

2.22 Code of Conduct

The rules, procedures and restrictions concerning the conduct of the ISO directors and employees, contained in Attachment F to the ISO Open Access Transmission Tariff.

2.23 Commission (“FERC”)

The Federal Energy Regulatory Commission, or any successor agency.

2.23a Compensable Overgeneration

A quantity of Energy injected by a Supplier, over a given RTD interval, that exceeds the Real-Time Scheduled Energy Injection established by the ISO for that Supplier and for which the Supplier may be paid pursuant to ISO Procedures, provided that the excess Energy injection does not exceed the Supplier’s Real-Time Scheduled Energy Injection over that interval, plus a tolerance. The tolerance shall initially be set at 3% of a given Supplier’s Normal Upper Operating Limit and may be modified by the ISO if necessary to maintain good Control Performance.

For Generators operating in Start-Up or Shutdown Periods, and or Testing Periods, and for Intermittent Power Resources that depend on wind as their fuel and Limited Control Run of River Hydro Resources that were in operation on or before November 18, 1999 within the NYCA, plus an additional 3,300 MW of such Resources ~~and Limited Control Run of River Hydro Resources~~. Compensable Overgeneration shall mean that quantity of Energy injected by the Supplier Generator, over a given RTD interval, that exceeds the Real-Time Scheduled Energy Injection established by the ISO for that Supplier Generator and for which the Supplier Generator may be paid pursuant to ISO Procedures.

For a Generator with multiple units at a single location, which multiple units are separately committed and dispatched by the ISO, and for which Energy injections are measured

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as a single Generator-, Compensable Overgeneration shall mean that quantity of Energy injected by the Generator, during the period when one of its multiple units is operating in a Start-Up or Shut Down Period, that exceeds the Real-Time Scheduled Energy Injection established by the ISO for that period, for that Generator and for which the Generator may be paid pursuant to ISO Procedures.

2.24 Completed Application

An Application that satisfies all of the information and other requirements for service under the ISO Services Tariff.

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Original Volume No. 2

Second Revised Sheet No. 39A
Superseding First Revised Sheet No. 39A

2.60 Generator

A facility capable of supplying Energy, Capacity and/or Ancillary Services that is accessible to the NYCA. Multiple units of a Generator, at a single location, which are separately committed and dispatched by the ISO, and for which Energy injections are measured as a single Generator, shall each be considered Generators.

2.61 [Reserved for future use]

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2.74a Installed Capacity Equivalent

The Resource capability that corresponds to its Unforced Capacity, calculated in accordance with ISO Procedures.

2.74b Installed Capacity Marketer

An entity which has signed this Tariff and which purchases Unforced Capacity from qualified Installed Capacity Suppliers, or from LSEs with excess Unforced Capacity, either bilaterally or through an ISO-administered auction. Installed Capacity Marketers that purchase Unforced Capacity through an ISO-administered auction may only resell Unforced Capacity purchased in such auctions in the NYCA.

2.74c Installed Capacity Supplier

An Energy Limited Resource, Generator, Installed Capacity Marketer, Special Case Resource, Intermittent Power Resource, [Limited Control Run of River Resource](#), municipally-owned generation, System Resource or Control Area System Resource that satisfies the ISO's qualification requirements for supplying Unforced Capacity to the NYCA.

2.75 Interconnection or Interconnection Points (“IP”)

The point(s) at which the NYCA connects with a distribution system or adjacent Control Area. The IP may be a single tie line or several tie lines that are operated in parallel.

2.76 Interface

A defined set of transmission facilities that separate Load Zones and that separate the NYCA from adjacent Control Areas.

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New York Independent System Operator, Inc.
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Third Revised Sheet No. 43A
Superseding Second Revised Sheet No. 43A

2.77 Interface MW - Mile Methodology

The procedure used to allocate Original Residual TCCs determined prior to the first Centralized TCC Auction to Transmission Owners.

2.77a Intermittent Power Resource

Capacity resources that depend upon wind or solar energy for their fuel. Each Intermittent Power Resource that depends on wind for its fuel shall include all turbines metered at a single scheduling point identifier (PTID).

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2.160a 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:

Residual Transmission Capacity = TTC - TRM - CBM - GTR - GTCC - 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.

