

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 unmetred wholesale customers.

2.1.2 Advance Reservation

A reservation of transmission service over the Cross-Sound Cable which may be obtained in accordance with Schedule 18 of the NEPOOL Open Access Transmission Tariff.

2.2 Adverse Conditions

Those conditions of the natural or man-made environment that threaten the adequate reliability of the NYS Power System, including, but not limited to, thunderstorms, hurricanes, tornadoes, solar magnetic flares and terrorist activities.

2.32b Control Performance

A standard for measuring the degree to which a Control Area is providing Regulation Service in conformance with NERC requirements.

2.32c Controllable Transmission

Any Transmission facility over which power-flow can be directly controlled by power-flow control devices without having to re-dispatch generation.

2.32d Credit Assessment

An assessment of a Customer's creditworthiness, conducted by the ISO in accordance with Section IV.C. of Attachment K of this Tariff.

2.32e Cross-Sound Cable

A direct current cable that extends from the Shoreham Proxy Generator Bus on Long Island, New York, under the Long Island Sound north to an interconnection point with the New England control area located near New Haven, Connecticut.

2.33 Curtailment or Curtail

A reduction in Firm or Non-Firm Transmission Service in response to a transmission Capacity shortage as a result of system reliability conditions.

2.52 Existing Transmission Agreement (“ETA”)

An agreement between two or more Transmission Owners, or between a Transmission Owner and another entity, as defined in the ISO Agreement and the ISO OATT.

2.52.1 Expected Load Reduction

For purposes of determining the Real-Time Locational Based Marginal Price, the reduction in Load expected to be realized in real-time from activation of the Emergency Demand Response Program and from Load reductions requested from Special Case Resources, as established pursuant to ISO Procedures.

2.52a Expedited Dispute Resolution Procedures

The procedures set forth in Section 5.16 of this Tariff.

2.53 Exports

A Bilateral Transaction or purchases from the LBMP Market where the Energy is delivered to an NYCA Interconnection with another Control Area.

2.54 External

An entity (e.g., Supplier, Transmission Customer) or facility (e.g., Generator, Interface) located outside the Control Area being referenced or between two or more Control Areas.

Where a specific Control Area is not referenced, the NYCA is the intended reference.

2.55 External Transactions

Purchases, sales or exchanges of Energy, Capacity or Ancillary Services for which either the Point of Injection (“POI”) or Point of Withdrawal (“POW”) or both are located outside the NYCA (i.e., Exports, Imports or Wheels Through). External Transactions scheduled at the

Shoreham Proxy Generator Bus shall be limited to purchases or sales of Energy from the LBMP Markets and shall not include Wheels Through.

2.55a Facility Flow-Based Methodology

The methodology, as described in Section 3.7 of Part V of Attachment B, used to allocate Net Auction Revenue among Transmission Owners.

2.56 Federal Power Act (“FPA”)

The Federal Power Act, as may be amended from time-to-time (See 16 U.S.C. § 796 et seq.).

files with the Commission.

2.170 Service Commencement Date

The date that the ISO begins to provide service pursuant to the terms of a Service Agreement, or in accordance with the Tariff.

2.171 Settlement

The process of determining the charges to be paid to, or by, a Customer to satisfy its obligations.

2.171a Shadow Price

The marginal value of relieving a particular constraint.

2.172 Shift Factor (“SF”)

A ratio, calculated by the ISO, that compares the change in power flow through a transmission facility resulting from the incremental injection and withdrawal of power on the NYS Transmission System.

2.172.1 Shoreham Proxy Generator Bus

A Proxy Generator Bus located at Shoreham, New York. Scheduling rules applicable solely to External Transactions at this bus are set forth in Attachment M to this ISO Services Tariff.

2.172a Sink Price Cap Bid

A Bid Price provided by an entity engaged in an Export to indicate the Proxy Generator Bus LBMP below which that entity is willing to either purchase Energy in the LBMP Markets or, in the case of Bilateral Transactions, to accept Transmission Service.

2.172b Special Case Resource

Loads capable of being interrupted upon demand, and distributed Generators, rated 100 kW or higher, that are not visible to the ISO's Market Information System and that are subject to

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Effective:

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.

Consistent with Attachment M of this ISO Services Tariff, Pre-scheduled Transactions may not be scheduled at the Shoreham Proxy Generator Bus.

