

4.2 External Interface Congestion Price Assignment

The RTC optimization will determine the External Interface Congestion at an External Proxy Bus for a CTS Enabled Interface if the net interchange schedule is limited in the RTC solution due to one or more of the following ~~three~~four reasons: (i) there are more economic transactions offered in a common direction (import or export) than the Transfer Limit of the External Proxy Bus can accommodate, or (ii) there are fewer economic transactions offered in a common direction (import or export) than the Transfer Limit requires, or (iii) the NYCA (system-wide) Ramp Limit prevents the RTC from scheduling one or more external transactions at the External Proxy Bus consistent with the economics of the underlying bids, or (iv) a Ramp Limit prevents the RTC from scheduling one or more external transactions consistent with the economics of the underlying bids (collectively, the “External Proxy Bus Constraints”).

Whenever an External Proxy Bus Constraint at a CTS Enabled Interface is limiting in the RTC optimization, the External Interface Congestion at the External Proxy Bus will be assigned, in whole or in part, as set forth below.

ISO-NE Limiting: If the RTC optimization is limited by a Transfer Limit determined by an ISO-NE Operating Reserve limitation, an ISO-NE minimum generation limitation, or an ISO-NE capacity deliverability limit, including when the Transfer Limit is adjusted in accordance with Section 5.4 of this Schedule D to accommodate the Ramp Limit while implementing one of these limitations, then the portion of the External Interface Congestion associated with the External Proxy Bus Constraint shall be assigned to ISO-NE.

NYISO Limiting: If the RTC optimization is limited by NYCA-wide Ramp Limits, then the portion of the External Interface Congestion associated with the External Proxy Bus Constraint shall be assigned to NYISO.

NYISO and ISO-NE Limiting: If the RTC optimization is limited by any Ramp Limit or Transfer Limit that is not specifically addressed in the “ISO-NE Limiting” or “NYISO Limiting” paragraphs above, or by any Transfer Limit or Ramp Limit that results from an operator override, as described in Section 5.2.5 of this Schedule D, the portion of the External Interface Congestion for a CTS Enabled Interface that is associated with an External Proxy Bus Constraint shall be assigned to both Parties equally.

The RTC solution may be limited by multiple External Proxy Bus Constraints simultaneously. If this occurs, the foregoing rules will apply to each External Proxy Bus Constraint.

If there are not sufficient CTS Interface Bid MWs offered to achieve a Transfer Limit, RTC will schedule the available MWs. In these circumstances, RTC will determine the External Interface Congestion at the External Proxy Bus based on the NYISO’s Transmission Shortage Costs as defined in the NYISO Tariff.

In order to provide consistent price signals between their respective real-time energy markets, the Parties shall each incorporate the foregoing process into the real-time settlement LMP at their External Proxy Bus for each CTS Enabled Interface.

ARTICLE V

5.0 CTS ENABLED INTERFACE OPERATING RULES

5.1 CTS Enabled Interface Ramp Limits

The default quarter-hour Ramp Limit for the NY/NE Northern AC Interconnection will be mutually agreed to by the Parties and posted on the NYISO's OASIS.

The default top-of-the-hour Ramp Limit for the NY/NE Northern AC Interconnection (for use when quarter-hour scheduling is unavailable) will be mutually agreed to by the Parties and posted on the NYISO's OASIS.

In real-time operations, when necessary to protect reliability, the Parties may mutually agree to temporarily change the Ramp Limit(s) at any CTS Enabled Interface. The Parties shall restore the modified Ramp Limit to the posted default Ramp Limit as soon as reliable system operations permit and it is practicable to do so.

5.2 Transfer Limits Reflecting Reliability Conditions

A Transfer Limit sets the [minimum or](#) maximum net interchange that can be scheduled on a CTS Enabled Interface in the RTC solution. Factors that can set the Transfer Limits include the following:

1. normal scheduling limits;
2. Operating Reserve limitations;
3. minimum generation limitations;
4. capacity requests;
5. operator overrides.