of a revised Resource Plan that will comply with RAR. LSEs shall also remain committed to their required transmission capability to the extent required to ensure the deliverability of the Capacity Resources to meet RAR.

69.2 Qualification of Capacity Resources

Capacity Resources can be used to satisfy RAR requirements as follows:

69.2.1 Designating Capacity Resources

Resources identified by LSEs as available to meet the reliability requirements determined by the Transmission Provider must comply with the requirements for designation of Capacity Resources, as detailed in the RAR Business Practice Manual, including all state regulations and laws relating to reliability, including but not limited to reliability standards, safety standards, planning reserve margins, or the enforcement thereof.

69.2.1.1 Single State or RRO Capacity Resources

If an LSE serves Load both in the Transmission Provider Region and outside the Transmission Provider Region within a single state or RRO region, then the LSE must designate Capacity Resources in the proportion of its Load in the Transmission Provider Region within the state or RRO to its total Load within the state or RRO region to comply with RAR requirements.

69.2.1.2 Capacity Resource Requirements

a. An LSE may only designate a Resource as a Capacity Resource if such LSE possesses ownership or equivalent contractual rights that assure that each such Capacity Resource complies with all applicable requirements specified in this Module E. LSEs may satisfy this obligation for Resources by fulfilling either of the following requirements:

i. Designating a Resource registered with the Transmission Provider by the LSE; or

ii. Designating a Resource registered with the Transmission Provider by another entity and providing proof, as required by the Transmission Provider, that the owner of the Resource accepts designation as a Capacity Resource and the responsibility to comply with all applicable requirements of such designation.

b. Resources designated as Capacity Resources must be deliverable to Load within the Transmission Provider Region. The deliverability of Capacity Resources to Network Load within the Transmission Provider Region shall be determined by System Impact Studies pursuant to this Tariff as conducted by the Transmission Provider that consider, among other factors, the deliverability of aggregate Resources of Network Customers to the aggregate of Network Load.

c. Generation Resources designated as Capacity Resources must submit to the Transmission Provider Generator Availability Data System (“GADS”) information, as established in the RAR Business Practices Manual and be registered to include their generation in the EIA 860 report.

d. Resources designated as Capacity Resources must demonstrate capability on an annual basis as established in the RAR Business Practices Manuals. Verification of Capacity Resources for each Network Resource also will be in accordance with the guidelines for Capacity Resource verification set by state authorities or by the applicable RRO. Capacity Resources will be accredited at their Unforced Capacity rating utilizing the GADS information and methods further described in the RAR Business Practices Manual.

69.2.1.3 Designation of External Capacity Resources

Resources that are external to the Transmission Provider Region may qualify as Capacity Resources, provided that the External Resources:

- a.** Comply with the contractual obligations of Modules B and E (non-recallable and proof of agreement with the asset owner on designation) of the EMT;
- b.** Have firm transmission service in the external system from the External Resource to the Midwest ISO border and such service has been evaluated by the Transmission Provider for deliverability within the Transmission Provider Region;
- c.** Do not negatively impact existing deliverable resources within the Transmission Provider Region;
- d.** The capacity portion identified for delivery to the Transmission Provider Region has verification of capacity in the RRO in which the resource is located, and that the portion identified for delivery to Transmission Provider Region is shown to not be also assigned to a non-Midwest ISO load serving obligation; and
- e.** External Resources designated as Capacity Resources must demonstrate capability on an annual basis as established in the RAR Business Practices Manuals and reported in EIA 860 reports. Designated External Resources will be accredited at their Unforced Capacity rating utilizing the GADS information and methods further described in the RAR Business Practices Manual.

69.2.1.4 Determination of Compliance with Capacity Resource Requirements

The Transmission Provider shall be responsible for determining whether LSEs have appropriately designated Capacity Resources that are

deliverable to Load. Deliverability of Capacity Resources will be determined through the following processes:

