

6.1.9 Recovery of Special Case Resources and Curtailment Services Providers Costs

The ISO shall charge, and each Transmission Customer shall pay, a charge for the recovery of Special Case Resources and Curtailment Service Providers costs for each Billing Period. This charge shall be equal to the sum of the hourly charges for the Transmission Customer, as calculated in Sections 6.1.9.1 and 6.1.9.2 of this Rate Schedule 1, for each hour in the relevant Billing Period and, where applicable, for each Subzone.

6.1.9.1 Recovery of Costs for Payments for Special Case Resources and Curtailment Service Providers Called to Meet the Reliability Needs of a Local System

Pursuant to this Section 6.1.9.1, the ISO shall recover the costs of payments to Special Case Resources and Curtailment Service Providers that were called to meet the reliability needs of a local system. To do so, the ISO shall charge, and each Transmission Customer that serves Load in the Subzone for which the reliability services of the Special Case Resources and Curtailment Service Providers were called shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an hourly charge in accordance with the following formula for each Subzone.

$$Local\ Reliability\ SCR\ and\ CSP\ Charge_{c,h} = LocalReliabilityCosts_h * \frac{SZWithdrawalUnits_{c,h}}{SZTotalWithdrawalUnits_h}$$

Where:

c = Transmission Customer.

h = A given hour in the relevant Billing Period.

Local Reliability SCR and CSP Charge_{c,h} = The amount, in \$, for which Transmission Customer c is responsible for hour h for the relevant Subzone.

LocalReliabilityCosts_h = The payments, in \$, for hour h in the relevant Subzone made to Suppliers for Special Case Resources and Curtailment Service Providers called to meet the reliability needs of that Subzone.

$SZWithdrawalUnits_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as a third-party provider.

$SZTotalWithdrawalUnits_h$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as third-party providers.

6.1.9.2 Recovery of Costs for Payments for Special Case Resources and Curtailment Service Providers Called to Meet the Reliability Needs of the NYCA

Pursuant to this Section 6.1.9.2, the ISO shall recover the costs of payments to Special Case Resources and Curtailment Service Providers called to meet the reliability needs of the NYCA. To do so, the ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units except for Withdrawal Billing Units for Wheels Through, Exports or to supply Station Power as a third-party provider, an hourly charge in accordance with the following formula.

$$NYCA\ Reliability\ SCR\ and\ CSP\ Charge_{c,h} = NYCA\ Reliability\ Costs_h * \frac{WithdrawalUnits_{c,h}}{TotalWithdrawalUnits_h}$$

Where:

c = Transmission Customer.

h = A given hour in the relevant Billing Period.

$NYCA\ Reliability\ SCR\ and\ CSP\ Charge_{c,h}$ = The amount, in \$, for which Transmission Customer c is responsible for hour h .

$NYCA\ Reliability\ Costs_h$ = The payments, in \$, for hour h made to Suppliers for Special Case Resources and Curtailment Service Providers called to meet the reliability needs of the NYCA.

$WithdrawalUnits_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h , except for the Withdrawal Billing Units for Wheels Through, Exports or to supply Station Power as a third-party provider.

$TotalWithdrawalUnits_h$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h , except for the Withdrawal Billing Units for Wheels Through, Exports or to supply Station Power as third-party providers.

6.1.10. Recovery of Day-Ahead Margin Assurance Payment Costs

The ISO shall charge, and each Transmission Customer shall pay, a charge for the recovery of DAMAP costs for each Billing Period. The charge for the relevant Billing Period shall be equal to the sum of the charges and credits for the Transmission Customer, as calculated in Sections 6.1.10.1 and 6.1.10.2 of this Rate Schedule 1, for each hour or each day, as applicable, in the relevant Billing Period and for each Subzone, where applicable.

6.1.10.1 Recovery of Costs of DAMAPs Resulting from Meeting the Reliability Needs of a Local System

Pursuant to this Section 6.1.10.1, the ISO shall recover the costs for DAMAPs incurred to compensate Resources for meeting the reliability needs of a local system.

