Proposed Changes to Definitions

Average Coincident Load ("ACL") The value in each Capability Period calculated for each Special Case Resource, except those that are eligible to report a Provisional Average Coincident Load, that is equal to the average of the ~~Special Case Resource~~SCR's metered hourly Load that is supplied by the NYS Transmission System and/or the distribution system during the Capability Period SCR Load Zone Peak Hours applicable to such ~~Special Case Resource~~SCR, and computed and reported in accordance with Section 5.12.11.1.1 of this Services Tariff and ISO Procedures. Any Load supported by generation produced from a Local Generator, other behind-the-meter generator, or other supply source located behind the ~~Special Case Resource~~SCR's meter operating during the Capability Period SCR ~~Peak~~ Load Zone Peak Hours may not be included in the ~~Special Case Resource~~SCR's metered Load values reported for the ~~Average Coincident Load~~ACL.

Capability Period SCR Load Zone Peak Hours: The top coincident peak hours (which shall be the greater of (a) forty (40) hours and (b) the number of hours set forth in ISO Procedures) which, prior to the Summer 2014 Capability Period fall~~ing~~ between one o'clock p.m. to seven o'clock p.m. and beginning with the Summer 2014 Capability Period fall between eleven o'clock a.m. to nine o'clock p.m., within a ~~the Prior Equivalent~~ Capability Period that have been identified by the ISO for each Load Zone in accordance with ISO Procedures, such hours as may be adjusted in accordance with ISO Procedures; provided, however, that such hours ~~will~~ shall not include (i) hours in which Special Case Resources located in the specific Load Zone were called by the ISO to respond to a reliability event or test, ~~and~~ (ii) hours for which the Emergency Demand Response Program resources were deployed by the ISO in each specific Load Zone and, beginning with the Summer 2014 Capability Period, (iii) the hour before the start time of a reliability event and the hour immediately following the end time of a reliability event up to eight hours within the Capability Period. Other specific hours identified as part of other demand response programs ~~will~~ shall be adjusted or excluded in accordance with ISO Procedures.

Incremental Average Coincident Load ("Incremental ACL"): Beginning with the Summer 2014 Capability Period, the amount of qualifying Load that may be added to the Average Coincident Load of a Special Case Resource that is enrolled with an ~~Average Coincident Load~~ACL greater than 500 kW. In order to qualify to use Incremental ACL the SCR must ~~be~~enroll~~ed~~ with an ACL and report an increase in the Load of the facility that is supplied by the NYS Transmission System and/or distribution system that is equal to or greater than the lesser of (i) thirty (30) percent of the ~~Average Coincident Load~~ ACL within the current Capability Period and (ii) ten (10) MW if in Rest of State or Long Island Locality or five (5) MW in the NYC Locality. The Incremental ACL reported in a Capability Period cannot exceed one-hundred percent (100%) of the ACL that has been calculated for the SCR when it first enroll~~ings~~ in the Capability Period. For resources reporting an Incremental ACL the Net Average Coincident Load shall equal the enrolled ACL plus the reported Incremental ACL. For each resource for which a RIP ~~that~~ report~~eds~~ an Incremental ~~Average Coincident Load~~ ACL is subject to verification subsequent to the Capability Period pursuant to reporting requirements and calculations using the ~~Special Case Resource~~SCR's metered Load values provided in Section~~s~~ 5.12.11.1.5 of this Services Tariff and ISO Procedures.

Monthly Average Coincident Load ("Monthly ACL"): Beginning with the Summer 2014 Capability Period, the Load value calculated for each month during a Capability Period applicable to a Special Case Resource with a reported Incremental Average Coincident. The Monthly ~~Average Coincident Load~~ACL is an average of the ~~Special Case Resource~~SCR's metered hourly Load that is supplied by the NYS Transmission System and/or the distribution system and reported for the Monthly SCR Load Zone Peak Hours applicable to such ~~Special Case Resource~~SCR. The calculation and verification data reporting requirements are provided in Section 5.12.11.1.5 of this Services Tariff and ISO Procedures. Any Load supported by generation produced from a Local Generator, other behind-the-meter generator, or other supply source located behind the ~~Special Case Resource~~SCR's meter operating during the Monthly SCR Zone Load Peak Hours may not be included in the ~~Special Case Resource~~SCR's metered Load values reported for the Monthly ~~Average Coincident Load~~ACL.

