

DRAFT – FOR DISCUSSION PURPOSES ONLY
For discussion at April 17, 2019 BIC

1. Definitions

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1.1 Definitions - A

Accepted Revision: A change to the terms of an Existing Transmission Agreement for purposes of ISO Settlements, which change is related to a Grandfathered Right or Grandfathered TCC and is made pursuant to the procedures prescribed in Section 17 Attachment K of the ISO OATT.

Actual Demand Reductions: As defined in the ISO Services Tariff.

Actual Energy Injections: Energy injections that are measured using a revenue-quality real-time meter.

Actual Energy Withdrawals: Energy withdrawals which are either: (1) measured with a revenue-quality real-time meter; (2) assessed (in the case of LSEs serving retail customers where withdrawals are not measured by revenue-quality real-time meters) on the basis provided for in a Transmission Owner's retail access program; or (3) calculated (in the case of wholesale customers where withdrawals are not measured by revenue-quality real-time meters), until such time as revenue-quality real-time metering is available on a basis agreed upon by the unmetered wholesale customers. For purposes of the allocation of the ISO annual budgeted costs and the annual FERC fee pursuant to Rate Schedule 1 of this ISO OATT, withdrawals shall also include the absolute value of negative withdrawals by Load for behind the meter generation.

Advance Reservation: (1) A reservation of transmission service over the Cross-Sound Scheduled Line that is obtained in accordance with the applicable terms of Schedule 18 and the Schedule 18 Implementation Rule of the ISO New England Inc. Transmission, Markets and Services Tariff, or in accordance with any successors thereto; or (2) A right to schedule transmission service over the Neptune Scheduled Line that is obtained in accordance with the rules and procedures established pursuant to Section 38 of the PJM Interconnection, L.L.C. Open Access Transmission Tariff and set forth in a separate service schedule under the PJM Interconnection, L.L.C. Open Access Transmission Tariff; or (3) A right to schedule transmission service over the Linden VFT Scheduled Line that is obtained in accordance with the rules and procedures established pursuant to Section 38 of the PJM Interconnection, L.L.C. Open Access Transmission Tariff and set forth in a separate service schedule under the PJM Interconnection, L.L.C. Open Access Transmission Tariff; or (4) A right to schedule transmission service over the HTP Scheduled Line that is obtained in accordance with the rules and procedures established pursuant to Section 38 of the PJM Interconnection, L.L.C. Open Access Transmission Tariff and set forth in a separate service schedule under the PJM Interconnection, L.L.C. Open Access Transmission Tariff.

Affiliate: With respect to a person or entity, any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust or unincorporated organization, directly or

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indirectly controlling, controlled by, or under common control with, such person or entity. The term “control” shall mean the possession, directly or indirectly, of the power to direct the management or policies of a person or an entity. A voting interest of ten percent or more shall create a rebuttable presumption of control.

Aggregation: As defined in the ISO Services Tariff.

Aggregator: As defined in the ISO Services Tariff.

Ancillary Services: Those services that are necessary to support the transmission of Capacity and Energy from resources to Loads while maintaining reliable operation of the NYS Transmission System in accordance with Good Utility Practice.

Annual Transmission Costs: The total annual cost of the Transmission System for purposes of Network Integration and Point-to-Point Transmission Services shall be the amount specified in Attachment H until amended by the Transmission Owners or modified by the Commission.

Annual Transmission Revenue Requirement: The total annual cost for each Transmission Owner (other than LIPA) to provide transmission service subject to review and acceptance by FERC or other authority.

Application: A request to receive Transmission Service by an Eligible Customer pursuant to the provisions of this Tariff that includes all information reasonably requested by the ISO.

Automatic Generation Control (“AGC”): The automatic regulation of the power output of electric generating facilities and Aggregations within a prescribed range in response to a change in system frequency, or tie-line loading, to maintain system frequency or scheduled interchange with other areas within predetermined limits.

Availability: A measure of time that a generating facility, Aggregation, transmission line or other facility is or was capable of providing service, whether or not it actually is in-service.

Available Generating Capacity: Generating Capacity that is on line to serve Load and/or provide Ancillary Services, or is capable of initiating start-up for the purpose of serving Transmission Customers or providing Ancillary Services, within thirty (30) minutes.

Available Operating Capacity: For purposes of determining a Scarcity Reserve Requirement, the capability of all Suppliers that are eligible to provide Operating Reserves and have submitted

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Energy Bids in the Real-Time Market representing the capability to provide Energy in greater than 30 minutes but less than or equal to 60 minutes; provided, however, that this value shall not include any quantity of Energy and Operating Reserves scheduled to be provided by all such Suppliers. The Available Operating Capacity value (in MW) shall be calculated by the RTD software for each normal RTD run. For purposes of calculating a Scarcity Reserve Requirement in accordance with Section 15.4.6.2 of Rate Schedule 4 of the NYISO Services Tariff, each RTD run shall utilize the value of Available Operating Capacity calculated during the immediately preceding normal RTD run and each RTC run shall utilize the value of Available Operating Capacity calculated during the most recently-completed normal RTD run prior to the RTC run.

Available Transfer Capability (“ATC”): A measure of the Transfer Capability remaining in the physical transmission network for further commercial activity, over and above already committed uses, calculated using the methodology described in Attachment C in the OATT.

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1.2 Definitions - B

Back-Up Operation: The procedures for operating the NYCA in a safe and reliable manner when the ISO’s normal communication or computer systems are not fully functional as set forth in Section 2.12 of this ISO OATT and Section 5.3 of the ISO Services Tariff.

Balance-of-Period Auction: An auction administered by the ISO in which Transmission Customers may purchase and sell TCCs valid for a future month or months in the same Capability Period in which the auction is conducted; provided, however, that the Balance-of-Period Auction conducted in the last month of a Capability Period will allow for the purchase and sale of TCCs valid for a future month or months in the next Capability Period.

Base Point Signals: Electronic signals sent from the ISO and ultimately received by Generators or Aggregations specifying the scheduled MW output for the Generator or Aggregation. Real-Time Dispatch (“RTD”) Base Point Signals are typically sent to Generators or Aggregations on a nominal five (5) minute basis. AGC Base Point Signals are typically sent to Generators or Aggregations on a nominal six (6) second basis.

Basis Amount: As defined in the ISO Services Tariff.

Behind-the-Meter Net Generation Resource (“BTM:NG Resource”): As defined in the ISO Services Tariff.

Basis Month: As defined in the ISO Services Tariff.

Bid/Post System: An electronic information system used to allow the posting of proposed transmission schedules and Bids for Energy and Ancillary Services by Market Participants for use by the ISO and to allow the ISO to post Locational Based Marginal Prices and schedules.

Bid: Offer to sell or bid to purchase Energy, Demand Reductions or Transmission Congestion Contracts and an offer to sell Ancillary Services at a specified price that is duly submitted to the ISO pursuant to ISO Procedures. Bid shall mean mitigated Bid where appropriate.

Bid Price: The price at which the Customer offering the Bid is willing to provide the product or service, or is willing to pay to receive such product or service, as applicable. In the case of a CTS Interface Bid, the Bid Price is a dollar value that indicates the bidder’s willingness to purchase Energy at a CTS Source and sell it at a CTS Sink across a CTS Enabled Interface if, at

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the time of scheduling, the forecasted CTS Sink Price minus the forecasted CTS Source Price is greater than, or equal to, the dollar value specified in the bid.

Bid Production Cost: Total cost of the Generators and Aggregations required to meet Load and reliability Constraints based upon Bids corresponding to the usual measures of Generator or Aggregation production cost (e.g., running and Minimum Generation Bid, and Start-Up Bid).

Bidding Requirement: As defined in the ISO Services Tariff.

Bilateral Transaction: A Transaction between two or more parties for the purchase and/or sale of Capacity or Energy other than those in the ISO Administered Markets. A request to schedule a Bilateral Transaction in the Energy Market shall be considered a request to schedule Point-to-Point Transmission Service.

Billing Period: The period of time designated in Sections 2.7.3.2.1, or 2.7.3.2.2 of this ISO OATT over which the ISO will aggregate and settle a charge or a payment for services furnished under this ISO OATT or the ISO Services Tariff.

Board of Directors (“Board”): The governing body of the ISO which is comprised of ten (10) persons (Directors) that are unaffiliated with any Market Participants, as described in the ISO Agreement.

Business Issues Committee: A standing committee of the ISO created pursuant to the ISO Agreement to establish rules related to business issues and provide a forum for discussion of those rules and issues.

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1.3 Definitions - C

Capability Period: Six-month periods which are established as follows: (1) from May 1 through October 31 of each year (“Summer Capability Period”); and (2) from November 1 of each year through April 30 of the following year (“Winter Capability Period”); or such other periods as may be determined by the Operating Committee of the ISO. A Summer Capability Period followed by a Winter Capability Period shall be referred to as a “Capability Year”. Each Capability Period shall consist of On-Peak and Off-Peak periods.

Capacity: The capability to generate or transmit electrical power, or the ability to reduce demand at the direction of the ISO, measured in megawatts (“MW”).

Capacity Benefit Margin (“CBM”): That amount of Total Transfer Capability reserved by the ISO on the NYS Transmission System to ensure access to generation from interconnected systems to meet generation reliability requirements.

Capacity Reservation Cap: The maximum percentage of transmission Capacity from a Transmission Owner’s sets of ETCNL that may be converted into ETCNL TCCs or the maximum percentage of a Member System’s RCRRs that may be converted into RCRR TCCs, as the case may be, as established by the ISO pursuant to Section 19.4.3 of Attachment M.

Centralized TCC Auction: The auction in which TCCs are released for sale for one or more Capability Periods through a bidding process administered by the ISO.

Code of Conduct: The rules, procedures and restrictions concerning the conduct of the ISO directors and employees, contained in Attachment F to the ISO Open Access Transmission Tariff.

Commenced Repair: As defined in the ISO Services Tariff.

Commission (“FERC”): The Federal Energy Regulatory Commission, or any successor agency.

Completed Application: An Application that satisfies all of the information and other requirements of the Tariff.

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Confidential Information: Information and/or data which has been designated by a Transmission Customer to be proprietary and confidential, provided that such designation is consistent with the ISO Procedures and this Tariff, including the attached Code of Conduct.

Congestion: A characteristic of the transmission system produced by a constraint on the optimum economic operation of the power system, such that the marginal price of Energy to serve the next increment of Load, exclusive of losses, at different locations on the Transmission System is unequal.

Congestion Component: The component of the LBMP measured at a location or the Transmission Usage Charge between two locations that is attributable to the cost of transmission Congestion as is more completely defined in Attachment B of the Services Tariff.

Congestion Rent: The opportunity costs of transmission Constraints on the NYS Transmission System. Congestion Rents are collected by the ISO through its facilitation of LBMP Market Transactions and the collection of Transmission Usage Charges from Bilateral Transactions.

