

4.5.5 External Transactions and Recall Procedures

A Resource that is not fully scheduled in the Day-Ahead Market may use the unscheduled Energy associated with its Installed Capacity commitment to NYCA load for an External Transaction, provided that the Energy will be made available to the NYCA at any time through the following actions. The Balancing Market Evaluation (BME) and the Supplemental Resource Evaluation procedures referred to below are detailed in the NYISO *Transmission and Dispatching Operations Manual*, Section 4. The explanation of these procedures in this *ICAP Manual* are provided as a reference and do not replace or supersede the procedures in the *T&D Manual*. The *T&D Manual* governs in this regard.

1. BME. All ICAP Suppliers that are producing energy on any given day, must provide the NYISO a bid curve for the full range of output associated with its ICAP commitment whether or not the energy has been scheduled to supply an external transaction.

Example A: assume that an ICAP Supplier with a 100 MW ICAP commitment to the NYCA met the requirement to offer all 100 MWs into the DAM and was not selected to provide energy to the NYCA through that process.

If this Supplier schedules a 100 MW external bilateral transaction, the NYISO will have a bid curve associated with that transaction. During the dispatch day, the BME process will evaluate the external transaction, along with other bids, and may use the energy associated with the ICAP Suppliers' external transaction for any portion of the dispatch day according to the BME results.

This Supplier must respond to an SRE request with a bid. (See below.)

Example B: assume that an ICAP Supplier with a 100 MW ICAP commitment to the NYCA met the requirement to offer all 100 MWs into the DAM and was selected to provide 50 MWs of energy to the NYCA through that process.

If the Supplier has scheduled an external bilateral transaction for all or any portion of the remaining 50 MWs, the NYISO will have a bid curve for the scheduled portion and will use that bid curve in accordance with Example A. This Supplier will be required to respond with a bid to an SRE for any portion of the 50 MWs for which the NYISO does not have a bid curve. (See below).

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Example C: assume that an ICAP Supplier with a 100 MW ICAP commitment to the NYCA met the requirement to offer all 100 MWs into the DAM and was not selected to provide energy to the NYCA through that process and does not schedule any external transactions during the dispatch day.

The NYISO will assume that ICAP Supplier is not running but will require the Supplier to provide a bid to the NYISO should a SRE request be made (See below).

2. SRE. All ICAP Suppliers that are not on a scheduled outage, whether or not they are running, must respond to an SRE with a bid. The ICAP Supplier's bid must make the unit available at the earliest time, consistent with its current operational condition, and provide capacity within the physical limits of the unit. Ahead of or within the hour the NYISO will use SRE bids to economically select resources to solve shortages.

Within the hour (or until the next BME schedule is implemented), if the NYISO and/or the neighboring Control Area/ISO (PJM, ISO-NE, IMO or HQ-TE) experience a reliability violation, as described in their reliability criteria, its operators may curtail transactions or make emergency energy purchases or sales to relieve the violation, in accordance with its criteria for these circumstances.

The dispatch created through the resolution of the reliability violation will be re-evaluated through the next BME that is performed.