

15.2 Rate Schedule 2 - Payments for Supplying Voltage Support Service

15.2.2 Payments

Each month, Suppliers whose Generator(s) meet the requirements to supply Installed Capacity, as described in Article 5 of the ISO Services Tariff, and are under contract to supply Installed Capacity, shall receive one-twelfth (1/12th) of the annual payment calculated under Section 15.2.2.1 of this Rate Schedule ~~for Voltage Support Service.~~

Each month, Suppliers whose Generators are not under contract to supply Installed Capacity, Suppliers with synchronous condensers, and, except as noted in the following paragraph, Qualified Non-Generator Voltage Support Resources shall receive one-twelfth (1/12th) of the annual payment calculated under Section 15.2.2.1 of this Rate Schedule , pro-rated by the number of hours that the Generator, synchronous condenser, or Qualified Non-Generator Voltage Support Resource operated in that month, as recorded by the ISO.

Each month, the Cross-Sound Scheduled Line shall receive one-twelfth (1/12th) of the annual payment calculated under Section 15.2.2.1 of this Rate Schedule, pro-rated by the number of hours that it is energized in that month, as recorded by the ISO.

15.2.2.1 Annual Payment for Voltage Support Service

For purposes of the calculation set forth in Section 15.2.2 of this Rate Schedule, the annual payment to Suppliers qualified and eligible to provide Voltage Support Service shall equal the product of the VSS Compensation Rate and the sum of the lagging and the absolute value of the leading MVAR capacity of the resource, as evidenced by tests conducted pursuant to ISO Procedures.

For VSS Suppliers that are ~~CSR~~ Generators that participate in a CSR, compensation for each VSS Supplier shall be limited to the lesser of its Reactive Power capability, demonstrated in

accordance with ISO procedures, or the total Reactive Power capability at the CSR's Point of Injection/Point of Withdrawal. For a Hybrid Storage Resource, VSS compensation shall be limited to the lesser of the Reactive Power capability of the participating Generators, demonstrated in accordance with ISO procedures, or the total Reactive Power capability at the Hybrid Storage Resource's Point of Injection. Otherwise, Generators that participate in a CSR and Hybrid Storage Resources follow the rules for Generators.

The VSS Compensation Rate of \$2,592/MVAr, as determined in 2014, shall be adjusted annually by the annual average Consumer Price Index of the previous year.