

2.146 Power Flow

A simulation which determines the Energy flows on the NYS Transmission System and adjacent transmission systems.

2.146a Pre-Scheduled Transaction Request

An offer submitted, pursuant to ISO Procedures, for priority scheduling of Transactions between the ISO and neighboring Control Areas to: (i) purchase Energy from the LBMP Market at the LBMP Market Price and deliver it to an External Control Area; (ii) sell Energy delivered from an External Control Area to the LBMP Market at the LBMP Market Price; or (iii) wheel Energy through the New York Control Area from one External Control Area to another External Control Area at the market-determined ~~Congestion Rent~~ Transmission Usage Charge. Pre-Scheduled Transaction Requests accepted for scheduling reserve Ramp Capacity and Transfer Capability and receive priority scheduling in the LBMP Market.

2.146b Pre-Scheduled Transaction

A Transaction accepted for scheduling in the designated LBMP Market pursuant to a Pre-Scheduled Transaction Request. Pre-Scheduled Transactions may be withdrawn only with the approval of the ISO pursuant to the ISO Procedures.

2.147 Primary Holder

A Primary Holder of each TCC is the Primary Owner of that TCC or the party that purchased that TCC at the close of the Centralized TCC Auction. With respect to each TCC, a Primary Holder must be: (1) a Transmission Customer that has purchased the TCC in the

Centralized TCC Auction, and that has not resold it in that same Auction; (2) a Transmission Customer that has purchased the TCC in a Direct Sale with another Transmission Customer; (3) the Primary Owner who has retained the TCC; or (4) Primary Owners of the TCC that allocated

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2.161 Safe Operations

Actions which avoid placing personnel and equipment in peril with regard to the safety of life and equipment damage.

2.162 Scheduling Differential

A monetary amount, to be defined by the ISO pursuant to ISO Procedures, that is assigned to, or defines Bid Price limits applicable to, Decremental Bids and Sink Price Cap Bids at Proxy Generator Buses, in order to establish an appropriate scheduling priority for the Transaction or Firm Transmission Service associated with each such Bid. The Scheduling Differential shall be no larger than one dollar (\$1.00)

2.162 SCUC

Security Constrained Unit Commitment, described in Section 4.9 of the Tariff.

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the TCC to certain customers or sold it in the Secondary Market or sold through a Direct Sale to an entity other than a Transmission Customer. The ISO settles Day-Ahead Congestion Rents pursuant to Attachments M and N to the ISO OATT with the Primary Holder of each TCC.

2.148 Primary Owner

The Primary Owner of each TCC is the Transmission Owner or other Transmission Customer that has acquired the TCC through conversion of rights under an Existing Transmission Agreement to Grandfathered TCCs (in accordance with Attachment K of the ISO OATT) or the Transmission Owner that acquired the TCC through the ISO's allocation of Residual TCCs (in accordance with Attachments K and M to the ISO OATT). The ISO distributes Centralized TCC

and Capacity market clearing prices in addition to Congestion Costs.

4.4 Scheduling Prerequisites

Each Customer shall be subject to a minimum Transaction size of one (1) megawatt (“MW”) between each Point of Injection and Point of Withdrawal in any given hour. Each Transaction must be scheduled in whole megawatts.

4.5 Communication Requirements for Market Services

Customers may utilize a variety of communications facilities to access the ISO’s OASIS and Bid/Post System, including but not limited to, conventional Internet service providers, wide area networks such as NERC net, and dedicated communications circuits. Customers shall arrange for and maintain all communications facilities for the purpose of communication of commercial data to the ISO. Each Customer shall be the customer of record for the telecommunications facilities and services its uses and shall assume all duties and responsibilities associated with the procurement, installation and maintenance of the subject equipment and software.

4.6 Pre-Scheduled Transaction Requests

Pre-Scheduled Transaction Requests shall be submitted, pursuant to ISO Procedures, no earlier than eighteen (18) months prior to the Dispatch Day, and shall include hourly transaction quantities (in MW) at each affected External Interface for each specified Dispatch Day. Pursuant to ISO Procedures, and at such time as the technical capability exists, Customers may request that the ISO batch Pre-Scheduled Transaction Requests for evaluation purposes, as a single Pre-Scheduled Transaction Request, at a time to be designated by the Customer. Customers may submit Pre-Scheduled Transaction Requests for scheduling in the Day-Ahead Market and, at

such time as the technical capability exists, for scheduling in the Real-Time Market.

The ISO shall determine, pursuant to ISO Procedures, the amount of Total Transfer Capability at each External Interface to be made available for scheduling. The ISO shall evaluate Pre-Scheduled Transaction Requests in the order in which they are submitted for evaluation and shall accept them for scheduling, pursuant to ISO Procedures, provided that there is Ramp Capacity, and Transfer Capability at each affected External Interface, available in the NYCA for each hour requested. If Ramp Capacity or Transfer Capability, on the designated External Interface, is unavailable in the NYCA for any hour of the Pre-Scheduled Transaction Request, the request shall not be scheduled. The ISO shall confirm the Transaction with affected Control Areas, as necessary, pursuant to ISO Procedures and may condition acceptance for scheduling on such confirmation.

The ISO shall provide the requesting Customer with notice, as soon as is practically possible, as to whether the Pre-Scheduled Transaction Request is accepted for scheduling and, if it is not scheduled, the ISO shall provide the reason. Pursuant to ISO Procedures, and at such time as the technical capability exists, a Customer may request that the ISO continue to evaluate a Pre-Scheduled Transaction Request that was not accepted for scheduling in the priority order in which the Request was originally submitted until it is either accepted for scheduling or withdrawn.

