15.8   Rate Schedule 8 – Payments to RMR Generators

15.8.1   Payment to an RMR Generator Providing Service Pursuant to an RMR Agreement with an Availability and Performance Rate

The ISO shall make a payment each Billing Period to each RMR Generator providing

service pursuant to an RMR Agreement with an Availability and Performance Rate that has been

accepted for filing by the Commission, or the ISO may pay subject to refund pending

Commission action. The payment shall equal:

$$\sum_{d \in P} \left(RMRAvoidCost_{g,d} + VarCost_{g,d} \right)$$

Where:

d = the relevant market day;

P = the relevant Billing Period;

g = the relevant RMR Generator that is providing service under an Availability and Performance Rate established pursuant to the ISO Tariffs and an RMR Agreement between the ISO and the RMR Generator;

$RMRAvoidCost_{g,d}$ = RMR Avoidable Cost amount for RMR Generator g for day d that has been accepted for filing by the Commission, or as calculated by the ISO in accordance with Sections 38.8 and 38.17 of the OATT pending Commission action, shaped on a Capability Period basis, and Additional Costs in accordance with Section 38.16 of the OATT;

$$VarCost_{g,d} = Energy_{g,d} + AncServices_{g,d} + VSS_{g,d} + RS_{g,d}$$

Where:

$Energy_{g,d}$ = the energy cost of RMR Generator g for day d. The cost of all energy MWhs that are scheduled and produced in real-time by RMR Generator g that do not exceed RMR Generator g's Day-Ahead schedule shall be equal to the lesser of RMR Generator g's Day-Ahead reference levels and RMR Generator g's Day-Ahead Bids. The cost of all energy MWhs that are scheduled and produced in real-time (including Compensable Overgeneration, if any) that exceed RMR Generator g's Day-Ahead schedule (if any) shall be equal to the lesser of RMR Generator g's real-time reference levels and RMR Generator g's real-time Bids;

$AncServices_{g,d}$ = the cost of Operating Reserves and Regulation Service for RMR Generator g for day d. The cost of all MWhs of Operating Reserves that are scheduled and of Regulation Service that are scheduled and provided in real-time by RMR

Generator g that do not exceed RMR Generator g's Day-Ahead schedule shall be equal to the lesser of RMR Generator g's Day-Ahead reference levels and RMR Generator g's Day-Ahead Bids. The cost of all MWhs of Operating Reserves and Regulation Service that are scheduled and provided in real-time by RMR Generator g that exceed RMR Generator g's Day-Ahead schedule (if any) shall be equal to the lesser of RMR Generator g's real-time reference levels and RMR Generator g's real-time Bids;

$VSS_{g,d}$ = the Voltage Support Service payment for RMR Generator g for day d pursuant to Rate Schedule 2 of the ISO Services Tariff;

$RS_{g,d}$ = the Restoration Services payment for RMR Generator g for day d pursuant to Rate Schedule 5 of the ISO Services Tariff.

15.8.2 Performance Incentive Payment

The ISO will pay on a monthly basis an RMR Generator that is providing service

pursuant to an RMR Agreement with an Availability and Performance Rate any Performance

Incentive payment owed to that RMR Generator for its performance in that month in accordance

with the following formulae.

PI_m = the amount of the Performance Incentive payment, calculated for each month m, and is a dollar value calculated as:

$$PI_m = \frac{1}{12} PI_{max} * \begin{cases} 50\%, & \text{for } LB_{PI} \leq PF_m < UB_{PI} \\ 80\%, & \text{for } UB_{PI} \leq PF_m < TL_{PI} \\ 100\%, & \text{for } TL_{PI} \leq PF_m \end{cases}$$

Where:

PI_{max} = the maximum annual Performance Incentive payment, calculated as 5% of the RMR Generator's *Non-CapEx Avoidable Costs;*

Non-CapEx Avoidable Costs = the RMR Avoidable Costs the RMR Generator is authorized to recover annually, pursuant to an Availability and Performance Rate that has been accepted for filing by the Commission, or that the RMR Generator is recovering subject to refund pending Commission action, less the Capital Expenditures included in such RMR Avoidable Costs;

LB_{PI} = the Bandwidth Lower Bound, a percentage defined as:

$$LB_{PI} = \begin{cases} 0.9 * BL_{PI}, & if \ BL_{PI} < 50\% \\ BL_{PI} - 5\%, & if \ BL_{PI} \geq 50\% \end{cases}$$