6.1.10.1.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Section 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an hourly charge in accordance with the following formula for each Subzone.

$$Local\ Reliability\ DAMAP\ Charge_{c,h} = DAMAPCosts_h * \frac{SZWithdrawalUnits_{c,h}}{SZTotalWithdrawalUnits_h}$$

Where:

c = Transmission Customer.

h = A given hour in the relevant Billing Period.

$Local\ Reliability\ DAMAP\ Charge_{c,h}$ = The amount, in \$, for which Transmission Customer c is responsible for hour h for the relevant Subzone.

$DAMAPCosts_h$ = The DAMAP costs, in \$, for hour h in the relevant Subzone incurred to compensate Resources meeting the reliability needs of that Subzone.

$SZWithdrawalUnits_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as a third-party provider.

$SZTotalWithdrawalUnits_h$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as third-party providers.

6.1.10.1.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Section 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula for each Subzone.

$$Local\ Reliability\ DAMAP\ Charge_{c,d} = \frac{DAMAPCosts_d}{SZTotalWithdrawalUnits_d} * SZStationPower_{c,d}$$

Where:

d = A given day in the relevant Billing Period.

$SZStationPower_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c in day d in the relevant Subzone that are used to supply Station Power as a third-party provider, except for Withdrawal Billing Units for Wheels Through and Exports.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.10.1.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.10.1.2 shall be determined for day d .

6.1.10.1.3 Local Reliability DAMAP Credit

The ISO shall calculate, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall receive based on its Withdrawal Billing Units that

are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the charge under Section 6.1.10.1.2 of this Rate Schedule 1. This credit shall be calculated according to the following formula for each day in the relevant Billing Period.

$$\text{Local Reliability DAMAP Credit}_{c,d} = \text{LocRelDAMAPCharge}_d * \frac{\text{SZWithdrawalUnits}_{c,d}}{\text{SZTotalWithdrawalUnits}_d}$$

Where:

d = A given day in the relevant Billing Period.

$\text{Local Reliability DAMAP Credit}_{c,d}$ = The amount, in \$, that Transmission Customer c will receive for day d for the relevant Subzone.

$\text{LocRelDAMAPCharge}_d$ = The sum of charges, in \$, for all Transmission Customers in the relevant Subzone as calculated in Section 6.1.10.1.2 of this Rate Schedule 1 for day d .

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.10.1.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.10.1.3 shall be determined for day d .

6.1.10.2 Recovery of Costs of All Remaining DAMAPs

Pursuant to this Section 6.1.10.2, the ISO shall recover the costs of all DAMAPs not recovered through Section 6.1.10.1 of this Rate Schedule 1 from all Transmission Customers.

6.1.10.2.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Section 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an hourly charge in accordance with the following formula.

$$\text{Remaining DAMAP Charge}_{c,h} = \text{RemainingDAMAPCosts}_h * \frac{\text{WithdrawalUnits}_{c,h}}{\text{TotalWithdrawalUnits}_h}$$

Where:

c = Transmission Customer.

h = A given hour in the relevant Billing Period.

Remaining DAMAP Charge_{c,h} = The amount, in \$, for which Transmission Customer c is responsible for hour h .

Remaining DAMAP Costs_h = The DAMAP costs, in \$, for hour h not recovered by the ISO through Section 6.1.10.1 of this Rate Schedule 1.

Withdrawal Units_{c,h} = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h , except for the Withdrawal Billing Units to supply Station Power as a third-party provider and except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

Total Withdrawal Units_h = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h , except for the Withdrawal Billing Units to supply Station Power as third-party providers and except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

6.1.10.2.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Section 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula.

$$\text{Remaining DAMAP Charge}_{c,d} = \frac{\text{Remaining DAMAP Costs}_d}{\text{Total Withdrawal Units}_d} * \text{Station Power}_{c,d}$$

Where:

d = A given day in the relevant Billing Period.

Station Power_{c,d} = The Withdrawal Billing Units, in MWh, of Transmission Customer c used to supply Station Power as a third-party provider for day d .

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.10.2.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.10.2.2 shall be determined for day d .