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.

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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 that are submitted for scheduling in the Real-Time Market shall be assigned, for BME evaluation, a Decremental Bid or Sink Price Cap Bid, as appropriate, that provides the highest scheduling priority available for sales to the LBMP Market reduced by the product of (i) the Scheduling Differential and (ii) two.

4.6a Load Forecasts, Bids and Bilateral Schedules

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)

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Customers ~~who participates~~ submitting Bids in the Day-Ahead Market, other than Prescheduled Transaction Requests, shall provide the ISO, as appropriate with:

1. Bids to supply Energy, including Bids to supply Energy in Virtual Transactions;
2. Bids to supply Ancillary Services from Generators;
3. Requests for Bilateral Transaction schedules;
4. Bids to purchase Energy, including Bids to purchase Energy in Virtual Transactions; and
5. Demand Reduction Bids.

In general, the information provided to the ISO shall include the following:

Load Forecasts - The Load forecast shall indicate the predicted level of Load in MW by Point of Withdrawal for each hour of the following seven (7) days.

Bids to Supply Energy and/or Ancillary Services from Suppliers - Bids from Suppliers shall identify the Capacity, in MW, available for commitment in the Day-Ahead Market (for every hour of the Dispatch Day) and the price(s) at which the Supplier will voluntarily enter into dispatch commitments. Bids to Supply Energy from External Suppliers shall be priced no lower than the Bid that provides the highest scheduling priority for sales to the relevant LBMP Market plus the product of (i) the Scheduling Differential and (ii) three. The Bids shall identify the resource as Dispatchable (On-Dispatch or Off-Dispatch) or non-Dispatchable and will identify the Ancillary Services that are available from the resource. The Bids may separately identify Minimum Generation and Start-Up Bids and variable Energy price Bids.

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Bids to Supply Energy in Virtual Transactions - Customers submitting bids to supply Energy in Virtual Transactions shall identify the Energy, in MW, available in the Day-Ahead Market (for every hour of the Dispatch Day) and the price(s) at which the Customer will voluntarily make it available.

Bids to Purchase Energy in Virtual Transactions - Customers submitting bids to purchase Energy in Virtual Transactions shall identify the Energy, in MW, to be purchased in the Day-Ahead Market (for every hour of the Dispatch Day) and the price(s) at which the Customer will voluntarily purchase it.

Bilateral Transaction Schedules - Bilateral Transaction schedules shall identify hourly Transaction quantities (in MW) by Point of Injection and Point of Withdrawal, minimum run times associated with Firm Point to Point Transmission Service, if any, and provide other information (as described in Attachment D). Decremental Bids submitted at Proxy Generator Buses shall be priced no lower than the Bid that provides the highest scheduling priority for sales to the LBMP Market plus the product of (i) the Scheduling Differential and (ii) three. Sink Price Cap Bids submitted at Proxy Generator Buses shall be priced no higher than the Bid that provides the highest scheduling priority for purchases from the LBMP Market minus the product of (i) the Scheduling Differential and (ii) three.

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Bids to Purchase Energy in the Day-Ahead Market - Each purchaser shall submit Bids indicating the hourly quantity of Energy, in MW, that it will purchase from the Day-Ahead Market for each hour of the following Dispatch Day. These Bids shall indicate the quantities to be purchased by Point of Withdrawal. The Bids may identify prices at which the purchaser will voluntarily Curtail the Transaction, provided however that Bids from External purchasers to purchase Energy in the Day-Ahead Market shall be priced no higher than the Bid that provides the highest scheduling priority for purchases in the LBMP Market, minus the product of (i) the Scheduling Differential and (ii) three.

Bids to Supply Demand Reductions in the Day-Ahead Market – Demand Reduction Bids from Demand Reduction Providers shall be in whole megawatts and, as described in Attachment D, shall: (i) identify the amount of demand, in MW, that is available for commitment in the Day-Ahead Market (for every hour of the dispatch day) and (ii) the prices at which the Demand Reduction Provider will voluntarily enter into dispatch commitments to reduce demand. The Bids will identify the minimum period of time that the Demand Reduction Provider is willing to reduce demand. The Bid may separately identify the Demand Reduction Provider's Curtailment Initiation Cost.

4.7 ISO Responsibility to Establish a State-wide Load Forecast

By 6 a.m., on the day prior to the Dispatch Day, the ISO will verify the Individual Load forecasts from the LSEs. Should the ISO determine that Individual Load forecasts are inconsistent with the ISO's forecast, the ISO will evaluate the discrepancies between them.

By 8 a.m., the ISO will develop and publish its statewide Load forecast on the OASIS. The ISO will use this forecast to perform the SCUC for the Dispatch Day.

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requirements as determined by the ISO; (iii) Bilateral Transaction schedules; (iv) price Bids and operating Constraints submitted for Generator or Demand Side Resources; (v) price Bids for Ancillary Services; (vi) Decremental Bids and Sink Price Cap Bids for ~~Bilateral-External~~ Transactions; (vii) Ancillary Services in support of Bilateral Transactions; and (viii) Bids to purchase or sell Energy from or to the Day-Ahead Market. External Transactions with minimum run times greater than one hour will only be scheduled at the requested Bid for the full minimum run time. External Transactions with identical Bids and minimum run times greater than one hour will not be prorated. The SCUC schedule shall list the twenty-four (24) hourly injections and withdrawals for: (a) each Customer whose Bid the ISO accepts for the following Dispatch Day; and (b) each Bilateral Transaction scheduled Day-Ahead.

