6.18 Rate Schedule 18 – Carbon Charges and Payments for External Transactions and Allocation of the Carbon Residual

6.18.1 Carbon Charges for Import Transactions and Wheels Through

The ISO shall charge each Transmission Customer scheduling Imports and Wheels Through the LBMPc at the relevant Proxy Generator Bus ("Transmission Customer Carbon Charge").

Transmission Customer Carbon Charge = $InjectionUnits_{icp} * LBMPc_{ip} * \frac{S_i}{3600}$

Where:

$InjectionUnits_{icp}$	=	The total Injection Billing Units for all Imports and Wheels Through, in MWh, for Transmission Customer *c* in RTD interval *i* at Proxy Generator Bus *p*;
$LBMPc_{ip}$	=	real-time price of carbon in $/MWh at the Point of Receipt *p* (*i.e.*, the Proxy Generator Bus) in RTD interval *i*, the method used to calculate LBMPc is described in Attachment B of the Services Tariff;
S_i	=	number of seconds in RTD interval *i*;

6.18.2 Carbon Payments for Export Transactions and Wheels Through

The ISO shall pay each Transmission Customer scheduling Exports and Wheels Through the LBMPc at the relevant Proxy Generator Bus ("Transmission Customer Carbon Payment").

Transmission Customer Carbon Payment = $WithdrawalUnits_{icp} * LBMPc_{ip} * \frac{S_i}{3600}$

Where:

$WithdrawalUnits_{icp}$	=	The Withdrawal Billing Units for Exports and Wheels Through, in MWh, for Transmission Customer c in RTD interval *i* at Proxy Generator Bus *p*;

$LBMPc_{ip}$ = real-time price of carbon in $/MWh at the Point of Delivery p (*i.e.*, the Proxy Generator Bus) in RTD interval i, the method used to calculate LBMPc is described in Attachment B of the Services Tariff;

S_i = number of seconds in RTD interval i;

6.18.3 Calculation of Carbon Residual Credits/Charges

The ISO shall calculate a carbon residual each hour by subtracting the sum of all Transmission Customer Carbon Payments for Export Transactions and Wheels Through (as determined in accordance with Section 6.18.2 of this Rate Schedule 18) from the sum of all: (1) Supplier Carbon Charges (as determined in accordance with Section 15.9 of the ISO Services Tariff); and (2) Transmission Customer Carbon Charges for Import Transactions and Wheels Through (as determined in accordance with Section 6.18.1 of this Rate Schedule 18) ("Carbon Residual"). When the Carbon Residual is positive, the ISO shall credit Transmission Customers in accordance with the Carbon Residual credit formula below. When the ISO realizes a shortfall due to Payments for Export Transactions and Wheels Through, the Carbon Residual will be negative and the ISO shall charge Transmission Customers in accordance with the Carbon Residual charge formula below.

If the Carbon Residual is positive, the ISO shall calculate the Carbon Residual credit paid to Transmission Customers as follows:

$$Carbon\ Residual\ Credit_{ch} = \frac{WithdrawalUnits_{czh} * HourlyLBMPc_{zh}}{TotalLBMPcImpact_h} * CarbonResidual_h$$

Where:

h = A given hour in the relevant Billing Period.

$Carbon\ Residual\ Credit_{ch}$ = The amount, in $, that Transmission Customer c will receive for hour h.

$CarbonResidual_h$ = The Carbon Residual, in $, for hour h.

$TotalLBMPcImpact_h$ = The total LBMPc cost impact to Load in the NYCA for hour h, calculated as $HourlyLBMPc$ times $TotalWithdrawalUnits$ for each hour and summed across all Load Zones.

$HourlyLBMPc_{zh}$ = real-time price of carbon integrated to an hourly value, in $/MWh, in Load Zone z for hour h.

$WithdrawalUnits_{czh}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h, except for Withdrawal Billing Units for Wheels Through, Exports, and except for Withdrawal Billing Units for the self-supply of Station Power, remote self-supply of Station Power, or Station Power from third-party providers.

If the Carbon Residual is negative, indicating a shortfall, the ISO shall charge, and each Transmission Customer shall pay, a Carbon Residual charge calculated as follows:

$$Carbon\ Residual\ Charge_{ch} = (-1) * CarbonResidual_h * \frac{WithdrawalUnits_{ch}}{TotalWithdrawalUnits_h}$$

Where:

h = A given hour in the relevant Billing Period.

$Carbon\ Residual\ Charge_{ch}$ = The amount, in $, that Transmission Customer c will pay for hour h.

$Carbon\ Residual_h$ = The Carbon Residual, in $, for hour h.

$WithdrawalUnits_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h, except for Withdrawal Billing Units for Wheels Through, Exports, and except for Withdrawal Billing Units for the self-supply of Station Power, remote self-supply of Station Power, or Station Power from third-party providers.

$TotalWithdrawalUnits_h$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h, except for Withdrawal Billing Units for Wheels Through, Exports, and except for Withdrawal Billing Units for the self-supply of Station Power, remote self-supply of Station Power, or Station Power from third-party providers.