

## **SCHEDULE 1**

### **SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE**

This service is required to schedule the Purchase, Sale and movement of power through, out of, within, or into the NYCA. This service can be provided only by the ISO. The Transmission Customer must purchase this service from the ISO. The charges for Scheduling, System Control and Dispatch Service and any rebillings associated therewith are set forth below.

#### **1. Parties to Which Charges Apply**

The ISO shall charge, and Transmission Customers shall pay, the Scheduling, System Control and Dispatch Service ("Rate Schedule 1") charge on all Transmission Services provided pursuant to Parts II, III and IV to this Tariff, provided that Transmission Customers who are retail access customers who are being served by an LSE shall not pay this charge to the ISO; the LSE shall pay this charge.

#### **2. Billing Units and Calculation of Rates**

The ISO shall charge each Transmission Customer based on the product of: (i) the Scheduling, System Control and Dispatch Service charge rates; and (ii) the customer's applicable billing units for the month.

##### **A. Billing Units**

The customer's billing units will be based on the Actual Energy Withdrawals for all Transmission Service to supply Load in the NYCA, and hourly Energy schedules for all Wheels Through and Exports. To the extent Schedule 1 charges are

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Schedule 1

associated with satisfying Local Reliability Rules, the billing units for such charges will be based on the Actual Energy Withdrawals in the sub-zone(s) where the Local Reliability Rules are applied. To the extent Schedule 1 charges are associated with payments made for supplemental payments and Demand Reduction Incentive Payments to Demand Reduction Providers, the billing units of such charges shall be based on Actual Energy Withdrawals on a zonal basis in proportion to the benefits received to supply Load in the NYCA according to the Methodology described in Attachment R. [To the extent that Schedule 1 charges are associated with the costs of Bid Production Cost Guarantees for resources committed Day-Ahead by ISO in addition to the reserves the ISO normally maintains to enable it to respond to contingencies, such charges shall be allocated to Transmission Customers who are not Suppliers according to the Methodology described in Attachment S.](#)

B. Computation of Rates

The Scheduling, System Control and Dispatch Service Charge shall consist of three components and shall be recovered on a monthly basis in accordance with the following processes:

1. The costs listed in Sections 3A and 3B of this Rate Schedule shall be estimated each month for the following month, shall be divided by the total estimated billing units as described in Section 2A of this Rate Schedule for the following month and shall be posted on the ISO's website

prior to the start of the subject month. This rate is then multiplied by each customer's billing units for the subject month.

2. The ISO shall calculate, and each Transmission Customer shall pay, an hourly charge equal to the product of (A) the costs listed in Section 4A of

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Schedule 1

Original Sheet No. 232A

this Rate Schedule for each hour and (B) the ratio of (i) the Transmission  
Customer's total billing units for that hour as described in Section 2A of  
this Rate Schedule to

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(ii) the sum of all ISO Transmission Customers' billing units for that hour as described in Section 2A of this Rate Schedule.

The ISO shall calculate, and each Transmission Customer shall pay, a daily charge equal to the product of (A) the costs listed in Section 4B of this Rate Schedule for each day and (B) the ratio of (i) the Transmission Customer's total billing units for that day as described in Section 2A of this Rate Schedule to (ii) the sum of all ISO Transmission Customers' billing units for that day as described in Section 2A of this Rate Schedule provided however that the costs of supplemental payments and Demand Reduction payments to Demand Reduction providers, shall be allocated to Transmission Customers on a zonal basis in proportion to the benefits received, pursuant to ISO procedures according to the Methodology described in Attachment R. To the extent that Schedule 1 charges are associated with the costs of Bid Production Cost Guarantees for resources committed Day-Ahead by ISO in addition to the reserves the ISO normally maintains to enable it to respond to contingencies, such charges shall be allocated to Transmission Customers who are not Suppliers according to the Methodology described in Attachment S.

3. ISO Costs

ISO costs to be recovered through the Rate Schedule 1 charge include:

A. Costs associated with the operation of the NYS Transmission System by the ISO and administration of this Tariff by the ISO, including without limitation, the following :

- Processing and implementing requests for transmission service including support of the ISO OASIS node;

ATTACHMENT S

COST ALLOCATION METHODOLOGY FOR SCHEDULE 1 BID PRODUCTION  
 GUARANTEES FOR ADDITIONAL GENERATING UNITS COMMITTED TO MEET  
 FORECAST LOAD

The Day-Ahead commitment of generating units includes sufficient Generators and/or Interruptible Load to provide for the safe and reliable operation of the NYS Power System. In cases in which the sum of all Bilateral Schedules and all Day-Ahead purchases and sales of energy within the NYCA is less than the ISO’s Day-Ahead forecast of Load, the ISO will commit resources in addition to the reserves it normally maintains to enable it to respond to contingencies. Payments for Bid Production Guarantees (BPG) made to such additional resources are to be recovered under Schedule 1. These “BPG to Additional Resources” shall be allocated to Transmission Customers other than Suppliers pursuant to the methodology set forth below, on the basis of their Real-Time energy purchases in their Load Zones or Composite Load Zones (see below). By design, when the NYISO forecast exceeds actual load, the methodology below results in an imbalance between payments of BPG to Additional Resources and the obligations of non-supplier Transmission Customers. Any imbalance shall be allocated to Transmission Customers as a Bid Production Guarantee under Section 4.B.

More specifically, BPG to Additional Resources shall be allocated to each Transmission Customer that is not a Supplier as follows:

$$\underline{BPCG_c = BPCG_{NYCA} \times \sum_{L \in NYCA} (K_L^{fe} \times K_L^{loc} \times K_{c,L}^{customer})}$$

Where:

<u>BPCG<sub>c</sub></u>	<u>Obligation of non-supplier Transmission Customer “c” for the Bid Production Cost Guarantees for such additional resources.</u>
<u>BPCG<sub>NYCA</sub></u>	<u>Total Bid Production Cost Guarantees in the NYCA for such additional resources.</u>
<u>L</u>	<u>Load Zone or Composite Load Zone</u>
<u>K<sub>L</sub><sup>fe</sup></u>	<u>Scale factor that estimates the portion of the total Bid Production Cost Guarantee for such units that cannot be attributed to forecast error in Load Zone or Composite Load Zone L.</u>
<u>K<sub>L</sub><sup>loc</sup></u>	<u>Scale factor calculated as the net Real-Time energy purchases of non-supplier Transmission Customers in Load Zone or Composite Load Zone L relative to the net Real-Time energy purchases statewide.</u>

$K_{c,L}^{\text{customer}}$	<u>Scale factor calculated as the net Real-Time energy purchases of non-supplier Transmission Customer c in Load Zone or Composite Load Zone L relative the net Real-Time energy purchases by all non-supplier Transmission Customers in Load Zone or Composite Load Zone L.</u>
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The imbalance between Bid Production Cost Guarantee payments to such additional resources and the obligations determined above shall be allocated to Transmission Customers. The imbalance is determined according to:

$$\frac{BPCG_{NYCA} - \sum_{c \in NYCA} BPCG_c}{}$$

where:

$c$	<u>Non-supplier Transmission Customer</u>
$BPCG_c$	<u>Defined above</u>
$BPCG_{NYCA}$	<u>Defined above</u>

Load Zones and Composite Load Zones used in the allocation of Bid Production Cost Guarantees for such additional resources are initially set as: (i) Load Zones A-E, (ii) Load Zones F-I, (iii) Load Zone J, and (iv) Load Zone K and may be adjusted by the ISO to reflect the most frequently constrained transmission interfaces in the NYCA.