Congestion Rent Shortfall: A condition in which the Congestion Rent revenue collected by the ISO in the Day-Ahead Market for Energy is less than the amount of Congestion Rent revenue in the Day-Ahead Market for Energy that the ISO is obligated under the Tariff to pay out to the Primary Holders of TCCs.

Constraint: An upper or lower limit placed on a variable or set of variables that are used by the ISO in its SCUC, RTC or RTD programs to control and/or facilitate the operation of the NYS Transmission Systems.

Contingency: An actual or potential unexpected failure or outage of a system component, such as a Generator, transmission line, circuit breaker, switch or other electrical element. A Contingency also may include multiple components, which are related by situations leading to simultaneous component outages.

Contract Establishment Date: The date, listed in Attachment L, on which the listed existing agreements which are the source of Grandfathered Rights and Grandfathered TCCs were executed.

Control Area: An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

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- (1) match, at all times, the power output of the Generators and Aggregations within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the Load within the electric power system(s);
- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient capacity to maintain Operating Reserves in accordance with Good Utility Practice.

Credible Repair Plan: As defined in the ISO Services Tariff.

Credit Assessment: As defined in the ISO Services Tariff.

Cross-Sound Scheduled Line: A transmission facility that interconnects the NYCA to the New England Control Area at Shoreham, New York and terminates near New Haven, Connecticut.

CTS Enabled Interface: An External Interface at which the ISO has authorized the use of Coordinated Transaction Scheduling (“CTS”) market rules and which includes a CTS Enabled Proxy Generator Bus for New York and a CTS Enabled Proxy Generator Bus for the neighboring Control Area.

CTS Enabled Proxy Generator Bus: A Proxy Generator Bus at which the ISO either requires or permits the use of CTS Interface Bids for Import and Export Transactions in the Real-Time Market and requires the use of Decremental Bids for Wheels Through in the Real-Time Market. A CTS Enabled Proxy Generator Bus at which the ISO permits CTS Interface Bids will also permit Decremental and Sink Price Cap Bids.

CTS Interface Bid: A Real-Time Bid provided by an entity engaged in an External Transaction at a CTS Enabled Interface. CTS Interface Bids shall include a MW amount, a direction indicating whether the proposed Transaction is to Import Energy to, or Export Energy from, the New York Control Area, and a Bid Price.

CTS Sink: Representation of the location(s) within a Control Area where energy associated with a CTS Interface Bid is withdrawn. The NYCA CTS Sinks are Proxy Generator Buses.

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CTS Sink Price: The price at a CTS Sink.

CTS Source: Representation of the location(s) within a Control Area where energy associated with a CTS Interface Bid is injected. The NYCA CTS Sources are Proxy Generator Buses.

CTS Source Price: The price at a CTS Source.

Curtailement or Curtail: A reduction in Transmission Service in response to a transmission capacity shortage as a result of system reliability conditions.

Customer: An entity which has complied with the requirements contained in the ISO Services Tariff, including having signed a Service Agreement, and is qualified to utilize the Market Services and the Control Area Services provided by the ISO under the ISO Services Tariff; provided, however, that a party taking services under the ISO Services Tariff pursuant to an unsigned Service Agreement filed with the Commission by the ISO shall be deemed a Customer.

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1.4 Definitions - D

~~**DADRP Component:** As defined in the ISO Services Tariff.~~

Day-Ahead: Nominally, the twenty-four (24) hour period directly preceding the Dispatch Day, except when this period may be extended by the ISO to accommodate weekends and holidays.

Day-Ahead LBMP: The LBMPs calculated based upon the ISO's Day-Ahead Security Constrained Unit Commitment process.

Day-Ahead Market: The ISO Administered Market in which Capacity, Energy and/or Ancillary Services are scheduled and sold Day-Ahead consisting of the Day-Ahead scheduling process, price calculations and Settlements.

Day-Ahead Reliability Unit: A Day-Ahead committed Resource which would not have been committed but for the commitment request by a Transmission Owner to the ISO in order to meet the reliability needs of the Transmission Owner's local system which request was made known to the ISO prior to the close of the Day-Ahead Market.

Decremental Bid: A monotonically increasing Bid Price curve provided by an entity engaged in a Bilateral Import, other than an entity submitting a CTS Interface Bid, or Internal Transaction to indicate the LBMP below which that entity is willing to reduce its Generator's output and purchase Energy in the LBMP Markets, or by an entity engaged in a Wheel Through transaction to indicate the Congestion Component cost at or below which that entity is willing to accept Transmission Service.

Demand Side Resource: As defined in the ISO Services Tariff.

Dennison Scheduled Line: A transmission facility that interconnects the NYCA to the Hydro Quebec Control Area at the Dennison substation, located near Massena, New York and extends through the province of Ontario, Canada (near the City of Cornwall) to the Cedars substation in Quebec, Canada.

Dependable Maximum Gross Capability ("DMGC"): As defined in the ISO Services Tariff.

Dependable Maximum Net Capability ("DMNC"): The sustained maximum net output of a Generator, or, where appropriate, an Aggregation, as demonstrated by the performance of a test

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or through actual operation, averaged over a continuous time period as defined in the ISO Procedures.

DER Aggregation: As defined in the ISO Services Tariff.

Designated Agent: Any entity that performs actions or functions on behalf of the Transmission Owner, an Eligible Customer, or the Transmission Customer required under the Tariff.

Desired Net Interchange (“DNI”): A mechanism used to set and maintain the desired Energy interchange (or transfer) between two Control Areas; it is scheduled ahead of time and can be changed manually in real-time.

Developer: An Eligible Customer developing a generation project larger than 20 megawatts, or a Class Year Transmission Project, proposing to interconnect to the New York State Transmission System, in compliance with the NYISO Minimum Interconnection Standard and, depending on the Developer’s interconnection service election, also in compliance with the NYISO Deliverability Interconnection Standard.

Direct Assignment Facilities: Facilities or portions of facilities that are constructed by the Transmission Owner(s) for the sole use/benefit of a particular Transmission Customer requesting service under the ISO OATT. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

Direct Sale: The sale of Original Residual TCCs, ETCNL, and Grandfathered TCCs directly to a buyer by the Transmission Owner that is the Primary Holder through a non-discriminatory auditable sale conducted on the ISO’s OASIS, in compliance with the requirements and restrictions set forth in Commission Orders 888 et seq. and 889 et seq.

Dispatchable: A bidding mode in which Generators or ~~Demand Side Resources Aggregations~~ indicate that they are willing to respond to real-time control from the ISO. Dispatchable Resources, not including the Generator of a BTM:NG Resource, may either be ISO-Committed Flexible or Self Committed Flexible. Dispatchable Generators that are the Generator serving a BTM:NG Resource must be Self-Committed Flexible. ~~Dispatchable Demand Side Resources must be ISO Committed Flexible.~~ Dispatchable Resources that are not providing Regulation Service will follow five-minute RTD Base Point Signals. Dispatchable Resources that are providing Regulation Service will follow six-second AGC Base Point Signals.

Dispatch Day: The twenty-four (24) hour (or, if appropriate, the twenty-three (23) or twenty-five (25) hour) period commencing at the beginning of each day (0000 hour).

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Distributed Energy Resource (“DER”): As defined in the ISO Services Tariff.

~~**DSASP Component:** As defined in the ISO Services Tariff.~~

Dynamically Scheduled Proxy Generator Bus: A Proxy Generator Bus for which the ISO may schedule Transactions at 5 minute intervals in real time. Dynamically Scheduled Proxy Generator Buses are identified in Section 4.4.4 of the Services Tariff.

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1.5 Definitions - E

East of Central-East: An electrical area comprised of Lead Zones F, G, H, I, J, and K, as identifies in the ISO Procedures.

East of Central-East Excluding Long Island: An electrical area comprised of Lead Zones F, G, H, I, and J, as identified in the ISO Procedures.

East of Central-East Excluding New York City and Long Island: An electrical area comprised of Land Zones F, G, H, I, as identifies in the ISO Procedures.

Economic Operating Point: The megawatt quantity which is a function of: i) the real-time LBMP at the Resource bus; and ii) the Supplier's real-time eleven constant cost step Energy Bid, for the Resource, such that (a) the offer price associated with Energy offers below that megawatt quantity (if that megawatt quantity is not that Resource's minimum output level) must be less than or equal to the real-time LBMP at the Resource bus, and (b) the offer price associated with Energy offers above that megawatt quantity (if that megawatt quantity is not that Resource's maximum output level) must be greater than or equal to the real-time LBMP at the Resource bus. In cases where multiple megawatt values meet conditions (a) and (b), the Economic Operating Point is the megawatt value meeting these conditions that is closest to the Resource's real-time scheduled Energy ~~injection~~provided. In cases where the Economic Operating Point would be less than the minimum output level, the Economic Operating Point will be set equal to the MW value of the first point on the Energy Bid curve and in cases where the Economic Operating Point would be greater than the maximum output level, the Economic Operating Point will be set equal to the MW value of the last point on the Energy Bid curve. When evaluating the Economic Operating Point of a BTM:NG Resource, only Energy offers corresponding to quantities in excess of its Host Load will be considered.

Eligible Customer: (i) An entity that is engaged, or proposes to engage, in the wholesale or retail electric power business including any electric utility, power marketer, Federal power marketing agency, or any person generating Energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Owner offer the unbundled Transmission Service, or pursuant to a voluntary offer of such service by the Transmission Owner. (ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Owner offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Owner, is an Eligible Customer under the Tariff.

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Emergency: Any abnormal system condition that requires immediate automatic or manual action to prevent or limit loss of transmission facilities or Generators that could adversely affect the reliability of an electric system.

Emergency State: The state that the NYS Power System is in when an abnormal condition occurs that requires automatic or immediate, manual action to prevent or limit loss of the NYS Transmission System or Generators that could adversely affect the reliability of the NYS Power System.

End-State Centralized TCC Auction: A Centralized TCC Auction that the ISO will conduct after the ISO develops the necessary software.

Energy (“MWh”): A quantity of electricity that is Bid, produced, purchased, consumed, sold, or transmitted over a period of time, and measured or calculated in megawatt hours. Demand Reductions by Demand Side Resources are considered Energy.

Energy and Ancillary Services Component: As defined in the ISO Services Tariff.

Energy Duration Limitation: As defined in the ISO Services Tariff.

Equivalency Rating: As defined in the ISO Services Tariff.

ETA Agent: A Transmission Customer of the ISO that has been appointed by a Load Serving Entity and approved by the ISO in accordance with ISO Procedures for the purpose of enabling that Transmission Customer to hold all of the rights and obligations associated with Fixed Price TCCs, as provided for in Attachment M of this OATT.

ETCNL TCC: A TCC created when a Transmission Owner with ETCNL exercises its right to convert a megawatt of ETCNL into a TCC pursuant to Section 19.4.1 of Attachment M of this ISO OATT.

