

2.10 Balancing Market Evaluation (“BME”)

An evaluation performed for the hour in which the dispatch occurs. The BME begins no more than ninety (90) minutes before the beginning of the hour in which dispatch occurs pursuant to ISO Procedures. Based upon the Day-Ahead commitment and updated Load forecasts and Generator schedules, BME will assess new Bids for the Locational Based Marginal Pricing (“LBMP”) Markets and requests for new Bilateral Transaction schedules for the Dispatch Hour to which the SCUC applies. BME will redispatch Internal Generators, schedule External Generators, schedule new Bilateral Transactions if feasible, update Desired Net 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.

2.11 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.

2.11a 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.

2.11b 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.

2.12 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 LBMPs and schedules.

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2.13 Bid

Offer to purchase and/or sell Energy, Demand Reductions, Transmission Congestion Contracts and/or Ancillary Services at a specified price that is duly submitted to the ISO pursuant to ISO Procedures.

2.13a Bid Component

A component of the Operating Requirement, calculated in accordance with Article VI of Attachment K.

2.14 Bid Price

The price at which the Customer offering the Bid is willing to provide the product or service, or is willing to pay to receive such product or service, as applicable.

2.15 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).

2.15a Bidder

An entity that bids to purchase Unforced Capacity in an Installed Capacity auction.

2.16 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.

2.32b Control Performance

A standard for measuring the degree to which a Control Area is providing Regulation and Frequency Response Service in conformance with NERC requirements.

2.32c Controllable Transmission

Any Transmission facility over which power-flow can be directly controlled by power-flow control devices without having to re-dispatch generation.

2.32d 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.

2.33 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.

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2.49b Equivalent Demand Forced Outage Rate

The portion of time a unit is in demand, but is unavailable due to forced outages.

2.49c Excess Amount

The difference, if any, between the dollar amounts charged to purchasers of Unforced Capacity in an ISO-administered Unforced Capacity auction and the dollar amounts paid to sellers of Unforced Capacity in that ISO-administered Installed Capacity auction.

2.49d Energy and Ancillary Component

A component of the Operating Requirement, calculated in accordance with Article VI of Attachment K.

2.49e 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 K-1.

2.50 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

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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.

2.51 Existing Transmission Capacity for Native Load ("ETCNL")

Transmission Capacity reserved on a Transmission Owner's transmission system to serve the Native Load Customers of the current Transmission Owners (as of the filing date of the original ISO Tariff - January 31, 1997). This includes transmission Capacity required: (1) to deliver the output from operating facilities located out of a Transmission Owner's Transmission District; (2) to deliver power purchased under power supply contracts; and (3) to deliver power purchased under third party agreements (i.e., Non-Utility Generators). Existing Transmission Capacity for Native Load is listed in Attachment L of the ISO OATT.

2.78 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.

2.79 Internal Transactions

Purchases, sales or exchanges of Energy, Capacity or Ancillary Services where the Generator and Load are located within the NYCA.

2.80 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.

2.80.1 Investment Grade Customer

A Customer that meets the criteria set forth in Article II of Attachment K.

2.80a 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.

2.81 ISO Administered Markets

The Day-Ahead Market and the Real-Time Market (collectively the "LBMP Markets") and any other market administered by the ISO.

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2.112 New York State Power System ("NYS Power System")

All facilities of the NYS Transmission System, and all those Generators located within the NYCA or outside the NYCA, some of which may from time-to-time be subject to operational control by the ISO.

2.113 New York State Reliability Council ("NYSRC")

An organization established by agreement among the Member Systems to promote and maintain the reliability of the NYS Power System.

2.114 New York State Reliability Council Agreement ("NYSRC Agreement")

The agreement which established the NYSRC.

2.115 New York State Transmission System ("NYS Transmission System")

The entire New York State electric transmission system, which includes: (1) the Transmission Facilities Under ISO Operational Control; (2) the Transmission Facilities Requiring ISO Notification; and (3) all remaining transmission facilities within the NYCA.

2.116 Non-Firm-Point-To-Point Transmission Service

Point-To-Point Transmission Service under the Tariff for which a Customer is not willing to pay Congestion. Such service is available absent constraint under Part II of this Tariff.

Non-Firm-Point-To-Point Transmission Service is available on a stand-alone basis for individual one-hour periods not to exceed twenty-four (24) consecutive hours.