UB_{PI} = the Bandwidth Upper Bound, a percentage defined as:

$$UB_{PI} = BL_{PI} + min\left\{\frac{1}{3}(100\% - BL_{PI}), max\left\{5\%, \frac{1}{10}(100\% - BL_{PI})\right\}\right\}$$

TL_{PI} = the Target Limit, a percentage defined as:

$$TL_{PI} = BL_{PI} + min\left\{\frac{2}{3}(100\% - BL_{PI}), max\left\{10\%, \frac{1}{5}(100\% - BL_{PI})\right\}\right\}$$

Where:

BL_{PI} = the Baseline percentage determined for the RMR Generator's performance, as set forth in the RMR Generator's RMR Agreement.

PF_m = the RMR Performance Factor for month m, a percentage defined as:

$$PF_m = 100\% - \frac{\sum\limits_{t=t_0}^{T}(max\{PLU_t - Pr_t, 0\})}{\sum\limits_{t=t_0}^{T}PLU_t}$$

Where:

t_0 = the first RTD interval of month *m*;

T = the last RTD interval of month *m*;

Pr_t = the Real-Time output of the RMR Generator over RTD interval *t*, in MW; and

PLU_t = the Penalty Limit for Under-Generation of the RMR Generator over RTD interval *t*, expressed in MW, calculated in accordance with the ISO's Billing and Accounting Manual.

15.8.3   Availability Incentive Payment

The ISO will pay on a Capability Period basis an RMR Generator that is providing

service pursuant to an RMR Agreement with an Availability and Performance Rate for any

Availability Incentive payment owed to that RMR Generator. The ISO will make the

Availability Incentive payment in the Billing Period following the first month of the Capability

Period for a payment earned for the previous Capability Period in accordance with the following

formulae.

AI_{cp} = the amount of the Availability Incentive, calculated for each Capability Period cp, and is a dollar value calculated as:

$$AI_{cp} = \frac{1}{2}AI_{max} * \begin{cases} 50\%, & \text{for } LB_{AI,cp} \leq EAF_{cp} < UB_{AI,cp} \\ 80\%, & \text{for } UB_{AI,cp} \leq EAF_{cp} < TL_{AI,cp} \\ 100\%, & \text{for } TL_{AI,cp} \leq EAF_{cp} \end{cases}$$

Where:

AI_{max} = the maximum Availability Incentive payment, calculated as 20% of the RMR Generators *Non-CapEx Avoidable Costs;*

Non-CapEx Avoidable Costs = the RMR Avoidable Costs the RMR Generator is authorized to recover annually, pursuant to an Availability and Performance Rate that has been accepted for filing by the Commission, or that the RMR Generator is recovering subject to refund pending Commission action, less the Capital Expenditures included in such RMR Avoidable Costs;

$LB_{AI,cp}$ = the Bandwidth Lower Bound, a percentage defined as:

$$LB_{AI,cp} = \begin{cases} 0.9 * BL_{AI,cp}, & \text{if } BL_{AI,cp} < 50\% \\ BL_{AI,cp} - 5\%, & \text{if } BL_{AI,cp} \geq 50\% \end{cases}$$

$UB_{AI,cp}$ = the Bandwidth Upper Bound, a percentage defined as:

$$UB_{AI,cp} = BL_{AI,cp} + min\left\{\frac{1}{3}(100\% - BL_{AI,cp}), max\left\{5\%, \frac{1}{10}(100\% - BL_{AI,cp})\right\}\right\}$$

$TL_{AI,cp}$ = the Target Limit, a percentage defined as:

$$TL_{AI,cp} = BL_{AI,cp} + min\left\{\frac{2}{3}(100\% - BL_{AI,cp}), max\left\{10\%, \frac{1}{5}(100\% - BL_{AI,cp})\right\}\right\}$$

Where:

$BL_{AI,cp}$ = the Baseline percentage for Capability Period cp determined for the RMR Generator's availability, as set forth in the RMR Generator's RMR Agreement;

EAF_{cp} = the RMR Generator's equivalent availability factor for Capability Period cp, a percentage defined as:

$$EAF_{cp} = 100\% * \left(\frac{\left(AH - (DH_{EU} + DH_{EP} + DH_{ESE})\right)}{PH}\right)$$

