20.4   Allocation of Historic Fixed Price TCC Revenues

20.4.1   Overview of Historic Fixed Price TCC Revenues

Following the completion of each Centralized TCC Auction, the ISO shall allocate to the Transmission Owners the revenue paid by LSEs for HFPTCCs taking effect, either initially or as a renewal, in the Capability Period following such Centralized TCC Auction. Following the effective date of the tariff revisions implementing this Section 20.4, the ISO shall allocate to the Transmission Owners the revenue paid by LSEs for HFPTCCs$_{A\ E}$, as defined in Section 20.4.2.1, taking effect prior to the effective date of the tariff revisions implementing this Section 20.4 by using the methodology described in this Section 20.4 and by using the results of the Centralized TCC Auction that was run for the Capability Period in which such HFPTCCs took effect. To do so, the ISO shall for each set of HFPTCCs resulting from the conversion of an ETA listed in Attachment L of this OATT (each such HFPTCC in such set having the same POI and POW, effective date, and duration, and price), or in connection with the renewal thereof:

(i)   determine in accordance with Section 20.4.2 the HFPTCC revenue associated with each round of the one-year Sub-Auction of the Centralized TCC Auction,

(ii)   for each Transmission Owner, determine in accordance with Section 20.4.3 the HFPTCC Facility Flow-Based Methodology coefficient associated with each round of the one-year Sub-Auction of the Centralized TCC Auction, and

(iii)   allocate such revenue among the Transmission Owners in accordance with Section 20.4.4.

20.4.2   Calculation of Historic Fixed Price TCC Revenue Associated With a Round of a One-Year Sub-Auction

20.4.2.1   Calculation of Historic Fixed Price TCC Revenue Associated With a Round of a One-Year Sub-Auction for Historic Fixed Price TCCs with Points or Injections and Points of Withdrawals in or at Load Zones A, B, C, D, or E.

For a set of Historic Fixed Price TCCs with Points or Injections and Points of Withdrawals in or at Load Zones A, B, C, D, or E ("HFPTCCs$_{A\ E}$") taking effect, either initially or as a renewal, in the Capability Period following such Centralized TCC Auction, the ISO shall calculate the HFPTCC$_{A\ E}$ revenue associated with a round of the one-year Sub-Auction of a Centralized TCC Auction in accordance with Formula N-30. The HFPTCC$_{A\ E}$ revenue calculated pursuant to Formula N-30 that is associated with HFPTCCs taking effect or renewed after December 31, 2012 shall be zero.

Formula N-30

$$HFPTCCRevenue_{s,n} = \left[\sum_{k \in s} HFPTCCPmt_{k,s}\right] * RoundPct_n$$

Where,

HFPTCCRevenue$_{s,n}$ = For set s, the HFPTCC$_{A\ E}$ revenue associated with round n of the one-year Sub-Auction of a Centralized TCC Auction

s = A set of HFPTCCs$_{A\ E}$ the revenue from which is to be allocated, with each HFPTCC$_{A\ E}$ in such set having the same POI and POW, effective date, and duration

HFPTCCPmt~~rice~~$_{k,s}$ = The revenue received for ~~price of~~ individual HFPTCC$_{A\ E}$ k that is part of set s, as payable in accordance with Section 19.2.1.~~2~~3 of Attachment M by an LSE

RoundPct$_n$ = The percentage of the transmission capacity made available for sale as one-year TCCs in the Centralized TCC Auction that is made available for sale in round n, which is calculated as the ratio of (i) the percentage of transmission capacity made available to support the sale of one-year TCCs in round n to (ii) the percentage of transmission capacity made available to support the sale of TCCs in the one-year Sub-Auction of the Centralized TCC Auction, each as determined prior to that Centralized TCC Auction.