6.1.10.2.3 Remaining DAMAP Credit

The ISO shall calculate, and each Transmission Customer shall receive based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the charge under Section 6.1.10.2.2 of this Rate Schedule 1. This credit shall be calculated according to the following formula for each day in the relevant Billing Period.

$$\begin{aligned} \text{Remaining DAMAP Credit}_{c,d} \\ = \text{Remaining DAMAP Charge}_d * \frac{\text{Withdrawal Units}_{c,d}}{\text{Total Withdrawal Units}_{c,d}} \end{aligned}$$

Where:

d = A given day in the relevant Billing Period.

$\text{Remaining DAMAP Credit}_{c,d}$ = The amount, in \$, that Transmission Customer c will receive for day d .

$\text{Remaining DAMAP Charge}_d$ = The sum of charges, in \$, for all Transmission Customers as calculated in Section 6.1.10.2.2 of this Rate Schedule 1 for day d .

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.10.2.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.10.2.3 shall be determined for day d .

6.1.11 Recovery of Import Curtailment Guarantee Payment Costs

6.1.11.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Section 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a charge each Billing Period to recover the costs of all Import Curtailment Guarantee Payments paid to Import Suppliers for that Billing Period. The charge for the relevant Billing Period shall be equal to the sum of the hourly charges for the Transmission Customer, as calculated in accordance with the following formula, for each hour in the relevant Billing Period.

$$\begin{aligned} & \text{Import Curtailment Guarantee Charge}_{c,h} \\ & = \text{ImportCurtGuarCosts}_h * \frac{\text{WithdrawalUnits}_{c,h}}{\text{TotalWithdrawalUnits}_h} \end{aligned}$$

Where:

c = Transmission Customer.

h = A given hour in the relevant Billing Period.

$\text{Import Curtailment Guarantee Charge}_{c,h}$ = The amount, in \$, for which Transmission Customer c is responsible for hour h .

$\text{ImportCurtGuarCosts}_h$ = The costs, in \$, for the Import Curtailment Guarantee Payments to Import Suppliers for hour h .

$\text{WithdrawalUnits}_{c,h}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in hour h , except for the Withdrawal Billing Units to supply Station Power as a third-party provider and except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

$\text{TotalWithdrawalUnits}_h$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in hour h , except for the Withdrawal Billing Units to supply Station Power as third-party providers and except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

6.1.11.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Section 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a charge for each Billing Period to recover the costs of all Import Curtailment Guarantee Payments paid to Import Suppliers for that Billing Period. The charge for the relevant Billing Period shall be equal to the sum of the daily charges for the Transmission Customer, as calculated in accordance with the following formula, for each day in the relevant Billing Period.

$$\begin{aligned} & \text{Import Curtailment Guarantee Charge}_{c,d} \\ & = \frac{\text{ImportCurtGuarCosts}_d}{\text{TotalWithdrawalUnits}_d} * \text{StationPower}_{c,d} \end{aligned}$$

Where:

d = A given day in the relevant Billing Period.

$StationPower_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c used to supply Station Power as a third-party provider for day d .

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.11.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.11.2 shall be determined for day d .

6.1.11.3 Import Curtailment Guarantee Credit

The ISO shall credit each Transmission Customer based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the charge under Section 6.1.11.2 of this Rate Schedule 1 above for each Billing Period. This credit shall be equal to the sum of daily payments for the Transmission Customer, as calculated according to the following formula, for each day in the relevant Billing Period.

$$Import\ Curtailment\ Guarantee\ Credit_{c,d} = ImpCurtGuarCharge_d * \frac{WithdrawalUnits_{c,d}}{TotalWithdrawalUnits_d}$$

Where:

d = A given day in the relevant Billing Period.

$Import\ Curtailment\ Guarantee\ Credit_{c,d}$ = The amount, in \$, that Transmission Customer c will receive for day d .

$ImpCurtGuarCharge_d$ = The sum of charges, in \$, for all Transmission Customers as calculated in Section 6.1.11.2 of this Rate Schedule 1 for day d .

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.11.1 of this Rate Schedule 1 above, except that the variables in this Section 6.1.11.3 shall be determined for day d .

