

2.33a Curtailment Customer Aggregator

A Curtailment Services Provider that produces real-time verified reductions in NYCA load of at least 100 kW through contracts with retail end-users. The procedure for qualifying as a Curtailment Customer Aggregator is set forth in ISO procedures.

2.33b Curtailment Services Provider

A qualified entity that can produce real-time, verified reductions in NYCA Load of at least 100 kW in a single Load Zone, pursuant to the Emergency Demand Response Program and related ISO procedures. The procedure for qualifying as a Curtailment Services Provider is set forth in Section III below and in ISO Procedures.

2.34 Customer

An entity which has complied with the requirements contained in the ISO Services Tariff, including having signed a Service Agreement, and is qualified to utilize the Market Services and the Control Area Services provided by the ISO under the ISO Services Tariff; provided, however, that a party taking services under the Tariff pursuant to an unsigned Service Agreement filed with the Commission by the ISO shall be deemed a Customer.

2.35 Day-Ahead

Nominally, the twenty-four (24) hour period directly preceding the Dispatch Day, except when this period may be extended by the ISO to accommodate weekends and holidays.

2.36 Day-Ahead LBMP

The LBMPs calculated based upon the ISO's Day-Ahead Security Constrained Unit Commitment process.

2.37 Day-Ahead Market

The ISO Administered Market in which Capacity, Energy and/or Ancillary Services are scheduled and sold Day-Ahead consisting of the Day-Ahead scheduling process, price calculations and Settlements.

2.38 Decremental Bid

A monotonically increasing Bid curve provided by an entity engaged in a Bilateral Transaction to indicate the LBMP below which that entity is willing to reduce its Generator's

purposes of determining the amount of Installed Capacity that resource is permitted to provide.
Such periods will be established pursuant to the ISO Procedures.

2.47 Emergency

Any abnormal system condition that requires immediate automatic or manual action to prevent or limit loss of transmission facilities or Generators that could adversely affect the reliability of an electric system.

2.47a Emergency Demand Response Program (“EDRP”)

A program pursuant to which the ISO makes payments to Curtailment Service Providers that voluntarily take effective steps in real time, pursuant to ISO procedures, to reduce NYCA demand in Emergency conditions.

2.48 Emergency State

The state that the NYS Power System is in when an abnormal condition occurs that requires automatic or immediate, manual action to prevent or limit loss of the NYS Transmission System or Generators that could adversely affect the reliability of the NYS Power System.

2.49 Energy (“MWh”)

A quantity of electricity that is bid, produced, purchased, consumed, sold, or transmitted over a period of time, and measured or calculated in megawatt hours.

2.49a Energy Limited Resource

Capacity resources that, due to design considerations, environmental restrictions on operations, cyclical requirements, such as the need to recharge or refill, or other non-economic reasons, are unable to operate continuously on a daily basis, but are able to operate for at least four consecutive hours each day.

2.82 ISO Market Power Monitoring Program

The monitoring program approved by the Commission and administered by the ISO designed to monitor the possible exercise of market power in ISO Administered Markets.

2.83 ISO OATT

The ISO Open Access Transmission Tariff.

2.84 ISO Procedures

The procedures adopted by the ISO in order to fulfill its responsibilities under the ISO OATT, the ISO Services Tariff and the ISO Related Agreements.

2.85 ISO Related Agreements

Collectively, the ISO Agreement, the ISO/TO Agreement, the NYSRC Agreement, and the ISO/NYSRC Agreement.

2.86 ISO Services Tariff (the "Tariff")

The ISO Market Administration and Control Area Services Tariff.

2.87 ISO Tariffs

The ISO OATT and the ISO Services Tariff, collectively.

2.88 LBMP Market(s)

The Real-Time Market or the Day-Ahead Market or both.

2.88a Limited Customer

An entity that is not a Customer but which qualifies to participate in the ISO's

Emergency Demand Response Program by complying with Limited Customer requirements set forth in the ISO Procedures.

2.89 LIPA Tax Exempt Bonds

Obligations of the Long Island Power Authority, the interest on which is not included in gross income under the Internal Revenue Code.

Issued by: William J. Museler, President
Issued on: March 13, 2001

Effective: May 1, 2001

2.94 Local Furnishing Bonds

Tax-exempt bonds issued by a Transmission Owner under an agreement between the Transmission Owner and the New York State Energy Research and Development Authority (“NYSERDA”), or its successor, or by a Transmission Owner itself, and pursuant to Section 142(f) of the Internal Revenue Code, 26 U.S.C. § 142(f).

2.94a Local Generator

A resource operated by or on behalf of a Load that is either: (i) not synchronized to a local distribution system; or (ii) synchronized to a local distribution system solely in order to support a Load that is equal to or in excess of the resource’s Capacity. Local Generators supply Energy only to the Load it is being operated to serve and do not supply Energy to the distribution system.

2.95 Locality

A single LBMP Load Zone or set of adjacent LBMP Load Zones within one Transmission District within which a minimum level of Installed Capacity must be maintained.

2.96 Local Reliability Rule

A Reliability Rule established by a Transmission Owner, and adopted by the NYSRC, to meet specific reliability concerns in limited areas of the NYCA, including without limitation,

Issued by: William J. Museler, President
Issued on: ~~January 16~~ March 13, 2001

Effective: ~~January 2~~ May 1, 2001

~~Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER99-4235-002, issued December 18, 2000.~~

special conditions and requirements applicable to nuclear plants and special requirements applicable to the New York City metropolitan area.

2.97 Locational Based Marginal Pricing (“LBMP”)

A pricing methodology under which the price of Energy at each location in the NYS Transmission System is equivalent to the cost to supply the next increment of Load at that location (i.e., the short-run marginal cost). The short-run marginal cost takes Generation Bid Prices and the physical aspects of the NYS Transmission System into account. The short-run marginal cost also considers the impact of Out-of-Merit Generation (as measured by its Bid