Where:

AH = the RMR generator's available hours, calculated for Capability Period *cp* in accordance with ISO procedures;

PH = the RMR Generator's period hours, calculated for Capability Period *cp* in accordance with ISO procedures, as the number of hours that the RMR Generator was in an active state;

DH_{EU} = the RMR Generator's unplanned derated hours, calculated for Capability Period *cp* in accordance with ISO procedures, as the product of unplanned derated hours and size of reduction, divided by net maximum capacity;

DH_{EP} = the RMR Generator's planned derated hours, calculated for Capability Period *cp* in accordance with ISO procedures, as the product of planned derated hours and size of reduction, divided by net maximum capacity; and

DH_{ESE} = the RMR Generator's net maximum capacity, determined in accordance with ISO procedures, less net dependable capacity, determined in accordance with ISO procedures, multiplied by available hours in accordance with ISO procedures, and divided by net maximum capacity.

GADS Data used to calculate Availability Incentive payments, as it may be modified by

the ISO, shall be subject to review, challenge, and correction in accordance with Section 7.4 of

the ISO Services Tariff.

15.8.4 Limitation on Total Penalties, Sanctions and Deficiency Charges Assessed to RMR Generators Providing Service Pursuant to an RMR Agreement with an Availability and Performance Rate

An RMR Generator that is providing service pursuant to an RMR Agreement with an

Availability and Performance Rate is subject to all of the penalties, sanctions, deficiency charges

and any similar charges, except for under-generation penalties (collectively, for purposes of this

paragraph, "penalties"), that may apply to Generators under the ISO Tariffs. *Provided, however*,

that the total amount of penalties that can be assessed to an RMR Generator that is providing

service pursuant to an RMR Agreement with an Availability and Performance Rate shall be

capped at the total, cumulative amount of Performance Incentive payments and Availability

Incentive payments computed by the ISO to be due to that RMR Generator through the end of

the month in which the penalty or penalties are charged. The ISO shall charge any penalties to

the RMR Generator and remit the revenues from each penalty, or any reduced amount, in

accordance with the applicable provisions of the ISO Services Tariff.

15.8.5   Payment to an RMR Generator Providing Service Pursuant to an RMR Agreement with a Rate Other Than an Availability and Performance Rate

The ISO shall make a payment each Billing Period to each RMR Generator providing

service pursuant to an RMR Agreement with a rate other than an Availability and Performance

Rate that has been accepted for filing by the Commission, or the ISO may pay subject to refund

pending Commission action. The payment shall equal:

$$\sum_{d \in P} \left(RMRCost_{g,d} + VarCost_{g,d} \right)$$

Where:

g = the relevant RMR Generator that is providing service under a rate other than an Availability and Performance Rate;

$RMRCost_{g,d}$ = the costs RMR Generator g is authorized to recover for day d pursuant to a rate for RMR Generator g that has been accepted for filing by the Commission, or that RMR Generator g is recovering subject to refund pending Commission action, shaped on a Capability Period basis, and Additional Costs in accordance with Section 38.16 of the OATT.

The definitions of the remaining variables in this equation are identical to the definitions

for such variables set forth in Section 15.8.1 above.

15.8.6   Payment to a Generator that is Required to Continue Operating Beyond the Later of the 180th Day of the 365 Day Notice Period or its Requested Deactivation Date

Consistent with the rules set forth in Section 38.13 of the OATT and Sections 23.6 and

5.14.1.1 of the Services Tariff, commencing on the later of (a) the 181st day of the relevant 365

day notice period set forth in Attachment FF of the OATT (for purposes of this Rate Schedule 8,

the "365 Day Notice Period"), or (b) the Generator's requested deactivation date, the ISO shall make a payment each Billing Period to each Generator that remains in service as an Interim Service Provider. Generators that are in an ICAP Ineligible Forced Outage shall not be compensated as Interim Service Providers.