Monthly SCR Load Zone Peak Hours: Beginning with the Summer 2014 Capability Period, the top forty (40) coincident peak hours from a specific month that have been identified by the ISO for each Load Zone in accordance with ISO Procedures; provided, however, that such hours shall not include (i) hours in which Special Case Resources located in the specific Load Zone were called by the ISO to respond to a reliability event or test, (ii) hours for which the Emergency Demand Response Program resources were deployed by the ISO in each specific Load Zone and (iii) the hour before the start time of a reliability event and the hour immediately following the end time of a reliability event up to eight hours within the month. Other specific hours identified as part of other demand response programs shall be adjusted or excluded in accordance with ISO Procedures.

Net Average Coincident Load ("Net ACL"): The effective Average Coincident Load calculated and used by the NYISO for a Special Case Resource during a specific month in which a SCR Change of Status was reported for the resource or, beginning with the Summer 2014 Capability Period, an Incremental Average Coincident Load was reported for the resource.

Provisional Average Coincident Load: Prior to the Summer 2014 Capability Period, ~~T~~the value that may be used in lieu of Average Coincident Load for an eligible Special Case Resource for a maximum duration no greater than three consecutive Capability Periods and only where a ~~Special Case Resource~~SCR (i) has not previously been enrolled with the NYISO and (ii) never had interval metering Load data available from the Prior Equivalent Capability Period. Beginning with the Summer 2014 Capability Period, ~~T~~the value that may be used in lieu of ~~Average Coincident Load~~ACL for an eligible ~~Special Case Resource~~SCR as provided in Section 5.12.11.1.2 of this Services Tariff. ~~for a maximum duration no greater than three consecutive Capability Periodsand only where a Special Case Resource (i) has not previously been enrolled with the NYISO and (ii) never had interval metering Load data available from the Prior Equivalent Capability Period~~.

A ~~Special Case Resource~~SCR's Provisional ~~Average Coincident Load~~ACL is verified subsequent to each eligible Capability Period pursuant to calculations using the ~~Special Case Resource~~SCR's metered Load values in accordance with ~~in~~ Sections 5.12.11.1.1 and 5.12.11.1.2 of this Services Tariff and ISO Procedures. Any Load supported by generation produced from a

Local Generator, other behind-the-meter generator, or other supply source located behind the ~~Special Case Resource~~SCR's meter operating during the applicable Capability Period SCR ~~Peak~~ Load Zone Peak Hours may not be included in the ~~Special Case Resource~~SCR's metered Load values reported for the verification of its Provisional ~~Average Coincident Load~~ACL.

Responsible Interface Party ("RIP"): A Customer that is authorized by the ISO to be the Installed Capacity Supplier for one or more Special Case Resources and that agrees to certain notification and other requirements as set forth in this Services Tariff and in the ISO Procedures.

Special Case Resource ("SCR"): Demand Side Resources whose Load is capable of being interrupted upon demand at the direction of the ISO, and/or Demand Side Resources that have a Local Generator, which is not visible to the ISO's Market Information System and is rated 100 kW or higher, that can be operated to reduce Load from the NYS Transmission System or the distribution system at the direction of the ISO. Special Case Resources are subject to special rules, set forth in Section 5.12.11.1 of this ISO Services Tariff and related ISO Procedures, in order to facilitate their participation in the Installed Capacity market as Installed Capacity Suppliers. ~~Special Case Resources~~SCRs that do not use Local Generators may be offered as synchronized Operating Reserves and Regulation Service and Energy in the Day-Ahead Market. ~~Special Case Resources~~SCRs, using Local Generators rated 100 kw or higher, that are not visible to the ISO's Market Information System may also be offered as non-synchronized Operating Reserves.

Verified Average Coincident Load ("Verified ACL"): The ~~effective~~Average Coincident Load ~~calculated~~determined by the NYISO with verification data provided for resources enrolled with a Provisional Average Coincident Load, as calculated pursuant to Section 5.12.11.1.2 of this Service Tariff, or, beginning with the Summer 2014 Capability Period, for resources with a reported Incremental Average Coincident Load, as calculated pursuant to Section 5.12.11.1.5 of this Services Tariff. The Verified ACL shall be used to evaluate the resource's event responses for performance and in the calculation of the resource's performance factor and all associated performance factors, deficiencies and penalties.

