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## **20.1 Overview and Definitions**

### **20.1.1 Overview**

This Attachment N describes the Congestion settlements related to the Day-Ahead Market and the settlements related to Centralized TCC Auctions and Reconfiguration Auctions. Congestion Rent settlements for Real-Time Market Energy Transactions or Bilateral Transactions scheduled in the Real-Time Market are not addressed in this Attachment N.

Section 20.2 addresses the Congestion settlements related to each hour of the Day-Ahead Market. These settlements include, as applicable pursuant to this Attachment N, charges or payments for Congestion Rents for Energy Transactions in the Day-Ahead Market ~~(including~~ excluding, for purposes of this Attachment N, settlements for Internal Controllable Lines pursuant to Section 32.4.1 of Attachment Q ~~of~~ the NYISO Services Tariff) and for Bilateral Transactions scheduled in the Day-Ahead Market, and settlements with Primary Holders of TCCs. In addition, these settlements include, as applicable pursuant to this Attachment N, O/R-t-S Congestion Rent Shortfall Charges, U/D Congestion Rent Shortfall Charges, O/R-t-S Congestion Rent Surplus Payments, and U/D Congestion Rent Surplus Payments; provided, however, that in determining such settlements the ISO shall exclude consideration of Internal Controllable Lines. The ISO shall allocate to Transmission Owners the net of all of these settlements as Net Congestion Rents as described in this Attachment N.

Section 20.3 addresses the settlements in each round of each Centralized TCC Auction and in each Reconfiguration Auction. These settlements include, as applicable pursuant to this Attachment N, charges or payments to purchasers of TCCs, charges or payments to Primary Holders selling TCCs, payments to Transmission Owners in a Centralized TCC Auction for ETCNL released into the Centralized TCC Auction, and payments to Transmission Owners for

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Original Residual TCCs that are released into the Centralized TCC Auction. In addition, these settlements include, as applicable pursuant to this Attachment N, O/R-t-S Auction Revenue Shortfall Charges, U/D Auction Revenue Shortfall Charges, O/R-t-S Auction Revenue Surplus Payments, and U/D Auction Revenue Surplus Payments; provided, however, that in determining such settlements the ISO shall exclude consideration of Internal Controllable Lines. The ISO shall allocate to Transmission Owners the net of all of these settlements as Net Auction Revenue as described in this Attachment N.

Section 20.4 addresses the allocation of revenue from the initial award and annual renewals of Historic Fixed Price TCCs (including extensions of Historic Fixed Price TCCs awarded pursuant to Section 19.2.1.4 of Attachment M of the OATT). The ISO shall allocate such revenues to Transmission Owners as described in this Attachment N.

Section 20.5 addresses the allocation of revenue from initial awards and renewals of Non-Historic Fixed Price TCCs. The ISO shall allocate such revenues to Transmission Owners as described in this Attachment N.

Provisions of this Attachment N applicable to a transmission facility outage or return-to-service shall not apply to a transmission facility derating or uprating. Charges and payments under this Attachment N shall be made to a Transmission Owner for a transmission facility derating or uprating only as specified in Sections 20.2.4.3 and 20.3.6.3.

This Attachment N shall not apply to the obligation to pay an outage charge which obligation attaches to persons or entities not otherwise subject to Section 20.2.5 of this Attachment N that own an Expansion (or a portion of an Expansion) associated with a temporary or final award of Incremental TCCs or which has been assigned Incremental TCCs related to an Expansion which Expansion is modeled as wholly or partially out of service for any hour in the

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Day-Ahead Market which obligation to pay to the ISO an outage charge shall be determined pursuant to Attachment M to the ISO OATT.

Unless expressly provided for otherwise in the ISO Tariffs, such as in a rate schedule, this Attachment N shall apply to the Member Systems. This Attachment N shall only apply to Transmission Owners other than the Member Systems to the extent that the ISO Tariffs, such as in a rate schedule, do not provide otherwise.

