

# Margin Preservation for Units Scheduled Out of Merit

- Units can be moved out of economic order in response to a reliability issue. OOM
- In some cases units are scheduled at a level that is less than their Day-Ahead schedule contract.
- The Real-Time LBMP \$ may not satisfy the margin \$ that were guaranteed the supplier Day-Ahead **AND**
- The supplier cannot control the HAM schedule through the bid process.

# Margin Preservation for Units Scheduled Out of Merit

- **Suppliers DAM energy replacement costs > DAM energy revenues**
- **RECOMMENDATION for TARIFF CHANGE**
  - *Whenever a supplier cannot meet its DAM energy obligation because it is directed by the NYISO to operate OOM the replacement energy costs is capped at the suppliers day-ahead bid.*
  - *Resulting uplift is charged to the local TO if the request for OOM is to meet a local reliability concern.*

# Margin Preservation for Units Scheduled Out of Merit

- **DCB will be calculated as net, over the hour, of opportunity costs payable when a unit is dispatched below its DA schedule and the RT LBMP is less than the DA LBMP for the same interval.**

# Eligibility

- Units moved by RT dispatch below their day-ahead schedule when the unit is not eligible for RT LOC. This includes those cases where SCD is basepointing the unit, for what ever reason, below the level in which they would be eligible for RT LOC.
- Units taken OOM for ISO or TO Security or for ISO Reserves, and basepointed below their DA schedule

# No Eligibility

- Intervals for which a RT LOC payment has been calculated
- Units that have requested a de-rate will not receive DCB for the difference between their DA Energy schedule and their derated capacity; reserves schedules will be transferred to derated capacity, Mw for Mw. If the unit's reserves schedules are equal to or greater than its derated capacity, there is no DCB eligibility for the interval.

# No Eligibility

- Units that do not respond or are lagging behind their 5-minute SCD basepoints will be ineligible for DCB for that interval.
- Off-dispatch units unless the unit is taken OOM for ISO or TO security or for ISO reserves. If supplying 10-minute spin, the off-dispatch unit will be eligible for RT LOC.