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For discussion at April 2019 Management Committee Meeting

4.6 Payments

4.6.1 Payments to Suppliers of Regulation Service

Suppliers of Regulation Service shall receive a payment that is calculated pursuant to Rate Schedule 15.3 of this ISO Services Tariff

4.6.2 Payments to Suppliers of Reactive Supply and Voltage Support Service (“Voltage Support Service”)

Suppliers of Voltage Support Service shall receive a Voltage Support Service payment in accordance with the criteria and formula in Rate Schedule 15.2.

4.6.3 Payments to Suppliers for Operating Reserves

Suppliers of each type of Operating Reserve will receive payments for each MW of Operating Reserve that they provide, as requested by the ISO, pursuant to Rate Schedule 15.4.

Additionally, Generators and Aggregations providing Operating Reserves shall receive a payment for Energy injections when the ISO requests Energy under a reserve activation. The Energy payment shall be calculated as the product of: (a) the Energy provided; and (b) the Real-Time Market LBMP.

4.6.4 Payments to Generators for Black Start Capability

Black Start Capability providers shall receive a payment for Black Start Capability as set forth in Rate Schedule 15.5.

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4.6.5 Day-Ahead Margin Assurance Payments

A Supplier that is scheduled in the Day-Ahead Market to provide Energy, Regulation Service, or Operating Reserves may be eligible to receive a Day-Ahead Margin Assurance Payment pursuant to Attachment J of this ISO Services Tariff.

4.6.6 Bid Production Cost Guarantee Payments

4.6.6.1 Day-Ahead BPCG for Generators

The ISO shall determine if a Supplier eligible under Section 18.2.1 of Attachment C of this ISO Services Tariff for a Day-Ahead Bid Production Cost guarantee payment will not recover its Day-Ahead Regulation Capacity Bid, Operating Reserves Bid, or its Minimum Generation Bid, Start-Up Bid, and Incremental Energy Bid for Energy scheduled in the Day-Ahead Market, including Energy provided by the capacity scheduled for Regulation Service, through Day-Ahead LBMP revenue, Day-Ahead Imputed LBMP Revenue and net Day-Ahead Ancillary Services revenues for Voltage Support Service, Regulation Service, and synchronized Operating Reserves. Such determination shall be made for an entire Day-Ahead Market day, and such determination shall be made separately for each Generator. On the basis of such determination (and subject to any mitigation that may apply) the ISO shall pay a Day-Ahead BPCG to the Supplier pursuant to Section 18.2 of Attachment C to this ISO Services Tariff.

4.6.6.2 Day-Ahead BPCG for Imports

The ISO shall determine if a Supplier supplying an Import and eligible under Section 18.3.1 of Attachment C of this ISO Services Tariff for a Day-Ahead Bid Production Cost guarantee payment will not recover its Day-Ahead Decremental Bid through Day-Ahead LBMP

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revenue and Day-Ahead Imputed LBMP Revenue. Such determination shall be made for an entire Day-Ahead Market day and such determination shall be made separately for each Import transaction. On the basis of such determination, the ISO shall pay a Day-Ahead Bid Production Cost guarantee payment to the Supplier pursuant to Section 18.3 of Attachment C of this ISO Services Tariff.

4.6.6.3 Real-Time BPCG for Generators in RTD Intervals Other than Supplemental Event Intervals

The ISO shall determine if a Supplier eligible under Section 18.4.1 of Attachment C of this ISO Services Tariff for a real-time Bid Production Cost guarantee payment will not recover its real-time Regulation Capacity Bid, Regulation Movement Bid, Operating Reserves Bid, or its Minimum Generation Bid, Start-Up Bid, and Incremental Energy Bid for Energy that was not scheduled in the Day-Ahead Market, including Energy provided by the capacity scheduled for Regulation Service, through real-time LBMP revenue, real-time Imputed LBMP Revenue and net real-time Ancillary Services revenues for Voltage Support Service, Regulation Service, and synchronized Operating Reserves. Such determination shall be made for an entire Dispatch Day (except for Supplemental Event Intervals). Such determination shall be made separately for each Generator. On the basis of such determination, and subject to any mitigation that may apply, the ISO shall pay a real-time Bid Production Cost guarantee payment to the Supplier pursuant to Section 18.4 of Attachment C to this ISO Services Tariff and, as applicable, Section 15.3.

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Suppliers bidding on behalf of Resources that were not committed by the ISO to operate in a given Dispatch Day, but which continue to operate due to minimum run time Constraints, shall not receive such a supplemental payment.

