

Interchanges, if needed, and Reduce or Curtail Bilateral Transactions with non-Firm and Firm Transmission Service as needed for the Dispatch Hour for which the SCUC applies.

- 1.3f Base Point Signals:** Electronic signals sent from the ISO and ultimately received by Generators specifying the scheduled MW output for the Generator. Security Constrained Dispatch (“SCD”) Base Point Signals are typically sent to Generators on a nominal five (5) minute basis. AGC Base Point Signals are typically sent to Generators on a nominal six (6) second basis.

**1.3f.1 Basis Amount:** The greatest amount owed to the ISO for purchases of Energy and Ancillary Services in any month during the Prior Equivalent Capability Period, as adjusted by the ISO to reflect material changes in the extent of the Customer’s participation in the ISO-administered Energy and Ancillary Services Markets.

**1.3f.2 Basis Month:** The month during the Prior Equivalent Capability Period in which the amount owed by the Customer for Energy and Ancillary Services was greatest.

- 1.3g Bid/Post System:** An electronic information system used to allow the posting of proposed transmission schedules and Bids for Energy and Ancillary Services by Market Participants for use by the ISO and to allow the ISO to post Locational Based Marginal Prices and schedules.

- 1.3h Bid:** Offer to purchase and/or sell Energy, Transmission Congestion Contracts and/or Ancillary Services at a specified price that is duly submitted to the ISO pursuant to ISO Procedures.

**1.3h.1 Bid Component:** A component of the Operating Requirement, calculated in accordance with Article VI of Attachment W.

- 1.3i Bid Price:** The price at which the Supplier offering the Bid is prepared to provide the product or service, or the buyer offering the Bid is willing to pay to receive such product or service.

- 1.3j Bid Production Cost:** Total cost of the Generators required to meet Load and reliability Constraints based upon Bids corresponding to the usual measures of Generator production cost (e.g., running cost and Minimum Generation and Start-Up Bid).

**1.3k Bilateral Transaction:** A Transaction between two or more parties for the purchase and/or sale of Capacity, Energy, and/or Ancillary Services other than those in the ISO Administered Markets.

**1.3l Board of Directors (“Board”):** The governing body of the ISO which is comprised of ten (10) persons (Directors) that are unaffiliated with any Market Participants, as described in the ISO Agreement.

facilitate the operation of the NYS Transmission System.

- 1.5g Contingency:** An actual or potential unexpected failure or outage of a system component, such as a Generator, transmission line, circuit breaker, switch or other electrical element. A Contingency also may include multiple components, which are related by situations leading to simultaneous component outages.
- 1.5h Contract Establishment Date:** The date, listed in Attachment L, on which the listed existing agreements which are the source of Grandfathered Rights and Grandfathered TCCs were executed.
- 1.6 Control Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:
- (1) match, at all times, the power output of the Generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the Load within the electric power system(s);
  - (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
  - (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
  - (4) provide sufficient generating capacity to maintain Operating Reserves in accordance with Good Utility Practice.
- 1.6a Credit Assessment:** An assessment of a Customer's creditworthiness, conducted by the ISO in accordance with established procedures posted on the ISO's website, as they may be amended from time to time, accounting for the Customer's cash flow, liquidity, leverage and debt coverage, performance and profitability, contingent liabilities, and other factors including the Customer's level of activity in the ISO-administered markets.
- 1.7 Curtailment or Curtail:** A reduction in Firm or non-Firm Transmission Service in response to a transmission capacity shortage as a result of system reliability conditions.
- 1.7a Customer:** An entity which has complied with the requirements contained in the ISO Services Tariff, including having signed a Service Agreement, and is qualified to utilize the Market Services and the Control Area Services provided by the ISO under the ISO Services Tariff; provided, however, that a party taking services under the ISO Services Tariff pursuant to an unsigned Service Agreement filed with the Commission by the ISO shall be deemed a Customer.

service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Owner offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Owner. (ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Owner offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Owner, is an Eligible Customer under the Tariff.

**1.11a Emergency:** Any abnormal system condition that requires immediate automatic or manual action to prevent or limit loss of transmission facilities or Generators that could adversely affect the reliability of an electric system.

**1.11b Emergency State:** The state that the NYS Power System is in when an abnormal condition occurs that requires automatic or immediate, manual action to prevent or limit loss of the NYS Transmission System or Generators that could adversely affect the reliability of the NYS Power System.

**1.11c Energy (“MWh”):** A quantity of electricity that is Bid, produced, purchased, consumed, sold, or transmitted over a period of time, and measured or calculated in megawatt hours.

