**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 unmetered wholesale customers.

#### 2.1.2 Advance Reservation

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

#### 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 Scheduled Line

<u>A transmission facility that extends frominterconnects the NYCA to the New England</u> <u>Control Area at Shoreham, New York, and extends north under the Long Island Sound, to an</u> <u>interconnection point with the New England ontrol rea located</u>terminating 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.

Superseding Second Third Revised Sheet No. 38

## 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 (<u>i.e.</u>, Exports, Imports or Wheels Through).

Issued by: William J. Museler, President Issued on:

#### DKAFT, FOK DISCUSSION PUKPOSES ONLY <u>1/3/05</u>

New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 2

Superseding First-Second Revised Sheet No. 38A

#### 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

<u>et seq</u>.).

Issued by: William J. Museler, President Issued on:

New York Independent System Operator, Inc.ThirdFourthFifth Revised Sheet No. 61AFERC Electric TariffSuperseding SecondThirdFourth Revised Sheet No. 61AOriginal Volume No. 2Superseding SecondThirdFourth Revised Sheet No. 61A

#### 2.151a Ramp Capacity

The amount of change in the Desired Net Interchange that generation located in the NYCA can support at any given time. Ramp capacity may be calculated for all Interfaces between the NYCA and neighboring Control Areas as a whole or for any individual Interface between the NYCA and an adjoining Control Area.

#### 2.151b RCRR TCC:

A zone-to-zone TCC created when a Transmission Owner with a RCRR exercises its

right to convert the RCRR into a TCC pursuant to Section 6.3 of Part IV of Attachment B of this Tariff.

### 2.152 Reactive Power (MVAr)

The product of voltage and the out-of-phase component of alternating current. Reactive Power, usually measured in MVAr, is produced by capacitors (synchronous condensers) and over-excited Generators and absorbed by reactors or under-excited Generators and other inductive devices including the inductive portion of Loads.

#### 2.153 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.

## 2.153a 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.

## 2.153b 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 Issued by: William J. Museler, President Issued on:

Original Sheet No. 61A.01

### 2.153a 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.

### 2.153b 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

Issued by: Issued on: William J. Museler, President

Original Sheet No. 97.00

## 4.4.2 Real-Time Commitment ("RTC")

### A. Overview

RTC will make binding unit commitment and de-commitment decisions for the periods beginning fifteen minutes (in the case of Resources that can respond in ten minutes) and thirty minutes (in the case of Resources that can respond in thirty minutes) after the scheduled posting time of each RTC run, will provide advisory commitment information for the remainder of the two and a half hour optimization period, and will produce binding schedules for External Transactions to begin at the start of each hour. RTC will co-optimize to solve simultaneously for all Load, Operating Reserves and Regulation Service requirements and to minimize the total asbid production costs over its optimization timeframe. RTC will consider SCUC's Resource commitment for the day, load and loss forecasts that RTC itself will produce each quarter hour, binding transmission constraints, and all Real-Time Bids and Bid parameters submitted pursuant to Section 4.4.2.B below.

## B. Bids and Other Requests

After the Day-Ahead schedule is published and no later than seventy-five (75) minutes before each hour, <u>or no later than eighty-five minutes before each hour for bids to schedule</u> <u>External Transactions at the Proxy Generator Bus associated with the Cross Sound Scheduled</u> Line, Customers may submit Real-Time Bids into RTC for real-time evaluation.

## 1. Real-Time Bids to Supply Energy and Ancillary Services

Eligible Customers may submit new or revised Bids to supply Energy, Operating Reserves and/or Regulation Service. Customers that submit such Bids may specify different Bid

#### DKAFT, FOR DISCUSSION PURPOSES ONLY <u>1/3/05</u>

New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 2 Fifth Sixth Revised Sheet No. 67 Superseding Fourth Fifth Revised Sheet No. 67

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 Scheduled Line

<u>A transmission facility or set of transmission facilities: (a) that provide a distinct</u> 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.

#### 2.171a171b 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.

# 2.172a 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.

Issued by: William J. Museler, President Issued on:

#### DKAFT, FOR DISCUSSION PURPOSES ONLY <u>1/3/05</u>

New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 2

Superseding First-Second Revised Sheet No. 87B

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.

Pre-scheduled Transactions may not be scheduled at Proxy Generator Buses that are associated with Scheduled Lines.

# 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: (i) All LSEs serving Load in the NYCA shall provide the ISO with Day-Ahead and seven (7) day Load forecasts; and (ii)

Third-Fourth Revised Sheet No. 94 Superseding Second Third Revised Sheet No. 94

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. 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

Fifth Sixth Revised Sheet No. 97 Superseding Fourth Fifth Revised Sheet No. 97

#### 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.

In-day Pre-Scheduled Transactions may not be scheduled at Proxy Generator Buses that

are associated with Scheduled Lines.