The payment to an Interim Service Provider shall equal:

$$\sum_{d \in P} \left(RMRAvoidCost_{g,d} + VarCost_{g,d} \right)$$

Where:

d = the relevant market day;

P = the relevant Billing Period;

g = the relevant Generator that satisfies the conditions set forth in Section 38.13 of the OATT, and Sections 23.6, 5.14.1.1 and 15.8.6 of the Services Tariff;

$RMRAvoidCost_{g,d}$ = the Avoidable Cost amount for Generator g for day d calculated by the ISO in accordance with Sections 38.8, 38.16 and 38.17 of the OATT, shaped on a Capability Period basis. The NYISO will incorporate Preexisting Capacity Bilaterals into its calculation of $RMRAvoidCost_{g,d}$ for Interim Service Providers consistent with the rules set forth below;

$$VarCost_{g,d} = Energy_{g,d} + AncServices_{g,d} + VSS_{g,d} + RS_{g,d}$$

Where:

$Energy_{g,d}$ = the energy cost of Generator g for day d. The cost of all energy MWhs that are scheduled and produced in real-time by Generator g that do not exceed Generator g's Day-Ahead schedule shall be equal to the lesser of Generator g's Day-Ahead reference levels and Generator g's Day-Ahead Bids. The cost of all energy MWhs that are scheduled and produced in real-time (including Compensable Overgeneration, if any) that exceed Generator g's Day-Ahead schedule (if any) shall be equal to the lesser of Generator g's real-time reference levels and Generator g's real-time Bids;

$AncServices_{g,d}$ = the cost of Operating Reserves and Regulation Service for Generator g for day d. The cost of all MWhs of Operating Reserves that are scheduled and of Regulation Service that are scheduled and provided in real-time by Generator g that do not exceed Generator g's Day-Ahead schedule shall be equal to the lesser of Generator g's Day-Ahead reference levels and Generator g's Day-Ahead Bids. The cost of all MWhs of Operating Reserves and Regulation Service that are scheduled and provided in real-time by Generator g that exceed Generator g's Day-Ahead schedule (if any) shall be

equal to the lesser of Generator g's real-time reference levels and Generator g's real-time Bids;

$VSS_{g,d}$ = the Voltage Support Service payment for Generator g for day d pursuant to Rate Schedule 2 of the ISO Services Tariff;

$RS_{g,d}$ = the Restoration Services payment for Generator g for day d pursuant to Rate Schedule 5 of the ISO Services Tariff.

If an Interim Service Provider has a Preexisting Capacity Bilateral, as such term is

defined in Section 5.14.1.1 of the Services Tariff, then the ISO will reduce the $RMRAvoidCost$ it

calculates for the Interim Service Provider to reflect up to the revenues the ISO determines the

Interim Service Provider is expected to receive under the Preexisting Capacity Bilateral.

If the Interim Service Provider's Preexisting Capacity Bilateral is with an Affiliate, or

was entered into less than one year before the ISO received the Interim Service Providers

Generator Deactivation Notice, then the $RMRAvoidCost$ the ISO calculates for the Interim

Service Provider shall be reduced by up to the revenues that the ISO determines the Interim

Service Provider would reasonably be expected to receive if offered its Unforced Capacity at

$0.00/kW-month into the ICAP Spot Market Auction conducted for the relevant Obligation

Procurement Period based on the ISO's forecast of the Market-Clearing Price for the applicable

ICAP Spot Market Auction.

Payments pursuant to this Section 15.8.6 shall cease at the conclusion of the 365 Day

Notice Period.

15.8.7 Recovery of Capital Expenditures or Above Market Rates from Former RMR Generators and Former Interim Service Providers

If, pursuant to the terms of an RMR Agreement, the ISO reimbursed all or a portion of

the cost of a Capital Expenditure that was necessary to permit a Generator to provide service

during the term of an RMR Agreement or as an Interim Service Provider; or if the NYISO

compensated an RMR Generator ~~or an Interim Service Provider~~ pursuant to this Rate Schedule 8 amounts that exceeded the ~~compensation the Generator would have received if it had participated in the NYISO's markets at market-based rates~~Generator's going-forward costs whilst providing RMR service; then in order for such a former RMR Generator or former Interim Service Provider to be permitted to return to participating in the ISO Administered Markets while it is eligible to receive market-based rates, the Generator will be required to repay to the ISO the higher of the repayment obligation determined in accordance with Section 15.8.7.1 below, or the repayment obligation determined in accordance with Section 15.8.7.2 below. The higher of the two repayment obligations, divided by the applicable number of repayment periods, is the "Monthly Repayment Obligation."

A Generator is "participating in the ISO Administered Markets while it is eligible to receive market-based rates" if the Generator (a) is not in a Mothball Outage or an ICAP Ineligible Forced Outage, and is not Retired, and (b) is not an RMR Generator or an Interim Service Provider.