**1.11c.1 Energy and Ancillary Services Component:** A component of the Operating Requirement, calculated in accordance with Article VI of Attachment W.

**1.11c.2 Equivalency Rating:** A rating determined by the ISO, at a Customer’s request, based on the ISO’s financial evaluation of an Unrated Customer that shall serve as the starting point of the ISO’s determination of an amount of Unsecured Credit to be granted to the Customer, if any, as provided in Attachment W-1.

**1.11d Excess Congestion Rents:** Congestion revenues in the Day-Ahead Market for Energy collected by the ISO that are in excess of its Day-Ahead payment obligations. Excess Congestion Rents may arise if Congestion occurs in the Day-Ahead Market for Energy and if the Day-Ahead Transfer Capability of the Transmission System is not exhausted by the set of TCCs and Grandfathered Rights that have been allocated at the completion of the last Centralized TCC Auction.

- 1.11e Existing Transmission Agreement (“ETA”):** An agreement between two or more Transmission Owners, or between a Transmission Owner and another entity, as defined in this Tariff.
- 1.11f Existing Transmission Capacity for Native Load:** Transmission capacity identified on a Transmission Owner’s transmission system to serve the Native

between the Transmission Owners as described in Attachment N.

**1.14r Internal:** An entity (e.g., Supplier, Transmission Customer) or facility (e.g., Generator, Interface) located within the Control Area being referenced. Where a specific Control Area is not referenced, internal means the NYCA.

**1.14s Internal Transactions:** Purchases, sales or exchanges of Energy, Capacity or Ancillary Services where the Generator and Load are located within the NYCA.

**1.14t Interruptible Load Resources:** A Load that is obligated under a contract to be interrupted when required by the ISO. Such a Load must demonstrate that it is capable of quantifiable reduction in consumption in response to the ISO's instructions.

**1.15 Interruption:** A reduction in non-Firm Transmission service due to economic reasons pursuant to Section 14.7.

**1.15.1 Investment Grade Customer: A Customer that meets the criteria set forth in Article II of Attachment W.**

**1.15a Investor-Owned Transmission Owners :** At the present time these include: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

**1.15b ISO Administered Markets:** The Day-Ahead Market and the Real-Time Market (collectively the LBMP Markets) and any other market administered by the ISO.

**1.15c ISO Market Power Monitoring Program:** The monitoring program approved by the Commission and administered by the ISO designed to monitor the possible exercise of market power in ISO Administered Markets.

**1.15d ISO OATT (the "Tariff"):** The ISO Open Access Transmission Tariff.

**1.15e ISO Procedures:** The procedures adopted by the ISO in order to fulfill its responsibilities under the ISO OATT, the ISO Services Tariff and the ISO Related Agreements.

**1.27.1 Non-Investment Grade Customer:** A Customer that does not meet the criteria necessary to be an Investment Grade Customer, as set forth in Article II of Attachment W.

- 1.27a Non-Utility Generator (“NUG,” “Independent Power Producer” or “IPP”):** Any entity that owns or operates an electric generating facility that is not included in an electric utility’s rate base. This term includes, but is not limited to, cogenerators and small power producers and all other non-utility electricity producers, such as exempt wholesale generators that sell electricity.
- 1.27b Normal State:** The condition that the NYS Power System is in when the Transmission Facilities Under ISO Operational Control are operated within the parameters listed for Normal State in the Reliability Rules. These parameters include, but are not limited to, thermal, voltage, stability, frequency, operating reserve and Pool Control Error limitations.
- 1.27c Notification:** Informing the ISO of all changes in status of the Transmission Facilities Requiring ISO Notification. Notification includes the Transmission Owners informing the ISO of all changes in the status of the designated transmission facilities.
- 1.27d Nuclear Regulatory Commission (“NRC”):** Nuclear Regulatory Commission, or any successor thereto.
- 1.27e NYPA:** The Power Authority of the State of New York.
- 1.27f NYPA Transmission Adjustment Charge (“NTAC”):** A surcharge on all Energy Transactions designed to recover the Annual Transmission Revenue Requirement of NYPA which cannot be recovered through its TSC, TCCs, or other transmission revenues, including, but not limited to, its ETA revenues. This charge will be assessed to all Load statewide, as well as Transmission Customers in Wheels Through and Exports.
- 1.27g Off-Dispatch:** A Dispatchable Generator or Load that is not capable of responding to computer-issued ISO instructions but is capable of responding to ISO orders relayed by telephone.
- 1.27h Off-Peak:** The hours between 11:00 p.m. and 7:00 a.m., prevailing Eastern Time, Monday through Friday, and all day Saturday and Sunday, and NERC-defined holidays, or as otherwise decided by ISO.

