

**ATTACHMENT J**

**FORMULA FOR DETERMINING  
 DAY-AHEAD MARGIN ASSURANCE PAYMENT**

**I. DAY-AHEAD MARGIN ASSURANCE PAYMENTS**

**1.0 Payments**

Except as noted in Section 1.3 of this Attachment J, Day-Ahead Margin Assurance Payments for generating units shall be determined using the following equations:

$$DMAP_{hu} = \max\left(0, \sum_{i \in h} CDMAP_{iu}\right) \text{ and}$$

$$CDMAP_{iu} = \left\{ \left[ DAS_{hu} - \max(RTBP_{iu}, AEI_{iu}) \right] RTP_{iu} - \int_{LL_{iu}}^{DAS_{hu}} DAB_{hu} \right\} * \frac{Seconds_i}{3600},$$

where:

- $DMAP_{hu}$  = the Day-Ahead Margin Assurance Payment attributable in any hour  $h$  to any generating unit  $u$ ;
- $CDMAP_{iu}$  = the contribution of SCRTD interval  $i$  to the Day-Ahead Margin Assurance Payment for unit  $u$ ;
- $DAS_{hu}$  = Day-ahead Energy schedule for unit  $u$  in hour  $h$ ;
- $RTBP_{iu}$  = average 6-second ramped SCRTD basepoint for unit  $u$  in interval  $i$ ;
- $AEI_{iu}$  = average Actual Energy Injection by unit  $u$  in interval  $i$ ;
- $RTP_{iu}$  = real-time price at the location of unit  $u$  in interval  $i$ ;
- $LL_{iu} = \max(RTBP_{iu}, AEI_{iu})$ ;
- $DAB_{hu}$  = Bid curve for unit  $u$  submitted in the Day-Ahead Market for hour  $h$ ; and
- $Seconds_i$  = number of seconds in interval  $i$ .

The value of  $RTBP_{iu}$  in the equation above shall be determined using an arithmetic average of the AGC Base Point Signals sent to a unit over the course of a given SCRTD interval, *i.e.*, the

period between the NYISO's issuance of two successive SCRTD Base Point Signals. The AGC Base Point Signal for a unit that is not providing Regulation Service during a given SCRTD interval shall be initialized by either: (i) the unit's last AGC Base Point Signal from the prior SCRTD interval; or (ii) the unit's actual metered generation at the time new SCRTD Base Point Signals are received by the ISO's AGC software, whichever is closer to the unit's new SCRTD Base Point Signal. AGC Base Point Signals for a unit that is not providing Regulation Service will ramp evenly over the course of the SCRTD interval starting at the initialized AGC Base Point Signal and ending at the level of its new SCRTD Base Point Signal. AGC Base Point Signals for units providing Regulation Service during a given SCRTD interval are determined based on the ISO's need to minimize the NYCA area control error.

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New York Independent System Operator, Inc.

## II. EXCEPTIONS TO DAY-AHEAD MARGIN ASSURANCE PAYMENTS

### 1.0 Generators Lagging Behind SCRTD Base Point Signals

Generators that do not respond to or that lag behind the ISO's Security Constrained Dispatch RTD Base Point Signals in a given SCD interval, as determined below, shall not be eligible for Day-Ahead Margin assurance payments for that interval. If a Generator's average aActual Energy injection in an SCRTD interval (*i.e.*, its aActual energy injections averaged over the SCRTD interval) is less than or equal to its penalty limit for under-generation value for that interval it shall not be eligible for Day-Ahead Margin assurance payments for that SCRTD interval.

#### 1.0.1 The Penalty Limit for Under-Generation Value

The Penalty limit for under-generation value is the tolerance described in Section 1.04.0a of Rate Schedule 3-A of this Tariff, which is set pursuant to ISO Procedures, and used in the calculation of the persistent under-generation charge applicable to Suppliers that are not providing Regulation Service.

### 1.1 Exclusion of Self-Committed Fixed and Self-Committed Flexible

#### Generators Class B Units

Self-Committed Fixed and Self-Committed Flexible Generators Class B Units are not eligible for Day-Ahead Margin assurance payments unless they are scheduled by the NYISO out of economic merit order in response to an ISO or Transmission Owner system security need or to permit the ISO to procure additional Operating Reserves.

## ~~1.2 — Generators Scheduled to Supply Ten-Minute Spinning Reserves~~

~~If a Class A Generator is scheduled to supply Spinning Reserves in real-time and is scheduled by the NYISO out of economic merit order in response to an ISO or TO system security need, or to permit the ISO to procure additional Operating Reserves, it shall be eligible for either a real-time Lost Opportunity Cost payments or a Day-Ahead Margin assurance payments. Such a Generator will be eligible for a Day-Ahead margin assurance payment between (i) the higher of its average six-second ramped SCD Base Point Signal or its average actual Energy injection and (ii) its Day-Ahead Energy schedule. Such a Generator shall also be eligible for real-time Lost Opportunity Cost Payments to the extent that it supplied Spinning Reserves. No Generator, however, shall receive both Day-Ahead Margin assurance payments and real-time Lost Opportunity Cost payments for the same portion of its Day-Ahead bid curve. In the event that a Generator is eligible to receive both payments for a given portion of its bid curve, it will receive only the real-time Lost Opportunity Cost payment.~~

~~(NOTE: ISO Staff is considering whether something like the existing Section 1.2 is still needed.)~~

## **1.32 Generator Requested Derates**

Generator that request and are granted a derate of their real-time Operating Capacity, but otherwise meet all other eligibility requirements pursuant to this

Attachment J may receive Day-Ahead Margin ~~a~~Assurance ~~p~~Payments. If a Generator's

derated real-time Operating Capacity less its real-time ~~10-Minute~~ Spinning Reserve or real-time Regulation [Service](#) schedule, if any, is less than its Day-Ahead Energy schedule, then the Generator's derated real-time Operating Capacity less its real-time ~~10-Minute~~ Spinning Reserve or real-time Regulation [Service](#) schedule, shall be used in place of the Day-Ahead Energy schedule in the equations set forth in Section I of this Attachment J.

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