#### DRAFT, FOR DISCUSSION PURPOSES ONLY <u>1/3/05</u>

New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 2 <u>First Revised Sheet No. 97.00B</u> <u>Superseding</u> Original Sheet No. 97.00B

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.

Issued by: William J. Museler, President Issued on:

## DRAFT, FOR DISCUSSION PURPOSES ONLY <u>1/3/05</u>

New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 2 Attachment B <u>Third</u> Fourth Revised Sheet No. 335B Superseding <u>Third Revised</u> Sheet No. 335B

the Interface between the NYCA and the Control Area in which that Non-Competitive Proxy Generator Bus is located, the Real-Time LBMP at the Non-Competitive Proxy Generator Bus will be the lower of (i) the **BME***RTC*-determined price at the Non-Competitive Proxy Generator Bus or (ii) the higher of the LBMP determined by **SCD***RTD* for the Non-Competitive Proxy Generator Bus or the Day-Ahead LBMP determined by SCUC for the Non-Competitive Proxy Generator Bus. <u>The foregoing rule shall be applied when (a) after the determination of Day-</u> <u>Ahead schedules, Energy is scheduled by the NYISO to or from a Non-Competitive Proxy</u> <u>Generator Bus in the subsequent real-time scheduling and dispatch process in order to relieve a</u> <u>transmission or ramping constraint, or (b) the NYISO reduces the MW quantity of a day-ahead</u> <u>transaction in the real-time scheduling and dispatch process in order to relieve a transmission or</u> <u>ramping constraint.</u> At all other times, the Real-Time LBMP shall be calculated as specified in <del>the subsection titled LBMP Prices for External Locations.</del> *Section E.1* above.

#### 3. Special Pricing Rules for Scheduled Lines

Real-Time LBMPs for the Proxy Generator Buses associated with designated Scheduled Lines shall be determined as follows. When (i) proposed Real-Time Market economic net Import transactions into the NYCA from the Control Area in which the Proxy Generator Bus associated with a designated Scheduled Line is located would exceed the Available Transfer Capability for the Interface between the NYCA and the Control Area in which the Proxy Generator Bus associated with a designated Scheduled Line is located, the Real-Time LBMP at the Proxy Generator Bus associated with a designated Scheduled Line will be the higher of (i) the RTC-determined price at that Proxy Generator Bus or (ii) the lower of the LBMP determined by RTD for that Proxy Generator Bus or zero. Issued by: William J. Museler, President Issued on:

## DRAFT, FOR DISCUSSION PURPOSES ONLY <u>1/3/05</u>

New York Independent System Operator, Inc.Third Revised Sheet No. 335CFERC Electric TariffSuperseding Second Revised Sheet No. 335COriginal Volume No. 2<br/>Attachment BAttachment B

When (i) proposed Real-Time Market economic net Export Transactions from the NYCA

to the Control Area in which the Proxy Generator Bus associated with a designated Scheduled

Line is located would exceed the Available Transfer Capability for the Interface between the

NYCA and the Control Area in which the Proxy Generator Bus associated with a designated

Scheduled Line is located, the Real-Time LBMP at the Proxy Generator Bus associated with a

designated Scheduled Line will be the lower of (i) the RTC-determined price at the Proxy

Generator Bus or (ii) the higher of the LBMP determined by RTD for the Proxy Generator Bus

or the Day-Ahead LBMP determined by SCUC for the Proxy Generator Bus. At all other times,

the Real-Time LBMP shall be calculated as specified in Section E.1 above.

The Cross Sound Scheduled Line is a designated Scheduled Line.

# 4. Method of Calculating Marginal Loss and Congestion Components of Real-Time LBMP at Non-Competitive Proxy Generator Buses and Proxy Generator Buses that are Subject to the Special Pricing Rule for Scheduled Lines

Under the conditions specified below, the Marginal Losses Component and the Congestion Component of the Real-Time LBMP, calculated pursuant to the preceding paragraphs in subsections 2 and 3, shall be constructed as follows:

When the Real-Time LBMP is set to zero and that zero price was not the result of using the SCDRTD, BMERTC or SCUC-determined LBMP;

Marginal Losses Component of the Real-Time LBMP = Losses  $_{\text{BMERTC PROXY GENERATOR}}$ BUS; and

Congestion Component of the Real-Time LBMP = - (Energy  $_{\text{BMERTC REF BUS}+$  Losses  $_{\text{BME}}$ 

#### *RTC* PROXY GENERATOR BUS).

Issued by: William J. Museler, President Issued on:

Original Sheet No. 335D

When the Real-Time LBMP is set to the Day-Ahead LBMP:

Marginal Losses Component of the Real-Time LBMP = Losses **BMERTC** PROXY GENERATOR

BUS; and

Congestion Component of the Real-Time LBMP = Day-Ahead LBMP PROXY GENERATOR

BUS - (Energy <u>BMERTC REF BUS</u> + LOSSES <u>BMERTC PROXY GENERATOR BUS</u>).

where:

Energy BMERTC REF BUS	= marginal Bid cost of providing Energy at the reference Bus, as calculated by $\underline{BMERTC_{15}}$ for the hour;
Losses <u>BMERTC</u> PROXY GENERATOR BUS	= Marginal Losses Component of the LBMP as calculated by <u>BMERTC<sub>15</sub></u> at the Non-Competitive Proxy Generator Bus <u>or Proxy Generator Bus associated with a</u> <u>designated Scheduled Line</u> for the hour; and
Day-Ahead LBMP PROXY GENERATOR BUS	<ul> <li>Day-Ahead LBMP as calculated by SCUC for the Non-Competitive Proxy</li> <li>Generator Bus <u>or Proxy Generator Bus</u> <u>associated with a designated Scheduled Line</u> for the hour.</li> </ul>

#### The Marginal Losses Component of LBMP

The components of LBMP will be posted in the Day-Ahead and Real-Time Markets as described above, except that the Marginal Losses Component of LBMP will be calculated differently for Internal locations. The Marginal Losses Component of the LBMP at each bus, as described above, includes the difference between the marginal cost of losses at that bus and the Reference Bus. If this formulation were employed for an External bus, then the Marginal Losses Component would include the difference in the cost of Marginal Losses for a section of the transmission system External to the NYCA. Since the ISO will not charge for losses incurred

Externally, the

Issued by: William J. Museler, President Issued on:

Original Sheet No. 335E

formulation will exclude these loss effects. To exclude these External loss effects, the Marginal Losses Component will be calculated from points on the boundary of the NYCA to the Reference Bus.

The Marginal Losses Component of the LBMP at the External bus will be a weighted average of the Marginal Losses Components of the LBMPs at the Interconnection Points. To derive the Marginal Losses Component of the LBMP at an External location, a Transaction will be assumed to be scheduled from the External bus to the Reference Bus. The Shift Factors for this Transaction on the tie lines into these Interconnection buses, which measure the per-unit effect of flows over each of those tie lines that results from the hypothetical transaction, will provide the weights for this calculation. Since all the power from this assumed Transaction crosses the NYCA boundary, the sum of these weights is unity.

The sum of the products of these Shift Factors and the Marginal Losses Component of the LBMP at each of these Interconnection buses yields the Marginal Losses Component of the LBMP that will be used for the External bus. Therefore, the Marginal Losses Component of the LBMP at an External bus E is calculated using the equation:

$$\boldsymbol{g}_{E}^{L} = \dot{\boldsymbol{a}} F_{Eb} (DF_{b} - 1) \boldsymbol{l}^{R}$$
  
b \in I

where:

 ${oldsymbol{g}}^{\scriptscriptstyle L}$ 

= Marginal Losses Component of the LBMP at an External bus E;

Issued by: William J. Museler, President Issued on:

## DRAFT, FOR DISCUSSION PURPOSES ONLY <u>1/3/05</u>

New York Independent System Operator, Inc. FERC Electric Tariff Original Volume No. 2 Attachment B Original Sheet No. 335<u>F</u>

$F_{E^b}$	=	Shift Factor for the tie line going through bus b, computed for a
		hypothetical Bilateral Transaction from bus E to the Reference Bus;
$(DF_b - 1)\mathbf{l}^R$	=	Marginal Losses Component of the LBMP at bus b; and
Ι	=	The set of Interconnection buses between the NYCA and adjacent
		Control Areas.

Issued by: William J. Museler, President Issued on:

New York Independent System Operator, Inc.Second-Third Revised Sheet No. 353FERC Electric TariffSuperseding First-Second Revised Sheet No. 353Original Volume No. 2Attachment B

#### **3.6** 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  $BME-RTC_{15}$  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  $BMERTC_{15}$ . 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

New York Independent System Operator, Inc.First-Second Revised Sheet No. 354FERC Electric TariffSuperseding Original-First Revised Sheet No. 354Original Volume No. 2Attachment B

Transactions. The ISO shall 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<sub>15</sub>, which, in turn, will determine the Transmission Service scheduled in the BME-RTC<sub>15</sub> to support those Transactions.

