

ARTICLE 2

DEFINITIONS

2.0 Definitions

The following definitions are applicable to the ISO Services Tariff:

2.1 Actual Energy Injections

Energy injections which are measured using a revenue-quality real-time meter.

2.1.1 Actual Energy Withdrawals

Energy withdrawals which are either: (1) measured with a revenue-quality real-time meter; (2) assessed (in the case of Load Serving Entities ("LSEs") serving retail customers where withdrawals are not measured by revenue-quality real-time meters) on the basis provided for in a Transmission Owner's retail access program; or (3) calculated (in the case of wholesale customers where withdrawals are not measured by revenue-quality real-time meters), until such time as revenue - quality real-time metering is available on a basis agreed upon by the unmetered wholesale customers.

2.1.2 Advance Reservation

(1) A reservation of transmission service over the Cross-Sound Scheduled Line that is obtained in accordance with the applicable terms of Schedule 18 and the Schedule 18 Implementation Rule of the ISO New England Inc. Transmission, Markets and Services Tariff, or in accordance with any successors thereto;

(2) A right to schedule transmission service over the Neptune Scheduled Line that is obtained in accordance with the rules and procedures established pursuant to Section 44B of the PJM Interconnection LLC Open Access Transmission Tariff, which rules and procedures shall be and set forth in a separate service schedule under the PJM Interconnection LLC Open Access Transmission Tariff.

[NOTE, AN IDENTICAL CHANGE MUST BE MADE TO THE OATT

DEFINITION OF ADVANCE RESERVATION, WHICH APPEARS IN SECTION 1.0b

OF THE OATT ON SHEET NO. 21]

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2.151.2 Quick Start Reserves

Capacity of a block of generator units that is set to Quick Start Mode by request of a Transmission Owner.

2.151a Ramp Capacity

The amount of change in the Desired Net Interchange that generation located in the NYCA can support at any given time. Ramp capacity may be calculated for all Interfaces between the NYCA and neighboring Control Areas as a whole or for any individual Interface between the NYCA and an adjoining Control Area.

2.151b RCRR TCC:

A zone-to-zone TCC created when a Transmission Owner with a RCRR exercises its right to convert the RCRR into a TCC pursuant to Section 6.3 of Part IV of Attachment B of this Tariff.

2.152 Reactive Power (MVA_r)

The product of voltage and the out-of-phase component of alternating current. Reactive Power, usually measured in MVA_r, is produced by capacitors (synchronous condensers), Qualified Non-Generator Voltage Support Resources, and over-excited Generators and absorbed by reactors or under-excited Generators and other inductive devices including the inductive portion of Loads.

2.153 Real Power Losses

The loss of Energy, resulting from transporting power over the NYS Transmission System, between the Point of Injection and Point of Withdrawal of that Energy.

2.153a Real-Time Bid

A Bid submitted into the Real-Time Commitment at least seventy-five minutes before the start of a dispatch hour, or at least eighty-five minutes before the start of a dispatch hour if the

Bid seeks to schedule an External Transaction at the Proxy Generator Bus associated with the

Cross-Sound Scheduled Line or the Neptune Scheduled Line.

2.153b Real-Time Commitment (“RTC”)

A multi-period security constrained unit commitment and dispatch model that co-optimizes to solve simultaneously for Load, Operating Reserves and Regulation Service on a

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2.160c Rest of State

The set of all non-Locality NYCA LBMP Load Zones. As of the 2002-2003 Capability Year, Rest of State includes all NYCA LBMP Load Zones other than LBMP Load Zones J and K.

2.161 Safe Operations

Actions which avoid placing personnel and equipment in peril with regard to the safety of life and equipment damage.

2.161a Scheduled Line

A transmission facility or set of transmission facilities: (a) that provide a distinct scheduling path interconnecting the ISO with an adjacent control area, (b) over which Customers are permitted to schedule External Transactions, (c) for which the ISO separately posts TTC and ATC, and (d) for which there is the capability to maintain the Scheduled Line actual interchange at the DNI, or within the tolerances dictated by Good Utility Practice. Each Scheduled Line is associated with a distinct Proxy Generator Bus. Transmission facilities shall only become Scheduled Lines after the Commission accepts for filing revisions to the NYISO's tariffs that identify a specific set or group of transmission facilities as a Scheduled Line.

The following transmission facilities are Scheduled Lines: the Cross-Sound Scheduled Line, [the Neptune Scheduled Line](#), [the Cedars Scheduled Line](#).

[NOTE THAT A CORRESPONDING REVISION MUST BE MADE TO SECTION 1.39d.02 OF THE OATT, WHICH APPEARS ON SHEET NO. 49.]

