6.4 Schedule 4 - Energy Imbalance Service

Energy Imbalance Service is provided Day-Ahead when ~~(1)~~ a difference occurs between: (1) ~~the~~ scheduled Transmission Service and ~~the actual~~ scheduled delivery of Energy to a Load located within the NYCA from a POI located within the NYCA over a single hour, ~~or~~ (2) scheduled Transmission Service and scheduled delivery of Energy to a Load located within the NYCA from a POI located external to the NYCA over the scheduling interval, and (3) ~~a difference occurs between the~~ scheduled Transmission Service and ~~actual~~ scheduled delivery of Energy from a POI within the NYCA to a neighboring control area ~~in a single hour~~ over the scheduling interval.

Energy Imbalance Service is provided in real-time when a difference occurs between: (1) scheduled Transmission Service and scheduled delivery of Energy to a Load located within the NYCA from a POI located within the NYCA over the scheduling interval, (2) scheduled Transmission Service and scheduled delivery of Energy to a Load located within the NYCA from a POI located external to the NYCA over the scheduling interval, and (3) scheduled Transmission Service and scheduled delivery of Energy from a POI within the NYCA to a neighboring control area in the scheduling interval.

Differences between scheduled Transmission Service in the Day-Ahead Market and scheduled Transmission Service in the Real-~~t~~Time ~~m~~Market for the same transaction are governed by Attachment J of the OATT, not by this Rate Schedule 4. Differences between the scheduled delivery of Energy in the Day-Ahead Market and the scheduled delivery of Energy in the R~~r~~eal-~~t~~Time ~~m~~Market for the same transaction are governed by Section 4.5 of the Services Tariff, not by this Rate Schedule 4.

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The ISO must offer this service when the Transmission Service is used to serve Load within the NYCA, or for an Export Transaction when the generation source is a Generator located in the NYCA. The Transmission Customer, or Generator as appropriate, must purchase this service from the ISO. The charges for Energy Imbalance Service are set forth below.

6.4.1 Energy Imbalance Service Charges

~~For e~~Each Transmission Customer that has executed a Service Agreement under the ISO Services Tariff, whose scheduled Energy delivery in the Day-Ahead Market is less than its scheduled Transmission Service in the Day-Ahead Market, will be charged an amount equal to the product of the Day-Ahead LBMP determined pursuant to Attachment B of the Services Tariff, at the Point of Delivery (Point of Injection) and the difference between the scheduled Energy delivery in the Day-Ahead Market and the scheduled Transmission Service in the Day-Ahead Market, provided however, when the Energy delivery scheduled in the Day-Ahead Market is from a POI within the NYCA, Energy Imbalance Service is charged to the Generator associated with the POI.

Each Transmission Customer that has not executed a Service Agreement under the ISO Services Tariff, whose scheduled Energy delivery in the Day-Ahead Market is less than its scheduled Transmission Service in the Day-Ahead Market, will be charged an amount equal to the product of: (i) the higher of: (a) 150 percent of the Day-Ahead LBMP determined pursuant to Attachment B of the Services Tariff, at the Point of Delivery (Point of Injection); and (b) $100 per MWh, and (ii) the difference between the scheduled Energy delivery in the Day-Ahead Market and the scheduled Transmission Service in the Day-Ahead Market, provided however, when the scheduled delivery of Energy is from a POI within the NYCA, Energy Imbalance Service is charged to the Generator associated with the POI.

Each Transmission Customer that has executed a Service Agreement under the ISO Services Tariff whose scheduled Energy delivery in the Real-Time Market is less than its scheduled Transmission Service in the Real-Time Market, ~~Energy Imbalance Service is considered to be supplied by the Real-Time Market and~~ will be charged an amount equal to the product of ~~at~~ the Real-Time LBMP price determined pursuant to Attachment B of the Services Tariff, at the Point of Delivery (Point of Injection) and the difference between the scheduled Energy delivery in the Real-Time Market and the scheduled

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Transmission Service in the Real-Time Market, provided however, when the scheduled delivery of Energy is from a POI within the NYCA, Energy Imbalance Service is charged to the Generator associated with the POI.

