

4.2.3 ISO Responsibility to Establish a Statewide Load Forecast

~~By 6 a.m., on the day prior to the Dispatch Day, the ISO will verify the Individual Load forecasts from the LSEs. Should the ISO determine that Individual Load forecasts are inconsistent with the ISO's forecast, the ISO will evaluate the discrepancies between them.~~

By 8 a.m., the ISO will develop and publish its statewide Load forecast on the OASIS. The ISO will use this forecast to perform the SCUC for the Dispatch Day.

4.92.4 Security Constrained Unit Commitment (“SCUC”)

Subject to ISO Procedures and Good Utility Practice, the ISO will develop a SCUC schedule over the Dispatch Day using a computer algorithm which simultaneously minimizes the total Bid Production Cost of: (i) supplying power or Demand Reductions to satisfy accepted purchasers’ Bids to buy Energy from the Day-Ahead Market; (ii) providing sufficient Ancillary Services to support Energy purchased from the Day-Ahead Market consistent with the Regulation Service Demand curve and Operating Reserve Demand Curves set forth in Rate Schedules 3 and 4 respectively of this ISO Services Tariff; (iii) committing sufficient Capacity to meet the ISO’s Load forecast and provide associated Ancillary Services; and (iv) meeting Bilateral Transaction schedules submitted Day-Ahead. The computer algorithm shall consider whether accepting Demand Reduction Bids will reduce the total Bid Production Cost. The schedule will include commitment of sufficient Generators and/or Demand Side Resources to provide for the safe and reliable operation of the NYS Power System. Pursuant to ISO Procedures, the ISO may schedule any Resource to run above its UOL_N up to the level of its UOL_E . In cases in which the sum of all Bilateral Schedules and all Day-Ahead Market purchases to serve Load within the NYCA in the Day-Ahead schedule is less than the ISO’s Day-Ahead forecast of Load, the ISO will commit Resources in addition to the Operating Reserves it normally maintains to enable it to respond to contingencies. The purpose of these additional resources is to ensure that sufficient Capacity is available to the ISO in real-time to enable it to

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meet its Load forecast (including associated Ancillary Services). In considering which additional Resources to schedule to meet the ISO's Load forecast, the ISO will evaluate unscheduled Imports, and will not schedule those Transactions if its evaluation determines the cost of those Transactions would effectively exceed a Bid Price cap in the hours in which the Energy provided by those Transactions is required. In addition to all Reliability Rules, the ISO shall consider the following information when developing the SCUC schedule: (i) Load forecasts ~~provided to the ISO and adjusted as required by the ISO~~; (ii) Ancillary Service

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requirements as determined by the ISO given the Regulation Service Demand Curve and Operating Reserve Demand Curves referenced above; (iii) Bilateral Transaction schedules; (iv) price Bids and operating Constraints submitted for Generators or for Demand Side Resources; (v) price Bids for Ancillary Services; (vi) Decremental Bids and Sink Price Cap Bids for External Transactions; (vii) Ancillary Services in support of Bilateral Transactions; and (viii) Bids to purchase or sell Energy from or to the Day-Ahead Market. External Transactions with minimum run times greater than one hour will only be scheduled at the requested Bid for the full minimum run time. External Transactions with identical Bids and minimum run times greater than one hour will not be prorated. The SCUC schedule shall list the twenty-four (24) hourly injections and withdrawals for: (a) each Customer whose Bid the ISO accepts for the following Dispatch Day; and (b) each Bilateral Transaction scheduled Day-Ahead.

In the development of its SCUC schedule, the ISO may commit and de-commit Generators and Demand Side Resources, based upon any flexible Bids, including Minimum Generation Bids, Start-Up Bids, Curtailment Initiation Cost Bids, Energy, and Incremental Energy Bids and Decremental Bids received by the ISO provided however that the ISO shall commit zero megawatts of Energy for Demand Side Resources committed to provide Operating Reserves and Regulation Service.

The ISO will select the least cost mix of Ancillary Services and Energy from Suppliers, Demand Side Resources, and Customers submitting Virtual Transactions bids. The ISO may

substitute higher quality Ancillary Services (i.e., shorter response time) for lower quality Ancillary Services when doing so would result in an overall least bid cost solution. For example, 10-Minute Non-Synchronized Reserve may be substituted for 30-Minute Reserve if doing so would reduce the total bid cost of providing Energy and Ancillary Services.

All requests by Transmission Owners to commit Generators, pursuant to this Section 4.2.4.1, shall be posted upon receipt on the ISO website following the close of the Day-Ahead Market.

After the Day-Ahead schedule is published, the ISO shall evaluate any events, including, but not limited to, the loss of significant Generators or transmission facilities that may cause the Day-Ahead schedules to be inadequate to meet the Load or reliability requirements for the Dispatch Day.

