

1.4 Definitions - D

DADRP Component: As defined in the ISO Services Tariff.

Day-Ahead: Nominally, the twenty-four (24) hour period directly preceding the Dispatch Day, except when this period may be extended by the ISO to accommodate weekends and holidays.

Day-Ahead LBMP: The LBMPs calculated based upon the ISO's Day-Ahead Security Constrained Unit Commitment process.

Day-Ahead Market: The ISO Administered Market in which Capacity, Energy and/or Ancillary Services are scheduled and sold Day-Ahead consisting of the Day-Ahead scheduling process, price calculations and Settlements.

Day-Ahead Reliability Unit: A Day-Ahead committed Resource which would not have been committed but for the commitment request by a Transmission Owner in order to meet the reliability needs of the Transmission Owner's local system which request was made known to the ISO prior to the close of the Day-Ahead Market.

Decremental Bid: A monotonically increasing Bid Price curve provided by an entity engaged in a Bilateral Import or Internal Transaction to indicate the LBMP below which that entity is willing to reduce its Generator's output and purchase Energy in the LBMP Markets, or by an entity engaged in a Bilateral Wheel Through transaction to indicate the Congestion Component cost below which that entity is willing to accept Transmission Service.

Delivering Party: The entity supplying Capacity and Energy to be transmitted at Point(s) of Receipt.

Demand Side Resources: A Resource that results in the control of a Load in a responsive, measurable, and verifiable manner and within time limits established in the ISO Procedures.

Dennison Scheduled Line: A transmission facility that interconnects the NYCA to the Hydro Quebec Control Area at the Dennison substation, located near Massena, New York and extends through the province of Ontario, Canada (near the City of Cornwall) to the Cedars substation in Quebec, Canada.

Dependable Maximum Net Capability (“DMNC”): The sustained maximum net output of a Generator, as demonstrated by the performance of a test or through actual operation, averaged over a continuous time period as defined in the ISO Procedures.

Designated Agent: Any entity that performs actions or functions on behalf of the Transmission Owner, an Eligible Customer, or the Transmission Customer required under the Tariff.

Desired Net Interchange (“DNI”): A mechanism used to set and maintain the desired Energy interchange (or transfer) between two Control Areas; it is scheduled ahead of time and can be changed ~~only~~ manually in real-time.

Developer: An Eligible Customer developing a generation project larger than 20 megawatts, or a merchant transmission project, proposing to interconnect to the New York State Transmission System, in compliance with the NYISO Minimum Interconnection Standard and, depending on the Developer’s interconnection service election, also in compliance with the NYISO Deliverability Interconnection Standard.

Direct Assignment Facilities: Facilities or portions of facilities that are constructed by the Transmission Owner(s) for the sole use/benefit of a particular Transmission Customer requesting service under the ISO OATT. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

Direct Sale: The sale of ETCNL, and Grandfathered TCCs directly to a buyer by the Transmission Owner that is the Primary Holder through a non-discriminatory auditable sale conducted on the ISO's OASIS, in compliance with the requirements and restrictions set forth in Commission Orders 888 et seq. and 889 et seq.

Dispatchable: A bidding mode in which Generators or Demand Side Resources indicate that they are willing to respond to real-time control from the ISO. Dispatchable Resources may either be ISO-Committed Flexible or Self Committed Flexible. Dispatchable Demand Side Resources must be ISO Committed Flexible. Dispatchable Resources that are not providing Regulation Service will follow five-minute RTD Base Point Signals. Dispatchable Resources that are providing Regulation Service will follow six-second AGC Base Point Signals.

Dispatch Day: The twenty-four (24) hour (or, if appropriate, the twenty-three (23) or twenty-five (25) hour) period commencing at the beginning of each day (0000 hour).

Dispute Resolution Administrator (“DRA”): An individual hired by the ISO to administer the Dispute Resolution Process established in the ISO Tariffs and ISO Agreement.

Dispute Resolution Process ("DRP"): The procedures: (1) described in the ISO Tariffs and the ISO Agreement that are used to resolve disputes between Market Participants and the ISO involving services provided under the ISO Tariffs (excluding applications for rate changes or other changes to the ISO Tariffs or rules relating to such services); and (2) described in the ISO/NYSRC Agreement that are used to resolve disputes between the ISO and NYSRC involving the implementation and/or application of the Reliability Rules.

DSASP Component: As defined in the ISO Services Tariff.

Dynamically Scheduled Proxy Generator Bus: A Proxy Generator Bus for which the ISO may schedule Transactions at 5 minute intervals in real time.

1.5 Definitions - E

East of Central-East: An electrical area comprised of Lead Zones F, G, H, I, J, and K, as identifies in the ISO Procedures.

East of Central-East Excluding Long Island: An electrical area comprised of Lead Zones F, G, H, I, and J, as identified in the ISO Procedures.

East of Central-East Excluding New York City and Long Island: An electrical area comprised of Land Zones F, G, H, I, as identifies in the ISO Procedures.

Economic Operating Point: The megawatt quantity which is a function of: i) the real-time LBMP at the Resource bus; and ii) the Supplier's real-time eleven constant cost step Energy Bid, for the Resource, such that (a) the offer price associated with Energy offers below that megawatt quantity (if that megawatt quantity is not that Resource's minimum output level) must be less than or equal to the real-time LBMP at the Resource bus, and (b) the offer price associated with Energy offers above that megawatt quantity (if that megawatt quantity is not that Resource's maximum output level) must be greater than or equal to the real-time LBMP at the Resource bus. In cases where multiple megawatt values meet conditions (a) and (b), the Economic Operating Point is the megawatt value meeting these conditions that is closest to the Resource's real-time scheduled Energy injection. In cases where the Economic Operating Point would be less than the minimum output level, the Economic Operating Point will be set equal to the MW value of the first point on the Energy Bid curve and in cases where the Economic Operating Point would be greater than the maximum output level, the Economic Operating Point will be set equal to the MW value of the last point on the Energy Bid curve.

Eligible Customer: (i) Any electric utility (including the Transmission Owner and any power marketer), Federal power marketing agency, or any person generating Energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Owner offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Owner. (ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Owner offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Owner, is an Eligible Customer under the Tariff.

Emergency: Any abnormal system condition that requires immediate automatic or manual action to prevent or limit loss of transmission facilities or Generators that could adversely affect the reliability of an electric system.

Emergency State: The state that the NYS Power System is in when an abnormal condition occurs that requires automatic or immediate, manual action to prevent or limit loss of the NYS Transmission System or Generators that could adversely affect the reliability of the NYS Power System.

End-State Centralized TCC Auction: A Centralized TCC Auction that the ISO will conduct after the ISO develops the necessary software.

Energy (“MWh”): A quantity of electricity that is Bid, produced, purchased, consumed, sold, or transmitted over a period of time, and measured or calculated in megawatt hours.

Energy and Ancillary Services Component: As defined in the ISO Services Tariff.

Energy Profile MW: The maximum schedule desired for an External Transaction. Import, Export and Wheels Through Transactions will specify the Energy Profile MW in their Bids.

Equivalency Rating: As defined in the ISO Services Tariff.

ETA Agent: A Transmission Customer of the ISO that has been appointed by a Load Serving Entity and approved by the ISO in accordance with ISO Procedures for the purpose of enabling that Transmission Customer to hold all of the rights and obligations associated with Fixed Price TCCs, as provided for in Attachment M of this OATT.

ETCNL TCC: A TCC created when a Transmission Owner with ETCNL exercises its right to convert a megawatt of ETCNL into a TCC pursuant to Section 19.4.1 of Attachment M of this ISO OATT.

Excess Congestion Rents: Congestion revenues in the Day-Ahead Market for Energy collected by the ISO that are in excess of its Day-Ahead payment obligations. Excess Congestion Rents may arise if Congestion occurs in the Day- Ahead Market for Energy and if the Day-Ahead Transfer Capability of the Transmission System is not exhausted by the set of TCCs and Grandfathered Rights that have been allocated at the completion of the last Centralized TCC Auction.

Existing Transmission Agreement (“ETA”): An agreement between two or more Transmission Owners, or between a Transmission Owner and another entity, as defined in this Tariff.

Existing Transmission Capacity for Native Load: Transmission capacity identified on a Transmission Owner's transmission system to serve the Native Load Customers of the current Transmission Owners (as of the filing date of the original ISO Tariff-January 31, 1997) for the purposes of allocating revenues from the sale of TCCs related to that capacity. This includes transmission capacity required: (1) to deliver the output from generating facilities located out of a Transmission Owner's Transmission District; (2) to deliver power purchased under power supply contracts; and (3) to deliver power purchased under third party agreements (i.e., Non-Utility Generators). Existing Transmission Capacity for Native Load is listed in Attachment L, Table 3, "Existing Transmission Capacity Reservations for Native Load Table."

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.

Exports: A Bilateral Transaction or purchases from the LBMP Market where the Energy is delivered to an NYCA interconnection with another Control Area.

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.

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 (i.e., Exports, Imports or Wheels Through).

1.18 Definitions - R

RCRR TCC: A Load Zone-to-Load Zone TCC created when a Transmission Owner with a RCRR exercises its right to convert the RCRR into a TCC pursuant to Section 19.5.4 of Attachment M of this ISO OATT.

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), over-excited Generators, and Qualified Non-Generator Voltage Support Resources, and absorbed by reactors or under-excited Generators and other inductive devices including the inductive portion of Loads.

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.

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.

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, the Neptune Scheduled Line, or the Linden VFT Scheduled Line.

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,” “RTC₁₅,” “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 hourly External Transaction schedules, while all RTC runs may establish 15 minute External Transaction schedules at Variably Scheduled Proxy Generator Buses. Additional information about RTC’s functions is provided in Section 4.4.2 of the ISO Services Tariff.
~~**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.~~

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 occurs within an hour). The Real-Time Dispatch dispatches, but does not commit, Resources, except that RTD may commit, for pricing purposes, Resources meeting Minimum Generation Levels and capable of starting in ten minutes. RTD may also establish 5 minute External Transaction schedules at Dynamically Scheduled Proxy Generator Buses. 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 OATT 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.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, Resources, except that RTD may commit, for pricing purposes, Resources meeting Minimum Generation Levels and capable of starting in ten minutes. 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.~~

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.

Real-Time LBMP: The LBMPs established through the ISO Administered Real- Time Market.

Real-Time Market: The ISO Administered Markets for Energy and Ancillary Services resulting from the operation of the RTC and the RTD.

Real-Time Scheduling Window: The period of time within which the ISO accepts offers and Bids to sell and purchase Energy and Ancillary Services in the real-time market which period closes seventy-five (75) minutes before each hour, or eighty-five (85) minutes before each hour for Bids to schedule External Transactions at the Proxy Generator Buses associated with the Cross-Sound Scheduled Line, the Neptune Scheduled Line, or the Linden VFT Scheduled Line.

Receiving Party: The entity receiving the Capacity and Energy transmitted by the ISO to Point(s) of Delivery.

Reconfiguration Auction: The monthly auction administered by the ISO in which Transmission Customers may purchase and sell one-month TCCs.

Reduction or Reduce: The partial or complete reduction in non-Firm Transmission Service as a result of transmission Congestion (either anticipated or actual).

Reference Bus: The location on the NYS Transmission System relative to which all mathematical quantities, including Shift Factors and penalty factors relating to physical operation, will be calculated. The NYPA Marcy 345 kV transmission substation is designated as the Reference Bus.

Regional Transmission Group (RTG): A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

Regulation Service Demand Curve: A series of quantity/price points that defines the maximum Shadow Price for Regulation Service corresponding to each possible quantity of Resources that the ISO's software may schedule to satisfy the ISO's Regulation Service constraint. A single Regulation Service Demand Curve will apply to both the Day-Ahead Market and the Real-Time Market for Regulation Service. The Shadow Price for Regulation Service shall be used to calculate Regulation Service payments under Rate Schedule 3 of the Service Tariff.

Reliability Rules: Those rules, standards, procedures and protocols developed and promulgated by the NYSRC, including Local Reliability Rules, in accordance with NERC, NPCC, FERC, PSC and NRC standards, rules and regulations, and other criteria and pursuant to the NYSRC Agreement.

Required System Capability: Generation capability required to meet an LSE's peak Load plus Installed Capacity reserve obligation as defined in the Reliability Rules.

Reserved Capacity: The maximum amount of Capacity and Energy that the ISO agrees to transmit for the Transmission Customer over the NYS Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part 3 of this Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

Residual Adjustment: The adjustment made to ISO costs that are recovered through Schedule 1. The Residual Adjustment is calculated pursuant to Schedule 1.

Residual Capacity Reservation Right (“RCRR”): A megawatt of transmission capacity from one Load Zone to an electrically contiguous Load Zone, each of which is internal to the NYCA, that may be converted into an RCRR TCC by a Transmission Owner allocated the RCRR pursuant to Section 19.5 of Attachment M.

Residual Transmission Capacity: The transmission capacity determined by the ISO before, during and after the Centralized TCC Auction which is conceptually equal to the following:

$$\text{Residual Transmission Capacity} = \text{TTC} - \text{TRM} - \text{CBM} - \text{GTR} - \text{GTCC} - \text{ETCNL}$$

The TCCs associated with Residual Transmission Capacity cannot be accurately determined until the Centralized TCC Auction is conducted.

TTC is the Total Transfer Capability that can only be determined after the Residual Transmission Capacity is known.

GTR is the transmission capacity associated with Grandfathered Rights.

GTCC is the transmission capacity associated with Grandfathered TCCs.

ETCNL is the transmission capacity associated with Existing Transmission Capacity for Native Load.

TRM is the Transmission Reliability Margin.

CBM is the Capacity Benefit Margin.

Rolling RTC: The RTC run that is used to schedule a given 15-minute External Transaction. The Rolling RTC may be an RTC₀₀, RTC₁₅, RTC₃₀ or RTC₄₅ run.

1.19 Definitions - S

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

Scheduled Energy Injections: Energy injections that are scheduled on a real-time basis by RTD.

Scheduled Energy Withdrawals: Energy withdrawals that are scheduled on a real-time basis by RTD.

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. Transmission facilities shall only become Scheduled Lines after the Commission accepts for filing revisions to the NYISO's tariffs that identify a specific set or group of transmission facilities as a Scheduled Line. The following transmission facilities are Scheduled Lines: the Cross-Sound Scheduled Line, the Neptune Scheduled Line, the Dennison Scheduled Line, the Northport-Norwalk Scheduled Line, and the Linden VFT Scheduled Line.

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

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.

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.

Secondary Holder: Entities that purchase TCCs and have not been certified as a Primary Holder by the ISO.

Secondary Market: A market in which Primary and Secondary Holders sell TCCs by mechanisms other than through the Centralized TCC Auction, Reconfiguration Auction, or by Direct Sale.

Security Coordinator: An entity that provides the security assessment and Emergency operations coordination for a group of Control Areas. A Security Coordinator must not participate in the wholesale or retail merchant functions.

Self-Committed Fixed: A bidding mode in which a Generator is self-committed and opts not to be Dispatchable over any portion of its operating range.

Self-Committed Flexible: A bidding mode in which a dispatchable Generator follows Base Point Signals within a portion of its operating range, but self-commits.

Self-Supply: The provision of certain Ancillary Services, or the provision of Energy to replace Marginal Losses by a Transmission Customer using either the Transmission Customer's own Generators or generation obtained from an entity other than the ISO.

Service Agreement: The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the ISO for service under the Tariff or any unexecuted Service Agreement, amendments on supplements thereto, that the ISO unilaterally files with the Commission.

Service Commencement Date: The date the ISO begins to provide service pursuant to the terms of an executed Service Agreement, or the date the ISO begins to provide service in accordance with Section 3.3.3 or Section 4.2.1 under the Tariff.

Settlement: The process of determining the charges to be paid to, or by a Transmission Customer to satisfy its obligations

Shadow Price: The marginal value of relieving a particular Constraint which is determined by the reduction in system cost that results from an incremental relaxation of that Constraint.

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.

Short-Term Firm Point-To-Point Transmission Service: Firm Point-to-Point Service, the price of which is fixed for a short term by a Transmission Customer acquiring sufficient TCCs with the same Points of Receipt and Delivery as its Transmission Service.

Sink Price Cap Bid: A monotonically increasing Bid curve ~~Price~~ provided by an entity engaged in an Export to indicate the relevant 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, where the MW amounts on the Bid curve represent the desired increments of Energy that the entity is willing to purchase at various price points.

Special Test Transactions: The revenues or costs from purchases and/or sales of Energy that may occur pursuant to virtual regional dispatch/intra-hour transaction pilot tests conducted by the ISO to analyze potential solutions for, or approaches to resolving inter-market “seams” issues with neighboring control area operators.

Start-Up Bid: A Bid parameter that may vary hourly and that identifies the payment a Supplier requires to bring a Generator up to its specified minimum operating level from an offline state or a Demand Side Resource from a level of no Demand Reduction to its specified minimum level of Demand Reduction.

Start-Up Bids submitted for a Generator that is not able to complete its specified minimum run time (of up to a maximum of 24 hours) within the Dispatch Day are expected to include expected net costs related to the hour(s) that a Generator needs to run on the day following the Dispatch Day in order to complete its minimum run time. The component of the Start-Up Bid that incorporates costs that the Generator expects to incur on the day following the Dispatch Day is expected to reflect the operating costs that the Supplier does not expect to be able to recover through LBMP revenues while operating to meet the Generator’s minimum run time, at the minimum operating level Bid for that Generator for the hour of the Dispatch Day in which the Generator is scheduled to start-up. Settlement rules addressing Start-Up Bids that incorporates costs related to the hours that a Generator needs to run on the day following the Dispatch Day on which the Generator is committed are set forth in Attachment C to the ISO Services Tariff.

Storm Watch: Actual or anticipated severe weather conditions under which region-specific portions of the NYS Transmission System are operated in a more conservative manner by reducing transmission transfer limits.

Strandable Costs: Prudent and verifiable expenditures and commitments made pursuant to a Transmission Owner’s legal obligations that are currently recovered in the Transmission

Owner's retail or wholesale rate that could become unrecoverable as a result of a restructuring of the electric utility industry and/or electricity market, or as a result of retail-turned-wholesale customers, or customers switching generation or transmission service suppliers.

Stranded Investment Recovery Charge ("SIRC"): A charge established by a Transmission Owner to recover Strandable Costs.

Sub-Auctions: The set of rounds in a given Capability Period Auction in which TCCs of a given duration may be purchased.

Subzone: That portion of a Load Zone in a Transmission Owner's Transmission District.

Supplier: A Party that is supplying the Capacity, Energy and/or associated Ancillary Services to be made available under the ISO OATT or the ISO Services Tariff, including Generators and Demand Side Resources that satisfy all applicable ISO requirements.

Supplemental Event Interval: Any RTD interval in which there is a maximum generation pickup or a large event reserve pickup or which is one of the three RTD intervals following the termination of the maximum generation pickup or the large event reserve pickup.

Supplemental Resource Evaluation ("SRE"): A determination of the least cost selection of additional Generators, which are to be committed, to meet: (i) changed or local system conditions for the Dispatch Day that may cause the Day-Ahead schedules for the Dispatch Day to be inadequate to meet the reliability requirements of the Transmission Owner's local system or to meet Load or reliability requirements of the ISO; or (ii) forecast Load and reserve requirements over the six-day period that follows the Dispatch Day.

System Impact Study: An assessment by the ISO of (i) the adequacy of the NYS Transmission System to accommodate a request to build facilities in order to create incremental transfer capability, resulting in incremental TCCs, in connection with a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service; and (ii) the additional costs to be incurred in order to provide the incremental transfer capability.

1.22 Definitions - V

Variably Scheduled Proxy Generator Bus: A Proxy Generator Bus for which the ISO may schedule Transactions at 15 minute intervals in real time.

Virtual Load: As defined in the ISO Services Tariff.

Virtual Supply: As defined in the ISO Services Tariff.

Virtual Transaction: As defined in the ISO Services Tariff.

Virtual Transaction Component: As defined in the ISO Services Tariff.

Voting Share: The method used in the ISO Agreement to allocate voting rights among the members of the Management Committee. The formula for calculating a Party's Voting Share is provided in the ISO Agreement.

3.1 Nature of Firm Point-To-Point Transmission Service

3.1.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be provided in nominal one hour increments and the maximum term shall not exceed the maximum permissible term as specified in ISO Procedures.

3.1.2. Reservation Priority:

All requests for Firm Point-to-Point Transmission Service will be deemed to have the same reservation priority. Firm Point to Point Transmission Service will have the same priority as Network Service subject to Section 3.1.6. All Firm Point-to-Point Transmission Service will have priority over Non-Firm Point-to-Point Transmission Service under the Tariff.

3.1.3 Use of Firm Transmission Service by the Transmission Owner(s):

The Transmission Owner will be subject to the rates, terms and conditions of Part 3 of the Tariff when making Third-Party Sales under (i) agreements executed on or after the effective date of ISO, or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Owners will maintain separate accounting, pursuant to Section 2.8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

3.1.4 Service Agreements:

The ISO shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Firm Point-To-Point Transmission Service. Executed Service Agreements that contain the information required under this Tariff shall be filed with the Commission in compliance with

applicable Commission regulations.

3.1.5 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 RTD. 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 3.7. The Transmission Customer or Eligible Customer must agree to compensate the Transmission Owner(s) for any necessary transmission facility additions pursuant to Section 3.7.

3.1.6 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 Buses associated with the Cross-Sound Scheduled Line, the Neptune Scheduled Line, or the Linden VFT Scheduled Line shall be based on the transmission priority of the associated Advance Reservation for use of the Cross-Sound Scheduled Line, the Neptune Scheduled Line, or the Linden VFT Scheduled Line (as appropriate). The ISO reserves the right to Curtail, in whole or in part, Firm Transmission

Service provided under this Tariff for reliability ~~reasons~~reasons when, in the ISO's sole discretion, an Emergency or other unforeseen condition threatens to impair or degrade 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 NERC TLR Procedure.

3.1.7 Classification of Firm Transmission Service:

3.1.7.1 The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 3.15.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 3.15.2.

3.1.7.2 The ISO shall provide firm Transmission Service for the delivery of 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.

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

3.1.8.1 In the Day-Ahead Market: Schedules for the Transmission

Customer's Firm Point-to-Point Transmission Service Day-Ahead must be submitted to the ISO no later than 5:00 a.m. of the day prior to commencement of the Dispatch Day or 4:50 a.m. for Transmission Service over the Cross-Sound Scheduled Line, the Neptune Scheduled Line, or the Linden VFT Scheduled Line.

Schedules involving the use of LIPA's facilities shall be treated in accordance with Section 2.5.7. Schedules submitted after 5:00 a.m., or 4:50 a.m. as appropriate, will not be accepted in the Day-Ahead schedule. Schedules of Energy to be delivered must be stated in increments of 1,000 kWh between each Point of Receipt and corresponding Point of Delivery. For Firm Transmission Service requests between a Point of Receipt and Point of Delivery that are internal to the NYCA, and between a Point of Receipt at the Proxy Generator Bus designated for Imports and a Point of Delivery that is a Load Bus internal to the NYCA, the ISO will furnish to the Transmission Customer hour-to-hour schedules equal to those requested and shall deliver the Energy provided by such schedules. Energy shall be provided from the Point of Receipt if economic, and from the LBMP Market otherwise. Should the Transmission Customer revise or terminate any schedule, such party shall notify the ISO prior to the close of the Real-Time Scheduling Window, and the ISO shall have the right to adjust accordingly the schedule for Energy to be received and to be delivered.

3.1.8.2 In the Real-Time Market: Schedules for the Transmission Customer's Firm Point-to-Point Transmission Service in Real-Time must be submitted to the

ISO no later than the close of the Real-Time Scheduling Window.

Schedules involving the use of LIPA's facilities shall be treated in accordance with Section 2.5.7. Schedules submitted after the close of the real-Time Scheduling Window shall not be accepted in the Real-Time schedule. Schedules of any Energy that is to be delivered must be stated in increments of 1,000 kWh per hour between each Point of Receipt and corresponding Point of Delivery. For Firm Transmission Service requests between a Point of Receipt and Point of Delivery that are internal to the NYCA, or between a Point of Receipt at the Proxy Generator Bus designated for Imports and a Point of Delivery that is a Load Bus internal to the NYCA, the ISO will furnish to the Transmission Customer ~~hour to hour~~ schedules equal to those requested and shall deliver the Energy provided by such schedules. Energy shall be provided from the Point of Receipt if economic, and from the LBMP Market otherwise. Should the Transmission Customer 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 Energy to be received and to be delivered.

16.3 Transmission Service, Schedules and Curtailment

16.3.1 Requests for Bilateral Transaction Schedules

Firm Point to Point Transmission Service only shall be available for internal Bilateral Transactions. Firm and Non-Firm Point to Point Transmission Service shall be available for Import and Export Bilateral Transactions and Wheel-Through Transactions.

External Transaction Bids may not vary over the course of an hour. Each such Bid must offer to import, export or wheel the same amount of Energy at the same price at each point in time within that hour. However, the ISO may vary External Transaction Schedules at Proxy Generator Buses that are authorized to schedule transactions on an intra-hour basis if the party submitting the Bid for such a Transaction elects to permit variable scheduling. External Transaction Bids submitted to import Energy from, export Energy to, or wheel Energy to or from Proxy Generator Buses that are authorized to schedule transactions on an intra-hour basis shall indicate whether the ISO may vary schedules associated with those Bids within each hour.~~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.~~

Transmission Customers may modify Bilateral Transactions that were scheduled Day-Ahead or propose new Bilateral Transactions, including External Bilateral Transactions, for economic evaluation ~~by RTC~~ within the Real-Time Market, provided however, that Bilateral Transactions with Trading Hubs as their POWs that were previously scheduled Day-Ahead may not be modified.

Transmission Customers scheduling Transmission Service 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 Generator's bus; for Transactions with Trading Hubs as their sources, the Point of Injection is the Trading Hub Generator bus; for Transactions with External sources, the Point of Injection is the Proxy Generator Bus designated for Imports.
- (2) Point of Withdrawal location. For Transactions to serve Internal Load, the Point of Withdrawal is the Load bus; for Transactions to External load, the Point of Withdrawal is the Proxy Generator Bus designated for Exports; for Transactions with Trading Hubs as their sinks, the Point of Withdrawal is the Trading Hub Load bus;
- (3) Desired hourly MW schedules;
- (4) Whether Firm or Non-Firm Transmission Service is requested,
- (5) NERC Tag data;
- (6) A Sink Price Cap Bid for 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; and
- (7) Other data required by the ISO.

16.3.2 ISO's General Responsibilities

The ISO shall evaluate requests for Bilateral Transactions, and associated Transmission Service, submitted in the Day- Ahead scheduling process using Security Constrained Unit Commitment ("SCUC"), and will subsequently establish a Day-Ahead schedule. During the Dispatch Day, the ISO shall use ~~the RTC~~¹⁵the Real-Time Market to establish schedules for each hour of dispatch in that day.

The ISO shall use the information provided by the Real-Time Market~~RTC~~ when making Curtailment decisions pursuant to the Curtailment rules described in Section 16.3.4 of this Attachment J.

16.3.3 Scheduling of Bilateral Transactions in the Day-Ahead Market and Real-Time Market

16.3.3.1 ISO Responsibilities

The ISO shall model bids for Import Bilateral Transactions and bids for Export Bilateral Transactions as single point price curves at their respective buses.

The ISO shall compute all NYCA Interface Transfer Capabilities and interface Ramp and NYCA Ramp capabilities prior to scheduling Transmission Service Day-Ahead and in real-time. The ISO shall evaluate (i) Decremental Bids from entities engaged in Bilateral Import Transactions, Imports to the LBMP Market, and Wheels Through; (ii) Energy Bids from internal Generators; and (iii) Sink Price Cap Bids from entities engaged in Bilateral Export Transactions and Exports from the LBMP Market simultaneously when committing internal Generators and scheduling Import, Export and Wheel Through Transactions and Imports and Exports to and from the LBMP Market in the Day Ahead and Real-Time Markets~~SCUC and RTC~~, provided however, the ISO shall also evaluate Price Capped Load Bids simultaneously and identically with (i) through (iii) in the Day Ahead Market~~SCUC~~.

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.

16.3.3.2 Scheduling Internal Bilateral Transactions

The ISO shall schedule Firm Transmission Service between the Point of Injection at the Generator bus to the Point of Withdrawal at the Load bus equal to the request for Transmission Service in both the Day-Ahead and Real-Time Markets. The ISO shall use Energy Bids to determine internal Generator's commitment and dispatch

16.3.3.3 Scheduling Export Bilateral Transactions and Firm Point to Point Transmission Service to Support Them

The ISO shall use Sink Price Cap Bids supplied by Transmission Customers proposing Export Bilateral Transactions in ~~the Day Ahead and Real-Time Markets~~ ~~SCUC and RTC~~ to determine the amount of Energy scheduled to be exported under those Transactions in the Day-Ahead and Real-Time Markets. The ISO shall not schedule Energy to be exported under an Export Bilateral Transaction in amounts that exceed the Transfer Capability of the Interface.

The ISO shall schedule Firm Transmission Service for Export Bilateral Transactions between the Point of Injection at the internal Generator bus and the Proxy Generator Bus designated for Exports in an amount equal to the amount of Energy scheduled to be exported under those Transactions Day-Ahead and in real-time.

The ISO shall use Energy Bids supplied by internal Generators designated as supporting Export Bilateral Transactions scheduled with Firm Transmission Service in ~~the Day Ahead and Real-Time Markets~~ ~~SCUC and RTC~~ to determine the Generator's commitment and dispatch schedule.

16.3.3.4 Scheduling Import Bilateral Transactions and Firm Point to Point Transmission Service to Support Them

The ISO shall use Decremental Bids from Transmission Customers proposing Import Bilateral Transactions in ~~the Day Ahead and Real-Time Markets~~ ~~SCUC and RTC~~ to determine the amount of Energy scheduled to be imported under those Transactions Day-Ahead and in real-

time. The ISO shall not schedule Energy to be imported in amounts that exceed the Transfer Capability of the Interface. The ISO shall schedule Firm Transmission Service for Import Bilateral Transactions between the Point of Injection at the Proxy Generator Bus and the Point of Withdrawal at the Load bus equal to the amount of Transmission Service requested to support those Transactions Day-Ahead and in real-time.

16.3.3.5 Scheduling Wheel Through Bilateral Transactions and Firm Point to Point Transmission Service to Support Them

The ISO shall use Decremental Bids supplied by Transmission Customers proposing Wheel-Through Transactions in the Day Ahead and Real-Time Markets~~SCUC and RTC~~ to determine the amount of Energy scheduled to be wheeled under those Transactions Day-Ahead and in real-time. The ISO shall schedule Firm Transmission Service Day-Ahead and in real-time between the Point of Injection at the Proxy Generator Bus and the Point of Withdrawal at the Proxy Generator bus designated for Exports equal to the amount of Energy scheduled to be imported and Wheeled Through under those Transactions Day-Ahead and in real-time.

16.3.3.6 Scheduling Non Firm Transmission Service

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 or real-time schedules. The ISO shall not schedule Non-Firm Transmission Service Day-Ahead for a Transaction if Congestion Rents associated with that Transaction are positive, nor will the ISO schedule Non-Firm Transmission Service in the RTC if Congestion Rents associated with that Transaction are expected to be positive. All schedules for Non-Firm Point-to-Point Transmission Service are advisory only and are subject to Reduction if real-time Congestion Rents associated with those Transactions become positive.

Transmission Customers receiving Non-Firm Transmission Service will be required to pay Congestion Rents during any delay in the implementation of Reduction (e.g., during the nominal five-minute RTD intervals that elapse before the implementation of Reduction).

16.3.3.7. Scheduling External Transactions at the Proxy Generator Buses Associated with Scheduled Lines

Scheduling External Transactions at the Proxy Generator Buses that are associated with the Cross-Sound Scheduled Line, the Neptune Scheduled Line, and the Linden VFT Scheduled Line shall also be governed by Attachment N to the ISO Services Tariff.

16.3.3.8 Prohibited Transmission Paths¹

The ISO shall not permit Market Participants to schedule External Transactions over the following eight scheduling paths:

1. External Transactions that are scheduled to exit the NYCA at the Proxy Generator Bus that represents its Interface with the Control Area operated by the Independent Electricity System Operator of Ontario (“IESO”), and to sink in the Control Area operated by PJM Interconnection, LLC (“PJM”);
2. External Transactions that are scheduled to exit the NYCA at the Proxy Generator Buses that represent the NYCA’s common border with the Control Area operated by PJM, and to sink in the Control Area operated by IESO;
3. External Transactions that are scheduled to enter the NYCA at the Proxy Generator Buses that represent the NYCA’s common border with the Control Area operated by PJM, and to source from the Control Area operated by IESO;
4. External Transactions that are scheduled to enter the NYCA at the Proxy Generator Bus that represents the NYCA’s Interface with the Control Area operated by IESO, and to source from the Control Area operated by PJM;
5. Wheels Through the NYCA that are scheduled to enter the NYCA at the Proxy Generator Buses that represent the NYCA’s common border with the Control Area operated by PJM, and to sink in the Control Area operated by the Midwest Independent Transmission System Operator, Inc. (“MISO”);
6. Wheels Through the NYCA that are scheduled to exit the NYCA at the Proxy Generator Buses that represent the NYCA’s common border with the Control Area operated by PJM, and to source from the Control Area operated by the MISO;
7. Wheels Through the NYCA that are scheduled to enter the NYCA at the Proxy Generator Bus that represents the NYCA’s Interface with the Control Area operated by IESO, and to sink in the Control Area operated by the MISO; and

¹ This section moved here from sheet 355

8. Wheels Through the NYCA that are scheduled to exit the NYCA at the Proxy Generator Bus that represents the NYCA's Interface with the Control Area operated by IESO, and to source from the Control Area operated by the MISO.

16.3.4 Bilateral Transaction Adjustments, Curtailments and Settlements

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.

To the extent possible, Curtailments of External Transactions at the Proxy Generator Bus associated with the Cross-Sound Scheduled Line, the Neptune Scheduled Line, and the Linden VFT Scheduled Line shall be based on the transmission priority of the associated Advance Reservation for use of the Cross-Sound Scheduled Line, the Neptune Scheduled Line, or the Linden VFT Scheduled Line (as appropriate).

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 the Transmission Service. If a Transmission Customer's Firm Point-to-Point Transmission Service or Network Integration Transmission Service is supporting an Export Bilateral Transaction or a Wheel Through, the ISO shall reduce Transmission Service to the extent the amount of Energy scheduled to be exported or wheeled is reduced.

16.3.4.1 Import Bilateral Transactions

If the amount of Energy scheduled to be imported in an Import Bilateral Transaction in the Day-Ahead Market, is less than the amount of Transmission Service requested and scheduled Day-Ahead in association with that Import Bilateral Transaction, the Transmission Customer shall pay Energy Imbalance Service Charges pursuant to Rate Schedule 4 of this OATT. The Transmission Customer shall continue to pay the Day-Ahead TUC for the amount of Transmission Service scheduled

If the Import Bilateral Transaction was scheduled following the Day-Ahead Market, or the schedule for the Import Bilateral Transaction was revised following the Day-Ahead Market, and the amount of Energy scheduled to be imported in real-time (modified for within-hour changes in DNI, if any) is less than the amount of Transmission Service requested in real-time in association with that Transaction, then the Transmission Customer shall pay an Energy Imbalance Service Charge pursuant to rate Schedule 4 of this OATT. If the Import Bilateral Transaction was scheduled following the Day-Ahead Market, or the schedule for the Import Bilateral Transaction was revised following the Day-Ahead Market, the Transmission Customer shall pay or be paid the Real-Time TUC for the amount of Transmission Service requested in real-time in association with that Transaction minus the amount of Transmission Service requested Day-Ahead in association with that Transaction. These procedures shall apply regardless of whether the Generator designated to supply Energy in association with that Transaction was located inside or outside the NYCA.

16.3.4.2 Export Bilateral Transactions, Internal Bilateral Transactions and Wheel Through Transactions

If the internal Generator designated to supply the Export Bilateral Transaction or internal Bilateral Transaction has been scheduled (Day-Ahead) or dispatched (in real-time) to produce less than the amount of Energy that is scheduled Day-Ahead or in real-time to be consumed in association with that internal or Export Bilateral Transaction, the internal Generator shall pay an Energy Imbalance Service Charge pursuant to Rate Schedule 4 of this OATT.

If the Export Bilateral Transaction or internal Bilateral Transaction was scheduled following the Day-Ahead Market, or the schedule for the Export Bilateral Transaction or internal Transaction was revised following the Day-Ahead Market, the Transmission Customer shall pay or be paid the Real-Time TUC for the amount of Transmission Service scheduled in real time in association with that Transaction minus the amount of Transmission Service scheduled Day-

Ahead in association with that Transaction.

If a Wheel-Through Transaction was scheduled following the Day-Ahead Market, or the schedule for the Wheel-Through transaction was revised following the Day-Ahead Market, the Transmission Customer shall pay or be paid the Real-Time TUC for the amount of Transmission Service scheduled in real time in association with that Transaction minus the amount of Transmission Service scheduled Day-Ahead in association with that Transaction.

Notwithstanding the foregoing, the amount of Transmission Service scheduled ~~in real-time hour-ahead in the RTC~~ for internal Bilateral Transactions supplied by one of the following Generators shall retroactively be set equal to that Generator's actual output in each RTD interval:

16.3.4.1 Generators

16.3.4.1.1 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;

16.3.4.1.2 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 499 MW of such units; and

16.3.4.1.3 Existing intermittent (i.e., non-schedulable) renewable resource Generators in operation on or before November 18, 1999 within the NYCA, plus up to an additional 3300 MW of such Generators.

This procedure shall not apply for those hours the Generator supplying that Transaction has bid in a manner that indicates it is available to provide Regulation Service or Operating Reserves.

16.3.4.3 Non-Firm Transmission

If the Transmission Customer was receiving Non-Firm Point-to-Point Transmission Service, and its Transmission Service was Reduced or Curtailed, the replacement Energy may be purchased in the Real-Time LBMP Market, at the Real-Time LBMP, by the Internal Load. An Internal Generator supplying Energy for such a Transmission Service that is Reduced or Curtailed may sell its excess Energy in the Real-Time LBMP Market.

The ISO shall not automatically reinstate Non-Firm Point-to-Point Transmission Service that was Reduced or Curtailed. Transmission Customers may submit new schedules to restore the Non-Firm Point-to-Point Transmission Service in the next hour of the Real-Time Market^{RTC₁₅} execution.

16.3.4.4 Procedure for Relieving Security Violations

If a security violation occurs or is anticipated to occur, the ISO shall attempt to relieve the violation using the following procedures:

- 16.3.4.2.1 Reduce Non-Firm Point-to-Point Transmission Service: Partially or fully physically Curtail External Non-Firm Transmission Service (Imports, Exports and Wheels Through) by changing DNI schedules to (1) Curtail those in the lowest NERC priority categories first; (2) Curtail within each NERC priority category, based on Decremental Bids; and Incremental Energy Bids for Imports and Wheel Throughs; and based on Sink Price Cap Bids for Exports and (3) prorate Curtailment of equal cost transactions within a priority category ;

- 16.3.4.2.2 Curtail non-Firm Point-to-Point Transmission Service: Curtail (through changing DNI) unscheduled non-Firm Transactions which contribute to the violation, starting with the lowest NERC priority category;
- 16.3.4.2.3 Dispatch Internal Generators, based on Incremental Energy Bids and Decremental Bids, including committing additional resources, if necessary;
- 16.3.4.2.4 Adjust the DNI associated with Transactions supplied by External Resources: Curtail External Firm Transactions until the Constraint is relieved by (1) Curtailing based on Incremental Energy Bids, Decremental Bids and Sink Price Cap Bids; and (2) except for External Transactions with minimum run times, prorating Curtailment of equal cost transactions;
- 16.3.4.2.5 Request Internal Generators to voluntarily operate in manual mode below minimum or above maximum dispatchable levels. When operating in manual mode, Generators will not be required to adhere to minimum ramp rates, nor will they be required to be respond to RTD Base Point Signals;
- 16.3.4.2.6 In over generation conditions, decommit Internal Generators based on Minimum Generation Bid rate in descending order; and
- 16.3.4.2.7 Invoke other emergency procedures including involuntary load Curtailment, if necessary.

~~**16.3.5 Scheduling Transmission Service for External Transactions [Material amended and incorporated into Sections 16.3.3 Scheduling Export Bilateral Transactions, 16.3.4 Scheduling Import Bilateral Transactions, Section 16.3.5 Scheduling Wheel Through Transactions, Section XXXX Bilateral Adjustments, Curtailments and Settlements. Material also moved to Section 16.3.3.8 Prohibited Paths]**~~