26 Attachment T – Cost Allocation Methodology for Schedule 1 Bid Production Guarantees for Additional Generating Units Committed to Meet Forecast Load

The Day-Ahead commitment of generating units includes sufficient Generators and/or Interruptible Load to provide for the safe and reliable operation of the NYS Power System. In cases in which the sum of all Bilateral Schedules, excluding schedules of Bilateral Transactions with Trading Hubs as their POWs, and all Day-Ahead purchases and sales of energy within the NYCA is less than the ISO's Day-Ahead forecast of Load, the ISO will commit Resources in addition to the reserves it normally maintains to enable it to respond to contingencies. Payments for Bid Production Guarantees (BPCG) made to such additional Resources are to be recovered under Schedule 1. These "BPCG to Additional Resources" shall be allocated to Transmission Customers, to the extent they are not acting as Suppliers, pursuant to the methodology set forth below, on the basis of their Real-Time energy purchases in their Load Zones or Composite Load Zones (see below). By design, when the NYISO forecast load exceeds actual load, the methodology below will only be used to allocate part of the BPCG to Additional Resources. Any residual shall be allocated to Transmission Customers according to the provisions of Schedule 1, Section 6.1.2.2.4.2.

More specifically, BPCG to Additional Resources shall be allocated to each Transmission Customer, to the extent that Transmission Customer is not acting as a Supplier as follows:

$$BPCG_c = BPCG_{NYCA} \times \sum_{L \in NYCA} \left(K_L^{fe} \times K_L^{loc} \times K_{c,L}^{customer} \right)$$

Where:

$BPCG_c$	Obligation of Transmission Customer "c" for the Bid Production Cost Guarantees for such additional resources.
$BPCG_{NYCA}$	Total Bid Production Cost Guarantees in the NYCA for such additional resources.
c	Transmission Customer.

L	Load Zone or Composite Load Zone
K^{fe}_{L}	A scale factor calculated for each Load Zone or Composite Load Zone that determines the portion of BPCG to Additional Resources that will be allocated through the procedures described in this attachment.
K^{loc}_{L}	A scale factor calculated for each Load Zone or Composite Load Zone "L" that determines the share of BPCG to Additional Resources that shall be allocated to that Load Zone or Composite Load Zone.
$K^{customer}_{c,L}$	A scale factor calculated for Transmission Customer "c" in Load Zone or Composite Load Zone "L" which determines the portion of the BPCG to Additional Resources allocated to that Load Zone or Composite Load Zone distributed according to the methodology set forth in this attachment that shall be allocated to customer "c."

RTP^{act}_{L}	Net purchases of energy from the Real-Time market in Load Zone or Composite Load Zone "L" by Customers to the extent they are not acting as Suppliers, in each hour, summed over the hours of the day in which these purchases are positive.
$RTP^{act}_{c,L}$	Purchases of energy from the Real-Time market in Load Zone or Composite Load Zone "L" by Customer "c," to the extent that customer is not acting as a Supplier, to meet obligations arising from the Day-Ahead sale of energy, in each hour; plus net energy purchases in the Real-Time markets by Customer "c," to the extent that customer is not acting as a Supplier, excluding purchases to meet obligations arising from the Day-Ahead market, in each hour in which these purchases are positive; summed over each hour of the day.
RTP^{fcst}_{L}	The sum of (1) sales for each hour of the day in the Day-Ahead market in Load Zone or Composite Load Zone "L" by Customers, to the extent they are not acting as Suppliers, and (2) the ISO's Load forecast load for that hour of the day less purchases of energy from the Day-Ahead market for that hour, summed over the hours of the day in which the sum of (1) and (2) is positive.

K^{fe}_{L} shall be calculated as shown below except that the value zero shall be used if the expression below yields a negative number and the value one shall be used if the expression yields a number greater than one.

$$K_L^{fe} = \frac{RTP_L^{act}}{RTP_L^{fcst}}$$

K^{loc}_{L} shall be calculated as shown below.

$$K_L^{loc} = \frac{RTP_L^{act}}{\sum_{L \in NYCA} RTP_L^{act}}$$

$K^{customer}_{c,L}$ shall be calculated as shown below.

$$K_{c,L}^{customer} = \frac{RTP_{c,L}}{\sum_{c \in L} RTP_{c,L}}$$

The residual between Bid Production Cost Guarantee payments to such additional Resources not allocated according to the methodology described above shall be allocated to Transmission Customers using the methods described in Schedule 1, Section 6.1.2.2.4.2 The residual is determined according to:

$$BPCG_{NYCA} - \sum_{c \in NYCA} BPCG_c$$

Load Zones and Composite Load Zones used in the allocation of Bid Production Cost Guarantees for such additional resources are initially set as: (i) Load Zones A-E, (ii) Load Zones F-I, (iii) Load Zone J, and (iv) Load Zone K and may be adjusted by the ISO to reflect the most frequently constrained transmission interfaces in the NYCA.