Proposed Changes to Tariff Sections

5.12.11 Responsible Interface Parties, Municipally-Owned Generation, Energy Limited Resources and Intermittent Power Resources

5.12.11.1 Responsible Interface Parties

Responsible Interface Parties may qualify as Installed Capacity Suppliers, without having to comply with the daily bidding, scheduling, and notification requirements set forth in Section 5.12.7 of this Tariff, if their Special Case Resources are available to operate at the direction of the ISO in order to reduce Load from the NYS Transmission System and/or the distribution system for a minimum of four (4) consecutive hours each day, except for those subject to operating limitations established by environmental permits, which will not be required to operate in excess of two (2) hours and which will be derated by the ISO pursuant to ISO Procedures to account for the Load serving equivalence of the hours actually available, following notice of the potential need to operate twenty-one (21) hours in advance if notification is

provided by 3:00 P.M. ET, or twenty-four (24) hours in advance otherwise, and a notification to operate two (2) hours ahead. In order for a Responsible Interface Party to enroll an SCR that uses an eligible Local Generator, any amount of generation that can reduce Load from the NYS Transmission System and/or distribution system at the direction of the ISO that was produced by the Local Generator during the hour coincident with the NYCA or Locality peaks, upon which the LSE Unforced Capacity Obligation of the LSE that serves that SCR is based, must be accounted for when the LSE's Unforced Capacity Obligation for the upcoming Capability Year is established. Responsible Interface Parties must provide this generator data in accordance with ISO Procedures so that the ISO can adjust upwards the LSE Unforced Capacity Obligation to prevent double-counting.

Responsible Interface Parties supplying Unforced Capacity cannot offer the Demand Reduction associated with such Unforced Capacity in the Emergency Demand Response Program. A Resource with sufficient metering to distinguish MWs of Demand Reduction may participate as a Special Case Resource and in the Emergency Demand Response Program provided that the same MWs are not committed both as Unforced Capacity and to the Emergency Demand Response Program.

The ISO will have discretion, pursuant to ISO Procedures, to exempt Local Generators that are incapable of starting in two (2) hours from the requirement to operate on two (2) hours notification. Local Generators that can be operated to reduce Load from the NYS Transmission System and/or distribution system at the direction of the ISO and Loads capable of being interrupted upon demand, that are not available on certain hours or days will be derated by the ISO, pursuant to ISO Procedures, to reflect the Load serving equivalence of the hours they are actually available.

Responsible Interface Parties must submit a Minimum Payment Nomination, in accordance with ISO Procedures. The ISO may request Special Case Resource performance from less than the total number of Special Case Resources within the NYCA or a Load Zone in accordance with ISO Procedures.

Local Generators that can be operated to reduce Load from the NYS Transmission System and/or distribution system at the direction of the ISO and Loads capable of being interrupted upon demand will be required to comply with verification and validation procedures set forth in the ISO Procedures. Such procedures will not require metering other than interval billing meters on customer Load or testing other than DMNC or sustained disconnect, as appropriate, unless agreed to by the customer, except that Special Case Resources not called to supply Energy in a Capability Period will be required to run a test once every Capability Period in accordance with the ISO Procedures.

Unforced Capacity supplied in a Bilateral Transaction by a Special Case Resource pursuant to this subsection may only be resold if the purchasing entity or the Installed Capacity Marketer has agreed to become a Responsible Interface Party and comply with the ISO notification requirements for Special Case Resources. LSEs and Installed Capacity Marketers may become Responsible Interface Parties and aggregate Special Case Resources and sell the Unforced Capacity associated with them in an ISO-administered auction if they comply with ISO

notification requirements for Special Case Resources.

Responsible Interface Parties that were requested to reduce Load in any month shall submit performance data to the NYISO, within 75 days of each called event or test, in accordance with ISO Procedures. Failure by a Responsible Interface Party to submit performance data for any Special Case Resources required to respond to the event or test within the 75-day limit will result in zero performance attributed to those Special Case Resources for purposes of satisfying the Special Case Resource's capacity obligation as well as for determining energy payments. All performance data are subject to audit by the NYISO and its market monitoring unit. If the ISO determines that it has made an erroneous payment to a Responsible Interface Party, the ISO shall have the right to recover it either by reducing other payments to that Responsible Interface Parties or by resolving the issue pursuant to other provisions of this Services Tariff or other lawful means.

