

SCD, or, in the case of a Proxy Generator Bus, from the results of BME during periods in which (1) proposed economic transactions over the Interface between the NYCA and the Control Area in which that Proxy Generator Bus is located would exceed the Available Transfer Capability for that Interface, (2) proposed interchange schedule changes pertaining to the NYCA as a whole would exceed any Ramp Capacity limits in place for the NYCA as a whole, or (3) proposed interchange schedule changes pertaining to the Interface between the NYCA and the Control Area in which that Proxy Generator Bus is located would exceed any Ramp Capacity limit imposed by the ISO for that Interface.

Real-Time LBMPs for Non-Competitive Proxy Generator Busses

Real-Time LBMPs for a Non-Competitive Proxy Generator Bus shall be determined as follows. When (i) proposed Real-Time Market economic net import transactions into the NYCA from the Non-Competitive Proxy Generator Bus would exceed the Available Transfer Capability for the Interface between the NYCA and the Control Area in which the Non-Competitive Proxy Generator Bus is located, or (ii) proposed interchange schedule changes pertaining to increases in Real-Time Market net imports into the NYCA from the Non-Competitive Proxy Generator Bus would exceed ~~any~~ the Ramp Capacity limit imposed by the ISO for the Interface between the NYCA and the Control Area in which the Non-Competitive Proxy Generator Bus is located, the Real-Time LBMP at the Non-Competitive Proxy Generator Bus will be the higher of (i) the BME-determined price at the proxy generator bus or (ii) the lower of the LBMP determined by SCD or zero. When (i) proposed Real-Time Market economic net export transactions from the NYCA to the Non-Competitive Proxy Generator Bus would exceed the Available Transfer

Capability for the Interface between the NYCA and the Control Area in which the Non-Competitive Proxy Generator Bus is located, or (ii) proposed interchange schedule changes pertaining to increases in Real-Time Market net Exports from the NYCA to the Non-Competitive Proxy Generator Bus would exceed ~~any~~ the Ramp Capacity limit imposed by the ISO for the Interface between the NYCA and the Control Area in which the Non-Competitive Proxy Generator Bus is located, the Real-Time LBMP at the external proxy bus will be the lower of (i) the BME-determined price at the proxy generator bus or (ii) the higher of the LBMP determined by SCD for the Non-Competitive Proxy Generator Bus or the Day-Ahead LBMP determined by SCUC for the Non-Competitive Proxy Generator Bus. ~~When proposed interchange schedule changes pertaining to the NYCA as a whole would exceed any Ramp Capacity limits in place for the NYCA as a whole, Real-Time LBMPs will be set pursuant to the immediately preceding paragraph.~~ At all other times, the Real-Time LBMP shall be calculated as specified in the subsection titled LBMP Prices for External Locations, above.

The three components of the Real-Time LBMP, pursuant to this paragraph, shall be constructed as follows:

When the Real-Time LBMP is set to zero and that zero price was not the result of using the SCD, BME or DAM determined LBMPs;

$$\text{Real-Time LBMP} = \text{Energy}_{\text{BME REF BUS}} + \text{Losses}_{\text{BME PROXY GENERATOR BUS}} - \text{Congestion}$$

$$\text{Where Congestion} = \text{Energy}_{\text{BME REF BUS}} + \text{Losses}_{\text{BME PROXY GENERATOR BUS}}$$

When the Real-Time LBMP is the Day-Ahead LBMP:

$$\text{Real-Time LBMP} = \text{Energy}_{\text{BME REF BUS}} + \text{Losses}_{\text{BME PROXY GENERATOR BUS}} - \text{Congestion}$$

$$\text{Where Congestion} = \text{Energy}_{\text{BME REF BUS}} + \text{Losses}_{\text{BME PROXY GENERATOR BUS}} - \text{Day-Ahead}$$

LBMP_{PROXY GENERATOR BUS} as calculated by SCUC

where:

Energy _{BME REF BUS}	=	Energy Component of the LBMP as calculated by BME for the Noncompetitive Proxy Generator Bus;
Losses _{BME PROXY GENERATOR BUS}	=	Losses Component of the LBMP as calculated by BME for the Noncompetitive Proxy Generator Bus;
Day-Ahead LBMP _{PROXY GENERATOR BUS}	=	Day-Ahead LBMP as calculated by SCUC for the Noncompetitive Proxy Generator Bus.

