September 30 Draft

New York Independent System Operator, Inc.
FERC Electric Tariff
Original Volume No. 2
Attachment J

Substitute Original Sheet No. 486
Superseding Original Sheet No. 486

ATTACHMENT J

DETERMINATION OF DAY-AHEAD MARGIN ASSURANCE PAYMENTS

1.0   General Rule

Except as noted below, if an eligible Supplier is forced to buy out of a Day-Ahead Energy, Regulation Service or Operating Reserve schedule at a loss that Supplier shall receive a Day-Ahead Margin Assurance Payment. The purpose of such payments will be to protect Suppliers' Day-Ahead Margins associated with real-time reductions after accounting for: (i) any real-time profits associated with offsetting increases in real-time Energy, Regulation Service, or Operating Reserve Schedules; and (ii) any Supplier-requested real-time de-rate granted by the ISO.

2.0   Eligibility for Receiving Day-Ahead Margin Assurance Payments

The following categories of Suppliers shall be eligible to receive Day-Ahead Margin Assurance Payments: (i) all Self-Committed Flexible and ISO-Committed Flexible Generators that are online and dispatched by RTD; (ii) any Supplier that is scheduled out of economic merit order by the ISO in response to an ISO or Transmission Owner system security need or to permit the ISO to procure additional Operating Reserves; and (iii) any Supplier that is derated or decommitted by the ISO in response to an ISO or Transmission Owner system security need or to permit the ISO to procure additional Operating Reserves.

3.0   Calculation of Day-Ahead Margin Assurance Payments

Day-Ahead Margin Assurance Payments for Suppliers shall be determined using the following equations:

$$DMAP_{hu} = \max\left(0, \sum_{i \in h} CDMAP_{iu}\right) \text{ where:}$$

$$CDMAP_{iu} = CDMAPen_{iu} + CDMAPres_{iu} + CDMAPreg_{iu}, \text{ and}$$

If the Supplier's real-time Energy schedule is lower than its Day-Ahead Energy schedule then:

$$CDMAPen_{iu} = \left\{ \begin{array}{c} \left[DASen_{hu} - \max(RTSen_{iu}, AEI_{iu})\right] \times RTPen_{iu} \\ - \int_{LL_{iu}}^{DASen_{hu}} DABen_{hu} \end{array} \right\} * \frac{Seconds_i}{3600},$$

If the Supplier's real-time Energy schedule is greater than or equal to its Day-Ahead Energy schedule then:

$$CDMAPen_{iu} = MIN\left(\left\{ \begin{array}{c} \left[DASen_{hu} - \max(RTSen_{iu}, AEI_{iu})\right] \times RTPen_{iu} \\ + \int_{DASen_{hu}}^{LL_{iu}} DABen_{hu} \end{array} \right\} * \frac{Seconds_i}{3600}, 0 \right)$$

If the Supplier's real-time schedule for a given Operating Reserve product is lower than its Day-Ahead Operating Reserve schedule for that product then:

$$CDMAPres_{iu} = \left[(DASres_{hu} - RTSres_{iu}) \times (RTPres_{iu} - DABres_{hu})\right] * \frac{Seconds_i}{3600}$$

If the Supplier's real-time schedule for a given Operating Reserve product is greater than or equal to its Day-Ahead Operating Reserve schedule for that product then:

$$CDMAPres_{iu} = \left[(DASres_{hu} - RTSres_{iu}) \times (RTPres_{iu})\right] * \frac{Seconds_i}{3600}$$

If the Supplier's real-time Regulation Service schedule is less than its Day-Ahead Regulation Service schedule then:

$$CDMAPreg_{iu} = \left[(DASreg_{hu} - RTSreg_{iu}) \times (RTPreg_{iu} - DABreg_{hu})\right] * \frac{Seconds_i}{3600}$$

If the Supplier's real-time Regulation Schedule is greater than or equal to the Day-Ahead Regulation Service schedule then:

$$CDMAPreg_{iu} = \left[(DASreg_{hu} - RTSreg_{iu}) \times MAX((RTPreg_{iu} - RTBreg_{iu}), 0)\right] * \frac{Seconds_i}{3600};$$

where:

$DMAP_{hu}$ = the Day-Ahead Margin Assurance Payment attributable in any hour h to any Supplier u;

$CDMAP_{iu}$ = the contribution of RTD interval i to the Day-Ahead Margin Assurance Payment for Supplier u;

$CDMAPen_{iu}$ = the Energy contribution of RTD interval i to the Day-Ahead Margin Assurance Payment for Supplier u;

$CDMAPreg_{iu}$ = the Regulation Service contribution of RTD interval i to the Day-Ahead Margin Assurance Payment for Supplier u;

$CDMAPres_{iu}$ = the Operating Reserve contribution of RTD interval i to the Day-Ahead Margin Assurance Payment for Supplier u determined separately for each Operating Reserve product;

$DASen_{hu}$ = Day-Ahead Energy schedule for Supplier u in hour h;

$DASreg_{hu}$ = Day-Ahead schedule for Regulation Service for Supplier u in hour h;

$DASres_{hu}$ = Day-Ahead schedule for Operating Reserve for Supplier u in hour h determined separately for each Operating Reserve product;

$DABen_{hu}$ = Day-Ahead Energy bid curve for Supplier u in hour h;

$DABreg_{hu}$ = Day-Ahead Availability Bid for Regulation Service for Supplier u in hour h;

$DABres_{hu}$ = Day-Ahead Availability Bid for Operating Reserve for Supplier u in hour h for each Operating Reserve product;

$RTSen_{iu}$ = Real-time Energy scheduled for Supplier u in interval i, and calculated as the arithmetic average of the 6-second AGC Base Point Signals sent to Supplier u during the course of interval i;

$RTSreg_{iu}$ = Real-time schedule for Regulation Service for Supplier u in interval i.

$RTSres_{iu}$ = Real-time schedule for Operating Reserve for Supplier u in interval i for each Operating Reserve product.

$RTBreg_{iu}$ = Real-time Availability Bid for Regulation Service for Supplier u in interval i.

AEI_{iu} = average Actual Energy Injection by Supplier u in interval i;

$RTPen_{iu}$ = real-time price of Energy at the location of Supplier u in interval i;

$RTPreg_{iu}$ = real-time price of Regulation Service at the location of Supplier u in interval i;

$RTPres_{iu}$ = real-time price of Operating Reserve at the location of Supplier u in interval i defined for each Operating Reserve product;

LL_{iu} = max (RTS_{iu}, AEI_{iu}), but not more than $DASen_{hu}$;

and

$Seconds_i$ = number of seconds in interval i.

The value of RTS_{iu}, in the equation above shall be determined using an arithmetic average of the AGC Base Point Signals sent to a Supplier over the course of a given RTD interval.

The AGC Base Point Signal for a Generator that is not providing Regulation Service during a given RTD interval shall be initialized by either: (i) the Generator's last AGC Base Point Signal from the prior RTD interval; or (ii) the Generator's actual metered generation at the time new RTD Base Point Signals are received by the ISO's AGC software, whichever is closer to the Generator's new RTD Base Point Signal. AGC Base Point Signals for a Generator that is not providing Regulation Service will ramp evenly over the course of the RTD interval starting at the initialized AGC Base Point Signal and ending at the level of its new RTD Base Point Signal. AGC Base Point Signals for Generators providing Regulation Service during a given RTD interval are determined based on the ISO's need to minimize the NYCA area control error.

Issued by: William J. Museler, President   Effective: January 31, 2003
Issued on: March 31, 2003
Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER03-238-000, issued
January 30, 2003, 102 FERC ¶ 61,096 (2003).
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4.0 Exception for Suppliers Lagging Behind RTD Base Point Signals

Suppliers that do not respond to or that lag behind the ISO's RTD Base Point Signals in a given interval, as determined below, shall not be eligible for Day-Ahead Margin Assurance Payments for that interval. If a Supplier's average Actual Energy Injection in an RTD interval (*i.e.*, its Actual Energy Injections averaged over the RTD interval) is less than or equal to its penalty limit for under-generation value for that interval, as computed below, it shall not be eligible for Day-Ahead Margin Assurance Payments in that interval.

