DEFINITIONS THAT WILL BE ADDED TO THE OATT:

??? Advance Reservation

A reservation of transmission service over the Cross-Sound Scheduled Line, which shall be obtained in accordance with Schedule 18 of the NEPOOL Open Access Transmission Tariff, or any successor thereto.

??? Cross Sound Scheduled Line

A transmission facility that interconnects the NYCA to the New England Control Area at Shoreham, New York, and extends north under the Long Island Sound, terminating near New Haven, Connecticut.

??? Scheduled Line

A transmission facility or set of transmission facilities: (a) that provide a distinct scheduling path interconnecting the ISO with an adjacent control area, (b) over which Customers are permitted to schedule External Transactions, (c) for which the NYISO separately posts TTC and ATC, and (d) for which there is the capability to maintain the Scheduled Line actual interchange at the DNI, or within the tolerances dictated by Good Utility Practice. Each Scheduled Line is associated with a distinct Proxy Generator Bus. The designation of a transmission facility as a Scheduled Line shall require Commission approval under Section 205 of the FPA.

The following transmission facilities have been designated as Scheduled Lines: the Cross Sound Scheduled Line.

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- **1.36d Real Power Losses:** The loss of Energy, resulting from transporting power over the NYS Transmission System, between the Point of Injection and Point of Withdrawal of that Energy.
- 1.36d.1 Real-Time Bid: A Bid submitted into the Real-Time Commitment at least seventy-five minutes before the start of a dispatch hour, or at least eighty-five minutes before the start of a dispatch hour if the bid seeks to schedule an External Transaction at the Proxy Generator Bus associated with the Cross Sound Scheduled Line.
- 1.36d.2 Real-Time Commitment ("RTC"): A multi-period security constrained unit commitment and dispatch model that co-optimizes to solve simultaneously for Load, Operating Reserves and Regulation Service on a least as-bid production cost basis over a two hour and fifteen minute optimization period. The optimization evaluates the next ten points in time separated by fifteen minute intervals. Each RTC run within an hour shall have a designation indicating the time at which its results are posted: "RTC00," RTC30, and "RTC45: post on the hour, and at fifteen, thirty, and forty-five minutes after the hour, respectively. Each RTC run will produce binding commitment instructions for the periods beginning fifteen and thirty minutes after its scheduled posting time and will produce advisory commitment guidance for the remainder of the optimization period, RTC15 will also establish External Transaction schedules. Additional information about RTC's functions is provided in Section 4.4.2 of the ISO Services Tariff.
- 1.36d.3 Real-Time Dispatch ("RTD"): A multi-period security constrained dispatch model that co-optimizes to solve simultaneously for Load, Operating Reserves, and Regulation Service on a least-as-bid production cost basis over a fifty, fifty-five or sixty-minute period (depending on when each RTD run covers within an hour). The Real-Time Dispatch dispatches, but does not commit, Generators, and shall dispatch, but not commit, Demand Side Resources to the extent that it can support their participation. Real-Time Dispatch runs will normally occur every five minutes. Additional information about RTD's functions is provided in Section 4.4.3 of the ISO Services Tariff. Throughout the ISO Services Tariff the term "RTD" will normally be used to refer to both the Real-Time Dispatch and to the specialized Real-Time Dispatch Corrective Action Mode software.
- 1.36d.4 Real-Time Dispatch-Corrective Action Mode ("RTD-CAM"): A specialized version of the Real-Time Dispatch software that will be activated when it is needed to address unanticipated system conditions. RTD-CAM is described in Section 4.4.4 of the ISO Services Tariff.

DRAFT, FOR DISCUSSION PURPOSES ONLY 12/14/04

Issued by: William J. Museler, President Effective: December 15, 2003

Issued on: October 16 November 26, 2003

New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 1

<u>First Revised Sheet No. 111</u> <u>Superseding Original Sheet No. 111</u>

II. <u>POINT-TO-POINT TRANSMISSION SERVICE</u>

Preamble

The ISO will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff over the transmission facilities of the parties to the ISO/TO Agreement. Point-To-Point Transmission Service is for the receipt of Capacity and Energy at designated Point(s) of Receipt and the transmission of such Capacity and Energy to designated Point(s) of Delivery. Firm Point-To-Point Transmission Service is service for which the Transmission Customer has agreed to pay the Congestion Rent associated with its service. Non-Firm Point-To-Point Transmission Service is service for which the Transmission Customer has not agreed to pay Congestion Rent. A Transmission Customer may fix the price of Day-Ahead Congestion Rent associated with its Firm Point-To-Point Transmission Service by acquiring sufficient TCCs with the same Points of Receipt and Delivery as its Transmission Service. Notwithstanding any provision in this Part to the contrary, External Transactions scheduled at the Shoreham Proxy Generator Bus shall be subject to the requirements of Attachment M to the ISO Services Tariff.