Provided the Responsible Interface Party supplies evidence of such reductions in 75 days, the ISO shall pay the Responsible Interface Party that, through their Special Case Resources, caused a verified Load reduction in response to (i) an ISO request to perform due to a Forecast Reserve Shortage (ii) an ISO declared Major Emergency State, (iii) an ISO request to perform made in response to a request for assistance for Load relief purposes or as a result of a Local Reliability Rule, or (iv) a test called by the ISO, for such Load reduction, in accordance with ISO Procedures. Subject to performance evidence and verification, in the case of a response pursuant to clauses (i), (ii), of (iii) of this subsection, Suppliers that schedule Responsible Interface Parties shall be paid the zonal Real-Time LBMP for the period of requested performance or four (4) hours, whichever is greater, in accordance with ISO Procedures; provided, however, Special Case Resource Capacity shall settle Demand Reductions, in the interval and for the capacity for which Special Case Resource Capacity has been scheduled Day-Ahead to provide Operating Reserves, Regulation Service or Energy, as being provided by a Supplier of Operating Reserves, Regulation Service or Energy.

In the event that a Responsible Interface Party's Minimum Payment Nomination for a Special Case Resource, for the number of hours of requested performance or the minimum four (4) hour period, whichever is greater, exceeds the LBMP revenue received, the Special Case Resource will be eligible for a Bid Production Cost Guarantee to make up the difference, in accordance with Section 4.23 of this Services Tariff and ISO Procedures; provided, however, the ISO shall set to zero the Minimum Payment Nomination for Special Case Resource Capacity in each interval in which such Capacity was scheduled Day-Ahead to provide Operating Reserves, Regulation Service or Energy. Subject to performance evidence and verification, in the case of a response pursuant to clause (iv) of this subsection, payment for participation in tests called by the ISO shall be equal to the zonal Real Time LBMP for the MWh of Energy reduced within the test period.

Transmission Owners that require assistance from enrolled Local Generators larger than 100 kW and Loads capable of being interrupted upon demand for Load relief purposes or as a result of a Local Reliability Rule, shall direct their requests for assistance to the ISO for implementation consistent with the terms of this section. Within Load Zone J, participation in response to an ISO request to perform made as a result of a request for assistance from a

Transmission Owner for less than the total number of Special Case Resources, for Load relief purposes or as a result of a Local Reliability Rule, in accordance with ISO Procedures, shall be voluntary and the responsiveness of the Special Case Resource shall not be taken into account for performance measurement.

5.12.11.1.1 Special Case Resource Average Coincident Load

The ISO must receive from the Responsible Interface Party that ~~registers~~ enrolls a Special Case Resource the applicable metered Load data required ~~for the calculation of~~to calculate an ~~Average Coincident Load~~ACL for that SCR as provided below and in accordance with ISO Procedures. The ~~Average Coincident Load~~ACL shall be computed using the metered Load for the applicable Capability Period SCR Load Zone Peak Hours that indicates the Load consumed by each ~~Special Case Resource~~SCR that is ~~taken from the~~ supplied by the NYS Transmission System and/or distribution system and is exclusive of any generation produced by a Local Generator, other behind the-meter generator, or other supply source located behind the ~~Special Case Resource~~SCR's meter, that served some of the ~~Special Case Resource~~SCR's Load. ~~The only exception to this requirement to report the required metered Load data for the Average Coincident Load is if (i) the Special Case Resource has not previously been enrolled with the ISO and (ii) never had interval metering Load data for each month in the Prior Equivalent Capability Period needed to compute the Special Case Resource's Average Coincident Load, in which instance the ISO must receive a Provisional Average Coincident Load as provided in Section 5.12.11.1.2 of this Services Tariff from the Responsible Interface Party, computed and received in accordance with ISO Procedures; provided, however, a Provisional Average Coincident Load shall (a) be only for a maximum of three (3) consecutive Capability Periods, and (b) apply to the resource for the entire Capability Period for which the value is established regardless of whether the resource is later enrolled by a Responsible Interface Party other than the one which reported the Provisional Average Coincident Load to the ISO for the period.~~