The ISO shall apply the Monthly Repayment Obligation to the physical Generator that is a former RMR Generator or a former Interim Service Provider, without regard to any changes in ownership or control of that Generator. The Monthly Repayment Obligation shall be applied whenever the former RMR Generator or former Interim Service Provider is participating in the ISO Administered Markets while it is eligible to receive market-based rates, until the applicable repayment obligation has been fully repaid. The Monthly Repayment Obligation shall not be imposed while a former RMR Generator or former Interim Service Provider is in a Mothball Outage or IIFO, or is Retired. If a former RMR Generator or former Interim Service Provider returns from being Retired, or from being in a Mothball Outage or IIFO, to participate in the ISO

Administered Markets while it is eligible to receive market-based rates, then the ISO shall recalculate and reinstate an updated Monthly Repayment Obligation.

15.8.7.1   Recovery of Capital Expenditures from Former RMR Generators and Former Interim Service Providers

If, pursuant to the terms of an RMR Agreement, the ISO reimbursed all or a portion of the cost of a Capital Expenditure that was incurred to permit an RMR Generator to provide service during the term of the RMR Agreement, or if the ISO reimbursed all or a portion of the cost of a Capital Expenditure that was incurred to permit a Generator to provide service as an Interim Service Provider, and the Generator is no longer an Interim Service Provider or the subject of any RMR Agreement, then in order for the ISO to permit the Generator to be offered into or be scheduled in any ISO Administered Markets while it is eligible to receive market-based rates, the cost of Capital Expenditures (if any) that the ISO paid to enable the former RMR Generator to provide service under an RMR Agreement or to enable a former Interim Service Provider to provide service, less depreciation, plus interest, must be repaid to the ISO on a monthly basis over ~~a Recovery Term determined by the ISO in accordance with Section 15.8.7.1.1 of this Rate Schedule 8~~the period specified in the definition of "*mCapEx*" below. Depreciation will be calculated for each Capital Expenditure at the time the former RMR Generator or former Interim Service Provider proposes to re-enter the ISO Administered Markets.

A Generator that was an RMR Generator or an Interim Service Provider that deactivated and that wants to return to participating in any of the ISO Administered Markets while it is eligible to receive market-based rates must give the ISO at least 60 days advance notice of its desire to return to the ISO Administered Markets in order to permit the ISO to determine its Monthly Repayment Obligation (if any) and any associated credit requirement.

The following formula shall be used to determine the repayment obligation:

$$RMRCapExRecovery\ repayment\ obligation = \sum_{i \in I} \left(\sum_{j \in M} A_{ij} - \sum_{k \in Y} P_{ik} \right)$$

Where:

i = a Capital Expenditure in *I*, the set of all Capital Expenditures for the former RMR Generator or former Interim Service Provider;

j = a month in *M*, the set of all months that the former RMR Generator or former Interim Service Provider received payment for Capital Expenditure *i*;

k = a year in *Y*, the set of all years beginning with the year Capital Expenditure *i* entered service or was otherwise integrated into the RMR Generator or Interim Service Provider, or the year the NYISO terminated the RMR Agreement if Capital Expenditure *i* was not completed or did not enter service while the Generator was operating under an RMR Agreement, and continuing to the present year;

A_{ij} = the payment made to the former RMR Generator or former Interim Service Provider in month *j*, for Capital Expenditure *i*;

P_{ik} = the annual depreciation expense, determined by the ISO, for Capital Expenditure *i* in year *k*; and

For the component of a former RMR Generator's or former Interim Service Provider's Above Market Revenues that is Capital Expenditures, the value derived in the calculation above shall be divided by "*mCapEx*" months;

mCapEx = For a former RMR Generator, the shorter of 36 months or twice the duration of the applicable RMR Agreement in months. For a former Interim Service Provider, twelve months. Alternatively, if the former RMR Generator or former Interim Service Provider elects to repay its entire obligation before it begins participating in the ISO Administered Markets at market-based rates, then *mCapEx* shall be one month~~the number of months in the Recovery Term, determined in accordance with Section 15.8.7.1.1 below~~.

Accumulated interest will be computed on a quarterly basis and assessed based on the

dates the ISO paid the former RMR Generator or former Interim Service Provider for each

Capital Expenditure. Following the date a former RMR Generator or former Interim Service

Provider returns to participating in the ISO Administered Markets while it is eligible to receive

market-based rates, a fixed interest rate will be used to determine the Monthly Repayment Obligation.