- a.** An analysis of aggregate deliverability will be performed through a System Impact Study for all candidate Capacity Resources that request Network Resource Interconnection Service under Attachment R or Attachment X to this Tariff. The deliverability study will include validation that a new candidate Capacity Resource can be dispatched along with all other Network Resources specified by Network Customers in the vicinity of the newly designated candidate Capacity Resource.
- b.** Generation Resources that have been interconnected to the system prior to Network Resource Interconnection Service being offered as an interconnection service under the Tariff, or that have been interconnected with Energy Resource Interconnection Service, may request the performance of a deliverability study by making a request for Network Resource Interconnection Service under Attachment X or Attachment R to the Tariff.
- c.** The Transmission Provider performed a Market Transition Deliverability Test of all existing Generation Resources interconnected to the Transmission System prior to the start of the Day-Ahead Energy Market. This deliverability test evaluated the aggregate deliverability of these existing resources on a basis comparable to the deliverability tests applicable to Network Resource Interconnection Service.
- d.** Existing Generation Resources, or portions thereof, that did not pass the Market Transition Deliverability Test may request evaluation of upgrades necessary to qualify the entire Generation Resource as aggregate deliverable by requesting Network Resource Interconnection Service. Such requests shall be made and shall be queued for evaluation under the procedures of Attachment X or Attachment R, as applicable.
- e.** Generation Resources that have been accepted by the Transmission Provider and confirmed by Network Customers as designated Network Resources under the OASIS reservation process in place prior to the effective date of this Tariff will be accepted by the Transmission Provider as deliverable to the Network Loads of the Network Customer for the term of the confirmed designation. Such Generation Resources must be evaluated for aggregate deliverability and be certified deliverable in order to qualify as a Capacity Resource for the Network Customer for periods beyond the confirmed designation, or in order to qualify as a Capacity Resource for any other Network Customer.

69.2.2 Alternative Capacity Resources

The following resources will be designated as Alternative Capacity Resources, notwithstanding the fact that such resources may fail to meet all of the criteria to

be designated as a Network Resource. Alternative Capacity Resources can be utilized to meet RAR requirements even if they do not qualify as a Network Resource, however all Alternative Capacity Resources utilized to meet RAR requirements must be registered with the Transmission Provider in accordance with Section 69.1.4. Alternative Capacity Resources utilized to meet RAR requirements must be available for use in the event of an Emergency as declared by the Transmission Provider pursuant to the Emergency Operating Procedures of the Transmission Provider and in accordance with prohibitions and restrictions under state laws, rules, standards and permits.

Demand Resources (“DR”) and Behind-the-Meter Generation Resources (“BTM”) not reported in EIA 860 reports may either be recognized as a Load Modifier or as a Capacity Resource in the RAR calculation, as specified by the MP registering the Alternative Capacity Resource with the Transmission Provider in accordance with Section 69.1.4.

69.2.2.1 Demand Resources

The Transmission Provider shall develop procedures for accrediting, testing, validating, measuring, and verifying, all Demand Resources claimed by a LSE as Alternative Capacity Resources. The accrediting, testing, validation, measurement and verification procedures developed by the Transmission Provider shall take into account any applicable state regulatory or other non-jurisdictional entities requirements regarding duration, frequency and notification processes for the candidate DR. The accrediting procedures shall also take into account deliverability and availability for the Planning Year as well as for any term longer than the Planning Year to meet Forecast Load.

69.2.2.1.a - Requirements for Demand Resources as Alternative Capacity Resources

For any DR to qualify to receive capacity credit (as either the equivalent of a Capacity Resource or as a Load Modifier, at the targeted MW level) in the calculation to determine if a LSE has met the RAR requirement, that DR must meet the all the requirements specified below. The targeted MW level is defined to be the MW level at which capacity credit is taken for any given month for a particular DR option, whether as a Load Modifier or as the equivalent of a Capacity Resource.

1. The DR must be equal to or greater than 100 kW (a grouping of smaller resources may qualify in meeting this standard).
2. The DR must be available to be scheduled for a load reduction at the targeted load reduction level with no more than 12 hours advisory notice.
3. Once scheduling instructions are given by the Transmission Provider that require a load reduction, the DR must be capable of ramping down to meet the targeted load reduction level in two hours or less.

4. Once the targeted level of load reduction is achieved, the DR must be able to maintain the target level of load reduction for at least four continuous hours.
5. The DR must be capable of being interrupted at least 5 times (when called upon by the Transmission Provider) during any Planning Year for which capacity credit is given.
6. Unless the Load associated with a DR that would normally be available for interruption is already off the system for external reasons such as maintenance outages, etc., when a DR load reduction is requested by the Transmission Provider, the resultant load reduction must be a reduction that would not have otherwise occurred within the next 24 hour period. There should be no penalties assessed to a DR that is unavailable for interruption due to its load being off the system for external reasons, or in the event the targeted load reduction had already been accomplished for other reasons (i.e., economic considerations or local reliability concerns).
7. DR in which curtailment is an economic option and is not an obligation during Emergency events declared by the Transmission Provider pursuant to the Transmission Provider Emergency Operating Procedures will not qualify as an Alternative Capacity Resource.
8. There can be only one MP claiming the DR capacity credit associated with the load reduction capability.
9. DRs offered into the Day-Ahead and/or Real-Time Energy Markets as price sensitive load bids are obligated to be interrupted during an Emergency pursuant to the Transmission Provider Emergency Operating Procedures regardless of the projected or actual Real-Time Energy Market LMP.