- 1.27i On-Dispatch:** A dispatchable Generator or Load that is capable of responding to computer-issued ISO instructions.
- 1.27j On-Peak:** The hours between 7:00 a.m. and 11:00 p.m. inclusive, prevailing Eastern Time, Monday through Friday, except for NERC-defined holidays, or as otherwise decided by the ISO.
- 1.28 Open Access Same-Time Information System (“OASIS”):** The information system and standards of conduct contained in Part 37 of the Commission’s regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.
- 1.28a Operating Capacity:** Capacity that is readily converted to Energy and is measured in MW.
- 1.28b Operating Committee:** A standing committee of the ISO created pursuant to the ISO Agreement, which coordinates operations, develops procedures, evaluates proposed system expansions and acts as a liaison to the NYSRC.

**1.28b.1 Operating Requirement:** The amount calculated in accordance with Article VI of Attachment W.

- 1.28c Operating Reserves:** Generator Capacity that is available to supply Energy, or Interruptible Load Resources that are available to Curtail Energy usage, in the event of Contingency conditions, which meet the requirements of the ISO. Operating Reserves include spinning reserves, non-synchronized 10-minute reserves, and thirty-minute reserves.
- 1.28d Operating Study Power Flow:** A Power Flow analysis that is performed at least once before each Capability Period that is used to determine each Interface Transfer Capability for the Capability Period (See Attachment M).
- 1.28e Operational Control:** Directing the operation of the Transmission Facilities Under ISO Operational Control to maintain these facilities in a reliable state, as defined by the Reliability Rules. The ISO shall approve operational decisions concerning these facilities, made by each Transmission Owner before the Transmission Owner implements those decisions. In accordance with ISO Procedures, the ISO shall direct each Transmission Owner to take certain actions to restore the system to the Normal State. Operational Control includes security



External Control Area to another External Control Area at the market-determined Transmission Usage Charge. Pre-Scheduled Transaction Requests accepted for scheduling reserve Ramp Capacity and Transfer Capability and receive priority scheduling in the LBMP Market.

**1.35f.2 Pre-Scheduled Transaction.** A Transaction accepted for scheduling in the designated LBMP Market pursuant to a Pre-Scheduled Transaction Request. Pre-Scheduled Transactions may be withdrawn only with the approval of the ISO pursuant to the ISO Procedures.

**1.35f.3 Prior Equivalent Capacity Period:** The previous same-season Capability Period.

**1.35g Proxy Generator Bus:** A Generator bus located outside the NYCA that is by the ISO to represent a typical bus in an adjacent Control Area and for which LBMP prices are calculated.

- 1.42.01 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.
- 1.42a Storm Watch:** Actual or anticipated severe weather conditions under which region-specific portions of the NYS Transmission System are operated in a more conservative manner by reducing transmission transfer limits.
- 1.42b Strandable Costs:** Prudent and verifiable expenditures and commitments made pursuant to a Transmission Owner's legal obligations that are currently recovered in the Transmission Owner's retail or wholesale rate that could become unrecoverable as a result of a restructuring of the electric utility industry and/or electricity market, or as a result of retail-turned-wholesale customers, or customers switching generation or transmission service suppliers.
- 1.42c Stranded Investment Recovery Charge ("SIRC"):** A charge established by a Transmission Owner to recover Strandable Costs.
- 1.42d Supplier:** A Party that is supplying the Capacity, Energy and/or associated Ancillary Services to be made available under the ISO OATT or the ISO Services Tariff, including Generators and Demand Side Resources that satisfy all applicable ISO requirements.
- 1.42e Supplemental Resource Evaluation ("SRE"):** A determination of the least cost selection of additional Generators, which are to be committed loaded, to meet changed conditions that may cause the original system dispatch to be inadequate to meet Load and/or reliability requirements.
- 1.43 System Impact Study:** An assessment by the ISO of (i) the adequacy of the NYS Transmission System to accommodate a request to build facilities in order to create incremental transfer capability, resulting in incremental TCCs, in connection with a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service; and (ii) the additional costs to be incurred in order to provide the incremental transfer capability.
- 1.43a Tangible Net Worth:** The value, determined by the ISO, of all of a Customer's assets less both: (i) the amount of the Customer's liabilities and (ii) all of the Customer's intangible assets, including, but not limited to, patents, trademarks, franchises, intellectual property, and goodwill.