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 except as noted in Attachment M to this ISO Services Tariff: (i) All LSEs serving Load in the NYCA shall provide the ISO with Day-Ahead and seven (7) day Load forecasts; and (ii)

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. Except as noted in Attachment M, 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

4.4 Real-Time Markets and Schedules

4.4.1 In-Day Pre-Scheduled Transactions

For any hour in which the operator of an External Control Area informs the ISO that it must call on a Supplier located in the NYCA to provide the External Control Area with Energy, and that Supplier has previously committed to provide installed capacity to the External Control Area, then the ISO shall ensure, to the extent possible, that the required quantity of Energy will flow to the External Control Area in the hour. If the Supplier has already submitted an Export to the External Control Area for evaluation by the ISO, the ISO shall treat the Export as an in-day Pre-Scheduled Transaction. Such a Transaction shall be assigned a Sink Price Cap Bid that provides the highest scheduling priority available. If the Supplier has not previously submitted an Export for evaluation by the ISO it shall immediately submit such a bid into RTC. The ISO shall schedule the proposed Export as an in-day Pre-Scheduled Transaction, with the highest scheduling priority available, unless there is no Ramp Capacity or Transfer Capability on the relevant External Interface, in which case the Export will not be scheduled. To the extent that Ramp Capacity or Transfer Capability are available to support only a portion of an in-day Pre-Scheduled Transaction the ISO will schedule that portion of the Transaction.

In-day Pre-Scheduled Transactions will only be subject to Curtailment in the same limited circumstances as other Pre-Scheduled Transactions.

Consistent with Attachment M of this ISO Services Tariff, in-day Pre-scheduled Transactions may not be scheduled at the Shoreham Proxy Generator Bus.

ISO-Committed Fixed mode may not switch to ISO-Committed Flexible or Self-Committed Flexible mode in real-time; and (iv) Generators that were scheduled Day-Ahead in Self-Committed Fixed mode may not switch to a different bidding mode in real-time.

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 M to this ISO Services Tariff, Sink Price Cap Bids or Decremental 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.

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.

4. 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.

C. External Transaction Scheduling

RTC₁₅ will schedule External Transactions on an hour-ahead basis as part of its development of a co-optimized least-bid cost real-time commitment. RTC will alert the ISO when it appears that scheduled External Transactions need to be reduced for reliability reasons but will not automatically Curtail them. Curtailment decisions will be made by the ISO, guided by the information that RTC provides, pursuant to the rules established by Attachment B of this ISO Services Tariff and the ISO Procedures. External Transaction cuts at the Shoreham Proxy Generator Bus shall be governed by Attachment M of this ISO Services Tariff.

D. Posting Commitment/De-Commitment and External Transaction Scheduling Decisions

Except as specifically noted in Section 4.4.4 of, and in Attachment M to, this ISO Services Tariff, RTC will make all Resource commitment and de-commitment decisions. RTC will also produce advisory commitment information and advisory real-time prices. RTC will make decisions and post information in a series of fifteen-minute "runs" which are described below.

RTC₁₅ will begin at the start of the first hour of the RTC co-optimization period and will post its commitment, de-commitment, and External Transaction scheduling decisions no later than fifteen minutes after the start of that hour. During the RTC₁₅ run, RTC will:

payments to any Self-Committed Flexible Generator if its self-committed minimum generation level does not exceed its Day-Ahead schedule at any point during the Dispatch Day; and (iii) use RTC₁₅ prices and schedules to calculate and pay real-time Bid Production Cost guarantee payments to Customers that schedule Imports, except for Imports at the Shoreham Proxy Generator Bus. All such payments shall be calculated in the manner described in Attachment C to this ISO Services Tariff. No such payments shall be made to Customers that schedule Exports or Wheels-Through. Except as expressly noted in (ii) above, Self-Committed Flexible and Self-Committed Fixed Resources shall not be eligible for these Bid Production Cost guarantee payments.

An ISO-Committed Flexible Generator that is eligible to receive a Day-Ahead Bid Production Cost guarantee payment but that then self-commits in certain hours, thus becoming ineligible for a real-time Bid Production Cost guarantee payment, shall not be disqualified from receiving a Day-Ahead Bid Production Cost guarantee payment.

Any Supplier that provides Energy during a large event reserve pickup or a maximum generation event, as described in Sections 4.4.4(A) (1) and (2) of this ISO Services Tariff shall be eligible for a Bid Production Cost guarantee payment calculated, under Attachment C, solely for the duration of the large event reserve pickup or maximum generation pickup. Such payments shall be excluded from the ISO's calculation of real-time Bid Production Cost guarantee payments otherwise payable to Suppliers on that Dispatch Day.