The ISO shall reserve Ramp Capacity, and Transfer Capability on affected Interfaces, for each Pre-Scheduled Transaction. The ISO shall evaluate requests to withdraw Pre-Scheduled Transactions pursuant to ISO Procedures. The ISO shall submit Pre-Scheduled Transactions to the appropriate LBMP Market for the designated Dispatch Day.

Prescheduled Transactions that are submitted for scheduling in the Day-Ahead Market shall be assigned a Decremental Bid or Sink Price Cap Bid, as appropriate, to provide the highest scheduling priority available.

Prescheduled Transactions may not be scheduled at Proxy Generator Buses that are associated with Scheduled Lines.

4.2.2 Day-Ahead Load Forecasts, Bids and Bilateral Schedules

A. General Customer Forecasting and Bidding Requirements

By 5 a.m., on the day prior to the Dispatch Day (or by 4:50 a.m. for Eligible Customers seeking to schedule External Transactions at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line or the Neptune Scheduled Line): (i) All LSEs serving Load in the NYCA shall provide the ISO with Day-Ahead and seven (7) day Load forecasts; and (ii)

Customers submitting Bids in the Day-Ahead Market, other than Pre-scheduled Transaction

Requests, shall provide the ISO, as appropriate with:

1. Bids to supply Energy, including Bids to supply Energy in Virtual Transactions;
2. Bids to supply Ancillary Services;
3. Requests for Bilateral Transaction schedules;
4. Bids to purchase Energy, including Bids to purchase Energy in Virtual Transactions; and
5. Demand Reduction Bids.

In general, the information provided to the ISO shall include the following:

B. Load Forecasts

The Load forecast shall indicate the predicted level of Load in MW by Point of

Withdrawal for each hour of the following seven (7) days.

C. Bids by Dispatchable and ISO-Committed Fixed Generators to Supply Energy and/or Ancillary Services

1. General Rules

Day-Ahead Bids by Dispatchable Generators or ISO-Committed Fixed Generators shall identify the Capacity, in MW, available for commitment in the Day-Ahead Market (for every hour of the Dispatch Day) and the price(s) at which the Generator will voluntarily enter into dispatch commitments. Bids to supply Energy at Proxy Generator Buses shall be priced no lower than the Bid that provides the highest scheduling priority for sales to the relevant LBMP Market plus the product of (i) the Scheduling Differential and (ii) three.

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4.4.2 Real-Time Commitment (“RTC”)

A. Overview

RTC will make binding unit commitment and de-commitment decisions for the periods beginning fifteen minutes (in the case of Resources that can respond in ten minutes) and thirty minutes (in the case of Resources that can respond in thirty minutes) after the scheduled posting time of each RTC run, will provide advisory commitment information for the remainder of the two and a half hour optimization period, and will produce binding schedules for External Transactions to begin at the start of each hour. RTC will co-optimize to solve simultaneously for all Load, Operating Reserves and Regulation Service requirements and to minimize the total as-bid production costs over its optimization timeframe. RTC will consider SCUC’s Resource commitment for the day, load and loss forecasts that RTC itself will produce each quarter hour, binding transmission constraints, and all Real-Time Bids and Bid parameters submitted pursuant to Section 4.4.2.B below.

B. Bids and Other Requests

After the Day-Ahead schedule is published and no later than seventy-five (75) minutes before each hour, or no later than eighty-five minutes before each hour for bids to schedule External Transactions at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line or the Neptune Scheduled Line, Customers may submit Real-Time Bids into RTC for real-time evaluation.

1. Real-Time Bids to Supply Energy and Ancillary Services

Eligible Customers may submit new or revised Bids to supply Energy, Operating Reserves and/or Regulation Service. Customers that submit such Bids may specify different Bid

parameters in RTC than they did Day-Ahead. ISO-Committed Fixed Generators, ISO-Committed Flexible Generators, and Self-Committed Flexible Generators may not increase their Day-Ahead Incremental Energy Bids that are applicable to any portion of their Capacity that was scheduled Day-Ahead, and may not increase their Minimum Generation Bids, or Start-Up Bids, for any hour in which they received a Day-Ahead Energy schedule. Bids to supply Energy or Ancillary Services shall be subject to the rules set forth in Section 4.2.2 above and in Attachment D to this ISO Services Tariff.

Generators that did not submit a Day-Ahead Bid for a given hour may offer to be ISO-Committed Flexible, Self-Committed Flexible, Self-Committed Fixed or, with ISO approval, as ISO-Committed Fixed in real-time. Generators that submitted a Day-Ahead Bid but did not receive a Day-Ahead schedule for a given hour may change their bidding mode for that hour to be ISO-Committed Flexible, Self-Committed Flexible, Self-Committed Fixed or, with ISO approval, ISO-Committed Fixed in real-time without restriction.