### **20.1.2 Defined Terms Used in Attachment N**

Capitalized terms used in this Attachment N shall have the meaning specified below in this Section 20.1.2, and capitalized terms used in this Attachment N but not defined below shall have the meaning given to them in Section 1 of the ISO OATT:

**Actual Qualifying Auction Derating:** As defined in Section 20.3.6.3.1.

**Actual Qualifying Auction Outage:** As defined in Section 20.3.6.2.1.

**Actual Qualifying Auction Return-to-Service:** As defined in Section 20.3.6.2.1.

**Actual Qualifying Auction Uprating:** As defined in Section 20.3.6.3.1.

**Actual Qualifying DAM Derating:** As defined in Section 20.2.4.3.1.

**Actual Qualifying DAM Outage:** As defined in Section 20.2.4.2.1.

**Actual Qualifying DAM Return-to-Service:** As defined in Section 20.2.4.2.1.

**Actual Qualifying DAM Uprating:** As defined in Section 20.2.4.3.1.

**Auction Constraint Residual:** The dollar value associated with a Constraint that is binding for a round of a 6-month Sub-Auction of a Centralized TCC Auction or a given month covered by a Reconfiguration Auction (excluding, for the purposes of this Attachment N to the ISO OATT, any Constraint for which the monitored transmission facility is an Internal Controllable Line), which is calculated pursuant to Section 20.3.6.1.

**Auction Status Change:** Any of the following: Qualifying Auction Outage, Qualifying Auction Derating, Qualifying Auction Return-to-Service, or Qualifying Auction Uprating.

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**Centralized TCC Auction Interface Uprate/Derate Table:** The interface derate table posted on the ISO website prior to a given Centralized TCC Auction specifying the impact on transfer limits of Qualifying DAM Outages and Qualifying DAM Returns-to-Service for a Sub-Auction of a Centralized TCC Auction.

**DAM Constraint Residual:** The dollar value associated with a Constraint that is binding for an hour of the Day-Ahead Market ([excluding, for the purposes of this Attachment N to the ISO OATT, any Constraint for which the monitored transmission facility is an Internal Controllable Line](#)), which is calculated pursuant to Section 20.2.4.1.

**DAM Status Change:** Any of the following: Qualifying DAM Outage, Qualifying DAM Derating, Qualifying DAM Return-to-Service, or Qualifying DAM Uprating.

**DCR Allocation Threshold:** Five thousand dollars (\$5,000), except that this amount shall be reduced for any given month to the extent necessary so that the sum of all DAM Constraint Residuals for the month (for all binding constraints and for all hours of the month) that are less than the DCR Allocation Threshold is not greater than either two hundred and fifty thousand dollars (\$250,000) or five percent (5%) of the sum of all DAM Constraint Residuals for the month (for all binding constraints and for all hours of the month) that would have been calculated if the DCR Allocation Threshold were set equal to zero.

**Deemed Qualifying Auction Derating:** As defined in Section 20.3.6.3.1.

**Deemed Qualifying Auction Outage:** As defined in Section 20.3.6.2.1.

**Deemed Qualifying Auction Return-to-Service:** As defined in Section 20.3.6.2.1.

**Deemed Qualifying Auction Uprating:** As defined in Section 20.3.6.3.1.

**Deemed ISO-Directed Auction Status Change:** Any of the following: (1) an Actual Qualifying Auction Return-to-Service for a given month covered by a Reconfiguration Auction that occurs for a transmission facility that, in the last Reconfiguration Auction held for TCCs valid during the relevant month (or if no Reconfiguration Auction was held for TCCs valid during the relevant month, then the last 6-month Sub-Auction held for TCCs valid during the relevant month), was a Qualifying Auction Outage that qualified as an ISO-Directed Auction Status Change; (2) an Actual Qualifying Auction Uprating for a given month covered by a Reconfiguration Auction that occurs as a result of an Actual Qualifying Auction Outage or an Actual Qualifying Auction Return-to-Service of a transmission facility that, in the last Reconfiguration Auction held for TCCs valid during the relevant month (or if no Reconfiguration Auction was held for TCCs valid during the relevant month, then the last 6-month Sub-Auction held for TCCs valid during the relevant month), qualified as a Qualifying Auction Outage or Qualifying Auction Return-to-Service that was an ISO-Directed Auction Status Change; or (3) an Actual Qualifying Auction Derating for a given month covered by a Reconfiguration Auction that occurs as a result of an Actual Qualifying Auction Outage or an Actual Qualifying Auction Return-to-Service of a transmission facility that, in the last Reconfiguration Auction held for TCCs valid during the relevant month (or if no Reconfiguration Auction was held for TCCs valid during the relevant month, then the last 6-month Sub-Auction held for TCCs valid during the relevant month), qualified as an Actual

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Qualifying Auction Outage or an Actual Qualifying Auction Return-to-Service that was an ISO-Directed Auction Status Change.