2.160b Resource

An Energy Limited Resource, Generator, Installed Capacity Marketer, Special Case Resource, Intermittent Power Resource, Limited Control Run of River Hydro, municipally-owned generation, System Resource, or Control Area System Resource.

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Fifth Revised Sheet No. 67
Superseding Fourth Revised Sheet No. 67

files with the Commission.

2.170 Service Commencement Date

The date that the ISO begins to provide service pursuant to the terms of a Service Agreement, or in accordance with the Tariff.

2.171 Settlement

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

2.171a Shadow Price

The marginal value of relieving a particular constraint.

2.172 Shift Factor (“SF”)

A ratio, calculated by the ISO, that compares the change in power flow through a transmission facility resulting from the incremental injection and withdrawal of power on the NYS Transmission System.

2.172a Shutdown Period

An ISO approved period of time immediately following a shut down order, such as a zero base point, that has been designated by the Customer, during which unstable operation prevents the unit from accurately following its base points.

2.172a Sink Price Cap Bid

A Bid Price provided by an entity engaged in an Export to indicate the Proxy Generator Bus LBMP below which that entity is willing to either purchase Energy in the LBMP Markets or, in the case of Bilateral Transactions, to accept Transmission Service.

2.172b Special Case Resource

special rules, set forth in Section 5.12.11(a) of this ISO Services Tariff and related ISO Procedures, in order to facilitate their participation in the Installed Capacity market as Installed Capacity Suppliers.

2.172d Start Up Period

An ISO approved period of time immediately following synchronization to the Bulk power system, which has been designated by a Customer and bid into the Real-Time Market, during which unstable operation prevents the unit from accurately following its base points.

2.172c Station Power

Station Power shall mean the Energy used by a Generator:

1. for operating electric equipment located on the Generator site, or portions thereof, owned by the same entity that owns the Generator, which electrical equipment is used by the Generator exclusively for the production of Energy and any useful thermal energy associated with the production of Energy; and
2. for the incidental heating, lighting, air conditioning and office equipment needs of buildings, or portions thereof, that are:
 - a. owned by the same entity that owns the Generator;
 - b. located on the Generator site; and
 - c. used by the Generator exclusively in connection with the production of Energy and any useful thermal energy associated with the production of Energy.

Station Power does not include any Energy: (i) used to power synchronous condensers; (ii) used for pumping at a pumped storage facility; or (iii) provided during a Black Start restoration by Generators that provide Black Start Capability Service.

2.195 Wheels Through

Transmission Service, originating in another Control Area, that is wheeled through the NYCA to another Control Area.

2.196 Wholesale Market

The sum of purchases and sales of Energy and Capacity for resale along with Ancillary Services needed to maintain reliability and power quality at the transmission level coordinated together through the ISO and Power Exchanges. A party who purchases Energy, Capacity or Ancillary Services in the Wholesale Market to serve its own Load is considered to be a participant in the Wholesale Market.

2.197 Wholesale Transmission Services Charges (“WTSC”)

Those charges calculated pursuant to Attachment H of the OATT, incurred or declared overdue by a Transmission Owner pursuant to Section VII.B of Attachment K, after the effective date of these revisions; provided, however, that these provisions will not apply to pre-petition bankruptcy debts for a company that is currently in bankruptcy.

2.198 Wind Energy Forecast

Energy that is forecast by the ISO to be supplied over a specified interval of time by an Intermittent Power Resource that depends on wind as its fuel and which is used in ISO’s Energy market commitment and dispatch.

2.1989 WTSC Component

A component of the Operating Requirement, calculated in accordance with Article III.B(v) of Attachment K of this Services Tariff.

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New York Independent System Operator, Inc. ~~Seventh~~Eighth Revised Sheet No. 101

FERC Electric Tariff Superseding Substitute ~~Sixth~~Seventh Revised Sheet No. 101
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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~~

~~(iii) 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 5001000 MW of such Generators.~~

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

In subsections A, B, C, D, E and F of this Section 4.4.5, references to “scheduled” Energy injections and withdrawals shall encompass injections and withdrawals that are scheduled Day-Ahead, as well as injections and withdrawals that occur in connection with real-time Bilateral Transactions. In subsections A, C, D and F of this Section 4.4.5, references to Energy Withdrawals and Energy Injections shall not include Energy Withdrawals or Energy Injections in Virtual Transactions.