In order to meet Load or reliability requirements in response to such changed conditions the ISO may: (i) commit additional Resources, beyond those committed Day-Ahead, using a SRE and considering (a) Bids submitted to the ISO that were not previously accepted but were designated by the bidder as continuing to be available; or (b) new Bids from all Suppliers, including neighboring systems; or (ii) take the following actions: (a) after providing notice, require all Resources to run above their UOL_{NS} , up to the level of their UOL_{ES} (pursuant to ISO Procedures) and/or raise the UOL_{NS} of Capacity Limited Resources and Energy Limited Resources to their UOL_E levels, or (b) cancel or reschedule transmission facility maintenance outages when possible. Actions taken by the ISO in performing supplemental commitments will not change any financial commitments that resulted from the Day-Ahead Market

4.2.5 Reliability Forecast for the Six Days Following the Dispatch Day

In the SCUC program, system operation shall be optimized based on Bids over the Dispatch Day. However, to preserve system reliability, the ISO must ensure that there will be

sufficient resources available to meet forecasted Load and reserve requirements over the seven (7)-day period that begins with the next Dispatch Day. The ISO will perform a Supplemental Resource Evaluation (“SRE”) for days two (2) through seven (7) of the commitment cycle. If it is determined that a long start-up time Generator is needed for reliability, the ISO shall accept a Bid from the Generator and the Generator will begin its start-up sequence. During each day of the start-up sequence, the ISO will perform an SRE to determine if long start-up time Generators will still be needed as previously forecasted. If the Generator is still needed, it will continue to accrue start-up cost payments on a linear basis. If at any time it is determined that the Generator will not be needed as previously forecasted, the ISO shall order the Generator to abort its start-up sequence, and its start-up payment entitlement will cease at that point.

The ISO will commit to long start-up time Generators to preserve reliability. However, the ISO will not commit resources with long start-up times to reduce the cost of meeting Loads that it expects to occur in days following the next Dispatch Day. Supplemental payments to these Generators, if necessary, will be determined pursuant to the provisions of Attachment C and will be recovered by the ISO under Rate Schedule 1 of the ISO OATT.

The ISO shall perform the SRE as follows: (1) The ISO shall develop a forecast of daily system peak Load for days two (2) through seven (7) in this seven (7)-day period ~~(using LSE forecast data, where appropriate)~~ and add the appropriate reserve margin; (2) the ISO shall then

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forecast its available Generators for the day in question by summing the Operating Capacity for all Generators currently in operation that are available for the commitment cycle, the Operating Capacity of all other Generators capable of starting on subsequent days to be available on the day in question, and an estimate of the net Imports from External Bilateral Transactions; (3) if the forecasted peak Load plus reserves exceeds the ISO's forecast of available Generators for the day in question, then the ISO shall commit additional Generators capable of starting prior to the day in question (e.g., start-up period of two (2) days when looking at day three (3)) to assure system reliability; (4) in choosing among Generators with comparable start-up periods, the ISO shall schedule Generators to minimize Minimum Generation Bid and Start-Up Bid costs of meeting forecasted peak Load plus Ancillary Services consistent with the Reliability Rules; (5) in determining the appropriate reserve margin for days two (2) through seven (7), the ISO will supplement the normal reserve requirements to allow for forced outages of the short start-up period units (e.g., gas turbines) assumed to be operating at maximum output in the unit commitment analysis for reliability.

The bidding requirements and the Bid tables in Attachment D indicate that Energy Bids are to be provided for days one (1) through seven (7). Energy Bids are binding for day one (1) only for units in operation or with start-up periods less than one (1) day. Minimum Generation Bids for Generators with start-up periods greater than one (1) day will be binding only for

units that are committed by the ISO and only for the first day in which those units could produce Energy given their start-up periods. For example, Minimum Generation Bids for a Generator with a start-up period of two (2) days would be binding only for day three (3) because, if that unit begins to start up at any time during day one (1), it would begin to produce Energy forty-eight (48) hours later on day three (3). Similarly, the Minimum Generation Bids for a Generator with a start-up period of three (3) days would be binding only for day four (4).

4.2.6 Post the Day-Ahead Schedule

By 11 a.m. on the day prior to the Dispatch Day, the ISO shall close the Day-Ahead scheduling process and post on the Bid/Post System the Day-Ahead schedule for each entity that submits a Bid or Bilateral Transaction schedule. All schedules shall be considered proprietary, with the posting only visible to the appropriate scheduling Customer and Transmission Owners subject to the applicable Code of Conduct (See Attachment F to the ISO OATT). The ISO will post on the OASIS the statewide aggregate resources (Day-Ahead Energy schedules and total operating capability forecast) and Load (Day-Ahead scheduled and forecast) for each Load Zone, and the Day-Ahead LBMP prices (including the Congestion Component and the Marginal Losses Component) for each Load Zone in each hour of the upcoming Dispatch Day. The ISO shall conduct the Day-Ahead Settlement based upon the Day-Ahead schedule determined in accordance with this Section. The ISO will