**Deemed ISO-Directed DAM Status Change:** Any of the following: (1) an Actual Qualifying DAM Return-to-Service for an hour of the Day-Ahead Market that occurs for a transmission facility that, for the month that contains the relevant hour in the last Reconfiguration Auction held for TCCs valid for the relevant hour (or if no Reconfiguration Auction was held for TCCs valid during the relevant hour, then the last 6-month Sub-Auction of a Centralized TCC Auction held for TCCs valid for the relevant hour), was an Actual Qualifying Auction Outage that qualified as an ISO-Directed Auction Status Change; (2) an Actual Qualifying DAM Uprating for an hour of the Day-Ahead Market that occurs for a transmission facility that, for the month that contains the relevant hour in the last Reconfiguration Auction held for TCCs valid for the relevant hour (or if no Reconfiguration Auction was held for TCCs valid during the relevant hour, then the last 6-month Sub-Auction of a Centralized TCC Auction held for TCCs valid for the relevant hour), qualified as an Actual Qualifying Auction Outage or an Actual Qualifying Auction Return-to-Service that was an ISO-Directed Auction Status Change; or (3) an Actual Qualifying DAM Derating for an hour of the Day-Ahead Market that occurs for a transmission facility that, for the month that contains the relevant hour in the last Reconfiguration Auction held for TCCs valid for the relevant hour (or if no Reconfiguration Auction was held for TCCs valid during the relevant hour, then the last 6-month Sub-Auction of a Centralized TCC Auction held for TCCs valid for the relevant hour), qualified as an Actual Qualifying Auction Outage or an Actual Qualifying Auction Return-to-Service that was an ISO-Directed Auction Status Change. (The terms "Actual Qualifying Auction Outage" and "ISO-Directed Auction Status Change" shall, if not defined in this Section 20.1.2, have the meaning given in the ISO's March 17, 2006, filing.)

**Deemed Qualifying DAM Derating:** As defined in Section 20.2.4.3.1.

**Deemed Qualifying DAM Outage:** As defined in Section 20.2.4.2.1.

**Deemed Qualifying DAM Return-to-Service:** As defined in Section 20.2.4.2.1.

**Deemed Qualifying DAM Uprating:** As defined in Section 20.2.4.3.1.

**ISO-Directed Auction Status Change:** Either of the following: (1) an Actual Qualifying Auction Outage for a given month covered by a Reconfiguration Auction or a round of a Centralized TCC Auction that is directed by the ISO or results from an Actual Qualifying Auction Outage or an Actual Qualifying Auction Return-to-Service directed by the ISO; or (2) an Actual Qualifying Auction Derating or an Actual Qualifying Auction Uprating for a given month covered by a Reconfiguration Auction or a round of a Centralized TCC Auction that results from an Actual Qualifying Auction Outage directed by the ISO.

**ISO-Directed DAM Status Change:** Either of the following: (1) an Actual Qualifying DAM Outage for an hour of the Day-Ahead Market that is directed by the ISO or results from an Actual Qualifying DAM Outage or an Actual Qualifying DAM Return-to-Service directed by the ISO; or (2) an Actual Qualifying DAM Derating or an Actual Qualifying DAM Uprating for an

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hour of the Day-Ahead Market that results from an Actual Qualifying DAM Outage directed by the ISO.

**Normally Out-of-Service Equipment:** Transmission facilities that are normally operated as out-of-service by mutual agreement of the transmission facility owner and the ISO and that appear on the list of such equipment posted on the ISO website.

**Outage/Return-to-Service Auction Constraint Residual (“O/R-t-S Auction Constraint Residual”):** The portion of an Auction Constraint Residual that is deemed to be attributable to Qualifying Auction Outages or Qualifying Auction Returns-to-Service, which O/R-t-S Auction Constraint Residual shall be calculated pursuant to Section 20.3.6.1.

**Outage/Return-to-Service Auction Revenue Shortfall Charge (“O/R-t-S Auction Revenue Shortfall Charge”):** A charge to a Transmission Owner that is created as a result of the allocation of an O/R-t-S Auction Constraint Residual pursuant to Section 20.3.6.2.

**Outage/Return-to-Service Auction Revenue Surplus Payment (“O/R-t-S Auction Revenue Surplus Payment”):** A payment to a Transmission Owner that is created as a result of the allocation of an O/R-t-S Auction Constraint Residual pursuant to Section 20.3.6.2.