Generators that are providing Regulation Service shall not be subject to the real-time Energy market settlement provisions set forth in this Section, but shall instead be subject to the Energy settlement rules set forth in Section 6.0 of Rate Schedule 3 of this ISO Services Tariff.

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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 used in replacing or repowering steam supplies from such units (in accordance with good engineering and economic design) that cannot follow schedules, up to a maximum total of ~~365~~499 MW of such units;

- (c) ~~Existing~~ Intermittent Power Resources ~~in operation on or before November 18, 1999 within the NYCA, plus up to an additional 500~~1000 MW of such Generators; and
- (d) Units that have demonstrated to the ISO that they are subject to environmental, contractual or other legal or physical requirements that would otherwise preclude them from providing 10-Minute NSR.

The ISO shall inform each potential Installed Capacity Supplier that is required to submit DMNC data of its approved DMNC ratings for the Summer Capability Period and the Winter Capability Period in accordance with the ISO Procedures.

Requirements to qualify as Installed Capacity Suppliers for External System Resources and Control Area System Resources located in External Control Areas that have agreed not to Curtail the Energy associated with such Installed Capacity or to afford it the same Curtailment priority that it affords its own Control Area Load shall be established in the ISO Procedures.

and will suspend the real-time Regulation Service market. The ISO will not procure any Regulation Service and will establish a real-time Regulation Service market clearing price of zero for settlement and balancing purposes. The ISO will resume sending AGC Base Point Signals and restore the real-time Regulation Service market as soon as possible after the end of the reserve or maximum generation pickup.

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Rate Schedule “3-A”

Charges Applicable to Suppliers That Are Not Providing Regulation Service

1.0 Persistent Undergeneration Charges

A Supplier, other than a Supplier included in subsection 3.03 of this section, that is not providing Regulation Service and that persistently operates at a level below its schedule shall pay a persistent undergeneration charge to the ISO, unless its operation is within a tolerance described below, provided, however, no persistent undergeneration charges shall apply to a Fixed Block Unit that has reached a percentage of its Normal Upper Operating Limit, which percentage shall be set pursuant to ISO Procedures and shall be initially set at seventy percent (70%). Persistent undergeneration charges per interval shall be calculated as follows:

Persistent undergeneration charge = Energy Difference x MCP_{reg} x Length of Interval/60
Minutes

Where:

Energy Difference in (MW) is determined by subtracting the actual Energy provided by the Supplier from its RTD Base Point Signal for the dispatch interval. The Energy Difference shall be set at zero for any Energy Difference that is otherwise negative or that falls within a tolerance, set pursuant to ISO Procedures, and which shall contain a steady-state and a dynamic

applies to the interval for which Regulation Service was provided in the Real-Time Market, or, if appropriate, the Day-Ahead Market.

In cases in which the Energy Difference that would be calculated using the procedure described above is less than the tolerance set forth in the ISO Procedures, the ISO shall set the Energy Difference for that interval equal to zero.

3.0 Exemptions

The following types of Generator shall not be subject to persistent undergeneration charges, or, if they are restored by the ISO, to performance charges:

- (i) Generators providing Energy under contracts (including PURPA contracts), executed and effective on or before November 18, 1999, in which the power purchaser does not control the operation of the supply source but would be responsible for payment of the persistent undergeneration or performance charge;
- (ii) Existing topping turbine Generators and extraction turbine Generators producing electric Energy resulting from the supply of steam to the district steam system 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;
- ~~(iii) Existing intermittent (i.e., non-schedulable) renewable Power Resources and Limited Control Run of River Hydro Resources in operation on or before November 18, 1999, plus an additional 3,300 MW of such Generators; Generators and Limited Control Run of River Hydro Resources within the NYCA in operation on or before November 18, 1999, plus up to an additional 500 MW of such Generators; and~~

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- (iv) Capacity Limited Resources and Energy Limited Resources to the extent that their real-time Energy injections are equal to or greater than their bid-in upper operating limits but are less than their Real-Time Scheduled Energy Injections.
- (v) Generating facilities operating in their Start-Up Period or their Shutdown Period and a Generator with multiple units at a single location each of which is separately committed and modeled by the ISO and for which Energy injections are measured as a single Generator, for the RTD intervals in which one of the multiple units is operating in a Start-Up or Shut Down Period.