Each Transmission Customer that has not executed a Service Agreement under the ISO Services Tariff, whose scheduled Energy delivery in the ~~r~~Real-~~t~~Time Market is less than its Transmission Service scheduled in the ~~r~~Real-~~t~~Time Market, will be charged an amount equal to the product of (i) the higher of (a) 150 percent of the real-time LBMP determined pursuant to Attachment J, at the Point of Delivery (Point of Injection), and (b)$100 per MWh, and (ii) the difference between the scheduled Energy delivery in the ~~r~~Real-~~t~~Time ~~m~~Market and the scheduled transmission service in the ~~r~~Real-~~t~~Time ~~m~~Market, provided however, when the scheduled delivery of Energy is from a POI within the NYCA, Energy Imbalance Service is charged to the Generator associated with the POI.

~~For each Transmission Customer that is not a Customer under the ISO Services Tariff and is receiving service under Section 3 or 4 of this Tariff, the ISO shall establish a deviation band of +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any Energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s). Parties should attempt to eliminate Energy imbalances within the limits of the deviation band within thirty (30) days or within such other reasonable period of time as may be established by the ISO that is generally accepted in the region and consistently adhered to by the ISO. If an Energy imbalance is not corrected within thirty (30) days or such other reasonable period of time as may be established by the ISO that is generally accepted in the region and consistently adhered to by the ISO, the Transmission Customer will compensate the ISO for such service, subject to the charges set forth below. Also, Energy imbalances outside the deviation band will be subject to charges set forth below.~~

~~For hours when the Transmission Customer's Actual Energy Withdrawals are greater than that customer's scheduled Energy delivery and applicable tolerance band, the Transmission Customer shall pay to the ISO an amount equal to the greater of 150% of the Real-Time LBMP price at the Point of Delivery or $100 per MWh.~~ Settlements when~~In the event that the Transmission Customer's~~ Actual Energy delivery exceeds~~ that customer's~~ Actual Energy Withdrawals are governed by Services Tariff Section 4.5.~~, the Transmission Customer shall not receive payment for such Energy.~~

~~Transmission Customers with imbalances may also be subject to charges for Regulation and Frequency Response, as described in Rate Schedule 3.~~

Energy imbalances resulting from inadvertent interchange between Control Areas will continue to be addressed by ~~the~~ ISO procedures and in accordance with NERC and NPCC policies~~that Control Area operators currently use to address such imbalances~~. Any increase or decrease in costs resulting from pay back of accumulated inadvertent interchange will be included in the residual costs payment or the residual costs charge as calculated in Section 6.1.8 of Rate Schedule 1 of this ISO OATT.

6.4.2 Inadvertent Energy Management Requirements

~~For Energy imbalances resulting from inadvertent interchange between Control Areas, the ISO shall: (i) accurately account for inadvertent Energy interchange, through daily schedule verification and the use of reliable metering equipment; (ii) minimize unintentional inadvertent accumulation in accordance with NERC and NPCC policies; and (iii) minimize accumulated inadvertent Energy balances in accordance with NERC and NPCC policies.~~

~~The ISO shall reduce accumulated inadvertent Energy balances with other Control Areas by one or both of the following methods: (i) scheduling interchange payback with another Control Area as an~~

~~interchange schedule between Control Areas; and (ii) unilaterally offsetting the tie-line interchange schedule when such action will assist in correcting an existing time error.~~

~~Inadvertent interchange accumulated during On-Peak hours shall be paid back during On-Peak hours. Inadvertent interchange accumulated during Off-Peak hours shall be paid back during Off-Peak hours. In either case, payback is made with Energy "in-kind."~~

~~**6.4.3 Monthly Meter Reading Adjustments**~~

~~**6.4.3.1 Facilities Internal to the NYCA**~~

~~The ISO shall develop rules and procedures to implement adjustments to meter readings to reflect the differences between the integrated instantaneous metering data utilized by the ISO for SCD and actual data for internal facilities as recorded by billing metering.~~

6.4.~~3.~~2.1 Facilities on Boundaries with Neighboring Control Areas

The correction required for external Inadvertent Energy Accounting facilities on Interfaces between the NYCA and other Control Areas will be done using Inadvertent Energy Accounting techniques ~~to be~~ established by the ISO in accordance with NERC and other established reliability criteria.

6.4.~~4~~3 Self-Supply

All ~~Inadvertent Energy Accounting services and~~ Energy Imbalance Services shall be purchased from the ISO.

~~**6.4.5 Verification of Adjustments**~~

~~The ISO shall provide all necessary meter reading adjustment information required by the Transmission Owners to allow them to verify that meter reading adjustments were performed in accordance with ISO Procedures.~~