

2.17 Capability Period

Six-month periods which are established as follows: (i) from May 1 through October 31 of each year (“Summer Capability Period”); and (ii) from November 1 of each year through April 30 of the following year (“Winter Capability Period”).

2.17a Capability Period Auction

An auction conducted no later than thirty (30) days prior to the start of each Capability Period in which Unforced Capacity may be purchased and sold in a six-month strip.

2.17b Capability Year

A Summer Capability Period, followed by a Winter Capability Period (*i.e.*, May 1 through April 30).

2.18 Capacity

The capability to generate or transmit electrical power, measured in megawatts (“MW”).

2.18a Capacity Limited Resource

A Resource that is constrained in its ability to supply Energy above its Normal Upper Operating Limit by operational or plant configuration characteristics. Capacity Limited Resources must register their Capacity limiting characteristics with, and justify them to, the ISO consistent with ISO Procedures. ~~Capacity Limited Resources may submit a schedule indicating that their Normal Upper Operating Limit is a function depending on one or more variables, such as temperature or pondage levels, in which case the Normal Upper Operating Limit applicable at any time shall be determined by reference to that schedule.~~

2.48 Emergency State

The state that the NYS Power System is in when an abnormal condition occurs that requires automatic or immediate, manual action to prevent or limit loss of the NYS Transmission System or Generators that could adversely affect the reliability of the NYS Power System.

2.48a Emergency Upper Operating Limit (UOL_E)

The upper operating limit that a Generator indicates it expects to be able to reach, or the maximum amount of demand that a Demand Side Resource expects to be able to reduce, at the request of the ISO during extraordinary conditions. Each Generator or Demand Side Resource shall specify a UOL_E in its bids that shall be equal to or greater than its stated Normal Upper Operating Limit.

2.49 Energy (“MWh”)

A quantity of electricity that is bid, produced, purchased, consumed, sold, or transmitted over a period of time, and measured or calculated in megawatt hours.

2.49a Energy and Ancillary Component

A component of the Operating Requirement, calculated in accordance with Article III of Attachment K.

2.49b Energy Limited Resource

Capacity resources that, due to ~~design considerations~~, environmental restrictions on operations, cyclical requirements, such as the need to recharge or refill, or other non-economic reasons, are unable to operate continuously on a daily basis, but are able to operate for at least four consecutive hours each day. Energy Limited Resources must register their Energy limiting characteristics with, and justify them to, the ISO consistent with ISO Procedures.

2.117 Non-Utility Generator ("NUG," "Independent Power Producer" or "IPP")

Any entity that owns or operates an electric generating facility that is not included in an electric utility's rate base. This term includes, but is not limited to, cogenerators and small power producers and all other non-utility electricity producers, such as exempt wholesale Generators that sell electricity.

2.118 Normal State

The condition that the NYS Power System is in when the Transmission Facilities Under ISO Operational Control are operated within the parameters listed for Normal State in the Reliability Rules. These parameters include, but are not limited to, thermal, voltage, stability, frequency, operating reserve and Pool Control Error limitations.

2.118a Normal Upper Operating Limit (UOL_N)

The upper operating limit that a ~~Capacity-Limit Resource or Energy-Limited-Generator~~ indicates it expects to be able to reach, or the maximum amount of demand that a Demand Side Resource expects to be able to reduce, during normal conditions. Each Resource registers with the ISO will specify its UOL_N in its Bids. [A Normal Upper Operating Limit may be submitted as a function depending on one or more variables, such as temperature or pondage levels, in which case the Normal Upper Operating Limit applicable at any time shall be determined by reference to that schedule.](#)

2.119 NPCC

The Northeast Power Coordinating Council.

2.120 NRC

The Nuclear Regulatory Commission or any successor thereto.

Issued by: William J. Museler, President

Effective:

~~July 31, 2001~~

Issued on: ~~June 29, 2001~~ November 26, 2003

limited upper operating limit shall be equal to the product of: (a) the ~~Day-Ahead Real-Time~~ price for Energy, Operating ~~R~~eserve Service and Regulation Service; and (b) the Capacity Limited Resource's Day-Ahead schedule for each of these services minus the amount of these services that it has an obligation to supply pursuant to its ~~Capacity limited ISO-approved~~ schedule. When a Capacity Limited Resource's Day-Ahead obligation above its Capacity limited upper operating limit is balanced as described above, any real-time variation from its obligation pursuant to its Capacity limited schedules shall be settled pursuant to the methodology set forth in the first paragraph of this subsection B.