20.4.3 Calculation of HFPTCC Facility Flow-Based Methodology Coefficient

20.4.3.1 Calculation of HFPTCC$_{A\ E}$ Facility Flow-Based Methodology Coefficient

For a set of HFPTCCs$_{A\ E}$ taking effect, either initially or as a renewal, in the Capability Period following such Centralized TCC Auction, the ISO shall use the HFPTCC$_{A\ E}$ Facility Flow-Based Methodology to allocate to the Transmission Owners the revenue from such HFPTCCS$_{A\ E}$ associated with each round of the one-year Sub-Auction of a Centralized TCC Auction. For a set of such HFPTCCs$_{A\ E}$, the HFPTCC$_{A\ E}$ Facility Flow-Based Methodology coefficient for Transmission Owner t associated with round n of the one-year Sub-Auction of a Centralized TCC Auction shall be calculated pursuant to Formula N-31.

Formula N-31

$$HFPTCCFFB_{t,s,n} = \frac{\sum_{L \in L_{t,n}} \left| (1YrFlow_{L,n} - ModlYrFlow_{L,n,s})(Price_{y,L,n} - Price_{x,L,n}) * Share_{n,t,L} \right|}{\sum_{L \in L_n} \left| (1YrFlow_{L,n} - ModlYrFlow_{L,n,s})(Price_{y,L,n} - Price_{x,L,n}) \right|}$$

Where,

$HFPTCCFFB_{t,s,n}$ = For set s, the HFPTCC$_{A\ E}$ Facility Flow-Based Methodology coefficient for Transmission Owner t associated with round n of the one-year Sub-Auction of the Centralized TCC Auction

s = As defined in formula N-30

L_n = The set of all transmission facilities modeled in the Transmission System model for round n that are owned by the Transmission Owners

$L_{t,n}$ = The set of all transmission facilities owned by Transmission Owner t that are modeled in the Transmission System model applied in round n

L = A transmission facility from bus x to bus y

$1YrFlow_{L,n}$ = The Energy flow on transmission facility L in a Power Flow that includes all injections and withdrawals corresponding to the set of TCCs (including Fixed Price TCCs) and Grandfathered Rights represented in the solution to round n

$Mod1YrFlow_{L,n,s}$ = The Energy flow on transmission facility L in a Power Flow that includes all injections and withdrawals corresponding to the set of TCCs (including

Fixed Price TCCs) and Grandfathered Rights represented in the solution to round n, except for the injections and withdrawals corresponding to set s

$Price_{y,L,n}$ = The market clearing price at bus y on transmission facility L in the Optimal Power Flow solution to round n

$Price_{x,L,n}$ = The market clearing price at bus x on transmission facility L in the Optimal Power Flow solution to round n

$Share_{n,t,L}$ = The percentage of transmission facility L owned by Transmission Owner t on the effective date of the TCCs sold in round n.

20.4.4 Allocation of HFPTCC Revenue Associated With a Round of a One-Year Sub-Auction to Transmission Owners

For each set of HFPTCCs, the revenue from which is allocated to Transmission Owners pursuant to this Section 20.4.4, each Transmission Owner's share of revenue associated with round n allocated pursuant to this Section 20.4.4 shall be incorporated into its TSC or NTAC, as the case may be, in accordance with Attachment H of this OATT.

20.4.4.1 Allocation of HFPTCC$_{A\ E}$ Revenue Associated With a Round of a One-Year Sub-Auction to Transmission Owners

For a given set of HFPTCCs$_{A\ E}$ taking effect, either initially or as a renewal, in the Capability Period following a Centralized TCC Auction, each Transmission Owner's share of revenue associated with a given round, n, of the one-year Sub-Auction of such Centralized TCC Auction shall be calculated pursuant to Formula N-32.

Formula N-32

$$HFPTCCRevAlloc_{t,s,n} = HFPTCCRevenue_{s,n} * HFPTCCFFB_{t,s,n}$$

Field Code Changed is a margin annotation.

Where,

$HFPTCCRevAlloc_{t,s,n}$ = For set s, the HFPTCC$_{A\ E}$ revenue associated with a given round n of the one-year Sub-Auction of the Centralized TCC Auction that is to be allocated to Transmission Owner t

s = As defined in formula N-30

$HFPTCCRevenue_{s,n}$ = As defined in formula N-30

$HFPTCCFFB_{t,s,n}$ = As defined in formula N-31.