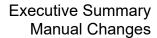


| Effective Date | 9.21-2023 |
|--|-----------|
| Impacted Manual #(s)/Manual Title(s): | |
| Manual 28: Operating Agreement Accounting | |
| Conforming Order(s): Periodic Review | |
| Associated Issue Tracking Title: | N/A |
| Committee Approval Path - What committee(s) have already seen these changes? | |
| MIC First Read: 8.9.2023 MIC Endorsement: 9.6.2023 MRC First Read: 8.24.2023 MRC Endorsement: 9.20.2023 | |
| MRC 1st read date: | 8.24.2023 |
| MRC voting date: | 9.20.2023 |
| Impacted Manual sections: | |
| All | |
| Reason for change: | |
| All - Periodic Biennial Review Section 4 (Regulation): Conforming changes for regulation mileage per order EL21-83-000 | |
| Summary of the sharpes. | |

Summary of the changes:

- Grammar, Punctuation, Typos, Syntax Consistency, Reference Updates
- Addition of clarifying words and phrases
- Removal of terminated business rules
- Deletion of duplicate material
- Clarification of business rules for Direct Charging Energy (hybrids and ESRs)
- Section 3 (Spot Market): Consistent use of fully metered EDC, day-ahead, and balancing terminology
- Section 4 (Regulation): Conforming changes for regulation mileage per order EL21-83-000
- Section 5 (Operating Reserves):
 - Replaced UDS basepoint MW with dispatch signal MW
 - Replaced UDS LMP desired MW with Dispatch Imp desired MW
 - Corrected Balancing Operating Reserve Target calculation
 - Including Nuclear unit eligibility description in Section 5.2.1
 - Updated submittal process for condense to generation costs (Submitted via Markets Gateway, not manually submitted)
 - o Reformatted balancing energy market value for easier understanding
 - o Removed references to Demand Resources, calculations are covered in Section 11.
 - Added references to Secondary Reserves
 - o Added up-to congestion transactions to DA Op Reserves charge denominator
 - Added Section 5.3.2.3A, Calculation of Ramp Limited Desired MW consistent with M11 (will be removed from M11 at a later date).
 - Reworded Section 5.3.5 Reactive Services
- Section 6 (Synchronized Reserves): Clarifications to shortfall MW and charge calculations (e.g. shortfall MW if multiple
 events during a day and corrected billing line item)
- Sections 6, 7, and 19 (SR, NSR, and SecR): Added obligation calculation details if RT assignments are zero.
- Section 8 and 9 (Transmission Congestion & Losses): Added explicit charge details for up-to congestion transactions.
- Section 9.4 (Transmission Loss Credits): Replaced specific non-firm export reduction factor percentage with calculation description





- Section 11 (Load Response): Replaced description of LM testing allocation ratio with formula
- Section 15 (Market Revenue Neutrality Offset): Corrected cost component of LOC Credit Due to Reduction for Non-Synchronized Reserve
- Section 16 (FTR Auction): Updated to reflect changes allowing self-scheduling by class type
- Section 16 (FTR Auction) and 17 (ARR Settlements): Clarified inclusion of long-term FTR auctions
- Section 17 (ARR Settlement): Added ARR allocation business rule for Direct Charging Energy
- Section 22 (Open-loop Hybrid & Energy Storage): Corrected placement of following dispatch within 10% business rule.
- Section 23: Fuel Cost Policy Penalty Settlements: New section describing settlements methodology consistent with Operating Agreement Schedule 2