69.2.2.2 Behind-the-Meter Generation

69.2.2.2.a Behind-the-Meter Generation Interconnected under Transmission Provider Procedures and Agreements

The Transmission Provider shall develop procedures for commitment and dispatch of BTMs interconnected into the Transmission Provider Region under the Transmission Provider's interconnection procedures and agreements that is designated by an LSE as an Alternative Capacity Resource. Such procedures shall be consistent with the information provided by the LSE and at a minimum will provide for the commitment and dispatch of the generation, when available, during declared Emergencies prior to the use of Operating Reserves to meet the energy balance. The LSE shall notify the Transmission Provider of the status and availability of the unit on a daily basis according to procedures specified in the RAR Business Practices Manual. The Transmission Provider shall coordinate with LSEs that own or control such BTMs to commit and dispatch the units when necessary.

69.2.2.2.b Behind-the-Meter Generation Interconnected under State Regulatory Procedures and Agreements

BTMs interconnected to the local distribution system consistent with state regulatory procedures and agreements may be claimed as an Alternative Capacity Resource by a LSE, but may not be committed for dispatch by the Transmission Provider during declared Emergencies where prohibited by state law and regulations. Where no state regulatory prohibitions exist, dispatch of such BTM shall be consistent with the information provided by the LSE or by a Curtailment Service Provider and at a minimum will provide for the commitment and dispatch of the generation, when available, during declared Emergencies. The Market Participant shall notify the Transmission Provider of the status and availability of the unit on a daily basis according to procedures specified in the Business Practices Manuals. The Transmission Provider shall coordinate with Market Participants that own or control such BTM to commit and dispatch the units when necessary.

69.2.2.3 Penalty Provisions for Alternative Capacity Resources

Unless the Alternative Capacity Resource is unavailable as a result of maintenance requirements or for reasons of Force Majeure, the LSE which has received credit for the use of an Alternative Capacity Resource in meeting RAR requirements will be subject to the following penalties in the event the Alternative Capacity Resource is called upon during an Emergency as declared by the Transmission Provider and fails to respond, or does not respond at the targeted level of load reduction. The penalties defined below will only apply for the portion of the targeted level of load reduction that is not achieved during the Emergency declaration. There will not be a penalty assessed for any portion of the targeted load reduction which had already been accomplished for other reasons (i.e., for economic considerations or local reliability concerns) at the time the request for interruption is made by the Transmission Provider. Likewise, for certain DRs that are temperature dependant (i.e., a DR program involving air conditioning load), the expected targeted level of load reduction may be adjusted in a manner defined in the measurement and verification procedures developed by the Transmission Provider to reflect the circumstances at the time DR is called upon to reduce load.

69.2.2.3.a –The responsible entity shall reimburse the LSEs in the Local Balancing Area (or the Transmission Provider Region, as applicable) on a load ratio share basis the costs that were otherwise incurred to replace the deficient resource at the time the Alternative Capacity Resource is called upon by the Transmission Provider. For any situation where either an Alternative Capacity Resource does not respond to an interruption request, including those circumstances where the resource is claimed to be unavailable as a result of maintenance requirements or for reasons of

Force Majeure, the Transmission Provider shall initiate an investigation with the MP which has received credit for the use of an Alternative Capacity Resource into the cause of the resource not being available when called upon to reduce Load, and may, if deemed appropriate by the Transmission Provider, disqualify that resource from further utilization in meeting future RAR requirements.

69.2.2.3.b – In the event the same Alternative Capacity Resource is unavailable on a second occasion (with at least a separation period of 24 hours) when called upon to reduce Load, except for a validated circumstance of maintenance requirements or for reasons of Force Majeure, that resource shall make the same penalty payment as indicated in section 69.2.2.3.a above, and will no longer be eligible for utilization by any MP in meeting RAR requirements.

69.2.3 Capacity Resource Must Offer Requirement

Self-Schedules or Offers must be submitted for Capacity Resources (except for Alternative Capacity Resources), consistent with requirements specified in the RAR Business Practices Manual, in the Day-Ahead Energy Market and the first Reliability Assessment Commitment, except to the extent that the Capacity Resource is unavailable due to a full or partial forced or scheduled outage consistent with this Tariff. Outages must be reported in the Transmission Provider's Outage Scheduler. Must Offer requirements specified in the RAR Business Practices Manual will reflect resource operational limitations, including those related to fuel limited, energy output limited or Intermittent Resources, including all state regulations and laws relating to reliability, including but not limited to reliability standards, safety standards, planning reserve margins, or the enforcement thereof. Alternative Capacity Resources are subject to a must-offer requirement during an Emergency as declared by the Transmission Provider Emergency Operating Procedures as specified in Section 69.2.2.