The repayment obligation specified in this Section 15.8.7.1 shall remain in effect until all Capital Expenditures that are due (as determined in accordance with the formula set forth above) have been repaid. As explained in Section 15.8.7 of this Rate Schedule 8, the repayment obligation shall take effect, be reinstated, or remain in effect (as appropriate) (i) if a former RMR Generator does not deactivate at the conclusion of its RMR Agreement, or (ii) if a former Interim Service Provider does not deactivate at the conclusion of the 365 Day Notice Period, or (iii) if a former RMR Generator that entered a Mothball Outage, an ICAP Ineligible Forced Outage or Inactive Reserves returns to service from such state, or (iv) if a former Interim Service Provider that entered a Mothball Outage or an ICAP Ineligible Forced Outage returns to service from such state, or (v) if a former RMR Generator or former Interim Service Provider becomes Retired and subsequently returns to service as a new Generator, and/or (vi) if a former RMR Generator or former Interim Service Provider is sold, leased or otherwise transferred to a new owner or owners and remains in service or returns to service.

15.8.7.1.1 Recovery Term of Capital Expenditures from Former RMR Generators and Former Interim Service Providers

The Recovery Term used in Section 15.8.7.1 above shall be the shorter of (a) the major maintenance cycle in total years (as determined by the NYISO consistent with Good Utility Practice) of the Generator, or (b) the Average Remaining Life of the cumulative Capital Expenditures paid for by the ISO, calculated in accordance with the following formula.

$$Average\ Remaining\ Life = \frac{\sum_{i \in I}(RL_t * RV_t)}{\sum_{i \in I}(RV_t)}$$

Where:

RL_i = the remaining life of Capital Expenditure i; and

RV_i = the RMRCapExRecovery repayment obligation calculated pursuant to Section 15.8.7.1.

The definitions of the remaining variables in this equation are identical to the definitions for such variables set forth in Section 15.8.7.1 above.

Alternatively, the former RMR Generator or former Interim Service Provider may elect to repay its entire obligation before it begins participating in the ISO Administered Markets at market-based rates. If this option is exercised, then the Recovery Term shall be one month.

15.8.7.2 Recovery of Above Market Revenues from Former RMR Generators and Former Interim Service Providers

If the ISO made payments to a Generator under Sections 15.8.1, 15.8.2, 15.8.3 and/or 15.8.5 of this Rate Schedule 8 to permit the Generator to provide service during the applicable term of an RMR Agreement, and the former RMR Generator is no longer the subject of any RMR Agreement,; or if the ISO made payments to a Generator under Section 15.8.6 of this Rate Schedule 8 to permit a Generator to provide service as an Interim Service Provider; and the former RMR Generator or former Interim Service Provider continues participating in, or returns to, the ISO Administered Markets while it is eligible to receive market-based rates; then the cost of the Above Market Revenues (including but not limited to the ISO's reimbursement of the cost of Capital Expenditures), that the ISO paid to compensate the Generator for providing RMR and/or Interim Service Provider service, less depreciation where applicable, plus interest, must be repaid to the ISO on a monthly basis. The period over which Above Market Revenues must be repaid will be different for the Capital Expenditure (if any) and Other Revenue components. The portion of the repayment obligation that is attributable to repaying the ISO for Capital

~~Expenditures will be recovered over the Recovery Term specified in Section 15.8.7.1.1 of this Rate Schedule 8, on a monthly basis. The portion of the repayment obligation that is attributable to repaying the Other Revenues components of the formula below will be recovered over the term~~is specified in the definition of "*mAMR*" below.