13.0 Nature of Firm Point-To-Point Transmission Service

- **13.1 Term:** The minimum term of Firm Point-To-Point Transmission Service shall be one hour and the maximum term shall be specified in the Service Agreement.
- **13.2 Reservation Priority:** All requests for Firm Point-to-Point Transmission Service will be deemed to have the same reservation priority. Firm Point-to-Point

Issued by: William J. Museler, President Effective: September 1, 2000

Issued on: November 10, 2000 April 30, 2004

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RM99-12-000, issued March 31, 2000, 90 FERC ¶ 61,352 (2000).

New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 1

13.5

First Revised Sheet No. 113 Superseding Original Sheet No. 113

- Transmission Customer Obligation for Facility Additions or Redispatch Cost:

 The ISO continuously redispatches all resources subject to its control in order to meet

 Load and to accommodate requests for a Firm Transmission Service through the use of

 SCUC, RTC, and SCDRTD. Firm Point-To-Point Transmission Customers are

 charged for these redispatch costs in accordance with Attachment J. Transmission

 Owner(s) will be obligated to expand or upgrade its Transmission System pursuant to

 the terms of Section 19. The Transmission Customer or Eligible Customer must agree

 to compensate the Transmission Owner(s) for any necessary transmission facility

 additions pursuant to Section 19.
- NYS Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the Transaction(s) that effectively relieve the Constraint. When applicable, the ISO will follow the Lake Erie Emergency Redispatch ("LEER") Procedure filed on February 26, 1999, in Docket No. EL99-52-000 which is incorporated by reference herein. The LEER Procedure is intended to prevent the necessity of implementing the Curtailment procedures contained in the Commission and NERC tariffs and policies. To the extent possible, Curtailments of External Transactions at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line shall be based on the transmission priority of the associated Advance Reservation on the Cross-Sound Scheduled Line node of the NEPOOL OASIS. If multiple

DRAFT, FOR DISCUSSION PURPOSES ONLY 12/14/04

Issued by: William J. Museler, President Effective: September 1, 2000

Issued on: November 10, 2000 November 26, 2003

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RM99-12-000, issued March 31,

2000, 90 FERC ¶ 61,352 (2000).

New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 1

First Revised Sheet No. 114 Superseding Original Sheet No. 114

transactions require Curtailment, to the extent practicable and consistent with right to Curtail, in whole or in part, any Firm Transmission Service provided under this Tariff when, in the ISO's sole discretion, an Emergency or other unforeseen condition impairs or degrades the reliability of the NYS Power System. The ISO will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. If the ISO declares a Major Emergency State, Transmission Customers shall comply with all directions issued by the ISO concerning the avoidance, management, and alleviation of the Major Emergency and shall comply with all procedures concerning a Major Emergency set forth in the ISO Procedures and the Reliability Rules. If the ISO is required to Curtail Transmission Service as a result of a Transmission Loading Relief ("TLR") event, the ISO will perform such Curtailment in accordance with the TLR procedures filed by NERC which are incorporated by reference herein.

13.7 Classification of Firm Transmission Service:

(i) The Transmission Customer taking Firm Point-To-Point Transmission Service, other than Transmission Customers taking Firm Point-to-Point Transmission Service associated with a Pre-Scheduled Transaction, may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis

Issued by: William J. Museler, President Effective: February 28, 2002

Issued on: December 28, 2001

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65.0 Scheduling Transmission Service for External Transactions

The amount of Firm Transmission Service scheduled Day-Ahead for Bilateral Transactions which designate External Generators to supply Imports or Internal Generators to supply Exports will be equal to the amount of Energy scheduled to be consumed under those Transactions Day-Ahead. The amount of Firm Transmission Service scheduled in the BME-RTC₁₅ for Bilateral Transactions which designate External Generators to supply Imports or Internal Generators to supply Exports will be equal to the amount of Energy scheduled to be consumed under those Transactions in the BME-RTC₁₅. The DNI between the NYCA and adjoining Control Areas will be adjusted as necessary to reflect the effects of any Curtailments of Import or Export Transactions. Additionally, any Curtailment or Reductions of schedules for Export Transactions will cause the scheduled amount of Transmission Service to change.

