ATTACHMENT J

FORMULA FOR DETERMINING DAY-AHEAD CONTRACT BALANCING PAYMENT

I.   DAY-AHEAD CONTRACT BALANCING PAYMENTS

1.0   Payments

Day-Ahead Contract Balancing Payment shall be calculated using the following equation:

DCB = [(DAM_SCHED – MAX (AVG_SCD_RAMPED_MW,ADJUSTED_MW))*
RT_LBMP – (Area underneath the units bid curve between DAM_SCHED_DA_BID and Max
(SCD_BP_DA_BID, ,ADJ_MW_DA_BID))]* SCD_Interval_Seconds/3600

Where:

DCB	=	Day-Ahead Contract Balancing Payment
DAM_SCHED	=	Units Day-Ahead Energy Schedule (MW) for the hour
DAM_SCHED_DA_BID	=	DAM Energy Scheduled MW's @ DAM Bid
SCD_Interval_Seconds	=	seconds in the SCD interval
Adjusted_MW	=	actual energy injection
AVG_SCD_RAMPED_MW	=	Average SCD Ramped Basepoint
RT_LBMP	=	the Real-Time LBMP
SCD_BP_DA_BID	=	SCD BP @ DAM Bid
ADJ_MW_DA_BID	=	Adjusted MW @ DAM Bid Cost
SCD BP	=	Basepoint sent by the Security Constrained Dispatch ("SCD")
DA BID	=	the Unit's Day-Ahead Bid

All Intervals within the hour are then summed

$\sum$ Dam Contract Balance$_{interval}$ = DAM Contract Balance$_{hour}$
If DAM Contract Balance$_{hour}$ < 0 then DAM Contract Balance = 0

II.   EXCEPTIONS TO DAY-AHEAD CONTRACT BALANCING PAYMENTS

1.0 Units Lagging Behind SCD Basepoints

Units that do not respond or lag behind their Security Constrained Dispatch

("SCD") basepoints will have their eligibility for DAM Contract Balance payments

suspended for that SCD interval. If the unit's adjusted MW value is less than or equal to

its Penalty Limit for under-generation value (PLU) value it will not be eligible for DAM

Contract Balance payments for that SCD interval.

1.0.1 Penalty Limit for under-generation value

The Penalty Limit for under-generation value is the tolerance described in

Section 4.0a of Rate Schedule 3 of this Tariff, set pursuant to ISO Procedures,

and used in the calculation of the charge for persistent undergeneration for

Suppliers not providing Regulation Service.

1.1   Class B Units

Class B Units are not be eligible for DAM Contract Balance payments unless the

Class B unit has been taken OOM for ISO Security, TO Local Security, and/or ISO

Reserves. Although the unit may have a schedule to supply 10-minute spinning reserve,

its hourly energy schedule is fixed, and it does not provide load following and is not

eligible for DAM Contract Balancing payments.

1.2   Units Scheduled to Supply Ten-Minute Spinning Reserves

If an On-Dispatch unit is taken OOM for ISO or TO security or for reserves and is

scheduled to supply 10 minute spinning reserves, the unit may be eligible for both RT

LOC and DAM Contract Balancing. The unit may be eligible for DAM Contract

Balancing between (i) the higher of its SCD basepoint or its adjusted megawatt value and

(ii) its DA Energy schedule. Units may also be eligible for Real-Time Lost Opportunity

Cost Payments between their Day-Ahead Energy schedule and their Day-Ahead Upper

Operating Limit.