~~For~~ Beginning with the Winter 2011-2012 ~~Summer 2014~~ Capability Period and thereafter, the NYISO ~~will~~ shall use the average of the highest twenty (20) ~~(twenty)~~ one-hour peak Loads of the ~~Special Case Resource~~SCR taken from the ~~SCR~~ Load data reported for ~~Zone Peak Hours~~the Capability Period SCR Load Zone Peak Hours during the Prior Equivalent Capability Period, and taking into account the resource's reported verified Load reduction ~~, as adjusted to account for verified Load reductions in a Transmission Owner's demand response program in response to deployment of~~in a Transmission Owner's demand response program in hours coincident with any of ~~the top 40~~these ~~(forty) NYCA peak Load~~ hours, to create a ~~Special Case Resource~~SCR ~~Average Coincident Load ("~~ACL ~~")~~ baseline. In addition, beginning with the Summer 2014 Capability Period, the resource's verified Load reduction in either of the ISO's economic demand response programs in hours coincident with any of the applicable Capability Period SCR Load Zone Peak Hours will be taken into account when creating the SCR ACL baseline. For the Day Ahead Demand Response Program, the Load reduction shall be added to the Capability Period SCR Load Zone Peak Hour for which the reduction in response to a DADRP schedule occurred. For the Demand Side Ancillary Services Program, the Load reduction shall be the greater of (a) the DSASP baseline MW value in the interval immediately preceding the first non-zero energy schedule in the Capability Period SCR Load Zone Peak Hour and (b) the metered load of the resource as reported by the RIP for the Capability Period SCR Load Zone Peak Hour. When dispatch of a non-zero energy schedule for a DSASP resource begins in one hour and

continues into the following hour, that is also a Capability Period SCR Load Zone Peak Hour, the DSASP baseline MW value in effect at the beginning of the dispatch of that non-zero energy schedule shall be the metered load value for the second Capability Period SCR Load Zone Peak Hour for the resource in the SCR baseline calculation. The ISO will post to its website the Capability Period SCR Load Zone Peak Hours for each zone ninety (90) days prior to the beginning of the Capability Period for which the ACL will be in effect.

~~For the Summer 2011 Capability Period only, the ISO will use the average of the highest 20 (twenty) one-hour peak Loads of the Special Case Resource from the top 50 (fifty) NYCA peak Load hours during the 1 P.M. to 7 P.M. time period of the Prior Equivalent Capability Period, specific to the Load Zone of the Special Case Resource and without any adjustment to Load for participation in a Transmission Owner's demand response program for hours coincident with any of the top 50 NYCA peak Load hours, to create a Special Case Resource Average Coincident Load ("ACL") baseline. The top 50 NYCA peak Load hours from the Prior Equivalent Capability Period for each zone for the Summer 2011 Capability Period are posted on the ISO's website.~~

In the ~~Special Case Resource~~SCR enrollment file uploaded by the RIP each month within the Capability Period, among other required information, the RIP shall provide ~~(a)~~ the ~~Special Case Resource~~SCR's metered Load values for the applicable Capability Period SCR Load Zone Peak Hours necessary to compute the ACL for each ~~Special Case Resource~~SCR. The exception to this requirement to report the required metered Load data for the ~~Average Coincident Load~~ACL, when enrolling a ~~Special Case Resource~~SCR prior to the Summer 2014 Capability Period, is if (i) the ~~Special Case Resource~~SCR has not previously been enrolled with the ISO and (ii) never had interval metering Load data for each month in the Prior Equivalent Capability Period needed to compute the ~~Special Case Resource~~SCR's ~~Average Coincident Load~~ACL.

Beginning with the Summer 2014 Capability Period, the exception to this requirement to report the required metered Load data for the ACL, when enrolling a SCR is dependent upon one or more of the eligibility conditions for ~~Special Case Resource~~SCR enrollment with a Provisional ~~Average Coincident Load~~ACL provided in Section 5.12.11.1.2 of this Services Tariff and ISO Procedures. For ~~Special Case Resource~~SCRs that meet the criteria to enroll with a Provisional ACL, the ISO must receive from the ~~Responsible Interface Party~~RIP a Provisional ~~Average Coincident Load~~ACL as provided in Section 5.12.11.1.2 of this Services Tariff and in accordance with ISO Procedures. ~~and (b) any reduction in the Special Case Resource's Load consumption from the NYS Transmission System and/or distribution system that is required to be reported as a SCR Change of Status as provided by 5.12.11.1.3 and in accordance with ISO Procedures~~

Beginning with the Summer 2014 Capability Period, in addition to the requirement for RIPs to report each SCR's metered load ~~ACL~~values in accordance with this Services Tariff and ISO Procedures during the enrollment process, any qualifying increase in a ~~Special Case Resource~~SCR's Load that will be supplied by the NYS Transmission System and/or distribution system may be reported as an Incremental ~~Average Coincident Load~~ACL, subject to the limitations and verification reporting requirements provided in Section 5.12.11.1.5 of this Services Tariff and in accordance with ISO Procedures. Incremental ACL values must be

reported using the required enrollment file that may be uploaded by the RIP during each month's enrollment period. RIPs may not report Incremental ACL values for any SCRs that are enrolled in the Capability Period with a Provisional ACL.