Excess Congestion Rents: Congestion revenues in the Day-Ahead Market for Energy collected by the ISO that are in excess of its Day-Ahead payment obligations. Excess Congestion Rents may arise if Congestion occurs in the Day- Ahead Market for Energy and if the Day-Ahead Transfer Capability of the Transmission System is not exhausted by the set of already-outstanding TCCs and Grandfathered Rights that are valid.

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Existing Transmission Agreement (“ETA”): An agreement between two or more Transmission Owners, or between a Transmission Owner and another entity, in existence at the time of ISO start-up and providing for transmission service by a Transmission Owner to another Transmission Owner or another entity. Table 1A of Attachment L lists all ETAs. ETAs include Transmission Wheeling Agreements (including MWAs and Third Party TWAs) and Transmission Facility Agreements.

Existing Transmission Capacity for Native Load (“ETCNL”): Transmission capacity identified on a Transmission Owner’s transmission system to serve the Native Load customers of the current Transmission Owners (as of the filing date of the original ISO Tariff-January 31, 1997) for the purposes of allocating revenues from the sale of TCCs related to that capacity. This includes transmission capacity required: (1) to deliver the output from Generators located out of a Transmission Owner’s Transmission District; (2) to deliver power purchased under power supply contracts; and (3) to deliver power purchased under third party agreements (*i.e.*, Non-Utility Generators). Existing Transmission Capacity for Native Load is listed in Attachment L, Table 3, “Existing Transmission Capacity Reservations for Native Load Table.”

Expected EDRP/SCR MW: The aggregate Load reduction (in MW) expected to be realized from EDRP and/or SCRs during the real-time intervals that the ISO has called upon EDRP and/or SCRs to provide Load reduction in a Scarcity Reserve Region, as determined based on the ISO’s calculation of the historical performance of EDRP and SCRs. There will be separate values for voluntary and mandatory Load reductions. When determining the historical performance of SCRs, provision of Load reduction shall be deemed mandatory if the ISO has satisfied the notification requirements set forth in Section 5.12.11.1 of the NYISO Services Tariff as it relates to the SCRs in the applicable Load Zone, otherwise provision of such Load reduction shall be deemed voluntary. When determining the historical performance of the EDRP, provision of Load reduction by EDRP shall be deemed voluntary.

Expected Load Reduction: For purposes of determining the Real-Time Locational Based Marginal Price, the reduction in Load expected to be realized in real-time from activation of the Emergency Demand Response Program and from Load reductions requested from Special Case Resources, as established pursuant to ISO Procedures.

Export: A Bilateral Transaction or purchase from the LBMP Market where the Energy is delivered to an NYCA interconnection with another Control Area.

External: An entity (*e.g.*, Supplier, Transmission Customer) or facility (*e.g.*, Generator, Interface) located outside the Control Area being referenced or between two or more Control Areas. Where a specific Control Area is not referenced, the NYCA is the intended reference.

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External Transactions: Purchases, sales or exchanges of Energy, Capacity or Ancillary Services for which either the Point of Injection (“POI”) or Point of Withdrawal (“POW”) or both are located outside the NYCA (i.e., Exports, Imports or Wheels Through).

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1.6 Definitions - F

Federal Power Act ("FPA"): The Federal Power Act, as may be amended from time-to-time (See 16 U.S.C. § 796 et seq.)

Facilities Study: An engineering study conducted by the ISO and/or a Transmission Owner to determine the required modifications to the Transmission Owner's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested facilities.

Facility Flow-Based Methodology: The methodology, as described in Section 20.3.7 of Attachment N, used to allocate Net Auction Revenue among Transmission Owners.

Firm Point-To-Point Transmission Service: Transmission Service under this Tariff that is scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff. Firm Point-To-Point Transmission Service is service for which the Transmission Customer has agreed to pay the Congestion associated with its service. A Transmission Customer may fix the price of Congestion associated with its Firm Point-To-Point Transmission Service by acquiring sufficient TCCs with the same Points of Receipt and Delivery as its Transmission Service.

Firm Transmission Service: Transmission Service requested by a Transmission Customer willing to pay Congestion Rent.

First Settlement: The process of establishing binding financial commitments on the part of Customers participating in the Day-Ahead Market based on Day-Ahead LBMP.

Fixed Block Unit: A unit that, due to operational characteristics, can only be dispatched in one of two states: either turned completely off, or turned on and run at a fixed capacity level.

Fixed Price TCC: TCCs obtained pursuant to Sections 19.2.1 or 19.2.2 of Attachment M of this OATT. If a TCC is obtained pursuant to Section 19.2.1 of Attachment M of this OATT, it is an Historic Fixed Price TCC. If a TCC is awarded to an LSE pursuant to the provisions of Section 19.2.2 of Attachment M of this OATT, it is a Non-Historic Fixed Price TCC.

Forced Outage: As defined in the ISO Services Tariff.

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1.7 Definitions - G

Gap Solution: This term shall have the meaning given in Attachment Y to the OATT.

Generator: A facility, including the Generator of a BTM:NG Resource, capable of supplying Energy, Capacity and/or Ancillary Services that is accessible to the NYCA. A Generator comprised of a group of generating units at a single location, which grouped generating units are separately committed and dispatched by the ISO, and for which Energy injections are measured at a single location, and each unit within that group, shall be considered a Generator.

Generator Classes: The type of Generator (e.g., nuclear, gas turbine, fossil, hydro) which is used by the ISO to determine criteria that must be met for that Generator to qualify as a source of Installed Capacity.

Good Utility Practice: Any of the practices, methods or acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods or acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to delineate acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act Section 215(a)(4).

Government Bonds: Tax-exempt bonds issued by the New York Power Authority pursuant to Section 103 and related provisions of the Internal Revenue Code. 26 U.S.C. § 103.

Grandfathered Rights: The transmission rights associated with: (1) Modified Wheeling Agreements; (2) Transmission Facility Agreements; and (3) Third Party Transmission Wheeling Agreements where the party entitled to exercise the transmission rights associated with such Agreements has chosen, as provided in the Tariff, to retain those rights rather than to convert them to Grandfathered TCCs.

Grandfathered TCCs: The TCCs associated with: (1) Modified Wheeling Agreements; (2) Transmission Facility Agreements with transmission wheeling provisions; and (3) Third Party TWAs where the party entitled to exercise the transmission rights associated with such agreements, has chosen, as provided for in the Tariff, to convert those rights to TCCs.

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1.8 Definitions - H

Host Load: As defined in the ISO Services Tariff.

HTP Scheduled Line: A transmission facility that interconnects the NYCA to the PJM Interconnection, L.L.C. Control Area at the West 49th Street Substation, New York, NY and terminates in Ridgefield, New Jersey.

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1.9 Definitions - I

ICAP Ineligible Forced Outage: As defined in the ISO Services Tariff.

Import Curtailment Guarantee Payment: A payment made in accordance with Section 4.5.3.2 and Attachment J of the ISO Services Tariff to compensate a Supplier whose Import is Curtailed by the ISO.

Imports: A Bilateral Transaction or sale to the LBMP Market where Energy is delivered to a NYCA Interconnection from another Control Area.

Imputed Revenue: The Congestion Rents that owners of Grandfathered Rights do not have to pay due to their own use of those Grandfathered Rights.

Inactive Reserves: As defined in the ISO Services Tariff.

Inadvertent Energy Accounting: The accounting performed to track and reconcile the difference between net actual Energy interchange and scheduled Energy interchange of a Control Area with adjacent Control Areas.

Incremental Energy Bid: A series of monotonically increasing constant cost incremental Energy steps that indicate the quantities of Energy for a given price that an entity is willing to supply to the ISO Administered Markets.

Incremental TCC: A set of point-to-point Transmission Congestion Contract(s) that is awarded pursuant to Section 19.2.2 of Attachment M to this ISO OATT.

Independent System Operator, Inc. (“ISO”): The New York Independent System Operator, a not-for-profit corporation established pursuant to the ISO Agreement.

Independent System Operator Agreement (“ISO Agreement”): The agreement that establishes the New York ISO.

Independent System Operator/New York State Reliability Council (“ISO/NYSRC Agreement”): The agreement between the ISO and the New York State Reliability Council governing the relationship between the two organizations.

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Independent System Operator/Transmission Owner Agreement (“ISO/TO Agreement”):

The agreement that establishes the terms and conditions under which the Member Systems transferred to the ISO Operational Control over designated transmission facilities.

Injection Billing Units: A Transmission Customer’s Actual Energy Injections (for all internal injections) or Scheduled Energy Injections (for all Import Energy injections) in the New York Control Area, including injections for Wheels Through. For purposes of Rate Schedule 1 and Rate Schedule 11 of this ISO OATT, (i) a Limited Energy Storage Resource shall be responsible for charges or eligible for payments on the basis only of its Actual Energy Injections and (ii) ~~a Day Ahead Demand Reduction Provider’s Demand Reduction~~ by a DER Aggregation shall be included as Injection Billing Units. For purposes of recovering the ISO annual budgeted costs and the annual FERC fee pursuant to Rate Schedule 1 of this ISO OATT, Injection Billing Units shall include the absolute value of negative injections by pump storage facilities.

Injection Limit: As defined in the ISO Services Tariff.

Installed Capacity: A Generator or Load facility that complies with the requirements in the Reliability Rules and is capable of supplying and/or reducing the demand for Energy in the NYCA for the purpose of ensuring that sufficient Energy and Capacity are available to meet the Reliability Rules. The Installed Capacity requirement, established by the NYSRC, includes a margin of reserve in accordance with the Reliability Rules.

Interconnection or Interconnection Points (“IP”): The point(s) at which the NYCA connects with a distribution system or adjacent Control Area. The IP may be a single tie line or several tie lines that are operated in parallel.

Interface: A defined set of transmission facilities that separate Load Zones and that separate the NYCA from adjacent Control Areas.

Interface MW - Mile Methodology: The procedure used to allocate Original Residual TCCs determined prior to the first Centralized TCC Auction to Transmission Owners.

Interim Service Provider (“ISP”): As defined in Attachment FF to the OATT.

Intermittent Power Resource: A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator. In New York, resources that depend upon wind, or solar energy or landfill gas for their fuel have been classified as Intermittent Power Resources. Each Intermittent Power Resource that depends on wind as its fuel shall include all turbines metered at a single scheduling point identifier (PTID).

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Internal: An entity (*e.g.*, Supplier, Transmission Customer) or facility (*e.g.*, Generator, Interface) located within the Control Area being referenced. Where a specific Control Area is not referenced, internal means the NYCA.

Internal Transactions: Purchases, sales or exchanges of Energy, Capacity or Ancillary Services where the Generator and Load are located within the NYCA.

