Available Reserves: For purposes of determining the Real-Time Locational Based Marginal Price in any Real-Time Dispatch interval: the capability of all Suppliers ~~that submit Incremental Energy Bids to provide Spinning Reserves, Non-Synchronized 10-Minute Reserves, and/or 30-Minute Reserves~~ to provide Operating Reserves in that interval and in the relevant location, minus the quantity of ~~recallable External ICAP Energy sales~~ scheduled Operating Reserves in that interval.

5.12.11.1 . . . .

Provided the Responsible Interface Party supplies evidence of such reductions in 75 days, the ISO shall pay the Responsible Interface Party that, through their Special Case Resources, caused a verified Load reduction in response to (i) an ISO request to perform due to a ~~F~~forecast ~~R~~reserve ~~S~~shortage (ii) an ISO declared Major Emergency State, (iii) an ISO request to perform made in response to a request for assistance for Load relief purposes or as a result of a Local Reliability Rule, or (iv) a test called by the ISO, for such Load reduction, in accordance with ISO Procedures.

17.1.2 Real-Time LBMP Calculation Procedures

For each RTD interval, the ISO shall use the procedures described below in Sections 17.1.2.1-17.1.2.1.~~5~~4 to calculate Real-Time LBMPs at each Load Zone and Generator bus. The LBMP bus and zonal calculation procedures are described in Sections 17.1.1 and 17.1.5 of this Attachment B, respectively. Procedures governing the calculation of LBMPs at Proxy Generator Buses are set forth below below in Section 17.1.6 of this Attachment B. In addition, when certain scarcity conditions exist, as defined ~~in the table~~ below, the ISO shall employ the special scarcity pricing rules described in Section~~s~~ 17.1.2.2 ~~and 17.1.2.3~~. The NYISO shall use the scarcity

pricing rule described in 17.1.2.2. for each interval in which EDRP/SCR Resources have been called in one or more Load Zones due to a reliability need and the aggregate of Available Reserves in the Load Zone(s) in which the reliability need was identified are less than the number of EDRP/SCR MWs called for that event.

~~SCR/EDRP NYCA Called and Needed~~	~~SCR/EDRP East Called and Needed~~	~~Scarcity Pricing Rule to be Used in the West~~	~~Scarcity Pricing Rule to be Used in the East~~
~~NO~~	~~NO~~	~~NONE~~	~~NONE~~
~~NO~~	~~YES~~	~~NONE~~	~~B~~
~~YES~~	~~NO~~	~~A~~	~~A~~
~~YES~~	~~YES~~	~~A~~	~~A~~

~~Where:~~	
~~SCR/EDRP NYCA, Called and Needed~~	~~Is "YES" if the ISO has called SCR/EDRP resources and determined that, but for the Expected Load Reduction, the Available Reserves would have been less than the NYCA requirement for total 30-Minute Reserves; or is "NO" otherwise.~~
~~SCR/EDRP East, Called and Needed~~	~~Is "YES" if the ISO has called SCR/EDRP from resources located East of Central-East and determined that, but for the Expected Load Reduction, the Available Reserves located East of Central-East would have been less than the requirement for 10-Minute Reserves located East of Central-East; or is "NO" otherwise.~~

~~Pricing Rule West~~	~~Identifies the scarcity pricing rule that will be used, if applicable, to determine the LBMP, the Congestion Component of LBMP, and the Marginal Losses Component of LBMP for all buses and Load Zones located West of Central-East, including the Reference Bus.~~
~~Pricing Rule East~~	~~Identifies the scarcity pricing rule that will be used, if applicable, to determine the LBMP, the Congestion Component of LBMP, and the Marginal Losses Component of LBMP for all buses and Load Zones located East of Central-East.~~

[Section 17.1.2.1 remains but is not restated here]

17.1.2.2 Scarcity Pricing Rule ~~"A"~~

The ISO shall implement the following price calculation procedures for intervals when certain scarcity ~~pricing rule "A" is applicable~~ conditions exist as described in Section 17.1.2.

