

## **15.2 Rate Schedule 2 - Payments for Supplying Voltage Support Service**

### **15.2.1 Responsibilities**

The ISO shall coordinate the Voltage Support Service provided by Suppliers that qualify to provide such services as described in Section 15.2.1.1 of this Rate Schedule 2. The ISO shall also establish methods and procedures for Reactive Power (MVar) capability testing.

#### **15.2.1.1 Suppliers**

To qualify for payments, Suppliers of Voltage Support Service shall provide a Generator that has automatic voltage controlling equipment, or a Qualified Non-Generator Voltage Support Resource with automatic voltage controlling equipment, other than the Cross Sound Scheduled Line, or a synchronous condenser, each of which must be electrically located within the NYCA. Automatic voltage controlling equipment includes but is not limited to an Automatic Voltage Regulator (“AVR”) for non-inverter-based Generators or inverters capable of automatic voltage control for inverter-based Generators. All Suppliers of Voltage Support Service must successfully perform Reactive Power (MVar) capability testing in accordance with the ISO Procedures and prevailing industry standards. The ISO may direct Qualified Suppliers of Voltage Support Service to operate their Voltage Support resources within these demonstrated reactive capability limits. Qualified Suppliers of Voltage Support Service will test their Voltage Support Resources and provide these services in accordance with ISO Procedures.

Voltage Support Service includes the ability to produce or absorb Reactive Power within the Voltage Support Resource’s tested reactive capability, and the ability to maintain a specific voltage level under both steady-state and post-contingency operating conditions subject to the limitations of the Voltage Support Resource’s -stated reactive capability. The requirement for a Voltage Support Resource to absorb Reactive Power may be set aside by the ISO with input from

the Transmission Owner in whose Transmission District the Voltage Support Resource is located, which input may include, at the Transmission Owner's option, an executive level review. To grant an exemption from the requirement that the Voltage Support Resource be able to absorb Reactive Power, the ISO shall have determined that: 1) the Voltage Support Resource is unable, due to transmission system configuration, to absorb Reactive Power; 2) the ability of the Voltage Support Resource to produce Reactive Power is needed for system reliability; and 3) for purposes of system reliability the Voltage Support Resource does not need to have the ability to absorb Reactive Power.

An RMR Generator that is required to provide Voltage Support Service must timely perform the annual testing applicable to all Suppliers of Voltage Support Service described in this Section 15.2.1 and in ISO Procedures so that it remains continuously eligible to provide Voltage Support Service during the term of its RMR Agreement. If such an RMR Generator did not timely perform all of the annual testing required for it to provide Voltage Support Service prior to the start of the term of its RMR Agreement, then the ISO shall permit the RMR Generator to perform Reactive Power (MVar) capability testing in accordance with the ISO Procedures upon entering the RMR Agreement and shall permit the RMR Generator to be a Qualified Supplier of Voltage Support Service. An Interim Service Provider that is required to keep its generating units in service must timely perform the annual testing applicable to all Suppliers of Voltage Support Service described in this Section 15.2.1 and in ISO Procedures so that it remains continuously eligible to provide Voltage Support Service. If such an Interim Service Provider did not timely perform all of the annual testing required for it to provide Voltage Support Service, then the ISO shall permit the Interim Service Provider to perform Reactive Power (MVar) capability testing in accordance with the ISO Procedures promptly upon

becoming an Interim Service Provider and shall permit the Interim Service Provider to be a Qualified Supplier of 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, Voltage Support Service 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, the Voltage Support Service rules that apply to other Generators apply to Generators that participate in a CSR and to Hybrid Storage Resources.

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.

#### **15.2.6 Failure to Maintain Automatic Voltage Controlling Equipment or Commence Timely Repairs**

If a Supplier's Voltage Support Resource, other than the Cross Sound Scheduled Line, fails to maintain its automatic voltage controlling equipment and fails to notify the ISO, in accordance with ISO procedures, of an outage lasting more than thirty (30) days the Voltage Support Resource will be disqualified as a supplier of Voltage Support Service.

The Supplier will not receive Voltage Support Service payments for the disqualified Voltage Support Resource until the Supplier complies with the following conditions:

- (1) the Supplier provides documentation to the NYISO of the completion of the repairs;
- (2) the Supplier's -Voltage Support Resource successfully performs a Reactive Power (MVAr) capability test, and;

- (3) the Supplier's Voltage Support Resource provides Voltage Support Service for thirty (30) consecutive days without any compliance failures. No payments for Voltage Support Service or LOC on account of Voltage Support Service from such Generator or Qualified Non-Generator Voltage Support Resource shall be made to the Supplier during this period.

If, in accordance with ISO procedures, a Qualified Supplier of Voltage Support Service notifies the ISO within thirty days of an automatic voltage controlling equipment outage that lasts longer than thirty days, but the Supplier fails to commence timely and appropriate repairs, the Voltage Support Resource will remain in the VSS program and will receive one half its full monthly VSS payment. The Voltage Support Resource will begin receiving full monthly VSS payment when its automatic voltage controlling equipment returns to full functionality. The Voltage Support Resource will not be eligible for VSS payment in the next compensation year if it fails to repair its automatic voltage controlling equipment and perform an acceptable test in accordance with ISO procedures.