A reduction in a SCR's Load that is supplied by the NYS Transmission System and/or distribution system and meets the criteria for a SCR Change of Status must be reported as a SCR Change of Status as provided by Section 5.12.11.1.3 of this Services Tariff and in accordance with ISO Procedures.

The ACL is the upper limit of ICAP value which shall be calculated for the SCR based on the average of the highest twenty (20) one-hour peak Loads of the SCR during the Prior Equivalent Capability Period, as determined above, except in circumstances when the SCR has experienced a SCR Change in Status or reported an Incremental ACL pursuant to Sections 5.12.11.1.3 and 5.12.11.1.5 of this Services Tariff.

~~Any reduction in a SCR's Load consumption must also be reported as a reduction in the Special Case Resource's Load consumption from the NYS Transmission System and/or distribution system that is required to be reported as a SCR Change of Status as provided by 5.12.11.1.3 and in accordance with ISO Procedures.~~

5.12.11.1.2 ~~Determining~~ Use of a Provisional Average Coincident Load

Prior to the Summer 2014 Capability Period, as provided in Section 5.12.11.1.1 of this Services Tariff, if a new Special Case Resource has not previously been enrolled with the ISO and never had interval billing meter data from the Prior Equivalent Capability Period, its Installed Capacity value shall be its Provisional Average Coincident Load for the Capability Period for which the new ~~Special Case Resource~~ SCR is enrolled. The Provisional ACL may be applicable to a new ~~Special Case Resource~~SCR for a maximum of three (3) consecutive Capability Periods, beginning with the Capability Period in which the ~~Special Case Resource~~SCR is first enrolled.

Beginning with the Summer 2014 Capability Period, ~~As provided in Section 5.12.11.1.1 of this Services Tariff, if a~~a ~~new~~ ~~Special Case Resource~~SCR may be enrolled using a Provisional ~~Average Coincident Load~~ACL in lieu of an ~~Average Coincident Load~~ACL when one of the following conditions has been determined by the NYISO to apply: i) the ~~Special Case Resource~~SCR has not previously been enrolled with the ISO for the type of Capability Period for which the ~~Special Case Resource~~SCR enrollment with a Provisional ~~Average Coincident Load~~ACL is intended, (ii) the ~~Special Case Resource~~SCR was enrolled with a Provisional ~~Average Coincident Load~~ACL in the Prior Equivalent Capability Period and was required to report fewer than twenty (20) hours of metered Load verification data that corresponds with the Capability Period SCR Load Zone Peak Hours based on the meter installation date of the ~~Special Case Resource~~SCR ~~in the Prior Equivalent Capability Period~~, (iii) the RIP~~Responsible Interface Party~~ attempting to enroll the ~~Special Case Resource~~ SCR with a Provisional ~~Average Coincident Load~~ACL is not the same RIP which enrolled the ~~Special Case Resource~~SCR in the Prior Equivalent Capability Period and interval billing meter data for the ~~Special Case Resource~~SCR from the Prior Equivalent Capability Period is either not obtainable by the enrolling RIP or not available to be provided to the enrolling RIP by the NYISO. The Provisional ACL may be applicable to a ~~new~~ ~~Special Case Resource~~SCR for a maximum of three

(3) consecutive Capability Periods when enrolled with the same ~~Responsible Interface Party~~RIP, beginning with the Capability Period in which the ~~Special Case Resource~~SCR is first enrolled by the RIP.

A ~~Special Case Resource~~SCR enrolled in the Capability Period with a Provisional ACL, may not be enrolled by another ~~Responsible Interface Party~~RIP for the remainder of the Capability Period and the Provisional ACL value shall apply to the resource for the entire Capability Period for which the value is established. ~~If a new Special Case Resource transfers to another RIP during the Capability Period in which it was enrolled with a Provisional ACL, the Provisional ACL provided with the initial enrollment for that Capability Period will remain in effect for the entire Capability Period~~.