To the extent possible, Curtailments of External Transactions at the Proxy

Generator Bus associated with the Cross-Sound Scheduled Line shall be based on the transmission priority of the associated Advance Reservation on the Cross-Sound

Scheduled Line node of the NEPOOL OASIS.

The ISO shall use Decremental Bids supplied by Transmission Customers using External Generators to supply Wheels-Through to determine the amount of Energy those Generators are scheduled Day-Ahead to produce in each hour. This in turn will determine the Firm Transmission Service scheduled Day-Ahead to support those Transactions. The ISO shall

<u>DRAFT, FOR DISCUSSION PURPOSES ONLY</u> <u>12/14/04</u>

Issued by: William J. Museler, President Effective: October 30, 2001

Issued on: September 25, 2001 November 26, 2003

DRAFT, FOR DISCUSSION PURPOSES ONLY 12/14/04

New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 1

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also use Decremental Bids supplied by Transmission Customers using External Generators to supply Wheels-Through to determine the amount of Energy these Generators are scheduled to produce in the $\frac{\text{BME}RTC_{15}}{\text{BME}RTC}$, which, in turn, will determine the Transmission Service scheduled in the $\frac{\text{BME}RTC}{\text{BME}RTC}$ to support those Transactions.

The amount of Transmission Service scheduled hour-ahead in the BMERTC for ‡Transactions supplied by one of the following Generators shall retroactively be set equal to that Generator's actual output in each SCDRTD interval:

- Generators providing Energy under existing contracts (including PURPA
 contracts) in which the power purchaser does not control the operation of the
 supply source but would be responsible for penalties for being off-schedule;
- electric Energy resulting from the supply of steam to the district steam system located in New York City (LBMP Zone J) and/or topping or extraction turbine Generators utilized in replacing or repowering existing steam supplies from such units (in accordance with good engineering and economic design) that cannot follow schedules, up to a maximum total of 365 MW of such units; and

Issued by: William J. Museler, President Effective: September 1, 2000

Issued on: November ± 926 , 20093

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. RM99-12-000, issued March 31, 2000-90 FERC ¶ 61-352 (2000).

DRAFT, FOR DISCUSSION PURPOSES ONLY 12/14/04

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(iii) Existing intermittent (<u>i.e.</u>, non-schedulable) renewable resource Generators within the NYCA, plus up to an additional 50 MW of such Generators.

This procedure shall not apply at times whenfor those hours the Generator supplying that T ransaction has been scheduled bid in a manner that indicates it is available to provide Regulation Service or Operating Reserves.

The ISO will not schedule a Bilateral Transaction which crosses an Interface between the NYCA and a neighboring Control Area if doing so would cause the DNI to exceed the Transfer Capability of that Interface.

External Transactions at the Proxy Generator Bus that is associated with the Cross-Sound

Scheduled Lines shall also be governed by Attachment M to the ISO Services Tariff.

IV. SCHEDULING

Security Constrained Unit Commitment ("SCUC)

The ISO shall develop an SCUC schedule using a computer algorithm which simultaneously minimizes the total Bid Production cost of: (i) supplying power to satisfy all accepted purchaser's Bids to buy Energy from the Day-Ahead Market; (ii) providing sufficient Ancillary Services to support Energy purchased from the day-ahead Market; (iii) committing sufficient Capacity to meet the ISO's Load forecast and provide associated Ancillary Services; and (iv) meeting all Transmission Schedules submitted Day-Ahead. The schedule will include commitment of sufficient Generators and/or Interruptible Load to provide for reliable operation of the NYS Transmission System. In considering which additional Resources to schedule in order

Issued by: William J. Museler, President Effective: December 1, 2001

Issued on: September 28, 2001November August 2618, 20034