For Generators and Resources described in subsections (i), (ii), (iii) and (iv) above, this exemption shall not apply in an hour if the Generator or Resource has bid in that hour as ISO-Committed Flexible or Self-Committed Flexible.

procure and maintain such additional facilities at their own expense.

Generators, Suppliers and Loads are required to exchange certain operating and reliability data with the ISO and the Transmission Owners' Control Centers in accordance with the ISO Agreement and the ISO/TO Agreement, applicable ISO operating and reliability requirements, and in conjunction with any requirements for interconnection with the Transmission Owner.

In addition, Suppliers wishing to submit Bids in the RTC for Energy or Regulation Service must make provision to receive command and control information from the ISO. Those Generators or Suppliers currently providing this capability via a Transmission Owner may continue to do so. Those requiring installation of this capability must contract with the ISO or with the interconnected Transmission Owner and must comply with applicable ISO or Transmission Owner data and other technical requirements.

Suppliers with multiple units at a single location must maintain a consistent representation of the plant with the ISO with respect to aggregation of units for purposes of bidding. If an aggregate Bid is to be provided for a group of units and those units are bidding in the RTC, or providing Regulation Service, then the ISO shall model those units as a group for purposes of dispatch, control and security modeling. The ISO will provide a single aggregate Base Point Signal and unit control error. If, however, the Supplier wishes to dispatch units individually, then it must configure both its bidding and data interfaces

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accordingly. Each Supplier must initially specify the configuration of the plant for purposes of bidding aggregation and must then maintain bidding and data interfaces consistent with that configuration. Similar modeling, control and bidding Constraints apply to an LSE that bids Load that is dispatchable by the ISO.

5.8a Collection and Communication of Meteorological Data by Intermittent Power Resources that Depend on Wind as their Fuel

Pursuant to ISO Procedures, Intermittent Power Resources that depend on wind as their fuel shall maintain in good working order equipment to collect wind speed and wind direction data at its site and shall provide the NYISO, or its agent, with wind speed and wind direction data in the manner identified by the ISO, provided however this requirement shall not apply any Intermittent Power Resource in commercial operation as of January 1, 2002 with name plate capacity of 12 MWs or fewer. Each Intermittent Power Resource that depends on wind as its fuel shall be responsible for the cost of installing and maintaining such equipment at its site and shall share in funding the NYISO's cost of wind forecasting function pursuant to this Services Tariff.

The ISO may impose financial sanctions for failure to provide wind speed and wind direction data pursuant to ISO Procedures, provided however, no financial sanctions shall be imposed for failure to provide such data during the three months immediately following commercial operation.

Upon a determination of failure to provide wind speed and wind direction data pursuant to ISO Procedures, the ISO shall take the following actions. The ISO shall notify the Intermittent Power Resource that depends on wind as its fuel by written notice of its determination of failure to provide wind speed and wind direction and that the ISO

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may impose financial sanctions if the failure is not corrected. The ISO shall offer a reasonable opportunity to correct the failure to provide wind speed and wind direction data pursuant to ISO Procedures. If, following such reasonable opportunity to cure, such failure is not cured, the NYISO may impose daily sanctions of the greater of \$500 or \$20/MW of nameplate capacity until such failure is cured. The NYISO shall offer an opportunity to be heard by senior officers of ISO prior to imposing sanctions.

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When setting physical base points for Self-Committed Fixed Generators in any time point, the ISO shall consider the feasibility of the Resource reaching the output levels that it specified in its self-commitment request **or, for Intermittent Power Resources depending on wind as their fuel, the output level specified by the Wind Energy Forecast**, for each time point in the RTD run given: (A) its metered output at the time that the run was initialized; and (B) its response rate.

When setting physical base points for ISO-Committed Fixed Generators in any time point, the ISO shall consider the feasibility of the Resource reaching the output levels scheduled for it by RTC for each time point in the RTD run given: (A) its metered output at the time that the run was initialized; and (B) its response rate.