The Provisional ACL ~~will shall be based on~~ is the RIP's forecast of the SCR's ACL ~~average coincident peak Loads during of the Capability Period in which the resource is enrolled~~ and ~~will~~shall be the ~~maximum~~upper limit of ICAP ~~Installed Capacity value~~ for which ~~that~~the RIP may enroll the ~~Special Case Resource~~SCR ~~with~~during the Capability Period.

Any SCR enrolled with a Provisional ~~Average Coincident Load~~ACL ~~will~~ shall be subject to actual in-period verification. A Verified ~~Average Coincident Load~~ACL ~~will~~shall be calculated by the NYISO using the top twenty (20) one-hour peak Loads reported for the SCR from the Capability Period SCR Load Zone Peak Hours that are applicable to verify the Provisional ACL in accordance with ~~ACL formula as defined in Section 5.12.11.1.1 of this Services Tariff~~ISO Procedures and taking into account the resource's reported verified Load reductions in a Transmission Owner's demand response program that are coincident with any of the applicable Capability Period SCR Load Zone Peak Hours. In addition, beginning with the Summer 2014 Capability Period, the resource's verified Load reduction in either of the ISO's economic demand response programs in hours coincident with any of the applicable Capability Period SCR Load Zone Peak Hours will be taken into account when creating the SCR ACL baseline. For the Day Ahead Demand Response Program, the Load reduction shall be added to the Capability Period SCR Load Zone Peak Hour for which the reduction in response to a DADRP schedule occurred. For the Demand Side Ancillary Services Program, the Load reduction shall be the greater of (a) the DSASP baseline MW value in the interval immediately preceding the first non-zero energy schedule in the Capability Period SCR Load Zone Peak Hour and (b) the metered load of the resource as reported by the RIP for the Capability Period SCR Load Zone Peak Hour. When dispatch of a non-zero energy schedule for a DSASP resource begins in one hour and continues into the following hour, that is also a Capability Period SCR Load Zone Peak Hour, the DSASP baseline MW value in effect at the beginning of the dispatch of that non-zero energy schedule shall be the metered load value for the second Capability Period SCR Load Zone Peak Hour for the resource in the SCR baseline calculation.

Following the Capability Period for which a resource with a Provisional ~~Average Coincident Load~~ACL was enrolled, the RIP shall provide to the ISO the metered load data necessary to compute the Verified ACL of the resource from the resource's interval meter data in accordance with ISO Procedures. The ISO ~~will~~shall compare the Provisional ~~Average Coincident Load~~ACL to the Verified ACL (calculated in accordance with the ACL formula as provided above) to

determine, after applying the applicable performance factor, whether the UCAP of the ~~Special Case Resource~~SCR had been oversold and whether~~. If the RIP oversold the Special Case Resource, it shall be~~ a shortfall has occurred as provided under Section 5.14.2 of this Services Tariff ~~pursuant to Section 5.14.2~~. If the RIP fails to provide verification~~the~~ data necessary to compute the Verified ACL of the resource enrolled with a Provisional ACL by the deadline~~,~~; (a) the Verified ACL of the resource ~~will~~ shall be set to zero for each month in which the resource with a Provisional ACL was enrolled, and (b) ~~and~~ the RIP may be subject to penalties ~~deficiency penalty~~ in accordance with this Services Tariff.

5.12.11.1.5 Use of an Incremental Average Coincident Load

Beginning with the Summer 2014 Capability Period, a Responsible Interface Party may report any qualifying increase to a~~n~~ Special Case Resource's Average Coincident Load as Incremental Average Coincident Load in the RIP enrollment file upload and in accordance with this Services Tariff and ISO Procedures. The ISO shall adjust the ~~Average Coincident Load~~ACL of the ~~Special Case Resource~~SCR for an Incremental ~~Average Coincident Load~~ACL for all months for which the Incremental ~~Average Coincident Load~~ACL is reported by the RIP. For resources reporting an Incremental ACL, the Net ACL shall equal the enrolled ACL plus the reported Incremental ACL and shall be the upper limit of ICAP for which the RIP may enroll the SCR during the Capability Period. ~~An Incremental Average Coincident Load may not exceed the SCR's Average Coincident Load.~~

