

$W_i =$ load weighting factor for bus i.

The zonal LBMPs will be a weighted average of the Load bus LBMPs in the zone. The weightings will be predetermined by the ISO.

E. LBMP Calculation Method

1. General Rules

External Generators and Loads can bid into the LBMP Market or participate in Bilateral Transactions. External Generators may arrange Bilateral Transactions with Internal or External Loads and External Loads may arrange Bilateral Transactions with Internal Generators.

The Generator and Load locations for which LBMPs will be calculated will initially be limited to a pre-defined set of buses External to the NYCA. LBMPs will be calculated for each bus within this limited set. The three components of LBMP will be calculated from the results of RTD, or, except as set forth in Sections I.E.2 and I.E.3 below, in the case of a Proxy Generator Bus, from the results of RTC_{15} during periods in which (1) proposed economic transactions over the Interface between the NYCA and the Control Area with which that Proxy Generator Bus is associated would exceed the Available Transfer Capability for that Interface, (2) proposed interchange schedule changes pertaining to the NYCA as a whole would exceed any Ramp Capacity limits in place for the NYCA as a whole, or (3) proposed interchange schedule changes pertaining to the Interface between the NYCA and the Control Area with which that Proxy Generator Bus is associated would exceed any Ramp

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 ~~and the Neptune Scheduled Line~~ is a designated Scheduled Line~~s~~.

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 = $-(Energy_{RTC REF BUS} + LOSSES_{RTC PROXY GENERATOR BUS})$.