6.0 The Marginal Losses Component of LBMP

Reduction Incentive Payment from the ISO equal to the product of: (a) the Day-Ahead hourly LBMP at the Demand Reduction bus; and (b) the lesser of the actual hourly Demand Reduction or the scheduled hourly Demand Reduction (in MW), provided however that Demand Reduction Incentive Payments shall not be available for Demand Reductions after October 31, 2004~~3~~.

A zonal floor bid price of \$50/MW hour is applicable to all Day-Ahead Demand Response Resources that bid into the Day-Ahead Energy market.

The ISO shall publish the Day-Ahead Settlement Load Zone LBMPs for each hour in the scheduling horizon (nominally twenty-four (24) hours). The ISO shall then close the Day-Ahead Settlement.

4.17 Real-Time LBMPs

The ISO shall calculate Real-Time LBMPs at each Generator bus, and for each Load Zone in each SCD cycle, ~~based on data generated by the SCD program~~ in accordance with the procedures set forth in Attachment B. ~~The ISO shall, however, calculate Real-Time LBMPs at Proxy Generator Buses based on data generated by the BME program for any hour in which (1) proposed economic transactions over the Interface between the NYCA and the Control Area with which that Proxy Generator Bus is associated would exceed the Available Transfer Capability for that Interface, (2) proposed interchange schedule changes pertaining to the NYCA as a whole would exceed any Ramp Capacity limits in place for the NYCA as a whole, or (3) proposed interchange schedule changes pertaining to the Interface between the NYCA and the Control Area with which that Proxy Generator Bus is associated would exceed any Ramp Capacity limit imposed by the ISO for that Interface.~~

The ISO shall determine, on a daily basis, if any Demand Reduction committed by the ISO in the Day-Ahead Market will not recover its Curtailment Initiation Cost and its Demand Reduction Bid price through Day-Ahead LBMP revenues. If a Demand Reduction Provider's Curtailment Initiation Cost Bid plus its Demand Reduction Bid Price over the twenty-four (24) hour day exceeds its Day-Ahead LBMP revenue over the twenty-four (24) hour day, its Day-Ahead LBMP revenue may be augmented by a supplemental payment pursuant to the provisions of Attachment C.

The ISO shall determine, on a daily basis, if any Special Case Resource committed by the ISO will not recover its Minimum Payment Nomination through LBMP revenues. If a Special Case Resource's Minimum Payment Nomination over the period of requested performance, or four (4) hour period, whichever is greater, exceeds the LBMP revenue received as a Special Case Resource over that same period, its LBMP revenue may be augmented by a supplemental payment pursuant to the provisions of Attachment C.

Each Generator committed by the ISO in the Real-Time Market whose Real-Time LBMP payments for Energy produced are less than its Minimum Generation and Start-Up Bids to produce that Energy will be compensated by the ISO for the shortfall, in accordance with Attachment C. [When the Interface between the NYCA and the Control Area in which the Non-Competitive Proxy Generator Bus is located is export constrained due to limits on Available Interface Capacity or Ramp Capacity limits for that Interface in an hour, External Generators and other Suppliers scheduling Import transactions at such Noncompetitive Proxy Generator Bus](#)

in that hour will not be eligible for Real-time shortfall payments for those transactions. The ISO shall recover any supplemental payments to Generators through the Rate Schedule 1 charge under the ISO OATT.

Issued by: William J. Museler, President
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