- 1.44 Third Party Sale:** Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

**1.44a Third Party Transmission Wheeling Agreements (“Third Party TWAs”):** A Transmission Wheeling Agreement, as amended, between Transmission Owners or between a Transmission Owner and an entity that is not a Transmission Owner associated with the purchase (or sale) of Energy, Capacity, and/or Ancillary Services for the benefit of an entity that is not a Transmission Owner. These agreements are listed in Attachment L, Table 1A and 1B.

**1.44b Total Transfer Capability (“TTC”):** The amount of electric power that can be transferred over the interconnected transmission network in a reliable manner.

**1.44c Transaction:** The purchase and/or sale of Energy or Capacity, or the sale of Ancillary Services.

**1.44d Transfer Capability:** The measure of the ability of interconnected electrical systems to reliably move or transfer power from one area to another over all transmission facilities (or paths) between those areas under specified system conditions.

**1.44d.1 Transmission Congestion Contract Component (“TCC Component”):** A component of the Operating Requirement, calculated in accordance with Article VI of Attachment W.

**1.44e Transmission Congestion Contracts (“TCCs”):** The right to collect or obligation to pay Congestion Rents in the Day-Ahead Market for Energy associated with a single MW of transmission between a specified POI and POW. TCCs are financial instruments that enable Energy buyers and sellers to hedge fluctuations in the price of transmission.

**1.45 Transmission Customer:** Any Eligible Customer (or its designated agent) that (i) executes a Service Agreement, or (ii) requests in writing that the ISO file with the Commission a proposed unexecuted Service Agreement to receive Transmission Service under Part II, III and/or IV of the Tariff.

**1.45a Transmission District:** The geographic area served by the Investor-Owned Transmission Owners and LIPA, as well as the customers directly interconnected with the transmission facilities of the Power Authority of the State of New York.

**1.45b Transmission Facility Agreement:** The agreements listed in Attachment L, Table 2 of the ISO OATT governing the use of specific or designated transmission facilities charges all, or a portion, of the costs to install, own, operate, or maintain

Transmission Owners and others, that are found to meet all applicable criteria.

- 1.47b Transmission Reliability Margin (“TRM”):** The amount of TTC reserved by the ISO to ensure the interconnected transmission network is secure under a reasonable range of uncertainties in system conditions.
- 1.48 Transmission Service:** Point-To-Point, Network Integration or Retail Access Transmission Service provided under Parts II, III and IV of the Tariff.
- 1.48a Transmission Service Charge (“TSC”):** A charge designed to ensure recovery of the embedded cost of a Transmission Owner’s transmission system.
- 1.49 Transmission System:** The facilities operated by the ISO that are used to provide Transmission Services under Part II, Part III or Part IV of this Tariff.
- 1.49a Transmission Usage Charge (“TUC”):** Payments made by the Transmission Customer to cover the cost of Marginal Losses and, during periods of time when the transmission system is Constrained, the marginal cost of Congestion. The TUC is equal to the product of: (1) the LBMP at the POW minus the LBMP at the POI (in \$/MWh); and (2) the scheduled or delivered Energy (in MWh).
- 1.49b Transmission Wheeling Agreement (“TWA”):** The agreements listed in Tables 1A and 1B of Attachment L to the ISO OATT governing the use of specific or designated transmission facilities that are owned, controlled or operated by an entity for the transmission of Energy in interstate commerce.

**1.49b.1 UCAP Component:** A component of the Operating Requirement, calculated in accordance with Article VI of Attachment W.

**1.49b.2 Unrated Customer:** A Customer that does not currently have a senior long-term unsecured debt rating or issuer rating from Standard & Poor’s, Moody’s, Fitch, or Dominion, and that has not received an ISO Equivalency Rating.

**1.49b.3 Unsecured Credit:** A basis for satisfying part or all of a Customer’s Operating Requirement on the basis of the Customer’s creditworthiness. The amount of a Customer’s Unsecured Credit shall be determined in accordance with Article IV of Attachment W.

- 1.49c Voting Share:** The method used in the ISO Agreement to allocate voting rights among the members of the Management Committee. The formula for calculating a Party's Voting Share is provided in the ISO Agreement.
- 1.49d Wheels Through:** Transmission Service, originating in another Control Area, that is wheeled through the NYCA to another Control Area.
- 1.49e 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