**Outage/Return-to-Service Congestion Rent Shortfall Charge (“O/R-t-S Congestion Rent Shortfall Charge”):** A charge to a Transmission Owner that is created as a result of the allocation of an O/R-t-S DAM Constraint Residual pursuant to Section 20.2.4.2.

**Outage/Return-to-Service Congestion Rent Surplus Payment (“O/R-t-S Congestion Rent Surplus Payment”):** A payment to a Transmission Owner that is created as a result of the allocation of an O/R-t-S DAM Constraint Residual pursuant to Section 20.2.4.2.

**Outage/Return-to-Service DAM Constraint Residual (“O/R-t-S DAM Constraint Residual”):** The portion of a DAM Constraint Residual that is deemed to be attributable to Qualifying DAM Outages or Qualifying DAM Returns-to-Service, which O/R-t-S DAM Constraint Residual shall be calculated pursuant to Section 20.2.4.1.

**Qualifying Auction Derating:** As defined in Section 20.3.6.3.1.

**Qualifying Auction Outage:** As defined in Section 20.3.6.2.1.

**Qualifying Auction Return-to-Service:** As defined in Section 20.3.6.2.1.

**Qualifying Auction Upgrading:** As defined in Section 20.3.6.3.1.

**Qualifying DAM Derating:** As defined in Section 20.2.4.3.1.

**Qualifying DAM Outage:** As defined in Section 20.2.4.2.1.

**Qualifying DAM Return-to-Service:** As defined in Section 20.2.4.2.1.

**Qualifying DAM Upgrading:** As defined in Section 20.2.4.3.1.

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**Reconfiguration Auction Interface Uprate/Derate Table:** The interface derate table posted on the ISO website prior to a Reconfiguration Auction specifying the impact on transfer limits of Qualifying DAM Outages and Qualifying DAM Returns-to-Service for the month(s) covered by the Reconfiguration Auction.

**Uprate/Derate Auction Constraint Residual (“U/D Auction Constraint Residual”):** The portion of an Auction Constraint Residual that is deemed to be attributable to Qualifying Auction Deratings or Qualifying Auction Upratings, which U/D Auction Constraint Residual shall be calculated pursuant to Section 20.3.6.1.

**Uprate/Derate Auction Revenue Shortfall Charge (“U/D Auction Revenue Shortfall Charge”):** A charge to a Transmission Owner that is created as a result of the allocation of a U/D Auction Constraint Residual pursuant to Section 20.3.6.3.

**Uprate/Derate Auction Revenue Surplus Payment (“U/D Auction Revenue Surplus Payment”):** A payment to a Transmission Owner that is created as a result of the allocation of a U/D Auction Constraint Residual pursuant to Section 20.3.6.3.

**Uprate/Derate Congestion Rent Shortfall Charge (“U/D Congestion Rent Shortfall Charge”):** A charge to a Transmission Owner that is created as a result of the allocation of a U/D DAM Constraint Residual pursuant to Section 20.2.4.3.

**Uprate/Derate Congestion Rent Surplus Payment (“U/D Congestion Rent Surplus Payment”):** A payment to a Transmission Owner that is created as a result of the allocation of a U/D DAM Constraint Residual pursuant to Section 20.2.4.3.

**Uprate/Derate DAM Constraint Residual (“U/D DAM Constraint Residual”):** The portion of a DAM Constraint Residual that is deemed to be attributable to a Qualifying DAM Derating or a Qualifying DAM Uprating, which U/D DAM Constraint Residual shall be calculated pursuant to Section 20.2.4.1.

For purposes of this Attachment N, the term “transmission facility” shall mean any transmission line, phase angle regulator, transformer, series reactor, circuit breaker, or other type of transmission equipment; provided, however, that, for purposes of this Attachment N, the term “transmission facility” shall not include Internal Controllable Lines.

For the purposes of this Attachment N, a “constraint” shall refer to a monitored transmission facility and a transmission facility that is out of service in the contingency being evaluated (including the base case).

For purposes of this Attachment N: (i) a set of injections and withdrawals corresponds to

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a set of TCCs and Grandfathered Rights if the quantity of Energy injected at each location matches the number of TCCs and Grandfathered Rights specifying that location as a POI, and the quantity of Energy withdrawn at each location matches the number of TCCs and Grandfathered Rights specifying that location as a POW; and (ii) a TCC corresponds to ETCNL if it has the same POI and POW as the ETCNL.

All references in this Attachment N to sections shall be construed to be references to a section of this Attachment N.