Revisions to Behind-the-Meter Tariff language approved by the MC

(Redline reflect changes from the December 17, 2015 language approved by MC)

Section 2.15 - Definition of Operating Reserves

Operating Reserves: Capacity that is available to supply Energy or reduce demand and that meets the requirements of the ISO. The ISO will administer Operating Reserves markets, in the manner described in this Article 4 and Rate Schedule 4 of this ISO Services Tariff, to satisfy the various Operating Reserves requirements, including locational requirements, established by the Reliability Rules and other applicable reliability standards. The basic Operating Reserves products that will be procured by the ISO on behalf of the market are classified as follows:

- (1) Spinning Reserve: Operating Reserves provided by Generators and Demand Side Resources that meet the eligibility criteria set forth in Rate Schedule 4 of this ISO Services Tariff that are already synchronized to the NYS Power System and can respond to instructions to change their output level, or reduce their Energy usage, within ten (10) minutes. Spinning Reserves may not be provided by Demand Side Resources that are Local Generators or by BTM:NGBehind-the-Meter Net Generation Resources that are comprised of more than one generating unit that are dispatched as a single aggregate unit;
- (2) 10-Minute Non-Synchronized Reserve: Operating Reserves provided by Generators, <u>Behind-the-Meter Net Generation Resources that are comprised of more than one generating unit that are dispatched as a single aggregate unit, or Demand Side Resources, including Demand Side Resources using Local Generators, that meet the eligibility criteria set forth in Rate Schedule 4 of this ISO Services Tariff and that can be started, synchronized and can change their output level within ten (10) minutes; and</u>
- 30-Minute Reserve: Synchronized Operating Reserves provided by Generators, except Behind-the-Meter Net Generation Resources that are comprised of more than one generating unit and dispatched as a single aggregate unit, and Demand Side Resources that are not Local Generators; or non-synchronized Operating Reserves provided by Generators, including the Generator of a BTM:NG ResourceBehind-the-Meter Net Generation Resources that are comprised of more than one generating unit and dispatched as a single aggregate unit, or Demand Side Resources that meet the eligibility criteria set forth in Rate Schedule 4 of this ISO Services Tariff and that can respond to instructions to change their output level within thirty (30) minutes, including starting and synchronizing to the NYS Power System.

(i) Off-line Generators that are capable of starting, synchronizing, and increasing their output level within ten (10) minutes and that meet the criteria set forth in the ISO Procedures, (ii)

Behind-the-Meter Net Generation Resources that are comprised of more than one generating unit and dispatched as a single aggregate unit that are capable of increasing their output level within ten (10) minutes, and, (iii) Demand Side Resources that are capable of reducing their Energy usage within ten (10) minutes-and, that meet the criteria set forth in the ISO Procedures, shall be eligible, to supply 10-Minute Non-Synchronized Reserve.

Section 15.4.1.2.3 – 30 Minute Reserve

(i) GeneratorsGenerators, except Behind-the-Meter Net Generation Resources that are comprised of more than one generating unit and dispatched as a single aggregate unit, that are ISO-Committed Flexible or Self-Committed Flexible and operating within the dispatchable portion of their operating range and Demand Side Resources, that are not Local Generators, that are capable of reducing their Energy usage within thirty (30) minutes shall be eligible to supply synchronized 30-Minute Reserves; (ii) . (i) Off-line Generators, not including Behind the Meter Net Generation Resources, that are capable of starting, synchronizing, and increasing their output level within thirty (30) minutes and that meet the criteria set forth in the ISO Procedures, and, (ii) Behind-the-Meter Net Generation Resources that are comprised of more than one generating unit and dispatched as a single aggregate unit that are capable of increasing their output level within thirty (30) minutes, and (iii) Demand Side Resources that are capable of reducing their Energy usage within thirty (30) minutes-and, that meet the criteria set forth in the ISO Procedures; shall be eligible to supply non-synchronized 30-Minute Reserves.