17.1.2.2.1 Except as noted in 17.1.2.2.2 below:

- The system marginal price at the Reference Bus shall be set pursuant to Section ~~17.1.1~~ 17.1.2.1 of this Attachment B if the identified reliability need is not in Load Zone E. If the reliability need is in Load Zone E or in a set of Load Zones that includes Load Zone E, the system marginal price at the Reference Bus shall be the maximum Minimum Payment Nomination.

~~(λ_R, as defined in Section 17.1.1 of this Attachment B) at~~

~~the Reference Bus shall be determined by dividing the lowest offer price at which the quantity of Special Case Resources offered is equal to~~

~~$RREQ_{NYCA} - (RACT_{NYCA} - ELR_{NYCA})$, or $500/MWh if the total quantity of Special~~

~~Case Resources offered is less than $RREQ_{NYCA}$ – ($RACT_{NYCA}$ – ELR_{NYCA}), by the weighted average of the delivery factors produced by RTD that the ISO uses in its calculation of prices for Load Zone J in that RTD interval,~~

~~where:~~

~~· $RACT_{NYCA}$ equals the quantity of Available Reserves in the RTD interval;~~

~~· $RREQ_{NYCA}$ equals the 30-Minute Reserve requirement set by the ISO for the NYCA; and~~

~~· ELR_{NYCA} equals the Expected Load Reduction in the NYCA from the Emergency Demand Response Program and Special Case Resources in that RTD interval.~~

- The Marginal Losses Component of the LBMP at each location shall be calculated as the product of the ~~LBMP~~ system marginal price at the Reference Bus produced by RTD and a quantity equal to the delivery factor produced by RTD for that location minus one as defined in Section 17.1.1 of this Attachment

The Congestion Component of the LBMP at each location ~~shall be set to zero~~ in ~~the~~ a Load Zone(s) in which the reliability need was identified shall be set to the maximum Minimum Payment Nomination minus the system marginal price at the Reference Bus calculated pursuant to this Section ~~17.1.2.2~~ 17.1.2.2.1.

- The Congestion Component of the LBMP at all other locations shall be set equal to Congestion Component for that location produced by RTD minus the result of subtracting: i) the system marginal price at the Reference Bus produced by RTD, from ii) the system marginal price at the Reference Bus calculated pursuant to this Section ~~17.1.2.2~~ **17.1.2.2.1**
- The LBMP at each location shall be as defined in Section 17.1.1 of this Attachment: the sum of the Marginal Losses Component of the LBMP at that location, plus the

Congestion Component of the LBMP at that location, plus the LBMP at the Reference Bus.

17.1.~~1~~.2.2.2 However, the ISO shall not use ~~this procedure~~ the pricing rules of Section ~~17.1.2.2~~ **17.1.2.2.1** to set the LBMP for any location lower than the LBMP for that Load Zone or Generator bus calculated pursuant to Section 17.1.2.1, above. In cases in which the ~~procedures described~~ pricing in Section ~~17.1.2.2~~ **17.1.2.2.1** above would cause this rule to be violated:

- The LBMP at each location (including the Reference Bus) shall be set to the greater of the LBMP calculated for that location pursuant to Section 17.1.2.1 of this Attachment B; or the LBMP calculated for that location using the scarcity pricing rule ~~"A procedures~~ established in Section ~~17.1.2.2~~ **17.1.2.2.1**.
- The Marginal Losses Component of the LBMP at each location shall be calculated as the product of the ~~LBMP~~ system marginal price at the Reference Bus produced by RTD and a quantity equal to the delivery factor produced by RTD for that location minus one.
- The Congestion Component of the LBMP at each location shall be calculated as the LBMP at that location, minus the LBMP at the Reference Bus, minus the Marginal Losses Component of the LBMP at that location.