

Attachment III

6.2 Schedule 2 - Charges for Voltage Support Service

In order to maintain transmission voltages on the NYS Transmission System within acceptable limits, generation facilities under the control of the ISO, synchronous condensers, and Qualified Non-Generator Voltage Support Resources, are operated to produce (or absorb) reactive power. Thus, Voltage Support Service must be provided for each Transaction on the NYS Transmission System. The amount of Voltage Support Service that must be supplied ~~with respect to the Transmission Customer's Transaction~~ will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the ISO.

Voltage Support Service is to be provided directly by the ISO. The methodologies that the ISO will use to obtain Voltage Support Service and the associated charges for such service are set forth below.

6.2.1 Responsibilities

The ISO shall coordinate the Voltage Support Service provided by generation facilities, synchronous condensers, and Qualified Non-Generator Voltage Support Resources that qualify to provide such services as described in Section 15.2.1.1 of Rate Schedule 2 of the ISO Services Tariff.

6.2.1.1 Wheels Through, Exports and Purchases from the LBMP Market

Transmission Customers engaging in Wheels Through, and Exports Bilateral Transactions and Customers Purchases engaging in Exports from the LBMP Market ~~where the Energy is delivered to an NYCA Interconnection with another Control Area~~ shall purchase

Voltage Support Service from the ISO at the rates described in the formula contained in Section 6.2.2.1 of this Rate Schedule.

6.2.1.2 Load-Serving Entities

LSEs serving Load in the NYCA shall purchase ~~all~~ Voltage Support Service from the ISO at the rates described in the formula contained in Section 6.2.2.1 of this Rate Schedule.

6.2.2 Payments

6.2.2.1 Payments made by Transmission Customers and LSEs

Transmission Customers, Customers, and LSEs shall pay the ISO for Voltage Support Service. The ISO shall compute the Voltage Support Service Rate based on forecast data using the following equation

$$Rate_{VSS} = \frac{\sum^{All} NYISO_{VSSPayments} + PYA_{VSS}}{Energy_{NYISO}}$$

$$Rate_{VSS} = \frac{\sum NYISO_{VSSPmnts} + PYA_{VSS}}{Energy_{NYISO}}$$

Where:

$Rate_{VSS}$ = Voltage Support Service Rate (\$/MWh)

$Energy_{ISO}$ = The annual forecasted transmission usage for the year as projected by the ISO including Load within the NYCA, Exports and Wheels Through (MWh).

All

$\Sigma NYISO_{vss} Payments_{Pmts} =$ The sum of the projected ISO payments to generation facilities, synchronous condensers, and Qualified Non-Generator Voltage Support Resources providing Voltage Support Service based on Sections 15.2.2.1, 15.2.2.2 and 15.2.2.3 of Rate Schedule 2 of the ISO Services Tariff (\$).

$PYA_{vss} =$ “Prior year adjustment” for Voltage Support Service which is the Total of prior year payments to generation facilities, synchronous condensers, and Qualified Non-Generator Voltage Support Resources supplying Voltage Support Service as defined in the ISO Services Tariff less the total of payments received by the ISO from Transmission Customers, Customers and LSEs in the prior year for Voltage Support Service (including all payments for penalties) (\$).

Transmission Customers engaging in Wheels Through, and Exports Bilateral Transactions, and Customers Purchases engaging in Exports from the LBMP Market ~~where the Energy is delivered to a NYCA interconnection with another Control Area~~ shall pay to the ISO a charge for this service equal to the rate as determined in Section 6.2.1 of this Rate Schedule multiplied by their Energy scheduled in the hour. LSEs shall pay to the ISO a charge for this service equal to the rate as determined in Section 6.2.1 of this Rate Schedule multiplied by the Energy consumed by the LSE’s Load located in the NYCA in the hour provided, however, LSEs taking service under Section 5 of the OATT to supply Station Power as a third-party provider shall pay to the ISO a charge for this service equal to the rate as determined in Section 6.2.1 of this Rate Schedule multiplied by the LSE’s Station Power provided under Section 5 of the OATT. ~~The ISO shall credit Revenue collected by application of this charge, on a Load ratio share basis, to Transmission Customers engaging in Wheels Through, Exports and Purchases~~

~~from the LBMP Market where the Energy is delivered to a NYCA interconnection with another Control Area in the day and LSEs serving New York Control Area Load in the day.~~ For LSEs and all Wheels Through, and Exports ~~and Purchases from the LBMP Market for Energy delivered to a NYCA interconnection with another Control Area,~~ the ISO shall calculate the payment hourly. The ISO shall bill each Transmission Customer or LSE each Billing Period.

6.2.3 Self-Supply

All Voltage Support Service shall be purchased from the ISO.