The penalty limit for under-generation value is the tolerance described in Section 1.0 of Rate Schedule 3-A of this ISO Services Tariff, which is used in the calculation of the persistent under-generation charge applicable to Suppliers that are not providing Regulation Service.

5.0   Rules Applicable to Generator Derates

Generators that request and are granted a derate of their real-time Operating Capacity, but

that are otherwise eligible to receive a Day-Ahead Margin Assurance Payment may receive a

payment up to a Capacity level consistent with their revised Emergency Upper Operating Limit

or Normal Upper Operating Limit, which ever is applicable. If a Generator's

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derated real-time Operating Capacity is lower than the sum of its Day-Ahead Energy, Regulation

Services and Operating Reserve schedules then when the ISO conducts the calculations

described in Section 3.0 above, the DAS_{en}, DAS_{reg} and DAS_{res} variables will be reduced by

RED_{en}, RED_{reg} and RED_{res} respectively. RED_{en}, RED_{reg} and RED_{res} shall be calculated using

the formulas below: $REDtot_{iu} = RTUOL_{iu} - DASen_{hu} - DASreg_{hu} - DASres_{hu}$

$POTREDen_{iu} = max(DASen_{hu} - RTSen_{iu}, 0)$

$POTREDreg_{iu} = max(DASreg_{hu} - RTSreg_{iu}, 0)$

$POTREDres_{iu} = max(DASres_{hu} - RTSres_{iu}, 0)$

$REDen_{iu} = ((POTREDen_{iu}/(POTREDen_{iu}+ POTREDreg_{iu}+ POTREDres_{iu}))*REDtot_{iu}$

$REDreg_{iu} = ((POTREDreg_{iu}/(POTREDen_{iu}+ POTREDreg_{iu}+ POTREDres_{iu}))*REDtot_{iu}$

$REDres_{iu} = ((POTREDres_{iu}/(POTREDen_{iu}+ POTREDreg_{iu}+ POTREDres_{iu}))*REDtot_{iu}$

where:

$RTUOL_{iu}$ =   The applicable real-time Emergency Upper Operating Limit or Normal

Upper Operating Limit of Supplier u in interval i

$REDtot_{iu}$ =   The total amount in MW that Day-Ahead schedules need to be reduced to

account for the derate of Supplier u in interval i;

$REDen_{iu}$ =   The amount in MW that the Day-Ahead Energy schedule is reduced for

the purposes of calculating the Day-Ahead Margin Assurance Payment for Supplier u in

interval i;

$REDreg_{iu}$ =   The amount in MW that Supplier u's Day-Ahead Regulation Service

schedule is reduced for the purposes of calculating the Day-Ahead Margin Assurance

Payment in interval i;

$REDres_{iu}$ = The amount in MW that Supplier u's Day-Ahead Operating Reserve schedule is reduced for the purposes of calculating the Day-Ahead Margin Assurance Payment in interval i determined separately for each Operating Reserve product;

$POTREDen_{iu}$ = The potential amount in MW that Supplier u's Day-Ahead Energy schedule could be reduced for the purposes of calculating the Day-Ahead Margin Assurance Payment for Supplier u in interval i;

$POTREDreg_{iu}$ = The potential amount in MW that Supplier u's Day-Ahead Regulation Service Schedule could be reduced for the purposes of calculating the Day-Ahead Margin Assurance Payment for Supplier u in interval i;

$POTREDres_{iu}$ = The potential amount in MW that Supplier u's Day-Ahead Operating Reserve Schedule for a given product could be reduced for the purposes of calculating the Day-Ahead Margin Assurance Payment for Supplier u in interval i determined separately for each quality of Operating Reserves;