

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.

Also to be added to the OATT are changes to Attachment J to conform to the changes being made to Attachment B to the Services Tariff (addressing the addition of the Special Pricing Rule applicable to designated Scheduled Lines). The changes to Attachment J (which should be almost identical to the proposed changes to Attachment B) are not included herein, but will be filed with FERC.

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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.

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II. POINT-TO-POINT TRANSMISSION SERVICE

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

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13.5 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.

13.6 Curtailment of Firm Transmission Service: In the event that a Curtailment on the 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

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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

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Confidential Information pursuant to a request under this paragraph. After the Confidential Information has been provided to the FERC or its staff, the ISO shall immediately notify any affected Market Participant(s) when it becomes aware that a request for disclosure of such confidential information has been received by the FERC or its staff, or a decision to disclose such confidential information has been made by the FERC, at which time the ISO and the affected Market Participant(s) may respond before such information would be made public, pursuant to the FERC's rules and regulations that may provide for privileged treatment of information provided to the FERC or its staff.

The ISO shall establish procedures for handling Confidential Information that minimize the possibility of intentional or accidental improper disclosure.

Sharing Confidential, Transmission System and Protected Information with the ISO-NE:

Subject to the terms, requirements and conditions set forth below, the ISO is authorized to exchange Confidential Information (including, but not limited to, information that is confidential, proprietary, commercially valuable or competitively sensitive or is a trade secret, and that has been designated as such in writing by the party supplying the information to the ISO or by the ISO) that is related to External Transactions at the Proxy Generator Buses representing the electrical interfaces between the NYCA and New England, with ISO-NE for the specific and limited purposes of:

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(i) identifying and preventing the actual or intended gaming of the market rules set forth in the New York and/or New England (NEPOOL and ISO-NE) tariffs, procedures and technical documents, and/or

(ii) identifying and preventing the actual or intended exercise of market power in New York or in New England.

Prior to disclosing any Confidential Information, the ISO shall ensure that ISO-NE will provide protections for Confidential Information that are the substantial equivalent of those required by this Section 4 of the ISO's Code of Conduct. In particular, ISO-NE shall be required to provide the following protections, and the ISO is authorized to provide reciprocal protections for Confidential Information that is provided by ISO-NE:

- (a) ISO-NE shall be subject to a legally enforceable obligation to treat as confidential, in accordance with all applicable tariffs and rules (including, but not limited to, their FERC Code of Conduct and the FERC Standards of Conduct), all information that is designated in writing by the ISO as being Confidential Information, except where such information would not be subject to protection under the ISO's Code of Conduct or its Market Monitoring Plan. ISO-NE's legally enforceable obligation to treat Confidential Information provided by the ISO as confidential shall be of a continuing nature, and shall survive the rescission, termination or expiration of any applicable tariffs, rules, Code of Conduct and/or Standards of Conduct;
- (b) ISO-NE shall possess reciprocal legal authority to provide Confidential Information to the ISO;

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- (c) ISO-NE shall notice the ISO of all requests from courts or regulatory entities for access to Confidential Information provided by the ISO and shall provide all reasonable assistance requested by the ISO to prevent disclosure of such information. Upon receipt of notice from ISO-NE, the ISO shall inform the party or parties that are the source of the Confidential Information and, in conjunction with ISO-NE, shall undertake reasonable efforts to ensure that the source(s) of the information are provided an opportunity to participate in defending the information from disclosure;
- (d) if required to release Confidential Information to a court or regulatory body, ISO-NE shall take measures to ensure that it receives notice of any requests from third parties for access to such data and shall notice the ISO of any such requests. Upon receipt of notice from ISO-NE, the ISO shall inform the party or parties that are the source of the Confidential Information and, in conjunction with ISO-NE, shall undertake reasonable efforts to ensure that the source(s) of the information are provide an opportunity to participate in defending the information from disclosure;
- (e) if required to release Confidential Information to a court or regulatory body, ISO-NE shall seek appropriate protective relief to limit the disclosure to the greatest extent possible; and
- (f) ISO-NE shall return or destroy Confidential Information received from the ISO when the issue underlying ISO-NE's inquiry has been resolved.

4A.0 INSIDER TRADING

This Section defines insider trading, explain the duties of ISO Employees and describes behavior that is prohibited under securities laws.

4A.1 Insider Information:

Federal laws prohibit the purchase or sale of any publicly traded security by a person in possession of important information about the security or its issuer that is not publicly known. These laws have special significance to the ISO because ISO Employees routinely learn of Confidential Information about Market Participants and others. This circumstance creates two

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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~~ *BME* RTC_{15} 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~~ *BME* RTC_{15} . 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

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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 ~~BMERTC~~₁₅, which, in turn, will determine the Transmission Service scheduled in the ~~BMERTC~~ 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:

- (i) 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;
- (ii) Existing topping turbine Generators and extraction turbine Generators producing 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

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- (iii) Existing intermittent (i.e., 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 when~~ *for those hours* the Generator supplying that ~~Transaction 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~~

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