In the development of its SCUC schedule, the ISO may commit and decommit Generators and Demand Side Resources based upon any flexible Bids, including Minimum Generation and Start-Up Bids and Curtailment Initiation Cost Bids, Energy, and Incremental Bids and Decremental Bids received by the ISO.

The ISO will select the least cost mix of Ancillary Services and Energy from Suppliers, Demand Side Resources, and Customers submitting Virtual Transactions bids. The ISO may substitute higher quality Ancillary Services (i.e., shorter response time) for lower quality Ancillary Services when doing so would result in an overall least bid cost solution. For example, 10-Minute Non-Synchronized Reserve may be substituted for 30-Minute Reserve if doing so would reduce the total bid cost of providing Energy and Ancillary Services.

Pursuant to ISO Procedures and at such time as the technical capability exists, Customers may request that Transactions scheduled in the Day-Ahead Market be converted to

Pre-Scheduled Transactions. If Ramp Capacity, and Transfer Capability at the affected External Interface, are sufficient to support such a conversion, the ISO shall accept the Transaction for scheduling as a Pre-Scheduled Transaction and reserve Ramp Capacity and Transfer Capability accordingly. Transactions scheduled in the Day-Ahead Market and converted to Pre-Scheduled Transactions shall be assigned a Decremental Bid or Sink Price Cap Bid, as appropriate, that provides the highest scheduling priority available for sales to the LBMP Market reduced by the Scheduling Differential.

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4.14 Balancing Market Evaluation (Hour-Ahead)

After the Day-Ahead schedule is published, and up to ninety (90) minutes prior to each dispatch hour, Customers may: (i) submit additional Bids to the ISO for Energy from (a) Generators or other resources that are Dispatchable within five (5) minutes and that can be included in, and respond to, the ISO's SCD program and (b) Generators or other resources that provide fixed block Energy (non-Dispatchable) Bids available for the next hour; (ii) lower their Bid Price for Energy from Generators committed by the ISO in the Day-Ahead Market; (iii) change their Bid Price for additional Energy from Generators that were committed by the ISO in the Day-Ahead Market; (iv) propose new Bilateral Transactions; and (v) submit Bids to purchase Energy from the Real-Time Market. After the Day-Ahead schedule is published, and up to ninety (90) minutes prior to each dispatch hour, the ISO may, after giving notice to affected Capacity Limited Resources and Energy Limited Resources, in order to prevent or address an Emergency, raise their bid-in upper operating limits to their maximum and make the additional Capacity available to the Balancing Market Evaluation for scheduling. The Bids submitted up to ninety (90) minutes before the dispatch hour shall be referred to as Hour-Ahead Bids. Bids for Exports shall be priced no higher than the Bid that provides the highest scheduling priority for purchases in the LBMP Market, minus the product of (i) the Scheduling Differential and (ii) three. Bids for Imports and Decremental Bids for Wheels Through at the Proxy Generator Bus designated as the source of the Transaction shall be priced no lower than the Bid that provides the highest scheduling priority for sales to the LBMP Market plus the product of (i) the Scheduling Differential and (ii) three. The ISO will use the BME to determine which

Transactions, including External Transactions affecting the NYCA, are permitted in each hour.

The ISO shall

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that Load Zone by that LSE for that hour in association with Bilateral Transactions, in MWh; and (b) the Marginal Losses Component of the Real-Time LBMP in that Load Zone, in \$/MWh.

III. **BILATERAL TRANSACTION BIDDING, SCHEDULING AND CURTAILMENT**

1.0 Pre-Scheduled Transaction Requests

Pre-Scheduled Transaction Requests shall include the following information that shall be submitted to the ISO no earlier than eighteen (18) months prior to the Dispatch Day:

- (1) Point of Injection location;
- (2) Point of Withdrawal location;
- (3) Desired Dispatch Days;
- (4) Hourly MW schedules;
- (5) Other data as required by the ISO.

Pre-Scheduled Transaction Requests accepted for scheduling may be withdrawn only with the approval of the ISO, pursuant to ISO Procedures.

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21.0 Requests for Bilateral Transaction Schedules

Transmission Customers scheduling Transmission Service or to support a Bilateral Transaction with Energy supplied by an External Generator or Internal Generator shall submit the following information to the ISO:

- (1) Point of Injection location. For Transactions with Internal sources, the Point of Injection is the LBMP bus; for Transactions with External

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sources, the Point of Injection is the Proxy Generator Bus; however, based upon such an advance notification to the ISO, an External Supplier will have the additional option of being modeled at a specific External LBMP bus (rather than an ~~External~~ Proxy Generator Bus) and being able to submit a bid curve. Otherwise, an External Supplier with Incremental or Decremental Bids at ~~an External~~ Proxy Generator Bus will be modeled as a single point price curve at that bus. An LBMP bus is a specific bus at

which a Generator Shift Factor has been calculated, and for which LBMP will be calculated.