2.116a 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 K.

2.126 On-Peak

The hours between 7 a.m. and 11 p.m. inclusive, prevailing Eastern Time, Monday through Friday, except for NERC-defined holidays, or as otherwise decided by the ISO.

2.127 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.

2.128 Operating Capacity

Capacity that is readily converted to Energy and is measured in MW.

2.128a 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.

2.128b Operating Data

Pursuant to Section 5.12.5 of this Tariff, Operating Data shall mean GADS Data, data equivalent to GADS Data, CARL Data, metered Load data, or actual system failure occurrences data, all as described in the ISO Procedures.

2.128c Operating Requirement

The amount calculated in accordance with Article VI of Attachment K.

Auction revenues to Primary Owners or Primary Holders who released the TCCs into the Auction (in accordance with Attachments K and M to the ISO OATT).

2.148a Prior Equivalent Capability Period

The previous same-season Capability Period.

2.149 Proxy Generator Bus

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

2.150 PSC

The Public Service Commission of the State of New York or any successor agency thereto.

2.151 PSL

The New York Public Service Law, Public Service Law § 1 et seq. (McKinney 1989 & Supp. 1997-98).

2.151a Ramp Capacity

The amount of change in the Desired Net Interchange that generation located in the NYCA can support at any given time. Ramp capacity may be calculated for all Interfaces between the NYCA and neighboring Control Areas as a whole or for any individual Interface between the NYCA and an adjoining Control Area.

2.152 Reactive Power (MVar)

The product of voltage and the out-of-phase component of alternating current. Reactive Power, usually measured in MVar, is produced by capacitors (synchronous condensers) and over-excited Generators and absorbed by reactors or under-excited Generators and other inductive devices including the inductive portion of Loads.

2.153 Real Power Losses

The loss of Energy, resulting from transporting power over the NYS Transmission System, between the Point of Injection and Point of Withdrawal of that Energy.

2.177a System Resource

A portfolio of Unforced Capacity provided by Resources located in a single ISO-defined Locality, the remainder of the NYCA, or any single External Control Area, that is owned by or under the control of a single entity, which is not the operator of the Control Area where such Resources are located, and that is made available, in whole or in part, to the ISO.

2.177b 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.

2.178 Third Party Transmission Wheeling Agreements ("Third Party TWAs")

A Transmission Wheeling Agreement, as amended, between Transmission Owner 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 Table 1 of Attachment L to the ISO OATT.

2.179 Total Transfer Capability ("TTC")

The amount of electric power that can be transferred over the interconnected transmission network in a reliable manner.

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2.180 Transaction

The purchase and/or sale of Energy or Capacity, or the sale of Ancillary Services.

2.181 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.

2.181a Transmission Congestion Contract Component (“TCC Component”)

A component of the Operating Requirement, calculated in accordance with Article VI of Attachment K.

2.182 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.

2.183 Transmission Customer

Any entity (or its designated agent) that receives Transmission Service pursuant to a Service Agreement and the terms of the ISO OATT.

2.184 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.

2.185 Transmission Facilities Under ISO Operational Control

The transmission facilities of the Transmission Owners listed in Appendix A-1 of the ISO/TO Agreement, "Listing of Transmission Facilities Under ISO Operational Control," that are subject to the Operational Control of the ISO. This listing may be amended from time-to-time as specified in the ISO/TO Agreement.

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interface to a NYCA Locality (i.e., an area of the NYCA in which a minimum amount of Installed Capacity must be maintained). When combined with Unforced Capacity which is located in an External Control Area or non-constrained NYCA region either by contract or ownership, and which is deliverable to the NYCA interface with the UDR transmission facility, UDRs allow such Unforced Capacity to be treated as if it were located in the NYCA Locality, thereby contributing to an LSE's Locational Installed Capacity Requirement. To the extent the NYCA interface is with an External Control Area the Unforced Capacity associated with UDRs must be deliverable to the Interconnection Point.

2.194a.1 UCAP Component

A component of the Operating Requirement, calculated in accordance with Article VI of Attachment K.

2.194a.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.

2.194a.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 K.

2.194b Virtual Transaction

Any bid to purchase or offer to sell Energy in the Day-Ahead LBMP market submitted at the load bus specified for Virtual Transactions.

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