Investment Grade Customer: As defined in the ISO Services Tariff.

Investor-Owned Transmission Owners: At the present time these include: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

ISO Administered Markets: The Day-Ahead Market and the Real-Time Market (collectively the LBMP Markets) and any other market administered by the ISO.

ISO-Committed Fixed: In the Day-Ahead, a bidding mode in which a Generator requests that the ISO commit and schedule it. In the Real-Time Market, a bidding mode in which a Generator, with ISO approval, requests that the ISO schedule it no more frequently than every 15 minutes. A Generator scheduled in the Day-Ahead Market as ISO-Committed Fixed will participate as a Self-Committed Fixed Generator in the Real-Time Market unless it changes bidding mode, with ISO approval, to participate as an ISO-Committed Fixed Generator. ~~A-BTM:NG Resources~~ and DER Aggregations ~~is-are~~ not permitted to utilize the ISO-Committed Fixed bidding mode.

ISO-Committed Flexible: A bidding mode in which a Dispatchable Generator or Aggregation comprised entirely of ESRs ~~Demand-Side Resource~~ follows Base Point Signals and is committed by the ISO. ~~A-BTM:NG Resources~~ and Aggregations that are not entirely comprised of ESRs ~~are-is~~ not permitted to utilize the ISO-Committed Flexible bidding mode.

ISO Market Power Monitoring Program: The monitoring program approved by the Commission and administered by the ISO designed to monitor the possible exercise of market power in ISO Administered Markets.

ISO OATT (the “Tariff”): The ISO Open Access Transmission Tariff.

ISO Procedures: The procedures adopted by the ISO in order to fulfill its responsibilities under the ISO OATT, the ISO Services Tariff and the ISO Related Agreements.

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ISO Related Agreements: Collectively, the ISO Agreement, the NYSRC Agreement, the ISO/NYSRC Agreement, the ISO/TO Agreement, and Operating Agreements.

NYISO Services Tariff: The ISO Market Administration and Control Area Services Tariff.

ISO Tariffs: The ISO OATT and the ISO Services Tariff, collectively.

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1.11 Definitions - K

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1.12 Definitions - L

LBMP Markets: A term that collectively refers to both the Real-Time Market and the Day-Ahead Market.

Linden VFT Scheduled Line: A transmission facility that interconnects the NYCA to the PJM Interconnection, L.L.C. Control Area in Linden, New Jersey.

LIPA Tax-Exempt Bonds: Obligations issued by the Long Island Power Authority, the interest in which is not included in gross income under the Internal Revenue Code.

Load: A term that refers to either a consumer of Energy or the amount of Energy (MWh) or demand (MW) consumed by certain consumers.

Load Ratio Share: The ratio of an LSE's Load to Load within the NYCA during a specified time period.

Load Serving Entity (“LSE”): An entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the NYCA, including an entity that takes service directly from the ISO to supply its own load in the NYCA.

Load Shedding: The systematic reduction of system demand by temporarily decreasing Load in response to Transmission System or area Capacity shortages, system instability, or voltage control considerations under Part 4 of the Tariff.

Load Zone: One (1) of eleven (11) geographical areas located within the NYCA that is bounded by one (1) or more of the fourteen (14) New York State Interfaces.

Local Furnishing Bonds: Tax-exempt bonds issued by a Transmissions Owner under an agreement between the Transmission Owner and the New York State Energy Research and Development Authority (“NYSERDA”), or its successor, or by a Transmission Owner itself, and pursuant to Section 142(f) of the Internal Revenue Code, 26 U.S.C. § 142(f).

Locality: Shall have the meaning set forth in §2.12 of the ISO Services Tariff.

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Local Generator: Shall have the meaning set forth in §2.12 of the ISO Services Tariff.

Local Reliability Rule: A Reliability Rule established by a Transmission Owner and adopted by the NYSRC to meet specific reliability concerns in limited areas of the NYCA, including without limitation, special requirements and conditions that apply to nuclear plants and special requirements applicable to the New York City metropolitan area.

Locational Based Marginal Pricing (“LBMP”): The price of Energy at each location in the NYS Transmission System as calculated pursuant to Attachment J.

Locational Minimum Installed Capacity Requirement: The determination by the ISO in accordance with the ISO Services Tariff of that portion of the NYCA Minimum Installed Capacity Requirement (as defined in the ISO Services Tariff) that must be electrically located within a Locality.

Long-Island (“L.I.”): An electrical area comprised of Load Zone K, as identified in the ISO Procedures.

Long-Term Firm Point-To-Point Transmission Service: Firm Point-to-Point Service, the price of which is fixed for a long term by a Transmission Customer acquiring sufficient TCCs with the same Points of Receipt and Delivery as its Transmission Service.

Lost Opportunity Cost: The foregone profit associated with the provision of Ancillary Services, which is equal to the product of: (1) the difference between (a) the Energy that a Generator or Aggregation could have sold at the specific LBMP and (b) the Energy sold as a result of reducing the Generator^{’s} or Aggregation^{’s} output to provide an Ancillary Service under the direction of the ISO; and (2) the LBMP existing at the time the Generator or Aggregation was instructed to provide the Ancillary Service, less the Generator^{’s} or Aggregation^{’s} Energy bid for the same MW segment.

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1.13 Definitions - M

Major Emergency State: An Emergency accompanied by abnormal frequency, abnormal voltage and/or equipment overloads that create a serious risk that the reliability of the NYS Power System could be adversely affected.

Manual Dispatch: A dispatch of the NYS Transmission System performed by the ISO when the ISO's RTD is unavailable.

Marginal Losses: The NYS Transmission System Real Power Losses associated with each additional MWh of consumption by Load, or each additional MWh transmitted under a Bilateral Transaction as measured at the Points of Withdrawal.

Marginal Losses Component: The component of LBMP at a bus that accounts for the Marginal Losses, as measured between that bus and the Reference Bus.

Market Participant: An entity, excluding the ISO, that produces, transmits, sells, and/or purchases for resale Capacity, Energy and Ancillary Services in the Wholesale Market. Market Participants include: Transmission Customers under the ISO OATT, Customers under the ISO Services Tariff, Power Exchanges, Transmission Owners, Primary Holders, LSEs, Suppliers and their designated agents. Market Participants also include entities buying or selling TCCs.

Market Services: Services provided by the ISO under the ISO Services Tariff related to the ISO Administered Markets for Energy, Capacity and Ancillary Services.

Member Systems: The eight Transmission Owners that comprised the membership of the New York Power Pool, which are: (1) Central Hudson Gas & Electric Corporation, (2) Consolidated Edison Company of New York, Inc., (3) New York State Electric & Gas Corporation, (4) Niagara Mohawk Power Corporation d/b/a National Grid, (5) Orange and Rockland Utilities, Inc., (6) Rochester Gas and Electric Corporation, (7) the Power Authority of the State of New York, and (8) Long Island Lighting Company d/b/a Long Island Power Authority.

Meter Services Entity (“MSE”): As defined in the ISO Services Tariff.

Minimum Generation Bid: A Bid parameter that identifies the payment a Supplier requires to operate a Generator at its specific minimum operating level ~~or to provide a Demand Side Resource's specified minimum quantity of Demand Reduction~~. If the Supplier is a BTM:NG

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Resource, LESR, Energy Storage Resource, or an Aggregation, it shall not submit a Minimum Generation Bid.

Minimum Generation Level: For purposes of describing the eligibility of ten minute Resources to be committed by the Real Time Dispatch for pricing purposes pursuant to the Services Tariff, Section 4.4.3.3, an upper bound, established by the ISO, on the physical minimum generation limits specified by ten minute Resources. Ten minute Resources with physical minimum generation limits that exceed this upper bound will not be committed by the Real Time Dispatch for pricing purposes. The ISO shall establish a Minimum Generation Level based on its evaluation of the extent to which it is meeting its reliability criteria including Control Performance. The Minimum Generation Level, in megawatts, and the ISO's rationale for that level, shall be made available through the ISO's website or comparable means. If the Supplier is a BTM:NG Resource, LESR, Energy Storage Resource, or an Aggregation, it shall not submit a Minimum Generation Level.

Modified Wheeling Agreements (“MWA”): A Transmission Wheeling Agreement between Transmission Owners that was in existence at the time of ISO start-up, as amended and modified as described in Attachment K. Modified Wheeling Agreements are associated with Generators or power supply contracts existing at ISO start-up. All Modified Wheeling Agreements are listed in Attachment L, Table 1A, and are designated in the “Treatment” column of Table 1A, as “MWA.”

Mothball Outage: As defined in the ISO Services Tariff.

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1.14 Definitions - N

Native Load Customers: The wholesale and retail power customers of the Transmission Owners on whose behalf the Transmission Owners, by statute, franchise, regulatory requirement, or contract, have undertaken an obligation to construct and operate the Transmission Owners' systems to meet the reliable electric needs of such customers.

Neptune Scheduled Line: A transmission facility that interconnects the NYCA to the PJM Interconnection LLC Control Area at Levittown, Town of Hempstead, New York and terminates in Sayerville, New Jersey.

NERC: The North American Electric Reliability Council or, as applicable, the North American Electric Reliability Corporation.

NERC Transaction Priorities: The reservation and scheduling priority applied to a Transaction under the NERC Transmission Loading Relief Procedure.

NERC Transmission Loading Relief (“TLR”) Procedure: “Standard IRO-006-3 – Reliability Coordination – Transmission Loading Relief” as approved in Docket No. ER06-1545, and any amendments thereto. See www.nerc.com for the current version of the NERC TLR Procedure.

Net Auction Revenue: The total amount, in dollars, as calculated pursuant to Section 20.3.1 of Attachment N, remaining after collection of all charges and allocation of all payments associated with a round of a Centralized TCC Auction or a Reconfiguration Auction. Net Auction Revenue takes into account: (i) revenues from and payments for the award of TCCs in a Centralized TCC Auction or Reconfiguration Auction, (ii) payments to Transmission Owners releasing ETCNL, (iii) payments or charges to Primary Holders selling TCCs, (iv) payments to Transmission Owners releasing Original Residual TCCs, (v) O/R-t-S Auction Revenue Surplus Payments and U/D Auction Revenue Surplus Payments, and (vi) O/R-t-S Auction Revenue Shortfall Charges and U/D Auction Revenue Shortfall Charges. Net Auction Revenue may be positive or negative.

Net Congestion Rent: The total amount, in dollars, as calculated pursuant to Section 20.2.1 of Attachment N, remaining after collection of all Congestion-related charges and allocation of all Congestion-related payments associated with the Day-Ahead Market. Net Congestion Rent takes into account: (i) charges and payments for Congestion Rents, (ii) settlements with TCC Primary Holders, (iii) O/R-t-S Congestion Rent Shortfall Charges and U/D Congestion Rent Shortfall Charges, and (iv) O/R-t-S Rent Congestion Surplus Payments and U/D Congestion Rent Surplus Payments. Net Congestion Rent may be positive or negative.