- (2) Point of Withdrawal location. For Internal Load, the Point of Withdrawal is the Load Zone in which the Load is situated or the bus at which that Load is interconnected to the Transmission System, if there is a revenue-quality real-time meter located at that bus (software constraints may initially limit the ability to specify buses as Points of Withdrawal); for delivery points outside the NYCA, the Point of Withdrawal is the Proxy Generator Bus;
- (3) Hourly MW schedules;
- (4) Whether Firm or Non-Firm Transmission Service is requested,
- (5) NERC Transaction Priorities for Bilateral Transactions involving External Generators, Exports, and Wheels Through;
- (6) ~~A Sink Price Cap n optional Decremental Bid for the Bilateral Export Transactions up to the MW level of the desired schedule, a Decremental Bid for Import and Wheels Through transactions up to the MW level of the desired schedule (if the Transmission Customer does not submit a Decremental Bid, the ISO shall assign one in accordance with Section 2.3 below)~~ provided however that Sink Price Cap Bids and Decremental Bids shall be subject to the following limitations. Day-Ahead Bids for (a) Imports, and Wheels Through at the Proxy Generator Bus designated as the source of the Transaction, shall be priced no lower than the Bid that provides the highest

scheduling priority for sales to the LBMP Market plus the product of (i) the Scheduling Differential and (ii) three; and (b) Exports shall be priced no higher than the Bid that provides the highest scheduling priority for purchases from the LBMP Market minus the product of (i) the Scheduling Differential and (ii) three. Real-Time Market Bids submitted for evaluation in BME for (a) Imports, and Wheels Through at the Proxy Generator Bus designated as the source of the Transaction, shall be priced no lower than the Bid that provides the highest scheduling priority for sales to the LBMP Market plus the product of (i) the Scheduling Differential and (ii) three; and (b) Exports shall be priced no higher than the Bid that provides the highest scheduling priority for purchases to the LBMP Market minus the product of (i) the Scheduling Differential and (ii) three.

(7) For an Internal Generator, whether the Generator is On-Dispatch or Off-Dispatch;

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- (9) The amount and location of any Ancillary Services the Transmission Customer will Self-Supply in accordance with and to the extent permitted by each of the Rate Schedules under the ISO OATT; and
- (10) Other data required by the ISO.

2.0 Pre-Scheduled Transaction Requests and Bilateral Transaction Scheduling

2.1 ISO's General Responsibilities

Pre-Scheduled Transaction Requests shall be submitted, pursuant to ISO Procedures, no earlier than eighteen (18) months prior to the Dispatch Day, and shall include hourly transaction quantities (in MW) at each affected by External Interface for each specified Dispatch Day. Pursuant to ISO Procedures, and at such time as the technical capability exists, Customers may request that the ISO batch Pre-Scheduled Transaction Requests for evaluation purposes, as a single Pre-Scheduled Transaction Request, at a time to be designated by the Customer. Customers may submit Pre-Scheduled Transaction Requests for scheduling in the Day-Ahead Market and, at such time as the technical capability exists, for scheduling in the Real-Time Market.

The ISO shall determine, pursuant to ISO Procedures, the amount of Total Transfer Capability at each External Interface to be made available for scheduling. The ISO shall evaluate Pre-Scheduled Transaction Requests submitted in the order in which they are submitted for evaluation and shall accept them for scheduling, pursuant to ISO Procedures, provided that there is Ramp Capacity, and Transfer Capability available at each affected External Interface, in the NYCA for each hour requested.

If Ramp Capacity or Transfer Capability, on the designated External Interface, is unavailable in the NYCA for any hour of the Pre-Scheduled Transaction Request, the

request shall not be scheduled. The ISO shall confirm the Transaction with affected Control Areas, as necessary, pursuant to ISO Procedures and may condition acceptance for scheduling on such confirmation.

The ISO shall provide the requesting Customer with notice, as soon as is practically possible, as to whether the Pre-Scheduled Transaction Request is accepted for scheduling and, if it is not scheduled, the ISO shall provide the reason. Pursuant to ISO Procedures, and at such time as the technical capability exists, a Customer may request that the ISO continue to evaluate a Pre-Scheduled Transaction Request that was not accepted for scheduling in the priority order in which the Request was originally submitted until it is either accepted for scheduling or withdrawn.

The ISO shall reserve Ramp Capacity, and Transfer Capability on affected Interfaces, for each Pre-Scheduled Transaction. Pre-Scheduled Transactions shall be automatically submitted for scheduling in the appropriate LBMP Market for the designated Dispatch Day. The ISO shall evaluate requests to withdraw Pre-Scheduled Transactions pursuant to ISO Procedures.

Pre-Scheduled Transactions for Wheels Through in the Day-Ahead Market shall be assigned a Decremental Bid at the Proxy Generator Bus designated as the source of the Transaction that provides the highest scheduling priority available for Firm Transmission Service. Pre-Scheduled Transactions for Wheels Through that are submitted for scheduling in the Real-Time Market shall be assigned, for BME evaluation, a Decremental Bid or Sink Price Cap Bid, as appropriate, at the Proxy Generator Bus designated as the source of the Transaction, that provides the highest scheduling priority available for Firm Transmission Service reduced by the product of (i) the Scheduling Differential and (ii) two.

The ISO shall evaluate requests for Transmission Service submitted in the Day-Ahead scheduling process using SCUC, and will subsequently establish a Day-Ahead

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schedule. During the Dispatch Day, the ISO shall use the BME to establish schedules for each hour of dispatch in that day.

If required by SCD, the ISO shall Curtail Transmission Service during dispatch as described in this Attachment.

2.2 Use of Decremental Bids to Dispatch Internal Generators

When dispatching Generators taking service under the ISO OATT to match changing conditions, the ISO shall treat Decremental Bids and Incremental Bids simultaneously and identically as follows: (i) a generating facility selling Energy in the LBMP Market may be dispatched downward if the LBMP at the Point of Receipt falls below the generating facility's Incremental Bid; (ii) a Generator serving a Transaction scheduled under the ISO OATT may be dispatched downward if the LBMP at the Generator's Point of Receipt falls below the Decremental Bid for the Generator; (iii) a Supplier's Generator may be dispatched upward if the LBMP at the Generator's Point of

be automatically rejected by the ISO. In addition, any Bid for a date during the effectiveness of this Attachment F that is submitted prior to the incorporation of Bid Cap logic into the ISO software that exceeds an applicable Bid Cap will be rejected, and the bidding entity will be required to submit a new Bid that conforms to the Bid Cap.

VI. Applicability of Temporary Bid Caps

A. The Bid Cap established in Section V shall apply to Day-Ahead and Hour-Ahead Energy Bids, Minimum Generation Bids, Decremental Bids, Price Cap Load Bids, Hour-Ahead Sink Price Cap Bids and Installed Capacity recall Bids, as applicable, provided however, that the Bid Cap established in Section V shall not apply to Sink Price Cap Bids and Decremental Bids submitted for External Transactions and Wheels Through at Proxy Generator Buses. All Suppliers and Dispatchable Loads, whether External or Internal to the NYCA, shall be subject to a Bid Cap for all Bids specified herein.

B. The Bid Cap shall not apply to Ancillary Services Bids, Start-Up Bids or to any other Bid that is not specified in Section VI.A This Attachment F does not modify the bidding restrictions and opportunity cost recovery rules for 10-minute non-spinning reserves approved by the Commission in its May 31, 2000 Order in Docket No. ER00-1969-000, *et al.*

C. Bid Caps shall not apply to Emergency External Purchases. Bids or Offers made in connection with External Emergency Purchases shall not establish Market-Clearing Prices.

- 1.34a Point(s) of Withdrawal (“POW”):** The point(s) on the NYS Transmission System where Energy, Capacity and Ancillary Services will be made available to the Receiving Party under the ISO OATT or the ISO Services Tariff. The Point(s) of Withdrawal shall be specified in the Service Agreement. (Same as Point of Delivery).
- 1.35 Point-to-Point Transmission Service:** The reservation and transmission of Capacity and Energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.
- 1.35a Pool Control Error (“PCE”):** The difference between the actual and scheduled interchange with other Control Areas, adjusted for frequency bias.
- 1.35b Post Contingency:** Conditions existing on a system immediately following a Contingency.
- 1.35c Power Exchange (“PE”):** A commercial entity meeting the requirements for service under the ISO OATT or the ISO Services Tariff that facilitates the purchase and/or sale of Energy, Capacity and/or Ancillary Services in the New York Wholesale Market. A PE may transact with the ISO on its own behalf or as an agent for others.
- 1.35d Power Factor:** The ratio of real power to apparent power (the product of volts and amperes, expressed in megavolt-amperes, MVA).
- 1.35e Power Factor Criteria:** Criteria to be established by the ISO to monitor a Load’s use of Reactive Power.
- 1.35f Power Flow:** A simulation which determines the Energy flows on the NYS Transmission System and adjacent transmission systems.

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1.35f1 **Pre-Scheduled Transaction Request:** An offer submitted, pursuant to ISO Procedures, for priority scheduling of Transactions between the ISO and neighboring Control Areas to: (i) purchase Energy from the LBMP Market at the LBMP Market Price and deliver it to an External Control Area; (ii) sell Energy delivered from an External Control Area to the LBMP Market at the LBMP Market Price; or (iii) wheel Energy through the New York Control Area from one External Control Area to another External Control Area at the market-determined ~~Congestion Rent~~ Transmission Usage Charge. Pre-Scheduled Transaction Requests accepted for scheduling reserve Ramp Capacity and Transfer Capability and receive priority scheduling in the LBMP Market.

1.35f2 **Pre-Scheduled Transaction.** A Transaction accepted for scheduling in the designated LBMP Market pursuant to a Pre-Scheduled Transaction Request. Pre-Scheduled Transactions may be withdrawn only with the approval of the ISO pursuant to the ISO Procedures

1.35g **Proxy Generator Bus:** A Generator bus located outside the NYCA that is selected by the ISO to represent a typical bus in an adjacent Control Area and for which LBMP prices are calculated.

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1.39d Safe Operations: Actions which avoid placing personnel and equipment in peril with regard to the safety of life and equipment damage.

1.39e Scheduling Differential: A monetary amount, to be defined by the ISO pursuant to ISO Procedures that is assigned to, or defines Bid Price limits applicable to, Decremental Bids and Sink Price Cap Bids at Proxy Generator Buses, in order to establish an appropriate scheduling priority for the Transaction or Firm Transmission Service associated with each such Bid. The Scheduling Differential shall be no larger than one dollar (\$1.00)

1.39e SCUC: Security Constrained Unit Commitment, described in Attachment C of the Tariff.

1.39f Second Contingency Design and Operation: The planning, design and operation of a power system such that the loss of any two (2) facilities will not result in a service interruption to either native load customers or contracted firm Transmission Customers. Second Contingency Design and Operation criteria do not include the simultaneous loss of two (2) facilities, but rather consider the loss of one (1) facility and the restoration of the system to within acceptable operating parameters, prior to the loss of a second facility. These criteria apply to thermal, voltage and stability limits and are generally equal to or more stringent than NYPP, NPCC and NERC criteria.

1.39g Second Settlement: The process of: (1) identifying differences between Energy production, Energy consumption or NYS Transmission System usage scheduled in a First Settlement, and the actual production, consumption, or NYS Transmission System usage during the Dispatch Day; and (2) assigning financial responsibility for those differences to the appropriate Customers and Market Participants. Charges for Energy supplied (to replace Generation deficiencies or unscheduled consumption), and payments for Energy consumed (to absorb consumption deficiencies or excess Energy supply) or changes in transmission usage will be based on the Real-Time LBMPs.

1.39h Secondary Holder: Entities that: (1) purchase TCCs in the Secondary Market; (2) purchase TCCs in a Direct Sale from a Transmission Owner and have not been certified as a Primary Holder by the ISO; or (3) receive an allocation of Native Load TCCs from a Transmission Owner (See Attachment M). A Transmission Customer purchasing TCCs in a Direct Sale may qualify as a Primary Holder with respect to those TCCs purchased in that Direct Sale.

1.39i Secondary Market: A market in which Primary and Secondary Holders sell TCCs by mechanisms other than through the Centralized TCC Auction or by Direct Sale. Buyers of TCCs in the Secondary Market shall neither pay nor receive Congestion Rents directly to or from the ISO.

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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

pursuant to the terms of Section 22.2.

- (ii) The Transmission Customer may purchase Transmission Service to make sales of Capacity and Energy from multiple generating units that are on the NYS Transmission System. For such a purchase of Transmission Service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (iii) The ISO shall provide firm deliveries of Capacity and Energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt shall be set forth in the Firm Point-To-Point Service schedule submitted by the Transmission Customer.

13.8 Scheduling of Firm Point-To-Point Transmission Service:

- (1) Pre-Scheduled Transaction Requests: Requests for Firm Transmission Service associated with a Pre-Scheduled Transaction Requests for Wheels Through shall be submitted, pursuant to ISO Procedures, no earlier than eighteen (18) months prior to the Dispatch Day, and shall include hourly transaction quantities (in MW) at each affected External Interface for each specified Dispatch Day. Pursuant to ISO Procedures, and at such time as the technical capability exists, Customers may request that the ISO batch Pre-Scheduled Transactions Requests for evaluation purposes, as a single Pre-Scheduled Transaction Request, at a time to be designated by the Customer. Customers may submit requests for Firm Transmission

Service associated with Pre-Scheduled Transaction Requests for scheduling in the Day-Ahead Market and, at such time as the technical capability exists, for scheduling in the Real-Time Market.

The ISO shall determine, pursuant to ISO Procedures, the amount of Total Transfer Capability at each External Interface to be made available for scheduling Pre-Scheduled Transactions. The ISO shall evaluate Pre-Scheduled Transaction Requests in the order in which they are submitted for evaluation and shall accept them for scheduling, pursuant to ISO Procedures, provided that there is Ramp Capacity, and Transfer Capability available at each affected External Interface, in the NYCA for each hour requested . If Ramp Capacity, or Transfer Capability on the designated External Interface, is unavailable in the NYCA for any hour of the Pre-Scheduled Transaction Request, the request shall not be scheduled. The ISO shall confirm the Transaction with affected Control Areas, as necessary, pursuant to ISO Procedures and may condition acceptance for scheduling on such confirmation.

The ISO shall provide the requesting Customer with notice, as soon as is practically possible, as to whether the Pre-Scheduled Transaction Request is accepted for scheduling and, if it is not scheduled, the ISO shall provide the reason. Pursuant to ISO Procedures, and at such time as the technical capability exists, a Customer may request that the ISO continue to evaluate its Pre-Scheduled Transaction Request that was not accepted for scheduling in the priority order in which the Request was originally submitted until it is either accepted for scheduling or withdrawn.

The ISO shall reserve Ramp Capacity, and Transfer Capability on affected Interfaces, for each Pre-Scheduled Transaction. Pre-Scheduled Transactions shall be automatically submitted for scheduling in the appropriate LBMP Market for the designated Dispatch Day. The ISO shall evaluate requests to withdraw Pre-Scheduled Transactions pursuant to ISO Procedures.

Requests for Firm Transmission Service associated with Pre-Scheduled Transaction Requests for Wheels Through to be scheduled Day-Ahead shall be assigned a Decremental Bid at the Proxy Generator Bus designated as the source of the Transaction that provides the highest scheduling priority available for Firm Transmission Service. Requests for Firm Transmission Service associated with Pre-Scheduled Transactions for Wheels Through to be scheduled in Real-Time shall be assigned, for BME evaluation, a Decremental Bid or Sink Price Cap Bid, as appropriate, at the Proxy Generator Bus designated as the source of the Transaction, that provides the highest scheduling priority available for Firm Transmission Service reduced by the product of (i) the Scheduling Differential and (ii) two.

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(ii) In the Day-Ahead Market: Schedules for the Transmission Customer's Firm Point-to-Point Transmission Service Day-Ahead, other than schedules from Transmission Customers taking Firm Point-to-Point Transmission Service for a Pre-Scheduled Transaction, must be submitted to the ISO no later than 5:00 a.m. of the day prior to commencement of the Dispatch Day. Incremental Bids submitted at Proxy Generator Buses shall be priced no lower than the Bid that provides the highest scheduling priority for sales to the LBMP Market plus the product of (i) the Scheduling Differential and (ii) three. Sink Price Cap Bids submitted at Proxy Generator Buses shall be priced no higher than the Bid that provides the highest scheduling priority for purchases from the LBMP Market minus the product of (i) the Scheduling Differential and (ii) three.

Schedules involving the use of LIPA's facilities shall be treated in accordance with Section 5.2D. Schedules submitted after 5:00 a.m. will not be accepted in the Day-Ahead schedule. Schedules of any

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Capacity and Energy that are to be delivered must be stated in increments of 1,000 KWh per hour between each Point of Receipt and corresponding Point of Delivery. Each Transmission Customer within the NYCA with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 KWh per hour, may consolidate its service requests at a common Point of Receipt into units of 1,000 KWh per hour for scheduling and billing purposes. The ISO will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party and shall deliver the Capacity and Energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall notify the ISO prior to the close of the Real-Time Market, and the ISO shall have the right to adjust accordingly the schedule for Capacity and Energy to be received and to be delivered.

- (ii) **In the Real-Time Market:** Schedules for the Transmission Customer's Firm Point-to-Point Transmission Service in Real-Time, other than schedules from Transmission Customers taking Firm Point-to-Point Transmission Service for a Pre-Scheduled Transaction, must be submitted to the ISO no later than ninety (90) minutes prior to the dispatch hour. Bids for Exports shall be priced no higher than the Bid that provides the highest scheduling priority for purchases in the LBMP Market, minus the product of (i) the Scheduling Differential and (ii) three. Bids for Imports and Decremental Bids for Wheels Through at the Proxy Generator Bus

designated as the source of the Transaction shall be priced no lower than the Bid that provides the highest scheduling priority for sales to the LBMP Market plus the product of (i) the Scheduling Differential and (ii) three.

Schedules involving the use of LIPA's facilities shall be treated in

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1.0 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 generating facilities and/or Interruptible Load to provide for reliable operation of the NYS Transmission System. In addition to all Reliability Rules, the ISO shall consider the following information when developing the SCUC: (i) Load forecasts provided to the ISO and adjusted as required by the ISO; (ii) Ancillary Service requirements as determined by the ISO; (iii) Transmission Service schedules; (iv) price Bids and operating Constraints submitted for a generating facility or Demand Side Resources; (v) price bids for Ancillary Services; (iv) Decremental [and Sink Price Cap](#) Bids for Bilateral Transactions; (vii) Ancillary Services in support of Bilateral Transactions; and (viii) Bids to purchase Energy from the Day-Ahead Market. The SCUC schedule shall list the twenty-four (24) hour injections for: (a) each

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generating facility whose Bid the ISO accepts for the following Dispatch Day; and (b) each Bilateral Transaction Scheduled Day-Ahead.

In the development of its SCUC schedule, the ISO may commit and decommit Generators based upon any flexible Bids, including Minimum Generation and Start-Up Costs, Energy, and Incremental and Decremental Bids received by the ISO.

Pursuant to ISO Procedures and at such time as the technical capability exists, Customers may request that Transactions scheduled in the Day-Ahead Market be converted to Pre-Scheduled Transactions. If Ramp Capacity, and Transfer Capability at the affected External Interface, are sufficient to support such a conversion, the ISO shall accept the Transaction for scheduling as a Pre-Scheduled Transaction and reserve Ramp Capacity and Transfer Capability accordingly. Transactions scheduled in the Day-Ahead Market and converted to Pre-Scheduled Transactions shall be assigned a Decremental Bid or Sink Price Cap Bid, as appropriate, that provides the highest scheduling priority available for sales to the LBMP Market reduced by the Scheduling Differential.

2.0 Security Constrained Dispatch (“SCD”)

The ISO shall dispatch the NYS Power System consistent with the Bids that are submitted by generating facilities and accepted by the ISO, while satisfying the actual system

Load. The ISO shall use Day-Ahead and Hour-Ahead Bids and shall accommodate Bilateral Transaction schedules and schedule changes to the maximum extent possible consistent with reliability, and the Decremental Bids of Bilateral Transaction parties. The ISO shall run a Security Constrained Dispatch (“SCD”) normally every five (5) minutes to minimize the total Bid Production Costs of meeting the system Load and maintaining scheduled interchanges with adjacent Control Areas over the next SCD interval. Bid Production Costs, for this purpose, will be calculated using Bids submitted into the Real-Time Market. The dispatch may cause the schedules of Generators providing Energy under Bilateral Transaction

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Schedules to be modified, depending upon the Decremental Bids submitted (or assigned) in association with these schedules.