4.6.6.4 BPCG for Generators for Supplemental Event Intervals

The ISO shall determine if a Supplier eligible under Section 18.5.1 of Attachment C of this ISO Services Tariff for a Bid Production Cost guarantee payment for a Supplemental Event Interval will not recover its real-time Regulation Capacity Bid, Regulation Movement Bid, Operating Reserves Bid, or its Minimum Generation Bid and Incremental Energy Bid for Energy that was not scheduled Day-Ahead, including Energy provided by the capacity scheduled for Regulation Service, through real-time LBMP revenue, real-time Imputed LBMP Revenue and net real-time Ancillary Services revenues for Voltage Support Service, Regulation Service, and Operating Reserves in that interval. Such determination shall be made separately for each Supplemental Event Interval, and such determination shall be made separately for each Generator. On the basis of such determination, the ISO shall pay a Bid Production Cost guarantee payment to the Supplier for a Supplemental Event Interval pursuant to Section 18.5 of Attachment C of this ISO Services Tariff.

4.6.6.5 Real-Time BPCG for External Transactions

External Transactions are not eligible to receive Bid Production Cost guarantee payments in the Real-Time Market pursuant to Section 18.6 of Attachment C of this ISO Services Tariff.

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4.6.6.6 BPCG for Long Start-Up Time Generators Whose Starts Are Aborted by the ISO Prior to their Dispatch

The ISO shall pay a Supplier eligible under Section 18.7.1 of Attachment C of this ISO Services Tariff for a Bid Production Cost guarantee payment for a long start-up time Generator (i.e., a Generator that cannot be scheduled by SCUC to start up in time for the next Dispatch Day) whose start is aborted by the ISO prior to its dispatch for that portion of its Start-Up Bid that corresponds to that portion of its start-up sequence that it completed prior to being aborted. Such determination shall be made for an entire Dispatch Day, and such determination shall be made separately for each long start-up time Generator. On the basis of such determination, the ISO shall pay a Bid Production Cost guarantee payment to the Supplier pursuant to Section 18.7 of Attachment C of this ISO Services Tariff.

~~**4.6.6.7 BPCG for Demand Reduction in the Day Ahead Market**~~

~~The ISO shall determine if a Demand Reduction Provider eligible under Section 18.8.1 of Attachment C of this ISO Services Tariff for a Bid Production Cost guarantee payment for Demand Reduction in the Day Ahead Market will not recover its Day Ahead Curtailment Initiation Cost and its Day Ahead Demand Reduction Bid through Day Ahead LBMP revenues. Such determination shall be made for an entire Day Ahead Market day, and such determination shall be made separately for each Demand Side Resource. On the basis of such determination, the ISO shall pay a Bid Production Cost guarantee payment to the Demand Reduction Provider pursuant to Section 18.8 of Attachment C of this ISO Services Tariff.~~

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4.6.6.8 BPCG for Special Case Resources

The ISO shall determine if a Supplier eligible under Section 18.9.1 of Attachment C of this ISO Services Tariff for a Bid Production Cost guarantee payment for a Special Case Resource will not recover its Minimum Payment Nomination through real-time LBMP revenues. Such determination shall be made for an entire Dispatch Day, and such determination shall be made separately for each Special Case Resource. On the basis of such determination, the ISO shall make a Bid Production Cost guarantee payment to the Supplier pursuant to Section 18.9 of Attachment C of this ISO Services Tariff.

~~**4.6.6.9 Day Ahead BPCG for Demand Side Resources Scheduled to Provide Synchronized Operating Reserves and/or Regulation Service**~~

~~The ISO shall determine if a Supplier that bids Demand Side Resources committed by the ISO to provide synchronized Operating Reserves and/or Regulation Service in the Day Ahead Market will not recover its Day Ahead synchronized Operating Reserves Bid to provide the amount of synchronized Operating Reserves that it was scheduled to provide, and/or its Day Ahead Regulation Capacity Bid to provide the amount of Regulation Capacity that it was scheduled to provide. Such supplier shall be eligible under Section 18.10.1 of Attachment C to this ISO Services Tariff for a Day Ahead Bid Production Cost guarantee payment. Such determination shall be made for an entire Day Ahead Market day, and such determination shall be made separately for each Demand Side Resource. On the basis of such determination, the ISO shall make a Bid Production Cost guarantee payment to the Customer pursuant to Section 18.10 of Attachment C of this ISO Services Tariff.~~

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~~4.6.6.10 — Real Time BPCG for Demand Side Resources Scheduled to Provide Synchronized Operating Reserves and/or Regulation Service~~