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Net Installed Capacity (“Net-ICAP”): As defined in the ISO Services Tariff.

Net Unforced Capacity (“Net-UCAP”): As defined in the ISO Services Tariff.

Network Customer: An entity receiving Transmission Service pursuant to the terms of the ISO’s Network Integration Transmission Service under Part 4 of the Tariff.

Network Integration Transmission Service: The Transmission Service provided under Part 4 of the Tariff.

Network Load: The Load that a Network Customer designates for Network Integration Transmission Service under Part 4 of the Tariff. The Network Customer’s Network Load shall include all Load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total Load as Network Load but may not designate only part of the Load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular Load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part 3 of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated Load.

Network Operating Agreement: An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part 4 of the Tariff. For Eligible Customers that take service under the ISO Services Tariff, that Tariff shall function as their Network Operating Agreement.

Network Operating Committee: The ISO Operating Committee will serve this function.

Network Resource: Any generating resource that provides Installed Capacity to the NYCA designated under the Network Integration Transmission Service provisions of the Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer’s Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

Network Upgrades: Modifications or additions to transmission facilities that are integrated with and support the Transmission Owner’s overall Transmission System for the general benefit of all users of such Transmission System.

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Network Upgrade Agreement: An agreement entered into between a Transmission Customer and a Transmission Owner that identifies the rights and obligations of each party with respect to the Network Upgrade, as described in this Tariff.

New York City: The electrical area comprised of Load Zone J, as identified in the ISO Procedures.

New York Control Area (“NYCA”): The Control Area that is under the control of the ISO which includes transmission facilities listed in the ISO/TO Agreement Appendices A-1 and A-2, as amended from time-to-time, and Generation located outside the NYS Power System that is subject to protocols (e.g., telemetry signal biasing) which allow the ISO and other Control Area operator(s) to treat some or all of that Generation as though it were part of the NYS Power System.

New York Power Pool (“NYPP”): An organization established by agreement (the “New York Power Pool Agreement”) made as of July 21, 1966, and amended as of July 16, 1991, by and among Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Lighting Company, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc., Rochester Gas and Electric Corporation, and the Power Authority of the State of New York. LIPA became a Member of the NYPP on May 28, 1998 as a result of the acquisition of the Long Island Lighting Company by the Long Island Power Authority.

New York State Bulk Power Transmission Facility: This term shall have the meaning given in Attachment Y to the OATT.

New York State Power System (“NYS Power System”): All facilities of the NYS Transmission System, and all those Generators and Aggregations located within the NYCA or outside the NYCA, some of which may from time-to-time be subject to operational control by the ISO.

New York State Reliability Council (“NYSRC”): An organization established by agreement among the Member Systems of the New York Power Pool (the “NYSRC Agreement”).

New York State Transmission System (“NYS Transmission System”): The entire New York State electric transmission system, which includes: (1) the Transmission Facilities Under ISO Operational Control; (2) the Transmission Facilities Requiring ISO Notification; and (3) all remaining transmission facilities within the NYCA.

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Non-Competitive Proxy Generator Bus: A Proxy Generator Bus for an area outside of the New York Control Area that has been identified by the ISO as characterized by non-competitive Import or Export prices, and that has been approved by the Commission for designation as a Non-Competitive Proxy Generator Bus. Non-Competitive Proxy Generator Buses are identified in Section 4.4.4 of the Services Tariff.

Non-Firm Point-To-Point Transmission Service: Point-To-Point Transmission Service for which a Transmission Customer is not willing to pay Congestion. Such service is not available in the markets that the NYISO administers.

Non-Investment Grade Customer: As defined in the ISO Services Tariff.

Non-Utility Generator (“NUG,” “Independent Power Producer” or “IPP”): Any entity that owns or operates an electric generating facility that is not included in an electric utility’s rate base. This term includes, but is not limited to, cogenerators and small power producers and all other non-utility electricity producers, such as exempt wholesale generators that sell electricity.

Normal State: The condition that the NYS Power System is in when the Transmission Facilities Under ISO Operational Control are operated within the parameters listed for Normal State in the Reliability Rules. These parameters include, but are not limited to, thermal, voltage, stability, frequency, operating reserve and Pool Control Error limitations.

Northport-Norwalk Scheduled Line: A transmission facility that originates at the Northport substation in New York and interconnects the NYCA to the ISO New England Control Area at the Norwalk Harbor substation in Connecticut.

Notice of Intent to Return: As defined in the ISO Services Tariff.

Notification: Informing the ISO of all changes in status of the Transmission Facilities Requiring ISO Notification. Notification includes the Transmission Owners informing the ISO of all changes in the status of the designated transmission facilities.

Nuclear Regulatory Commission (“NRC”): Nuclear Regulatory Commission, or any successor thereto.

NYPA: The Power Authority of the State of New York.

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NYPA Transmission Adjustment Charge (“NTAC”): A surcharge on all Energy Transactions designed to recover the Annual Transmission Revenue Requirement of NYPA which cannot be recovered through its TSC, TCCs, or other transmission revenues, including, but not limited to, its ETA revenues. This charge will be assessed to all Load statewide, as well as Transmission Customers in Wheels Through and Exports.

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1.15 Definitions - O

Off-Peak: The hours between 11:00 p.m. and 7:00 a.m., prevailing Eastern Time, Monday through Friday, and all day Saturday and Sunday, and NERC-defined holidays, or as otherwise decided by ISO.

On-Peak: The hours between 7:00 a.m. and 11:00 p.m. inclusive, prevailing Eastern Time, Monday through Friday, except for NERC-defined holidays, or as otherwise decided by the ISO.

Open Access Same-Time Information System (“OASIS”): The information system and standards of conduct contained in Part 37 of the Commission’s regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

Operating Agreement: An agreement between the ISO and a non-incumbent owner of transmission facilities in the New York Control Area concerning the operation of the transmission facilities in the form of the agreement set forth in Appendix H (Section 31.11) of Attachment Y.

Operating Capacity: Capacity that is readily converted to Energy and is measured in MW.

Operating Committee: A standing committee of the ISO created pursuant to the ISO Agreement, which coordinates operations, develops procedures, evaluates proposed system expansions and acts as a liaison to the NYSRC.

Operating Requirement: As defined in the ISO Services Tariff.

Operating Reserves: Capacity that is available to ~~supply-provide~~ Energy, ~~or to reduce demand~~ and that meets the requirements of the ISO. The ISO will administer Operating Reserves markets, in the manner described in Article 4 and Rate Schedule 4 of this ISO Services Tariff, to satisfy the various Operating Reserves requirements, including locational requirements, established by the Reliability rules and other applicable reliability standards. The basic Operating Reserves products that will be procured by the ISO on behalf of the market are classified as follows:

- (1) Spinning Reserve: Operating Reserves provided by Generators and ~~Demand-Side Resources~~ Aggregations that meet the eligibility criteria set forth in Rate Schedule 4 of the ISO Services Tariff, are already synchronized to the NYS Power System, and can respond to instructions to change their output level, or reduce their Energy usage, within ten (10) minutes. Generators utilizing inverter-based energy storage technology and that otherwise meet the eligibility criteria set forth in the ISO Services Tariff may provide

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Spinning Reserves. Spinning Reserves may not be provided ~~by a Demand Side Resource that facilitates demand reduction using a Local Generator, unless that Local Generator utilizes inverter based energy storage technology, or~~ by Behind-the-Meter Net Generation Resources that are comprised of more than one generating unit that are dispatched as a single aggregate unit, or Aggregations comprised of one or more (i) generating units (unless each of the generating units use inverter-based energy storage technology) or (ii) Demand Side Resources where at least one Demand Side Resource facilitates its Demand Reduction using a Local Generator (unless the Local Generator(s) use inverter-based energy storage technology).

(2) 10-Minute Non-Synchronized Reserve: Operating Reserve provided by Generators, Aggregations, or Behind-the-Meter Net Generation Resources that are comprised of more than one generating unit that are dispatched as a single aggregate unit, ~~or Demand Side Resources, including Demand Side Resources using Local Generators,~~ that meet the eligibility criteria set forth in Rate Schedule 4 of this ISO Services Tariff and that can be started, synchronized and can change their output level within ten (10) minutes; and

(3) 30-Minute Reserve: Synchronized Operating Reserves provided by Generators and Aggregations, except Behind-the-Meter Net Generation Resources that are comprised of more than one generating unit and dispatched as a single aggregate unit or Aggregations that are comprised of one or more (i) generating units (unless each of the generating units use inverter-based energy storage technology) or (ii) Demand Side Resource(s) where at least one Demand Side Resource facilitates its Demand Reduction using a Local Generator (unless the Local Generator(s) use inverter-based energy storage technology), and Demand Side Resources that do not facilitate demand reduction using Local Generators, or that facilitate demand reduction using a Local Generator utilizing inverter based energy storage technology; or non-synchronized Operating Reserves provided by Generators, Aggregations, or Behind-the-Meter Net Generation Resources that are comprised of more than one generating unit and dispatched as a single aggregate unit, ~~or Demand Side Resources~~ that meet the eligibility criteria set forth in Rate Schedule 4 of this ISO Services Tariff and that can respond to instructions to change their output level within thirty (30) minutes, including starting and synchronizing to the NYS Power System.

Operating Reserve Demand Curve: A series of quantity/price points that defines the maximum Shadow Price for Operating Reserves meeting a particular Operating Reserve requirement corresponding to each possible quantity of Resources that the ISO's software may schedule to meet that requirement. A single Operating Reserve Demand Curve will apply to both the Day-Ahead Market and the Real-Time Market for each of the ISO's twelve Operating Reserve requirements.

Operating Study Power Flow: A Power Flow analysis that is performed at least once before each Capability Period that is used to determine each Interface Transfer Capability for the Capability Period (See Attachment M).

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Operational Control: Directing the operation of the Transmission Facilities Under ISO Operational Control to maintain these facilities in a reliable state, as defined by the Reliability Rules. The ISO shall approve operational decisions concerning these facilities, made by each Transmission Owner before the Transmission Owner implements those decisions. In accordance with ISO Procedures, the ISO shall direct each Transmission Owner to take certain actions to restore the system to the Normal State. Operational Control includes security monitoring, adjustment of generation and transmission resources, coordination and approval of changes in transmission status for maintenance, determination of changes in transmission status for reliability, coordination with other Control Areas, voltage reductions and Load Shedding, except that each Transmission Owner continues to physically operate and maintain its facilities.

Optimal Power Flow (“OPF”): The Power Flow analysis that is performed during the administration of the Centralized TCC Auction and Reconfiguration Auction to determine the most efficient simultaneously feasible allocation of TCCs to bidders.

Original Residual TCC: A TCC converted from Residual Transmission Capacity estimated prior to the first Centralized TCC Auction and allocated among the Transmission Owners utilizing the Interface MW-Mile Methodology prior to the first Centralized TCC Auction.

Order Nos. 888 et seq.: The Final Rule entitled Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, issued by the Commission on April 24, 1996, in Docket Nos. RM95-8-000 and RM94-7-001, as modified on rehearing, or upon appeal. (See FERC Stats. & Regs. [Regs. Preambles 1991-1996] ¶ 31,036 (1996) (“Order No. 888”), on reh’g, III FERC Stats. & Regs. ¶ 31,048 (1997) (“Order No. 888-A”), on reh’g, 81 FERC ¶ 61,248 (1997) (“Order No. 888-B”) (Order on reh’g 82 FERC ¶ 61,046 (1998) (“Order No. 888- C”).

Order Nos. 889 et seq.: The Final Rule entitled Open Access Same-Time Information System (formerly Real-Time Information Networks) and Standards of Conduct, issued by the Commission on April 24, 1996, in Docket No. RM95-9-000, as modified on rehearing, or upon appeal. (See FERC Stats. & Regs. [Regs. Preambles 1991-1996] ¶ 31,035 (1996) (“Order No. 889”), on reh’g, III FERC Stats. & Regs. ¶ 31,049 (1997) (“Order No. 889-A”), on reh’g, 81 FERC ¶ 61,253 (1997) (“Order No. 889-B”).

Out-of-Merit Generation: Resources committed and/or dispatched by the ISO at specified output limits for specified time periods to meet Load and/or reliability requirements that differ from or supplement the ISO’s security constrained economic commitment and/or dispatch.

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1.16 Definitions - P

Part 1: Tariff Section 1 pertaining to Definitions.

Part 2: Tariff Section 2 pertaining to Common Service Provisions.

Part 3: Tariff Section 3 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part 2 and appropriate Schedules and Attachments.

Part 4: Tariff Section 4 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part 2 and appropriate Schedules and Attachments.

Part 5: OATT Section 5 – Special Provisions for retail access and the Individual Retail Access Plans

Party or Parties: The ISO and the Transmission Customer receiving service under the Tariff.

Peak Load Window: As defined in the ISO Services Tariff.

Performance Tracking System: A system designed to report metrics for Generators, Aggregations, and Loads which include but are not limited to actual output and schedules (See Rate Schedule 3 of the ISO Services Tariff). This system is used by the ISO to measure compliance with criteria associated with the provision of Energy and Ancillary Services.

Point(s) of Delivery: Point(s) on the NYS Transmission System or Proxy Generator Buses where Energy transmitted by the ISO will be made available to the Transmission Customer under the ISO Tariffs. The Point(s) of Delivery shall be specified in the Bid, Bilateral Transaction schedule, or similar entry.

Point(s) of Injection (“POI”): The point(s) on the NYS Transmission System or Proxy Generator Buses where Energy and Ancillary Services will be made available to the ISO by the Customer or Transmission Customer under the ISO Tariffs. The Point(s) of Injection shall be specified in the Bid, Bilateral Transaction schedule, or similar entry. (May be referred to as “Point of Receipt” or similar in some Existing Transmission Agreements.)

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Point(s) of Receipt: Point(s) of interconnection on the NYS Transmission System or Proxy Generator Buses where Energy will be made available to the ISO by the Transmission Customer under the ISO Tariffs. The Point(s) of Receipt shall be specified in the Bid, Bilateral Transaction schedule, or similar entry.

Point(s) of Withdrawal (“POW”): The point(s) on the NYS Transmission System or Proxy Generator Buses where Energy will be made available to the Transmission Customer or Customer under the ISO Tariffs. The Point(s) of Withdrawal shall be specified in the Bid, Bilateral Transaction Schedule, or other similar entry. (May be referred to as “Point of Delivery” or similar in some Existing Transmission Agreements.)

Point-to-Point Transmission Service: The reservation and transmission of Capacity and Energy on a firm basis from the Point(s) of Receipt to the Point(s) of Delivery under the ISO Tariffs.

Pool Control Error (“PCE”): The difference between the actual and scheduled interchange with other Control Areas, adjusted for frequency bias.

Post Contingency: Conditions existing on a system immediately following a Contingency.

Power Exchange (“PE”): A commercial entity meeting the requirements for service under the ISO OATT or the ISO Services Tariff that facilitates the purchase and/or sale of Energy, Capacity and/or Ancillary Services in the New York Wholesale Market. A PE may transact with the ISO on its own behalf or as an agent for others.

Power Factor: The ratio of real power to apparent power (the product of volts and amperes, expressed in megavolt-amperes, MVA).

Power Factor Criteria: Criteria to be established by the ISO to monitor a Load’s use of Reactive Power.

Power Flow: A simulation which determines the Energy flows on the NYS Transmission System and adjacent transmission systems.

Power Purchaser: The entity that is purchasing the Capacity and Energy to be transmitted under the Tariff.

Primary Holder: The Transmission Customer that is the recognized holder of a TCC, as described in Attachment M of this ISO OATT.

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Prior Equivalent Capability Period: The previous same-season Capability Period.

Proxy Generator Bus: A proxy bus located outside the NYCA that is selected by the ISO to represent a typical bus in an adjacent Control Area and at which LBMP prices are calculated. The ISO may establish more than one Proxy Generator Bus at a particular Interface with a neighboring Control Area to enable the NYISO to distinguish the bidding, treatment and pricing of products and services available at the Interface.

PSC: The Public Service Commission of the State of New York or any successor agency thereto.

PSL: The New York Public Service Law, N.Y. Pub. Serv. Law § 1 et seq. (McKinney 1989 & Supp. 1997-98).

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Qualified Non-Generator Voltage Support Resource: A resource that is neither a Generator nor a Distributed Energy Resource, nor a synchronous condenser but that is capable of providing the ISO with Reactive Power on a dynamic basis, that is energized and under the operational control of the ISO, or a Transmission Owner, that meets the resource-specific technical and testing criteria specified in the ISO Procedures, and that is ineligible to receive Reactive Power compensation other than as a Qualified Non-Generator Voltage Support Resource. The Cross-Sound Scheduled Line shall be a Qualified Non-Generator Voltage Support Resource, provided that it meets the technical and testing criteria specified in the ISO Procedures.

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RCRR TCC: A Load Zone-to-Load Zone TCC created when a Member System with a RCRR exercises its right to convert the RCRR into a TCC pursuant to Section 19.5.4 of Attachment M of this ISO OATT.

Reactive Power (MVar): The product of voltage and the out-of-phase component of alternating current. Reactive Power, usually measured in MVar, is produced by capacitors (synchronous condensers), over-excited Generators, and Qualified Non-Generator Voltage Support Resources, and absorbed by reactors or under-excited Generators and other inductive devices including the inductive portion of Loads.

Ramp Capacity: The amount of change in the Desired Net Interchange that generation located in the NYCA can support at any given time. Ramp Capacity may be calculated for all Interfaces between the NYCA and neighboring Control Areas as a whole or for any individual Interface between the NYCA and an adjoining Control Area.

Real Power Losses: The loss of Energy, resulting from transporting power over the NYS Transmission System, between the Point of Injection and Point of Withdrawal of that Energy.

Real-Time Bid: A Bid submitted into the Real-Time Commitment before the close of the Real-Time Scheduling Window. A Real-Time Bid shall also include a CTS Interface Bid.

Real-Time Commitment (“RTC”): A multi-period security constrained unit commitment and dispatch model that co-optimizes to solve simultaneously for Load, Operating Reserves and Regulation Service on a least-as-bid production cost basis over a two hour and fifteen minute optimization period. The optimization evaluates the next ten points in time separated by fifteen minute intervals. Each RTC run within an hour shall have a designation indicating the time at which its results are posted: “RTC₀₀,” RTC₃₀, and “RTC₄₅,” post on the hour, and at fifteen, thirty, and forty-five minutes after the hour, respectively. Each RTC run will produce binding commitment instructions for the periods beginning fifteen and thirty minutes after its scheduled posting time and will produce advisory commitment guidance for the remainder of the optimization period, RTC₁₅ will also establish hourly External Transaction schedules, while all RTC runs may establish 15 minute External Transaction schedules at Variably Scheduled Proxy Generator Buses. Additional information about RTC’s functions is provided in Section 4.4.2 of the ISO Services Tariff.

Real-Time Dispatch (“RTD”): A multi-period security constrained dispatch model that co-optimizes to solve simultaneously for Load, Operating Reserves, and Regulation Service on a least-as-bid production cost basis over a fifty, fifty-five or sixty-minute period (depending on

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when each RTD run covers within an hour). The Real-Time Dispatch dispatches, but does not commit, Resources, except that RTD may commit, for pricing purposes, Resources meeting Minimum Generation Levels and capable of starting in ten minutes. RTD may also establish 5-minute External Transaction schedules at Dynamically Scheduled Proxy Generator Buses. Real-Time Dispatch runs will normally occur every five minutes. Additional information about RTD's functions is provided in Section 4.4.3 of the ISO Services Tariff. Throughout the ISO Services Tariff the term "RTD" will normally be used to refer to both the Real-Time Dispatch and to the specialized Real-Time Dispatch Corrective Action Mode software.

Real-Time Dispatch-Corrective Action Mode ("RTD-CAM"): A specialized version of the Real-Time Dispatch software that will be activated when it is needed to address unanticipated system conditions. RTD-CAM is described in Section 4.4.4 of the ISO Services Tariff.

Real-Time LBMP: The LBMPs established through the ISO Administered Real-Time Market.

Real-Time Market: The ISO Administered Markets for Energy and Ancillary Services resulting from the operation of the RTC and the RTD.

Real-Time Scheduling Window: The period of time within which the ISO accepts offers and Bids to sell and purchase Energy and Ancillary Services in the real-time market which period closes seventy-five (75) minutes before each hour, or eighty-five (85) minutes before each hour for Bids to schedule External Transactions at the Proxy Generator Buses associated with the Cross-Sound Scheduled Line, the Neptune Scheduled Line, the Linden VFT Scheduled Line, or the HTP Scheduled Line.

Reconfiguration Auction: The monthly auction administered by the ISO which will either be: (i) a Balance-of-Period Auction; or (ii) an auction in which Transmission Customers may purchase and sell one-month TCCs; provided, however, that the ISO shall only conduct one Reconfiguration Auction type in a month.

Reference Bus: The location on the NYS Transmission System relative to which all mathematical quantities, including Shift Factors and penalty factors relating to physical operation, will be calculated. The NYPA Marcy 345 kV transmission substation is designated as the Reference Bus.