The following formula shall be used to determine the Above Market Revenue repayment obligation:

~~*Above Market Revenue repayment obligation$_g$ =*~~

~~$max\{0, \sum_{d \in ToS}(Other\ Revenues_{g,a} + RMRCapExRecovery_g) - \sum_{d \in ToS}(Coincident\ Market\ Revenues_{g,a})\}$~~

$Above\ RMRAvoidCost\ Revenue_g = max\{0, \sum_{d \in ToS}(RMRCost_{g,d} - RMRAvoidCost_{g,d})\}$

Where:

~~*Above Market Revenue*~~*Above RMRAvoidCost Revenue* $_g$ = the difference between (x) the total ~~market-based~~ revenues~~, inclusive of Energy, Unforced Capacity, Ancillary Services and uplift revenue~~ Generator g would have ~~received~~ been eligible to receive in reimbursement of its RMR Avoidable Costs during the term of the RMR Agreement ~~or while it was an Interim Service Provider~~if it had been compensated at a rate developed in accordance with Section 15.8.1 of this Rate Schedule 8 (excluding any payments that Generator *g* would have been eligible to receive as Performance Incentives or Availability Incentives), and (y) the total revenues Generator g received in accordance with its accepted RMR Agreement to reimburse RMR Costs ~~pursuant to an~~during the term of that RMR Agreement, ~~or while it was an Interim Service Provider~~paid in accordance with Section 15.8.5 of this Rate Schedule 8~~, *including*~~ the revenues it ~~received to reimburse Capital Expenditures~~;

~~*Other Revenues$_{g,d}$* = the sum of all the revenues Generator *g* received for day *d* pursuant to an RMR Agreement, or while it was an Interim Service Provider, less the revenues it received to reimburse Capital Expenditures;~~

~~*RMRCapExRecovery$_g$* is determined in accordance with Section 15.8.7.1 of this Rate Schedule 8;~~

ToS = the duration of the applicable RMR Agreement ~~or the period of time when Generator g was an Interim Service Provider~~;

~~*Coincident Market Revenues$_{g,a}$* =~~ *RMRAvoidCost$_{g,d}$* = The revenue Generator *g* would have received for day *d* if it had been ~~participating in the ISO Administered Markets at market-based rates~~ compensated for its RMR Avoidable Costs at a rate developed by the ISO in accordance with Section 15.8.1 of this Rate Schedule 8 (without Performance

Incentives or Availability Incentives), using the market participation, commitment, scheduling and dispatch that occurred on day d; and

$RMRCost_{g,d}$ = the payment RMR Generator g received for day d in accordance with Section 15.8.5 of this Rate Schedule 8, excluding payment for Variable Costs.

The *Above Market Revenues* that are *Other Revenues* *Above RMRavoidCost Revenue* shall be divided by "*mAMR*" to determine the *Other Revenues* component of the Monthly Repayment Obligation.

mAMR = For a former RMR Generator, the shorter of 36 months or twice the duration of the applicable RMR Agreement in months. For a former Interim Service Provider, one year. Alternatively, if the former RMR Generator or former Interim Service Provider elects to repay its entire obligation before it begins participating in the ISO Administered Markets at market-based rates, then *mAMR* shall be one month.

Accumulated interest will be computed and assessed quarterly, on a *pro rata* basis, based on the date of payment to the Generator for each relevant Billing Period P (as defined in Section 15.8.1 of this Rate Schedule 8). Following the date a former RMR Generator or former Interim Service Provider returns to participating in the ISO Administered Markets while it is eligible to receive market-based rates, a fixed interest rate will be used to determine the Monthly Repayment Obligation.

For Capital Expenditures, the repayment period shall be *mCapex* determined in accordance with 15.8.7.1.1. For *Other Revenues* the repayment period shall be the *mAMR*.

The definitions of the remaining variables in this equation are identical to the definitions for such variables set forth in Sections 15.8.1 and 15.8.7.1 above.

The reimbursement obligation specified in this Section 15.8.7.2 shall remain in effect until the entire amount, including interest has been reimbursed. As explained in Section 15.8.7 of this Rate Schedule 8, the reimbursement obligation shall take effect, be reinstated, or remain in effect (as appropriate) whenever a former RMR Generator and/or former Interim Service Provider continues participating in, or returns to, the ISO Administered Markets while it is eligible to receive market-based rates. The reimbursement obligation shall continue to apply or

shall be reinstated, as appropriate, when (i) a former RMR Generator that entered a Mothball Outage, an ICAP Ineligible Forced Outage or Inactive Reserves returns to service from such state, or (ii) a former Interim Service Provider that entered a Mothball Outage or an ICAP Ineligible Forced Outage returns to service from such state, or (iii) a former RMR Generator or a former Interim Service Provider becomes Retired and subsequently returns to service as a new Generator, and/or (iiiv) a former RMR Generator or a former Interim Service Provider is sold, leased or otherwise transferred to a new owner or owners and remains in service or returns to service.