~~The ISO shall determine if a Supplier that bids Demand Side Resources committed by the ISO to provide synchronized Operating Reserves and/or Regulation Service will not recover its real-time synchronized Operating Reserves Bid to provide the amount of synchronized Operating Reserves that it was scheduled to provide, and/or its real-time Regulation Capacity and Regulation Bids to provide Regulation Service. Such Supplier shall be eligible under Section 18.11.1 of Attachment C to this ISO Services Tariff for a real-time Bid Production Cost guarantee payment. Such determination shall be made for an entire Dispatch Day, and such determination shall be made separately for each Demand Side Resource. On the basis of such determination, the ISO shall make a Bid Production Cost guarantee payment to the Customer pursuant to Section 18.11 of Attachment C of this ISO Services Tariff.~~

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4.7 Procurement of Station Power

A Generator may self-supply Station Power in accordance with the following provisions.

4.7.1 A Generator may self supply Station Power during any calendar month when either:

4.7.1.1 Its net output for that month is positive; or

4.7.1.2 Its net output for that month is negative and the Generator, during the same month, has available at other Generators owned by the same entity that owns the Generator positive net output in an amount at least sufficient to offset fully such negative net output (hereinafter referred to as “remote self-supply of Station Power”). A Generator may not remotely self-supply Station Power from Generators that are owned by its owner’s corporate affiliates.

4.7.1.2.1 If an entity owns a portion of a jointly owned Generator it may remotely self-supply its other Generators up to the amount of its entitlement to Energy from the jointly-owned Generator provided that: (A) the entity has the right to call upon that Energy for its own use; and (B) the Energy entitlement is not characterized as a sale from the jointly owned Generator to any of its joint owners.

4.7.2 A Generator’s net output for the month may be positive because either:

4.7.2.1 The Generator is physically supplying Energy for its Station Power needs, using its own facilities, and without using facilities that are owned by any Transmission Owner; or

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- 4.7.2.2 The Generator's Station Power requirements for the month, including all Energy received for use as Station Power, regardless of its voltage or the metering point of receipt, are less than the amount of Energy that the Generator injects into the New York State Power System for the month.
- 4.7.3 The determination of net output under this Section 4.7 shall apply only to determine whether the Generator self-supplied Station Power during the month and will not affect the price of Energy sold or consumed by the Generator at any bus during any hour during the month.
- 4.7.4 When a Generator has positive net output for an interval and is delivering Energy into the New York State Power System, it will be paid the Real-Time or Day-Ahead LBMP at its bus, as appropriate, for all of the Energy delivered pursuant to the ISO Services Tariff. Conversely, when a Generator has negative net output for an interval and is self-supplying Station Power from the New York State Power System under Section 4.7.1.1 or 4.7.1.2, it will pay the Real-Time or Day-Ahead LBMP, as appropriate, for all of the Energy consumed, pursuant to the ISO Services Tariff.
- 4.7.5 The ISO will determine the extent to which each affected generator self-supplied its Station Power requirements or obtained Station Power from third-party providers (including corporate affiliates) during the Billing Period and will incorporate that determination in its accounting and billing. To the extent that Station Power deliveries from third parties, including corporate affiliates of a Generator's owner, involve an unbundled Transmission Service component, the

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Generator shall take Transmission Service under Part 5 of the ISO OATT unless the Generator has made other arrangements with the local Transmission Owner under the Transmission Owner's retail access tariff.

- 4.7.6 When a Generator self-supplies Station Power during any month according to Section 4.7.1.1, above, the Generator will not incur any charges for Transmission Service. When a Generator remotely self-supplies Station Power according to Section 4.7.1.2 above, the Generator shall, to the extent that Transmission Service is involved, pay for Transmission Service for the quantity of Energy that the Generator remotely self-supplies. Such Transmission Service shall be provided under Part 3 of the ISO OATT and shall be charged the hourly rate under Schedule 6.7 of the ISO OATT for Firm Point-to-Point Transmission Service, provided however, that the terms and charges under Schedules 6.1 through 6.3, 6.5, 6.6, 6.8 and 6.9 of the ISO OATT shall not apply to such service. The amount of Energy that a Generator transmits in conjunction with remote self-supply of Station Power will not be affected by any other sales, purchases, or transmission of Capacity or Energy by or for such Generator under any other provisions of the ISO OATT or ISO Services Tariff.
- 4.7.7 A Generator may remotely self-supply Station Power from an External Generator owned by the same entity that owns the Generator only if the External Generator has positive net output during the month and if the Generator has scheduled Imports into the NYCA from the External Generator during the month in an amount at least sufficient to offset fully its negative net output for the month.