An Incremental ~~Average Coincident Load~~ACL is a discrete change to the SCR operations that is expected to result in an increase to the Load that the SCR will consume from the NYS Transmission System and/or distribution system. It is not available to account for random fluctuations in Load, such as those caused by weather or other seasonal load variations. Therefore, the ~~Average Coincident Load~~ACL of a ~~Special Case Resource~~SCR may only be increased once per Capability Period and the amount of the increase enrolled must remain the same for all months for which the Incremental ~~Average Coincident Load~~ACL is reported. A ~~Special Case Resource~~SCR enrolled in the Capability Period with an Incremental ~~Average Coincident Load~~ACL, may not be enrolled by another ~~Responsible Interface Party~~RIP for the remainder of the Capability Period. A ~~Special Case Resource~~SCR enrolled in the Capability Period with a Provisional ~~Average Coincident Load~~ACL is not eligible to enroll with an Incremental ~~Average Coincident Load~~ACL.

Following the Capability Period for which a SCR has been enrolled with an Incremental ~~Average Coincident Load~~ACL, the RIP shall provide the hourly metered Load verification data that corresponds to the Monthly SCR Load Zone Peak Hours identified by the NYISO for all months in which an Incremental ~~Average Coincident Load~~ACL value was reported for the SCR. For each month for which verification data was required to be reported, the NYISO ~~will~~shall calculate a Monthly ACL ~~to~~ and then calculate a Verified ~~Average Coincident Load~~ACL. The Monthly ACL ~~will~~shall equal the average of the SCR's top twenty (20) one-hour metered Load values that correspond with the ~~month's~~ applicable Monthly SCR Load Zone Peak Hours, and taking into account (i) the resource's reported verified Load reduction in a Transmission Owner's demand response program in hours coincident with any of these hours and (ii) the resource's verified Load reduction in either of the ISO's economic demand response programs in hours coincident with any of these hours. For the Day Ahead Demand Response Program, the

Load reduction shall be added to the Monthly SCR Load Zone Peak Hour for which the reduction in response to a DADRP schedule occurred. For the Demand Side Ancillary Services Program, the Load reduction shall be the greater of (a) the DSASP baseline MW value in the interval immediately preceding the first non-zero energy schedule in the Monthly SCR Load Zone Peak Hour and (b) the metered load of the resource as reported by the RIP for the Monthly SCR Load Zone Peak Hour. When dispatch of a non-zero energy schedule for a DSASP resource begins in one hour and continues into the following hour, that is also a Monthly SCR Load Zone Peak Hour, the DSASP baseline MW value in effect at the beginning of the dispatch of that non-zero energy schedule shall be the metered load value for the second Monthly SCR Load Zone Peak Hour for the resource in the Monthly SCR baseline calculation. For any month in which verification data is required but not timely submitted to the ISO in accordance with ISO procedures, the NYISO ~~will~~shall set the metered Load values to zero. The Verified ACL will then be calculated as the average of the two (2) highest Monthly ACLs during the period plus the Monthly ACLs for all months in which the RIP failed to provide the minimum verification data required. In addition, a RIP may be subject to a penalty for each month for which verification data was required and not reported in accordance with this Services Tariff.

For each SCR that is enrolled with an Incremental ACL, the ISO shall compare the Net ACL calculated from the resource enrollment (ACL plus Incremental ACL) to the Verified ACL calculated for the SCR to determine if the RIP's use of an Incremental ACL may have resulted in a shortfall pursuant to Section 5.14.2.

Special Case Resources that were required to perform in the first Performance Test in the Capability Period in accordance with ISO Procedures and were subsequently enrolled with an ~~Incremental Average Coincident Load that results in an~~ increase to the resource's Declared Value, due to a reported Incremental ACL after the first Performance Test in the Capability Period, shall be required to demonstrate the performance of the resource against the ~~adjusted~~ Net ~~Average Coincident Load~~ACL value in the second Performance Test in the Capability Period. Performance in both the first Performance Test and the second Performance Test in the Capability Period shall be used in calculation of the resource's performance factor and all associated performance factors, ~~and~~ deficienc~~y~~ies and penalties. If the RIP fails to report the performance for a resource that was required to perform in the second Performance Test in the Capability Period, the resource shall be assigned a performance of zero (0) for the test hour.

~~If the RIP fails to demonstrate the resource's required performance in the second Performance Test in the Capability Period the resource shall be assigned a performance of zero (0) for the test hour.~~