For any day in which: (i) an Energy Limited Resource is scheduled to supply Energy, Operating Reserve Service or Regulation Service in the Day-Ahead Market; (ii) the sum of its schedules to provide these services exceeds its bid-in upper operating limit; (iii) the Energy Limited Resource requests a reduction for Energy limitation reasons; and (iv) the ISO modifies the Energy Limited Resource's Day-Ahead upper operating limit; the imbalance charge imposed upon the Energy Limited Resource shall be equal to the sum of its Energy, Operating Reserve Service and Regulation Service imbalances across all twenty four hours of the Energy day, multiplied by the ~~Real-Time~~ price for each service in each hour at its location. However, if the total margin received by the Energy

Limited Resource for the twenty four hour day is less than its Day-Ahead margin than it shall receive a ~~supplemental Day-Ahead Margin Assurance p~~Payment pursuant to ~~ISO Procedures Attachment J of this Services Tariff. An Energy Limited Resource's total margin is equal to the sum of: (a) the Day Ahead revenue it receives for supplying Energy, Operating Reserve Service and Regulation Service, minus its Day Ahead Bid to supply these services in each hour of the twenty four hour day; plus (b) the real time revenue it receives for supplying Energy, Operating Reserve Service and Regulation Service, minus its real time Bid to supply these services for each hour of the twenty four hour day. An Energy Limited Resource's Day Ahead margin is equal to the revenue it would have received for providing Energy, Operating Reserve Service and Regulation Service pursuant to its Day Ahead schedule, minus its Bid to provide these services for the same twenty four hour day.~~

5.12.11 (c) Energy Limited Resources

An Energy Limited Resource may qualify as an Installed Capacity Supplier if it Bids its Installed Capacity Equivalent into the Day-Ahead Market each day and if it is able to provide the Energy equivalent of the Unforced Capacity for at least four (4) consecutive hours each day. Energy Limited Resources shall also Bid a *Normal* ~~Upper~~ ~~Operating~~ *Limit or Emergency Upper Operating Limit, as applicable,*, designating *their* desired operating limits. Energy Limited Resources that are not scheduled in the Day-Ahead Market to operate at a level above their bid-in upper operating limit, may be scheduled ~~Hour-Ahead~~ *in the RTC*, or may be called in ~~Real-Time~~ pursuant to a manual intervention by ISO dispatchers, who will account for the fact that Energy Limited Resource may not be capable of responding.

5.12.11(d) Intermittent Power Resources

Intermittent Power Resources may qualify as Installed Capacity Suppliers, without having to comply with the daily bidding and scheduling requirements set forth in Section 5.12.7 of this Tariff, and may claim up to their Unforced Capacity as Installed Capacity. To qualify as Installed Capacity Suppliers, Intermittent Power Resources shall comply with the notification requirements of Section 5.12.7 of this Tariff. In calculating Unforced Capacity for an Intermittent Power Resource, the historical Capacity factor will be adjusted to remove the effects of outages in accordance with the ISO Procedures.

ATTACHMENT J

I. DETERMINATION OF DAY-AHEAD MARGIN ASSURANCE

PAYMENTS

1.0 General Rule

If an eligible Supplier buys out of a Day-Ahead Energy, Regulation Service or Operating Reserve schedule in a manner that reduces its Day-Ahead Margin it shall receive a Day-Ahead Margin Assurance Payment, except as noted in Sections 4.0, and 5.0 of this Attachment J. The purpose of such payments is to protect Suppliers' Day-Ahead Margins associated with real-time reductions after accounting for: (i) any real-time profits associated with offsetting increases in real-time Energy, Regulation Service, or Operating Reserve Schedules; and (ii) any Supplier-requested real-time de-rate granted by the ISO.

2.0 Eligibility for Receiving Day-Ahead Margin Assurance Payments

The following categories of Suppliers shall be eligible to receive Day-Ahead Margin Assurance Payments: (i) all Self-Committed Flexible and ISO-Committed Flexible Generators that are online and dispatched by RTD; (ii) any Supplier that is scheduled out of economic merit order by the ISO in response to an ISO or Transmission Owner system security need or to permit the ISO to procure additional Operating Reserves; and (iii) any Supplier that is derated or decommitted by the ISO in response to an ISO or Transmission Owner system security need or to permit the ISO to procure additional Operating Reserves [or in response to a request from an Energy Limited Resource](#).

Issued by: William J. Museler, President

Effective: ~~January 31, 2003~~

Issued on: ~~March 31~~ *November 26*, 2003

~~Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER03-238-000, issued January 30, 2003, 102 FERC ¶ 61,096 (2003).~~