Generators that received a Day-Ahead schedule for a given hour may not change their

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bidding mode between Day-Ahead and real-time provided, however, that Generators that were scheduled Day-Ahead in Self-Committed Fixed mode may switch, with ISO approval, to ISO-Committed Fixed bidding mode in real-time. Generators that were scheduled Day-Ahead in ISO-Committed Fixed mode will be scheduled as Self-Committed Fixed in the Real-Time Market unless, with ISO approval, they change their bidding mode to ISO-Committed Fixed.

A Generator with a real time physical operating problem that makes it impossible for it to operate in the bidding mode in which it was scheduled Day-Ahead should notify the NYISO.

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Generators may not submit separate Operating Reserves Availability Bids in real-time and will instead automatically be assigned a real-time Operating Reserves Availability Bid of zero for the amount of Operating Reserves they are capable of providing in light of their response rate (as determined under Rate Schedule 4).

2. Bids Associated with Internal and External Bilateral Transactions

Customers may seek to modify Bilateral Transactions that were previously scheduled Day-Ahead or propose new Bilateral Transactions, including External Transactions, for economic evaluation by RTC. Bids associated with Internal Bilateral Transactions shall be subject to the rules set forth above in Section 4.2.2(G).

Except as noted in Attachment N to this ISO Services Tariff, Sink Price Cap Bids or Incremental Bids for External Transactions may be submitted into RTC up to seventy five minutes before the hour in which the External Transaction would flow. External Transaction Bids must have a one hour duration, must start and stop on the hour, and must have constant magnitude for the hour. Intra-hour schedule changes, or Bid modifications, associated with External Transactions will not be accommodated.

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3. Self-Commitment Requests

Self-Committed Flexible Resources must provide the ISO with schedules of their expected minimum operating points in quarter hour increments. Self-Committed Fixed Resources must provide their expected actual operating points in quarter hour increments or, with ISO approval, bid as an ISO-Committed Fixed Generator.

4. ISO-Committed Fixed

The ability to use the ISO-Committed Fixed bidding mode in the Real-Time Market shall be subject to ISO approval pursuant to procedures, which shall be published by the ISO. Generators that do not have the communications systems, operational control mechanisms or hardware to be able to respond to five-minute dispatch basepoints are eligible to bid as ISO-Committed in the Real-Time Market. Real-Time Bids by ISO-Committed Fixed Generators shall identify variable Energy price Bids, consisting of up to eleven monotonically increasing, constant cost incremental Energy steps, and other parameters described in Attachment D of this ISO Services Tariff and the ISO Procedures. Real-Time Bids by ISO-Committed Fixed Generators shall also include Minimum Generation Bids and hourly Start-Up Bids. ISO-Committed Fixed Bids shall specify that the Generator is offering to be ISO-Committed Fixed.

RTC shall schedule ISO-Committed Fixed Generators.

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5. Real-Time Demand Reductions

Demand Reduction Providers shall be permitted to submit Real-Time Energy Bids to the extent that the ISO's software can support their participation in the real-time Energy market and rules are established to govern their real-time bidding options

the Interface between the NYCA and the Control Area in which that Non-Competitive Proxy Generator Bus is located, the Real-Time LBMP at the Non-Competitive Proxy Generator Bus will be the lower of (i) the RTC-determined price at the Non-Competitive Proxy Generator Bus or (ii) the higher of the LBMP determined by RTD for the Non-Competitive Proxy Generator Bus or the Day-Ahead LBMP determined by SCUC for the Non-Competitive Proxy Generator Bus. At all other times, the Real-Time LBMP shall be calculated as specified in Section E.1 above.

3. Special Pricing Rules for Scheduled Lines

Real-Time LBMPs for the Proxy Generator Buses associated with designated Scheduled **[REMOVED DOUBLE UNDERLINE FROM “D” AT END OF “SCHEDULED”]** Lines shall be determined as follows:

When proposed Real-Time Market economic net Import Transactions into the NYCA associated with a designated Scheduled Line would exceed the Available Transfer Capability of the designated Scheduled Line, the Real-Time LBMP at the Proxy Generator Bus associated with the designated Scheduled Line will be the higher of (i) the RTC-determined price at that Proxy Generator Bus or (ii) the lower of the LBMP determined by RTD for that Proxy Generator Bus or zero.

When proposed Real-Time Market economic net Export Transactions from the NYCA associated with a designated Scheduled Line would exceed the Available Transfer Capability of the designated Scheduled Line, the Real-Time LBMP at the Proxy Generator Bus associated with the designated Scheduled Line will be the lower of (i) the RTC-determined price at the Proxy Generator Bus or (ii) the higher of the LBMP determined by RTD for the Proxy Generator Bus or the Day-Ahead LBMP determined by SCUC for the Proxy Generator Bus. At all other times, the Real-Time LBMP shall be calculated as specified in Section E.1 above.