The amount of Transmission Service scheduled hour-ahead in the BME-RTC for transactions supplied by one of the following Generators shall retroactively be set equal to that Generator's actual output in each SCD-RTD interval:

- Generators providing Energy under contracts executed and effective on or before November 18, 1999 (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) in operation on or before November 18, 1999 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

New York Independent System Operator, Inc. FirstSecond ThirdFourth Revised Sheet No. 355 FERC Electric Tariff Superseding OriginalFirst Second Third Revised Sheet No. 355 Original Volume No. 2 Attachment B

(iii) Existing intermittent (i.e., non-schedulable) renewable resourceGenerators in operation on or before November 18, 1999 within theNYCA, plus up to an additional 500 MW of such Generators.

This procedure shall not apply at times when for those hours the Generator supplying that #Transaction has been scheduled has 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. SALE OF TRANSMISSION CONGESTION CONTRACTS ("TCCs")

#### **1.0** Overview of the Sales of TCCs

TCCs will be made available through both (i) the Centralized TCC Auction ("Auction") and Reconfiguration Auction, which will be conducted by the ISO; and (ii) Direct Sales by the Transmission Owners, which will be non-discriminatory, auditable sales conducted solely on the OASIS in compliance with the applicable requirements and restrictions set forth in Order No. 889 et seq.

Before each Auction, the ISO shall ensure that all of the following correspond to a simultaneously feasible security constrained Power Flow: (i) existing TCCs that are valid for any part of the duration of any TCCs to be sold in the Centralized TCC Auction, (ii)

# Grandfathered

Issued by: William J. Museler, President Issued on:

Original Sheet No. 509

# ATTACHMENT M

## **<u>1.0</u>** Supremacy of Attachment M

External Transactions at the Proxy Generator Buses associated with the Cross-Sound Scheduled Lines shall be bid and scheduled pursuant to the provisions of the ISO Services Tariff and the ISO OATT, and in accordance with this Attachment M. In the event of a conflict between the provisions of this Attachment M and any other provision of the ISO OATT, the ISO Services Tariff, or any of their attachments and schedules, with regard to External Transactions at the Proxy Generator Buses that are associated with the Cross-Sound Scheduled Lines, the provisions of this Attachment M shall prevail.

Issued by: William J. Museler, President Issued on:

Original Sheet No. 510

## 2.0 Transmission Reservations on the Cross-Sound Scheduled Line

<u>Customers scheduling External Transactions at the Proxy Generator Bus associated with</u> <u>the Cross-Sound Scheduled Line must first hold an Advance Reservation on the Cross-Sound</u> <u>Scheduled Line sufficient to support the proposed External Transaction. Advance Reservations</u> <u>may be obtained in accordance with the Cross-Sound Scheduled Line's release procedures that</u> <u>are designated as the Schedule 18 Implementation Rule to the New England Power Pool</u> ("NEPOOL") OATT.

<u>Customers that have obtained Advance Reservations wish to schedule External</u> <u>Transactions at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line must</u> (a) schedule an External Transactions with the ISO by submitting appropriate bids for economic evaluation, and (b) correspondingly schedule a transaction over the Cross-Sound Scheduled Line in accordance with all applicable New England tariff and market rules.

If a Customer scheduling External Transactions at the Proxy Generator Bus that is associated with the Cross-Sound Scheduled Line inaccurately claims to hold an Advance Reservation, or falsely implies that it has an Advance Reservation by scheduling such an External Transaction, the ISO may inform the Commission and seek enforcement of the Commission's market behavior rule(s) prohibiting false communications that are contained in the Customer's market-based rate tariff.

Issued by: William J. Museler, President Issued on:

Original Sheet No. 511

# 3.0 Additional <u>Scheduling Rules</u> for the Cross-Sound Scheduled Line

# 3.1 Bid Submission and E-Tags for Day-Ahead Transactions

<u>Customers seeking to schedule Day-Ahead transactions at the Proxy Generator Bus</u> <u>associated with the Cross Sound Scheduled Line (a) shall comply with all applicable ISO</u> <u>Procedures, and (b) shall submit their bids and have valid NERC E-Tags for their transaction(s)</u> <u>no later than 10 minutes prior to the close of the DAM.</u>

# 3.2. Bids and E-Tags for Real Time Transactions Must Be Submitted At Least 85 Minutes Before the Start of Each Dispatch Hour

<u>Customers seeking to schedule Real-Time Market transactions at the Proxy Generator</u> <u>Bus associated with the Cross Sound Scheduled Line (a) shall comply with all applicable ISO</u> <u>Procedures, and (b) shall submit their bids and have valid NERC E-Tags for their transaction(s)</u> <u>at least 85 minutes before the start of each dispatch hour.</u>

Issued by: William J. Museler, President Issued on:

Original Sheet Nos. 512-518

Reserved for future use.

Issued by: William J. Museler, President Issued on: