

19.2.4.8 Restrictions on Transfers of Incremental TCCs

19.2.4.8.1 Secondary Market transfers of fewer than all of the Incremental TCCs associated with a given Expansion that were included in a final award shall not be allowed with the exception to prohibited Secondary Market transfers provided in Section 19.2.4.8.2; i.e., an Expander may only make Secondary Market transfers of all of the Incremental TCCs for all of the POI/POW combinations that were included in a final award for a given Expansion. This restriction shall not prohibit the sale of fewer than all of the Incremental TCCs included in a final award through a Centralized TCC Auction or a Reconfiguration Auction. Secondary Market transfers of Incremental TCCs shall be made pursuant to the provisions of OATT Section 19.6.2. Transferees of Incremental TCCs that choose to become Primary Holders shall be subject to all existing ISO credit requirements and may be subject to any future credit requirements that may be applied to TCCs with a duration longer than one year.

19.2.4.8.2. An Expander may make a Secondary Market transfer pursuant to OATT Section 19.6.2 of fewer TCCs than all of the Incremental TCCs associated with a given Expansion for which it is the Primary Holder provided that: i) the ~~entire~~ Expander received a single award of Incremental TCCs ~~made to the Expander for the Expansion~~ a single combination of a single POI and a single POW which specified the same POI and the same POW; and ii) the Expander provides the ISO with 90 days notice of the Secondary Market transfer. To comply with the ~~single combination~~ requirement of a single award with the same POI and POW, POIs or POWs at a Generator comprised of a group of generating units ~~may include points~~ that represent individual units of the Generator shall be deemed the same POI or POW.

19.2.4.9 Early Termination of Incremental TCCs

An Expander shall have an annual option to terminate Incremental TCCs for which it is the Primary Holder and which were awarded for a single Expansion. The ~~Expander's~~ annual option shall expire with the expiration of its Incremental TCCs either pursuant to this paragraph, or with an assignment, or with a Secondary Market transfer of Incremental TCCs for the balance of their duration. ~~An Expander shall assign its annual option to terminate Incremental TCCs when it assigns Incremental TCCs. Upon assignment of Incremental TCCs, the Expander shall no longer have an option to terminate the assigned Incremental TCCs.~~ To terminate its Incremental TCCs, the Expander, ~~or the Expander's s assignee,~~ shall provide a notice of early termination and a proposed expiration date by Certified, Return-Receipt U.S. Mail, or by a reputable commercial courier service employing a parcel tracking system to the NYISO at least one year in advance of the proposed early termination date which notice shall be irrevocable. Incremental TCCs subject to a notice of early termination shall expire on the last day of a Capability Period which date occurs no earlier than one year after the notice of proposed early termination has been received by the ISO. ~~The ISO may accept the proposed expiration date.~~

19.2.4.9.1 Upon receiving the notice of an early termination, the NYISO shall promptly notice the market of the effective date of the early termination. To ensure that Centralized TCC Auctions following a notice of early termination start with a simultaneously feasible security constrained Power Flow avoid infeasible auction models, the NYISO may: i) update its ISO Procedures to include prohibited bid points or combinations of prohibited bid points at which TCCs with durations of longer than one year may not be available in a future Centralized TCC Auction or Reconfiguration Auction, as a result of the notice of early termination; or ii) rather than accept the proposed expiration date require that the Incremental TCC award proposed for early termination be apportioned such that the Incremental TCCs expire in portions over as many as 12 months, beginning with the Expander's requested expiration date. To expire Incremental TCCs in portions over as many as 12 months, the ISO shall establish up to two additional expiration dates following the Expander's proposed expiration date, and assign Incremental

TCCs to each expiration date, which additional expiration dates shall fall at the end of the Capability Period(s) that follow the Expander's proposed effective date.

Any prohibition on bid points resulting from a notice of early termination of Incremental TCCs in order to avoid infeasibility shall expire as of the first Capability Period following the last expiration date of the Incremental TCCs.

19.2.4.9 Outage Charges

Any person or entity that is not subject to Section 20.2.5 of Attachment N to the ISO OATT and that owns an Expansion (or a portion of an Expansion) associated with a temporary or final award of Incremental TCCs, or has been assigned Incremental TCCs by an Expander, shall pay an outage charge to the ISO for any hour in the Day-Ahead Market during which the Expansion associated with the Incremental TCCs is modeled to be wholly or partially out of service. All outage charges shall be implemented through the billing of Day-Ahead Market Congestion Rents to the person or entity responsible for paying the outage charge and, as such, will be credits to Day-Ahead Market Congestion Rents in the ISO settlement system.

Outage charges shall be determined as follows:

- If the entire Expansion is modeled as out of service in the Day-Ahead Market; the outage charge shall be equal to the Day-Ahead Market Congestion Rent payment for all of the Incremental TCCs associated with the entire Expansion
- If one or more portions of an Expansion are modeled as out of service in the Day-Ahead Market, or derated by the outage of an External Transmission facility, and Partial Outage Incremental TCCs have not been created, the outage charge shall be equal to the Day-Ahead Market Congestion Rent payment for all of the Incremental TCCs associated with the entire Expansion.

If one or more portions of an Expansion are modeled as out of service in the Day-Ahead Market or are caused to be out of service or derated by the outage of an External transmission facility, and Partial Outage Incremental TCCs have been created for such an out-of-service state or derating, the outage charge shall be calculated as follows:

$$\text{Outage charge} = A - B$$

where:

- "A" is the sum, over all different POI and POW combinations associated with the Incremental TCCs for an Expansion, of the product of (i) the Congestion Component at the POW minus the Congestion Component at the POI; and (ii) the number of Incremental TCCs between that POI and POW associated with the Expansion, and
- "B" is the sum, over all different POI and POW combinations associated with the Partial Outage Incremental TCCs for that out-of-service state or derating of the Expansion, of the product of: (i) the Congestion Component at the POW minus the Congestion Component at the POI; and (ii) the number of Partial Outage Incremental TCCs between that POI and POW associated with that out-of-service state or derating of the Expansion.