3.0 Balancing Market Evaluation (Hour-Ahead)

After the Day-Ahead schedule is published, and up to ninety (90) minutes prior to each dispatch hour, qualified customers and generating facilities may: (i) submit additional Bids to the ISO for Energy from (a) generating facilities or other resources that are dispatchable within five (5) minutes and that can be included in and respond to the ISO's SCD program and (b) fixed block Energy (non-Dispatchable) Bids available for the next hour; (ii) lower their Bid Price for Energy from generating facilities committed by the ISO in the Day-Ahead Market; (iii) change their Bid Price for additional Energy from generating facilities that were committed by the ISO in the Day-Ahead Market; (iv) modify Bilateral Transactions that were accepted by the ISO in the Day-Ahead schedule other than Pre-Scheduled Transactions; (v) propose new Bilateral Transactions; and (vi) submit Bids to purchase Energy from the Real-Time Market. The Bids submitted up to ninety (90) minutes before the dispatch hour shall be referred to as Hour-Ahead Bids. Bids for Exports shall be priced no higher than the Bid that provides the highest scheduling priority for purchases in the LBMP Market, minus the product of (i) the Scheduling Differential and (ii) three. Bids for Imports and Decremental Bids for Wheels Through at the Proxy Generator Bus designated as the source of the Transaction shall be priced no lower than the Bid that provides the highest scheduling priority for sales to the LBMP Market plus the product of (i) the Scheduling Differential and (ii) three. The ISO shall use the Balancing Market Evaluation ("BME")

ninety (90) minutes before each dispatch hour to determine schedules for LBMP Market and
Bilateral

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Transactions including Exports, Imports and Wheels Through. In developing these schedules, the BME will consider updated Load forecasts and evaluate the impact on reliability of the proposed schedules and commitments. The BME will adjust firm Bilateral Transaction schedules based on Incremental, ~~and~~ Decremental and Sink Price Cap Bids and all generating facility schedules, based on their Bids, to maintain reliability. The BME will not determine any prices except, when the special conditions described in Attachment J are applicable but will schedule on a least total Bid Production Cost basis.

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4.0 Day-Ahead Schedules

The ISO shall compute all NYCA Interface Transfer Capabilities prior to scheduling Transmission Service Day-Ahead. The ISO shall run the SCUC utilizing the computed Transfer Capabilities, submitted Firm Point-to-Point Transmission Service and Network Integration Transmission service schedules, Load forecasts, and submitted Incremental ~~and~~ Decremental [and Sink Price Cap](#) Bids.

In the Day-Ahead schedule, the ISO shall use the SCUC to determine Generator schedules, Transmission Service schedules and DNIs with adjacent Control Areas. The ISO shall not use Decremental Bids submitted by Transmission Customers for Generators associated with Non-Firm Point-to-Point Transmission Service in the determination of the Day-Ahead schedule.

5.0 Reduction and Curtailment

If a Transmission Customer's Firm Point-to-Point Transmission Service or Network Integration Transmission Service is supporting an Internal Bilateral Transaction, or an Import, the ISO shall not ~~Reduce~~[reduce](#) the Transmission Service.

If the Transaction was scheduled in the Day-Ahead Market, and the Day-Ahead Schedule for the Generator designated as the Supplier of Energy for that Bilateral Transaction called for that Generator to produce less Energy than was scheduled Day-Ahead to be consumed in association with that Transaction, the ISO shall supply the Load or Transmission Customer in

~~following~~Following information when developing the SCUC: (i) Load forecasts provided to the ISO and adjusted as required by the ISO; (ii) Ancillary Service requirements as determined by the ISO; (iii) Transmission Service schedules; (iv) price Bids and operating constraints submitted for Generator or Demand Side Resources; (v) price bids for Ancillary Services; (vi) Decremental Bids and Sink Price Cap Bids for External Transactions; (vii) Ancillary Services in support of Bilateral Transactions; and (viii) Bids to purchase energy from the Day-Ahead Market. External Transactions with minimum run times greater than one hour will only be scheduled at the requested Bid for full minimum run time. External Transactions with identical Bids and minimum run times greater than one hour will not be prorated. The SCUC schedule shall list the twenty-four (24) hour injections for: (a) each Generator whose Bid the ISO accepts for the following Dispatch Day, and (b) each Bilateral Transaction Scheduled Day-Ahead.

In the development of its SCUC schedule, the ISO may commit and decommit Generators based upon any flexible Bids, including Minimum Generation and Start-Up Costs, Energy, and Incremental, Sink Price Cap and Decremental Bids received by the ISO.

Reliability Forecast

In the SCUC program, system operation shall be optimized over the Dispatch Day. However, to preserve system reliability, the ISO must assure that there will be sufficient Generators available to meet forecasted Load and reserve requirements over the seven-day period

only for day three because, if that unit begins to start up at any time during day one, it would begin to produce Energy forty-eight (48) hours later on day three. Similarly, the Energy Bid for a Generator with a start-up period of three (3) days would only be binding for day four.

Balancing Market Evaluation (Hour-Ahead)

After the Day-Ahead schedule is published, and up to ninety (90) minutes prior to each dispatch hour, Direct Customers and Suppliers may: (i) submit additional bids to the ISO for Energy from (a) Generators or other resources that are dispatchable within five (5) minutes and that can be included in and respond to the ISO's SCD program and (b) fixed block Energy (non-dispatchable) Bids available for the next hour; (ii) lower their Bid Price for Energy from Generators committed by the ISO in the Day-Ahead Market; (iii) change their Bid Price for additional Energy from Generators that were committed by the ISO in the Day-Ahead Market; (iv) modify Bilateral Transactions, other than Pre-Scheduled Transactions, that were accepted by the ISO in the Day-Ahead schedule; (v) propose new Bilateral Transactions; and (vi) submit Bids to purchase Energy from the Real-Time Market. The Bids submitted up to ninety (90) minutes before the dispatch hour shall be referred to as Hour-Ahead Bids. The ISO shall use the BME up to ninety (90) minutes before each dispatch hour, pursuant to ISO Procedures, to determine schedules for LBMP Market and Bilateral Transactions including Exports, Imports and Wheels Through. In developing these schedules, the

