

TCCs in the Primary Holder's portfolio, as defined for these purposes, according to the formula below:

$$\sum_{n \in N} \left\{ \frac{NAP_n}{3} \times RM_n \right\}$$

where: NAP = the net amount of Congestion Rents (positive or negative) between the POI and POW composing each TCC_n during the previous three months

RM = the remaining number of months in the life of TCC_n; *provided, however*, that in the case of Grandfathered TCCs, RM shall equal the remaining number of months in the life of the longest duration TCC sold in a NYISO-administered Auction then outstanding

N = the set of TCCs held by the Primary Holder.

(iv) **Bid Component.** The Bid Component shall be an amount equal to the sum of: (i) the amount of bidding authorization that the Transmission Customer has requested for use in an upcoming ISO-administered TCC auction, which shall account for all positive bids to purchase TCCs and the absolute value of all negative offers to sell TCCs, (ii) the approximate amount that the Transmission Customer may owe following an upcoming TCC auction as a result of converting AARs or expired ETAs into TCCs pursuant to Sections 2A and 2B of this OATT, which shall be calculated in accordance with the provisions of Section 2B regarding the purchase of TCCs with a duration of ten years, (iii) the amount of bidding authorization that the Transmission Customer has requested for use in an upcoming ISO-administered UCAP auction, and (iv) five (5) days prior to any UCAP Spot Market Auction, the maximum amount that the Transmission Customer may be required to pay for UCAP in the auction.

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A Transmission Customer must satisfy its Operating Requirement,
including the Bid Component, prior to participation in an ISO-
administered TCC or UCAP auction. A Transmission Customer shall
not be permitted to submit bids in an ISO-administered auction for TCCs
or UCAP nor to convert AARs to TCCs in excess of its authorization.

(v) **WTSC Component.** The WTSC Component shall be equal to the greater of
either:

Greatest Amount Owed for WTSC During
Any Single Month in the Prior Equivalent Capability Period x 50
Days in Basis Month

or –

Total Charges Incurred for WTSC for Previous Thirty (30) Days x 50
30

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