The Cross-Sound Scheduled Line, the Neptune Scheduled Line and the Cedars Scheduled Line ~~is area~~ designated Scheduled Lines.

4. Method of Calculating Marginal Loss and Congestion Components of Real-Time LBMP at Non-Competitive Proxy Generator Buses and Proxy Generator Buses that are Subject to the Special Pricing Rule for Scheduled Lines

Under the conditions specified below, the Marginal Losses Component and the Congestion Component of the Real-Time LBMP, calculated pursuant to the preceding paragraphs in subsections 2 and 3, 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 RTD, RTC or SCUC-determined LBMP;

Marginal Losses Component of the Real-Time LBMP = $LOSSES_{RTC PROXY GENERATOR BUS}$;

and

Congestion Component of the Real-Time LBMP = $-(Energy_{RTC REF BUS} + LOSSES_{RTC PROXY GENERATOR BUS})$.

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ATTACHMENT N

EXTERNAL TRANSACTIONS AT THE PROXY GENERATOR BUSES ASSOCIATED WITH THE CROSS-SOUND SCHEDULED LINE AND NEPTUNE SCHEDULED LINE

1.0 Supremacy of Attachment N

External Transactions at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line and the Neptune Scheduled Line shall be bid and scheduled pursuant to the provisions of the ISO Services Tariff and the ISO OATT, and in accordance with this Attachment N. In the event of a conflict between the provisions of this Attachment N and any other provision of the ISO OATT, the ISO Services Tariff, or any of their attachments and schedules, with regard to External Transactions at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line or the Neptune Scheduled Line, the provisions of this Attachment N shall prevail.

2.0 Transmission Reservations on the Cross-Sound Scheduled Line and the Neptune Scheduled Line

Customers scheduling External Transactions at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line or the Neptune Scheduled Line must first hold an Advance Reservation on the ~~Cross-Sound~~appropriate Scheduled Line sufficient to support the proposed External Transaction. Advance Reservations must be obtained in accordance with (a) the Cross-Sound Scheduled Line release procedures that are set forth in Schedule 18 and the Schedule 18 Implementation Rule of the ISO New England Inc. Transmission, Markets and Services Tariff, or any successors thereto, or (b) the Neptune release procedures that are established pursuant to

Section 44B of the PJM Interconnection LLC (“PJM”) Open Access Transmission Tariff and shall be set forth in a separate service schedule under the PJM Open Access Transmission Tariff.

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Customers that have obtained Advance Reservations and wish to schedule External Transactions at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line or the Neptune Scheduled Line must (a) schedule an External Transaction with the ISO by submitting appropriate bids for economic evaluation, and (b) correspondingly schedule a transaction over the Cross-Sound Scheduled Line or the Neptune Scheduled Line in accordance with all applicable ~~New England~~ tariffs and market rules of the Control Area in which the Scheduled Line is located.

If a Customer scheduling External Transactions at the Proxy Generator Bus that is associated with the Cross-Sound Scheduled Line or the Neptune Scheduled Line inaccurately claims to hold an Advance Reservation or Advance Reservations that are adequate to support its bid(s), or falsely implies that it has an Advance Reservation or Advance Reservations that are adequate to support its bid(s) by scheduling such an External Transaction, the ISO may inform the Commission and take other appropriate action.

3.0 Additional Scheduling Rules for the Cross-Sound Scheduled Line and the Neptune Scheduled Line

3.1 Bid Submission and E-Tags for Day-Ahead Transactions

Customers seeking to Schedule Day-Ahead transactions at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line or the Neptune Scheduled Line (a) shall comply with all applicable ISO Procedures, and (b) shall submit bids that reference valid NERC E-Tags for their transaction(s) no later than 10 minutes prior to the close of the DAM.

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3.2 Bids and E-Tags for Real Time Transactions

Customers seeking to schedule Real-Time Market transactions at the Proxy ~~generator~~
Generator Bus associated with the Cross-Sound Scheduled Line or the Neptune Scheduled Line

(a) shall comply with all applicable ISO Procedures, and (b) shall submit bids that reference valid NERC E-Tags for their transaction(s) at least 85 minutes before the start of each dispatch hour.

3.3 E-Tags Shall Each Reference One Advance Reservation ID

NERC E-Tags for External Transactions at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line or the Neptune Scheduled Line shall each reference no more than one (a) Cross-Sound Scheduled Line Advance Reservation ID or “assignment reference number” from the Cross-Sound Cable, LLC node of the ISO-NE OASIS, or (b) assignment reference number or other classification system associated with the grant of scheduling rights over the Neptune Line pursuant to rules and procedures established for use of the Neptune Line pursuant to Section 44B of the PJM Open Access Transmission Tariff, which rules and procedures shall be set forth in a separate service schedule under the PJM Open Access Transmission Tariff.

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