

special conditions and requirements applicable to nuclear plants and special requirements applicable to the New York City metropolitan area.

2.97 Locational Based Marginal Pricing (“LBMP”)

~~The A pricing methodology under which the~~ price of Energy at each location in the NYS Transmission System ~~as calculated pursuant to Attachment B. is equivalent to the cost to supply the next increment of Load at that location (i.e., the short-run marginal cost). The short-run marginal cost takes Generation Bid Prices and the physical aspects of the NYS Transmission System into account. The short-run marginal cost also considers the impact of Out-of-Merit Generation (as measured by its Bid~~

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~~Price) resulting from the Congestion and Marginal Losses occurring on the NYS Transmission System and the impact of Fixed Block Units which are associated with supplying an increment of Load. The term LBMP also means the price of Energy bought or sold in the LBMP Markets at a specific location.~~

2.98 Locational Installed Capacity Requirement

A determination of the ISO of that portion of the NYCA Unforced Capacity Requirement that must be electrically located within a Locality, in order to ensure that sufficient Energy and Capacity are available in that Locality and that appropriate reliability criteria are met.

2.99 Lost Opportunity Cost

The foregone profit associated with the provision of Ancillary Services, which is equal to the product of: (1) the difference between (a) the Energy that a Generator could have sold at the specific LBMP and (b) the Energy sold as a result of reducing the Generator's output to provide an Ancillary Service under the directions of the ISO; and (2) the LBMP existing at the time the Generator was instructed to provide the Ancillary Service, less the Generator's Energy bid for the same MW segment.

2.100 Major Emergency State

An Emergency accompanied by abnormal frequency, abnormal voltage and/or equipment overloads that create a serious risk that the reliability of the NYS Power System could be adversely affected.