

**(b) Lost Opportunity Costs**

A Supplier of Voltage Support Service from a Generator that is being dispatched by the ISO shall also receive a payment for Lost Opportunity Costs (“LOC”) when the ISO directs the resource to reduce its real power (MW) output below its schedule in order to allow the resource to produce or absorb more Reactive Power (MVar), unless the Supplier is already receiving a Day-Ahead Margin Assurance Payment for that reduction under Attachment J to this ISO Services Tariff. The Lost Opportunity Cost payment shall be calculated as the product of: (a) the MW of output reduction; (b) the time duration of reduction in hours or fractions thereof; and (c) the Real-Time LBMP at the Generator bus minus the Generator’s Energy Bid for the reduced output of the Generator. The details of the Lost Opportunity Cost payments are as follows:

The formula below describes the calculation of LOC as applied to each Resource supplying Voltage Support Service.

$$LOC = P_{RT} (D_1 - D_2) - \int_{D_2}^{D_1} Bid$$

Where:

$P_{RT}$  = Real-Time LBMP

$D_1$  = Original dispatch point

$D_2$  = New dispatch point

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