Regional Transmission Group (RTG): A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

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Regulation Service Demand Curve: A series of quantity/price points that defines the maximum Shadow Price for Regulation Service corresponding to each possible quantity of Resources that the ISO’s software may schedule to satisfy the ISO’s Regulation Service constraint. A single Regulation Service Demand Curve will apply to both the Day-Ahead Market and the Real-Time Market for Regulation Service. The Shadow Price for Regulation Service shall be used to calculate Regulation Service payments under Rate Schedule 3 of the Service Tariff.

Reliability Rules: Those rules, standards, procedures and protocols developed and promulgated by the NYSRC, including Local Reliability Rules, in accordance with NERC, NPCC, FERC, PSC and NRC standards, rules and regulations, and other criteria and pursuant to the NYSRC Agreement.

Repair Plan: As defined in the ISO Services Tariff.

Required System Capability: Generation capability required to meet an LSE’s peak Load plus Installed Capacity reserve obligation as defined in the Reliability Rules.

Reserved Capacity: The maximum amount of Capacity and Energy that the ISO agrees to transmit for the Transmission Customer over the NYS Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part 3 of this Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

Residual Adjustment: The adjustment made to ISO costs that are recovered through Schedule 1. The Residual Adjustment is calculated pursuant to Schedule 1.

Residual Capacity Reservation Right (“RCRR”): A megawatt of transmission capacity from one Load Zone to an electrically contiguous Load Zone, each of which is internal to the NYCA, that may be converted into an RCRR TCC by a Member System allocated the RCRR pursuant to Section 19.5 of Attachment M.

Residual Transmission Capacity: The transmission capacity determined by the ISO before, during and after the Centralized TCC Auction which is conceptually equal to the following:

$$\text{Residual Transmission Capacity} = \text{TTC} - \text{TRM} - \text{CBM} - \text{GTR} - \text{GTCC} - \text{ETCNL}$$

The TCCs associated with Residual Transmission Capacity cannot be accurately determined until the Centralized TCC Auction is conducted.

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TTC is the Total Transfer Capability that can only be determined after the Residual Transmission Capacity is known.

GTR is the transmission capacity associated with Grandfathered Rights.

GTCC is the transmission capacity associated with Grandfathered TCCs.

ETCNL is the transmission capacity associated with Existing Transmission Capacity for Native Load.

TRM is the Transmission Reliability Margin.

CBM is the Capacity Benefit Margin.

Resource with Energy Duration Limitation: As defined in the ISO Services Tariff.

Retired: As defined in the ISO Services Tariff.

RMR Agreement: An agreement of limited duration that provides for the continued operation of one or more RMR Generator(s) to satisfy one or more Generator Deactivation Reliability Need(s) entered into between the ISO and an entity or entities that own or have operational control over the RMR Generator(s).

RMR Avoidable Costs: The (a) fixed costs of an Initiating Generator that would be avoided if it were to exit the ISO-Administered Markets in the manner specified in its Generator Deactivation Notice, (b) the fixed costs of a Generator already in a Mothball Outage, an ICAP Ineligible Forced Outage, or that has been mothballed since before May 1, 2015 that would be incurred if it were to re-enter the ISO-Administered Markets pursuant to an RMR Agreement that would be avoided if it remained in such state, or (c) the costs necessary for a new Generator proposed as a Generator Deactivation Solution to enter service. RMR Avoidable Costs include mandatory capital expenditures, fixed operating and maintenance costs, and forgone opportunity costs, determined by the ISO in accordance with Section 38.8 of Attachment FF, as modified by the Commission. RMR Avoidable Costs do not include variable costs or any other type of cost that are included in the Generator's Energy or Ancillary Services reference levels, or that are ordinarily included in Energy or Ancillary Services reference levels.

RMR Generator: The Generator or Generators operating under an RMR Agreement.

Rolling RTC: The RTC run that is used to schedule a given 15-minute External Transaction. The Rolling RTC may be an RTC₀₀, RTC₁₅, RTC₃₀ or RTC₄₅ run.

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Safe Operations: Actions which avoid placing personnel and equipment in peril with regard to the safety of life and equipment damage.

Scarcity Reserve Demand Curve: A series of quantity/price points that defines the maximum Shadow Price for Operating Reserves to meet a Scarcity Reserve Requirement for which the pricing rules established in Section 15.4.6.1.1(b) of Rate Schedule 4 of the NYISO Services Tariff apply corresponding to each possible quantity of Resources that the ISO's software may schedule to satisfy that requirement. A single Scarcity Reserve Demand Curve will apply to the Real-Time Market for each such Scarcity Reserve Requirement.

Scarcity Reserve Region: A Load Zone or group of Load Zones containing EDRP and/or SCRs that have been called by the ISO to address the same reliability need, as such reliability need is determined by the ISO.

Scarcity Reserve Requirement: A 30-Minute Reserve requirement established by the ISO for a Scarcity Reserve Region in accordance with Rate Schedule 4 of the NYISO Services Tariff.

Scheduled Energy Injection: Energy injections or Energy provided by Demand Side Resources which are scheduled on a real-time basis by RTC.

Scheduled Energy Withdrawal: Energy Withdrawals which are scheduled on a real-time basis by RTC.

Scheduled Line: A transmission facility or set of transmission facilities: (a) that provide a distinct scheduling path interconnecting the ISO with an adjacent control area, (b) over which Customers are permitted to schedule External Transactions, (c) for which the NYISO separately posts TTC and ATC, and (d) for which there is the capability to maintain the Scheduled Line actual interchange at the DNI, or within the tolerances dictated by Good Utility Practice. Each Scheduled Line is associated with a distinct Proxy Generator Bus. Transmission facilities shall only become Scheduled Lines after the Commission accepts for filing revisions to the NYISO's tariffs that identify a specific set or group of transmission facilities as a Scheduled Line. The transmission facilities that are Scheduled Lines are identified in Section 4.4.4 of the Services Tariff.

SCUC: Security Constrained Unit Commitment, described in Attachment C of the Tariff.

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Second Contingency Design and Operation: The planning, design and operation of a power system such that the loss of any two (2) facilities will not result in a service interruption to either native load customers or contracted firm Transmission Customers. Second Contingency Design and Operation criteria do not include the simultaneous loss of two (2) facilities, but rather consider the loss of one (1) facility and the restoration of the system to within acceptable operating parameters, prior to the loss of a second facility. These criteria apply to thermal, voltage and stability limits and are generally equal to or more stringent than NYPP, NPCC and NERC criteria.

Second Settlement: The process of: (1) identifying differences between Energy production, Energy consumption or NYS Transmission System usage scheduled in a First Settlement, and the actual production, consumption, or NYS Transmission System usage during the Dispatch Day; and (2) assigning financial responsibility for those differences to the appropriate Customers and Market Participants. Charges for Energy supplied (to replace Generation deficiencies or unscheduled consumption), and payments for Energy consumed (to absorb consumption deficiencies or excess Energy supply) or changes in transmission usage will be based on the Real-Time LBMPs.

Secondary Holder: Entities that purchase TCCs and have not been certified as a Primary Holder by the ISO.

Secondary Market: A market in which Primary and Secondary Holders sell TCCs by mechanisms other than through the Centralized TCC Auction, Reconfiguration Auction, or by Direct Sale.

Security Coordinator: An entity that provides the security assessment and Emergency operations coordination for a group of Control Areas. A Security Coordinator must not participate in the wholesale or retail merchant functions.

Self-Committed Fixed: A bidding mode in which a Generator or Aggregation is self-committed and opts not to be Dispatchable over any portion of its operating range.

Self-Committed Flexible: A bidding mode in which a dispatchable Generator or Aggregation follows Base Point Signals within a portion of its operating range, but self-commits.

Self-Supply: The provision of certain Ancillary Services, or the provision of Energy to replace Marginal Losses by a Transmission Customer using either the Transmission Customer's own Generators or generation obtained from an entity other than the ISO.

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Service Agreement: The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the ISO for service under the Tariff or any unexecuted Service Agreement, amendments on supplements thereto, that the ISO unilaterally files with the Commission.

Service Commencement Date: The date the ISO begins to provide service pursuant to the terms of an executed Service Agreement, or the date the ISO begins to provide service in accordance with Section 3.3.3 or Section 4.2.1 under the Tariff.

Settlement: The process of determining the charges to be paid to, or by a Transmission Customer to satisfy its obligations

Shadow Price: The marginal value of relieving a particular Constraint which is determined by the reduction in system cost that results from an incremental relaxation of that Constraint.

Shift Factor (“SF”): A ratio, calculated by the ISO, that compares the change in power flow through a transmission facility resulting from the incremental injection and withdrawal of power on the NYS Transmission System.

Short-Term Firm Point-To-Point Transmission Service: Firm Point-to-Point Service, the price of which is fixed for a short term by a Transmission Customer acquiring sufficient TCCs with the same Points of Receipt and Delivery as its Transmission Service.

Sink Price Cap Bid: A monotonically increasing Bid curve provided by an entity engaged in an Export to indicate the relevant Proxy Generator Bus LBMP below which that entity is willing to either purchase Energy in the LBMP Markets or, in the case of Bilateral Transactions, to accept Transmission Service, where the MW amounts on the Bid curve represent the desired increments of Energy that the entity is willing to purchase at various price points.

Southeastern New York (“SENY”): An electrical area comprised of Load Zones G, H, I, J, and K, as identified in the ISO Procedures.

Special Test Transactions: The revenues or costs from purchases and/or sales of Energy that may occur pursuant to virtual regional dispatch/intra-hour transaction pilot tests conducted by the ISO to analyze potential solutions for, or approaches to resolving inter-market “seams” issues with neighboring control area operators.

Start-Up Bid: A Bid parameter that may vary hourly and that identifies the payment a Supplier requires to bring a Generator up to its specified minimum operating level from an offline state ~~or~~

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~~a Demand Side Resource from a level of no Demand Reduction to its specified minimum level of Demand Reduction.~~ If the Supplier is a BTM:NG Resource, Energy Storage Resource or an Aggregation, it shall not submit a Start-Up Bid.

Start-Up Bids submitted for a Generator that is not able to complete its specified minimum run time (of up to a maximum of 24 hours) within the Dispatch Day are expected to include expected net costs related to the hour(s) that a Generator needs to run on the day following the Dispatch Day in order to complete its minimum run time. The component of the Start-Up Bid that incorporates costs that the Generator expects to incur on the day following the Dispatch Day is expected to reflect the operating costs that the Supplier does not expect to be able to recover through LBMP revenues while operating to meet the Generator's minimum run time, at the minimum operating level Bid for that Generator for the hour of the Dispatch Day in which the Generator is scheduled to start-up. Settlement rules addressing Start-Up Bids that incorporates costs related to the hours that a Generator needs to run on the day following the Dispatch Day on which the Generator is committed are set forth in Attachment C to the ISO Services Tariff.

Storm Watch: Actual or anticipated severe weather conditions under which region-specific portions of the NYS Transmission System are operated in a more conservative manner by reducing transmission transfer limits.