The RTD Base Point Signals sent to Self-Committed Fixed Generators shall follow the quarter hour operating schedules that those Generators submitted in their real-time self-commitment requests, **or, for Intermittent Power Resources depending on wind as their fuel, the output level specified by the Wind Energy Forecast**, regardless of their actual performance. The RTD Base Point Signals sent to ISO-Committed Fixed Generators shall follow the quarter hour operating schedules established for those Generators by RTC, regardless of their actual performance. To the extent possible, the ISO shall honor the response rates specified by such Generators when establishing RTD Base Point Signals. If a Self-Committed Fixed Generator's operating schedule is not feasible based on its real-time self-commitment requests then its RTD Base Point Signals shall be determined using a response rate consistent with the operating schedule changes.

mitigated offer prices, together with the original unmitigated offer price of units whose offer prices were not subject to mitigation, or did not trigger the conduct or impact thresholds, are used to commit generation and dispatch energy to meet Bid Load. This step is also a complete iteration of the Security Constrained Unit Commitment process. At the end of Step 1C, Fixed Block Units, Import offers, Export Bids, virtual supply and demand Bids, and committed non-Fixed Block Units are again dispatched to meet Bid Load, with Fixed Block Units treated as dispatchable on a flexible basis. LBMPs are calculated from this dispatch.

All non-Fixed Block Units committed in the final step of Pass 1 (which could be either step 1A, 1B, or 1C depending on activation of and the AMP) are blocked on at minimum load in Passes 4 through 6.

Pass 2 consists of a least cost commitment and dispatch of Fixed Block Units, Import offers, Export Bids, and non-Fixed Block Units to meet forecast Load requirements in excess of Bid Load, **considering the Wind Energy Forecast**, that minimizes the cost of incremental Minimum Generation and Start Up Bids, given revenues for Minimum Generation Energy based on LBMPs calculated in Pass 1, and assumes all Fixed Block Units are dispatchable on a flexible basis.

Pass 3 consists of a least cost commitment and dispatch of Fixed Block Units, Import offers, Export Bids, and non-Fixed Block Units to meet forecast Load requirements in excess of Bid Load, **considering the Wind Energy Forecast**, that minimizes the cost of Minimum Generation and Start Up Bids, given revenues for Minimum Generation Energy based on LBMPs calculated in Pass 1 and assumes all Fixed Block Units are dispatchable on a flexible basis. Fixed Block Units dispatched in this Pass are not blocked on in Pass 6. **Intermittent Power Resources that depend on wind as their fuel committed in this Pass as a result of the consideration of the Wind Energy**

Forecast are not blocked on in Passes 5 or 6. Non-Fixed Block Units committed in this step are blocked on at minimum Load in Passes 4 through 6. The difference between Pass 2 and Pass 3 is the inclusion of the In-City reserve and second contingency local reliability criteria. Incremental Import Capacity

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Rate Schedule 7
Charges for Wind Forecasting Service

The ISO shall charge each Intermittent Power Resource that depends on wind as its fuel that is interconnected in the New York Control Area in order to provide Energy to the LBMP Market or bilaterally to a Load internal or external to the NYCA, pursuant to this ISO Services Tariff or the NYISO OATT, and that has entered commercial operation (“Wind Generators”), for Wind Forecasting Service pursuant to this Rate Schedule, provided however no charge shall be assessed against any Intermittent Power Resource in commercial operation as of January 1, 2002 with name plate capacity of 12 MWs or fewer.

The ISO shall calculate and assess such charges monthly.

1.0 Responsibilities

The ISO shall calculate a wind forecasting charge which shall include a fixed component and a component that varies by the name plate capacity of the Wind Generator. Such charge shall be based upon the costs the NYISO incurs in producing a forecast of the expected generation output of each Wind Generator subject to this charge.

1.1 Wind Generators

Wind Generators shall pay the charge for Wind Forecasting Service monthly.

2.0 Charges

The ISO shall assess the following wind forecasting charges monthly to each Wind Generator, starting with the invoice for the June 1, 2008 dispatch month:

\$500.00 as a fixed fee and

\$7.50 / MW of name plate capacity