Operating Reserve, consistent with the terms of Module C, will be deemed to have satisfied the requirement to Self-Schedule or Offer in the Day-Ahead Energy Market. At its sole discretion, the Transmission Provider may curtail Exports sourced at a Capacity Resource or from the Energy Markets during a declared Emergency. Procedures for such curtailments shall be specified in the Business Practices Manuals. The Transmission Provider may not curtail Export Generation Resources responding to reserve activation in accordance with the terms and conditions of a Regional Reserve Sharing Agreement during the time such reserve activation is effective.

69.3 Compliance

69.3.1 State RAR Standards

The Transmission Provider will assist states in meeting any of their state RAR standards by providing relevant Load and Capacity Resource information as

available and as may be requested by States. ; Nothing in this Module E shall prohibit any state from requesting data relating to reliability standards, safety standards, planning reserve margins, or the enforcement thereof.

69.3.2 Notification of RAR Status

The Transmission Provider will maintain data bases and will report to states upon request the extent to which each LSE has met or has not met the requirements in Section 69.1 during relevant time periods.

69.3.3 Facilitation of a Voluntary Capacity Exchange

The Transmission Provider shall maintain and enhance an electronic bulletin board platform that may be used by Market Participants to facilitate the ability of Market Participants that have excess Capacity Resources to confidentially enter into voluntary bilateral transactions with LSEs that have the need for Capacity Resources. The prices of such confidential transactions, but not the names of the parties, will be made public four (4) months after the fact to facilitate Capacity Resource price transparency.

69.3.4 After the Fact Load and Capacity Resource Assessment

On a monthly basis, the Transmission Provider will determine the Peak Requirement for the prior month for an LSE and then review actual data from such period to evaluate the accuracy of the Forecast LSE Requirements submitted by each LSE for such month. If the Transmission Provider determines, based on its review, that the Forecast LSE Requirements under-forecasts the Load, after accounting for any extreme weather conditions during such month, the Transmission Provider will notify the LSE of the deficiency. If a deficiency with respect to an LSE's Forecast LSE Requirement occurs either for three (3) consecutive months or for one (1) month between June and September, then the Transmission Provider will address the uncertainty caused by the LSE's deficient hourly Forecast LSE Requirements by: (i) informing applicable State authorities; and (ii) on the Transmission Provider's website, publishing for 90 days the identity of the deficient LSE and the period(s) of the deficiency.)

69.3.5 LSE Compliance with RAR

The Transmission Provider shall request a 180 day extension of time to file enforcement provisions with the FERC in order to allow additional time for continuing discussions with the Organization of MISO States and with other interested stakeholders.

69.4 Transition Period

The Transmission Provider will commence prompt implementation of the provisions in Sections 68 and 69 upon Commission approval. Given the need for

an equitable transition period, the provisions in Sections 69.3.4 and 69.3.5 will not be implemented by the Transmission Provider until February 1, 2009.

Proposed New Definitions for Module E

Planning Reserve Margin: the percentage of Capacity Resources that an LSE must maintain above its Forecast LSE Requirement for planning purposes to reliably be able to serve Load based upon a one occurrence in ten years probability analysis.

Resource Adequacy Requirements (“RAR”): the planning reserve procedures found in Section 68 and 69 of the Tariff and the RAR Business Practices Manual to ensure that there are adequate Capacity Resources available to enable LSEs to reliably serve load.

Capacity Resources: the Generation Resources or Alternate Capacity Resources that are available to meet peak Load demand

Loss of Load Expectation: the expected number of days in the year, in a probabilistic sense, when the daily peak demand exceeds the available Capacity Resources

Forecast LSE Requirement: the expected peak Load demand for an LSE for a given time period based upon considerations including, but not limited to, anticipated weather conditions and expected Load changes.

Planning Year: the period of time from June 1 of one year to May 31 of the following year that is used for developing Resource Plans.

Resource Plans: the plans made by an LSE to ensure that its Forecast LSE Requirement plus PRM will be met or be exceeded by the Capacity Resources designated by the LSE.

Capacity Resource Transaction Price: the charge per MW/month of qualified Resources that are available to achieve Resource Adequacy Requirements.

Unforced Capacity: the amount of available capacity of a Capacity Resources after accounting for that resource's forced outage amount.

Peak Requirement: the maximum hourly Load during the Planning Year or during a month that the Transmission Provider determines is the highest Load for an LSE.

Curtailed Service Provider: an entity that is responsible for coordinating demand reductions from multiple end use customers.

Excess Capacity Resources:

Alternative Capacity Resource (“ACR”):.

Load Modifier:

Behind-the-Meter Generation Resource:.

Demand Resource.