Strandable Costs: Prudent and verifiable expenditures and commitments made pursuant to a Transmission Owner's legal obligations that are currently recovered in the Transmission Owner's retail or wholesale rate that could become unrecoverable as a result of a restructuring of the electric utility industry and/or electricity market, or as a result of retail-turned-wholesale customers, or customers switching generation or transmission service suppliers.

Stranded Investment Recovery Charge ("SIRC"): A charge established by a Transmission Owner to recover Strandable Costs.

Sub-Auctions: The set of rounds in a given Capability Period Auction in which TCCs of a given duration may be purchased.

Subzone: That portion of a Load Zone in a Transmission Owner's Transmission District.

Supplier: A Party that is supplying the Capacity, Energy and/or associated Ancillary Services to be made available under the ISO OATT or the ISO Services Tariff, including Generators, BTM:NG Resources, and ~~Demand Side Resources~~ DER Aggregations that satisfy all applicable ISO requirements.

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Supplemental Event Interval: Any RTD interval in which there is a maximum generation pickup or a large event reserve pickup or which is one of the three RTD intervals following the termination of the maximum generation pickup or the large event reserve pickup.

Supplemental Resource Evaluation (“SRE”): A determination of the least cost selection of additional Generators or Aggregations, which are to be committed, to meet: (i) changed or local system conditions for the Dispatch Day that may cause the Day-Ahead schedules for the Dispatch Day to be inadequate to meet the reliability requirements of the Transmission Owner’s local system or to meet Load or reliability requirements of the ISO; or (ii) forecast Load and reserve requirements over the six-day period that follows the Dispatch Day.

System Impact Study: An assessment by the ISO of (i) the adequacy of the NYS Transmission System to accommodate a request to build facilities in order to create incremental transfer capability, resulting in incremental TCCs, in connection with a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service; and (ii) the additional costs to be incurred in order to provide the incremental transfer capability.

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Tangible Net Worth: The value, determined by the ISO, of all of a Customer’s assets less both: (i) the amount of the Customer’s liabilities and (ii) all of the Customer’s intangible assets, including, but not limited to, patents, trademarks, franchises, intellectual property, and goodwill.

Third Party Sale: Any sale for resale in interstate commerce to a power purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

Third Party Transmission Wheeling Agreements (“Third Party TWAs”): A Transmission Wheeling Agreement, as amended, between Transmission Owners or between a Transmission Owner and an entity that is not a Transmission Owner. Third Party TWAs are associated with the purchase (or sale) of Energy, Capacity, and/or Ancillary Services for the benefit of an entity that is not a Transmission Owner. All Third Party TWAs are listed in Attachment L, Table 1A, and are designated in the “Treatment” column of Table 1A, as “Third Party TWA.”

Total Transfer Capability (“TTC”): The amount of electric power that can be transferred over the interconnected transmission network in a reliable manner.

Trading Hub: A virtual location in a given Load Zone, modeled as a Generator bus and/or Load bus, for scheduling Bilateral Transactions in which both the POI and POW are located within the NYCA.

Trading Hub Energy Owner: A Customer who buys energy in a Bilateral Transaction in which the POW is a Trading Hub, or who sells energy in a Bilateral Transaction in which the POI is a Trading Hub.

Transaction: The purchase and/or sale of Energy or Capacity, or the sale of Ancillary Services. A Transaction bid into the Energy market to sell or purchase Energy or to schedule a Bilateral Transaction includes a Point of Injection and a Point of Withdrawal.

Transfer Capability: The measure of the ability of interconnected electrical systems to reliably move or transfer power from one area to another over all transmission facilities (or paths) between those areas under specified system conditions.

Transmission Congestion Contract Component (“TCC Component”): As defined in the ISO Services Tariff.

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Transmission Congestion Contracts (“TCCs”): The right to collect or obligation to pay Congestion Rents in the Day-Ahead Market for Energy associated with a single MW of transmission between a specified POI and POW. TCCs are financial instruments that enable Energy buyers and sellers to hedge fluctuations in the price of transmission.

Transmission Customer: Any Eligible Customer (or its designated agent) that (i) executes a Service Agreement, or (ii) requests in writing that the ISO file with the Commission a proposed unexecuted Service Agreement to receive Transmission Service under Part 3, 4 and/or 5 of the Tariff.

Transmission District: The geographic area in which a Transmission Owner, including LIPA, is obligated to serve Load, as well as the customers directly interconnected with the transmission facilities of the Power Authority of the State of New York.

Transmission Facility Agreement (“TFA”): Agreements governing the use of specific or designated transmission facilities charges to cover all, or a portion, of the costs to install, own, operate, or maintain transmission facilities, to the customer under the agreement and that have provisions to provide Transmission Service utilizing said transmission facilities. All Transmission Facility Agreements are listed in Attachment L. Table 1A, and are designated in the “Treatment” column as “Facility Agmt. – MWA.”

Transmission Facilities Under ISO Operational Control: The transmission facilities of the Transmission Owners listed in Appendix A-1 of the ISO/TO Agreement (“Listing of Transmission Facilities Under ISO Operational Control”) and listed in Appendix A-1 of an Operating Agreement (“NTO Transmission Facilities Under ISO Operational Control”) that are subject to the Operational Control of the ISO. This listing may be amended from time-to-time as specified in the ISO/TO Agreement and Operating Agreements.

Transmission Facilities Requiring ISO Notification: The transmission facilities of the Transmission Owners listed in Appendix A-2 of the ISO/TO Agreement (“Listing of Transmission Facilities Requiring ISO Notification”) and listed in Appendix A-2 of an Operating Agreement (“NTO Transmission Facilities Requiring ISO Notification”) whose status of operation must be provided to the ISO by the Transmission Owners (for the purposes stated in the ISO Tariffs and in accordance with the ISO OATT, ISO/TO Agreement, and/or Operating Agreements) prior to the Transmission Owners making operational changes to the state of these facilities. This listing may be amended from time-to-time as specified in the ISO/TO Agreement and Operating Agreements.

Transmission Fund: The mechanism used under the current NYPP Agreement to compensate the Member Systems for providing Transmission Service for economy Energy Transactions over their transmission systems. Each Member System is allocated a share of the economy Energy

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savings in dollars assigned to the fund that is based on the ratio of their investment in transmission facilities to the sum of investments in transmission and generation facilities.

Transmission Node: As defined in the ISO Services Tariff.

Transmission Owner: The public utility or authority (or its designated agent) that owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff.

Transmission Owner’s Monthly Transmission System Peak: The maximum hourly firm usage as measured in megawatts (MW) of the Transmission Owner’s transmission system in a calendar month.

Transmission Plan: A plan developed by the ISO staff with Transmission Owner’s support that is a compilation of transmission projects proposed by the Transmission Owners and others, that are found to meet all applicable criteria.

Transmission Reliability Margin (“TRM”): The amount of TTC reserved by the ISO to ensure the interconnected transmission network is secure under a reasonable range of uncertainties in system conditions.

Transmission Service: Point-To-Point, Network Integration or Retail Access Transmission Service provided under Parts 3, 4 and 5 of the Tariff.

Transmission Service Charge (“TSC”): A charge designed to ensure recovery of the embedded cost of a transmission system owned by a Member System.

Transmission Shortage Cost: As defined in the NYISO Services Tariff.

Transmission System: The facilities operated by the ISO that are used to provide Transmission Services under Part 3, Part 4 or Part 5 of this Tariff.

Transmission Usage Charge (“TUC”): Payments made by the Transmission Customer to cover the cost of Marginal Losses and, during periods of time when the transmission system is Constrained, the marginal cost of Congestion. The TUC is equal to the product of: (1) the LBMP at the POW minus the LBMP at the POI (in \$/MWh); and (2) the scheduled or delivered Energy (in MWh).

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Transmission Wheeling Agreement (“TWA”): The agreements listed in Table 1A of Attachment L to the ISO OATT governing the use of specific or designated transmission facilities that are owned, controlled or operated by an entity for the transmission of Energy in interstate commerce. TWAs between Transmission Owners have been modified such that all TWAs between Transmission Owners are now MWAs.

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UCAP Component: As defined in the ISO Services Tariff.

Unrated Customer: As defined in the ISO Services Tariff.

Unsecured Credit: As defined in the ISO Services Tariff.

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1.22 Definitions - V

Variably Scheduled Proxy Generator Bus: A Proxy Generator Bus for which the ISO may schedule Transactions at 15 minute intervals in real time. Variably Scheduled Proxy Generator Buses are identified in Section 4.4.4 of the Services Tariff.

Virtual Load: As defined in the ISO Services Tariff.

Virtual Supply: As defined in the ISO Services Tariff.

Virtual Transaction: As defined in the ISO Services Tariff.

Virtual Transaction Component: As defined in the ISO Services Tariff.

Voting Share: The method used in the ISO Agreement to allocate voting rights among the members of the Management Committee. The formula for calculating a Party's Voting Share is provided in the ISO Agreement.

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West of Central-East (“West” or “Western”): An electrical area comprised of Lead Zones A, B, C, D, and E, as identified in the ISO Procedures.

Wheels Through: Transmission Service, originating in another Control Area that is wheeled through the NYCA to another Control Area.

Wholesale Market: The sum of purchases and sales of Energy and Capacity for resale along with Ancillary Services needed to maintain reliability and power quality at the transmission level coordinated together through the ISO and Power Exchanges. A party who purchases Energy, Capacity or Ancillary Services in the Wholesale Market to serve its own Load is considered to be a participant in the Wholesale Market.

Wholesale Transmission Services Charges (“WTSC”): Those charges calculated pursuant to Attachment H of the OATT, incurred or declared overdue by a Transmission Owner pursuant to Section 26.11.2 of Attachment K to the ISO Services Tariff, after the effective date of these revisions; provided, however, that these provisions will not apply to pre-petition bankruptcy debts for a company that is currently in bankruptcy.

Wind Energy Forecast: The ISO’s forecast of Energy that is expected to be supplied over a specified interval of time by an Intermittent Power Resource that depends on wind as its fuel and which is used in ISO’s Energy market commitment and dispatch. The Wind Energy Forecast does not include a forecast of Energy for Intermittent Power Resources depending on wind as its fuel that participate in a DER Aggregation.

Withdrawal Billing Units: A Transmission Customer’s Actual Energy Withdrawals (for all internal withdrawals) or Scheduled Energy Withdrawals (for all Export Energy withdrawals), including withdrawals for Wheels Through.

WTSC Component: As defined in the ISO Services Tariff.

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NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 1 OATT Definitions --> 1.24 OATT Definitions - X

1.24 Definitions - X

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NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 1 OATT Definitions --> 1.25 OATT Definitions - Y

1.25 Definitions - Y

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NYISO Tariffs --> Open Access Transmission Tariff (OATT) --> 1 OATT Definitions --> 1.26 OATT Definitions - Z

1.26 Definitions - Z