6.1.12 Recovery of Bid Production Cost Guarantee Payment Costs

6.1.12.1 Costs of BPCGs for Additional Generating Units Committed to Meet Forecast Load

If the sum of all Bilateral Transaction schedules, excluding schedules of Bilateral Transactions with Trading Hubs as their POWs, and all Day-Ahead Market purchases to serve Load in the Day-Ahead schedule is less than the ISO's Day-Ahead forecast of Load, the ISO may commit Resources in addition to the reserves that it normally maintains to enable it to respond to contingencies to meet the ISO's Day-Ahead forecast of Load. The ISO shall recover a portion of the costs associated with Bid Production Cost guarantee payments for the additional Resources committed Day-Ahead to meet the Day-Ahead forecast of Load from Transmission Customers pursuant to the methodology established in Attachment T of this ISO OATT. The ISO shall recover the residual costs of such Bid Production Cost guarantee payments not recovered through the methodology in Attachment T of the ISO OATT pursuant to Section 6.1.12.5 of this Rate Schedule 1.

6.1.12.2 Costs of BPCGs Resulting from Meeting the Reliability Needs of a Local System

Pursuant to this Section 6.1.12.2, the ISO shall recover the costs for Bid Production Cost guarantee payments incurred to compensate Suppliers for their Resources, other than Special Case Resources, that are committed or dispatched to meet the reliability needs of a local system.

6.1.12.2.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Section 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall pay based on its Withdrawal Billing Units that are not used

to supply Station Power as a third-party provider, a daily charge in accordance with the following formula for each Subzone.

$$\text{Local Reliability BPCG Charge}_{c,d} = \text{BPCGCosts}_d * \frac{\text{SZWithdrawalUnits}_{c,d}}{\text{SZTotalWithdrawalUnits}_d}$$

Where:

c = Transmission Customer.

d = A given day in the relevant Billing Period.

Local Reliability BPCG Charge $_{c,d}$ = The amount, in \$, for which Transmission Customer c is responsible for day d for the relevant Subzone.

BPCGCosts $_d$ = The Bid Production Cost guarantee payments, in \$, made to Suppliers for Resources for day d in the relevant Subzone arising as a result of meeting the reliability needs of that Subzone, except for the Bid Production Cost guarantee payments made to Suppliers for Special Case Resources.

SZWithdrawalUnits $_{c,d}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in day d in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as a third-party provider.

SZTotalWithdrawalUnits $_d$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in day d in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as third-party providers.

6.1.12.2.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Section 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula for each Subzone.

$$\text{Local Reliability BPCG Charge}_{c,d} = \frac{\text{BPCGCosts}_d}{\text{SZTotalWithdrawalUnits}_d} * \text{SZStationPower}_{c,d}$$

Where:

$SZStationPower_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c in day d in the relevant Subzone that are used to supply Station Power as a third-party provider, except for Withdrawal Billing Units for Wheels Through and Exports.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.12.3.1 above,

6.1.12.2.3 Local Reliability BPCG Credit

The ISO shall calculate, and each Transmission Customer that serves Load in the Subzone where the Resource is located shall receive based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the charge under Section 6.1.12.2.2 of this Rate Schedule 1. This credit shall be calculated according to the following formula for each day in the relevant Billing Period.

$$Local\ Reliability\ BPCG\ Credit_{c,d} = LocRelBPCGCharge_d * \frac{SZWithdrawalUnits_{c,d}}{SZWithdrawalUnits_{c,d}}$$

Where:

$Local\ Reliability\ BPCG\ Credit_{c,d}$ = The amount, in \$, that Transmission Customer c will receive for day d for the relevant Subzone.

$LocRelBPCGCharge_d$ = The sum of charges, in \$, for all Transmission Customers in the relevant Subzone as calculated in Section 6.1.12.2.2 of this Rate Schedule 1 for day d .

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.12.2.1 above.

6.1.12.3 Cost of BPCGs for Special Case Resources Called to Meet the Reliability Needs of a Local System

Pursuant to this Section 6.1.12.3, the ISO shall recover the costs of Bid Production Cost guarantee payments incurred to compensate Special Case Resources called to meet the reliability needs of a local system. To do so, the ISO shall charge, and each Transmission Customer that serves Load in the Subzone where the Special Case Resource is located shall pay based on its

Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula for each Subzone.

$$\text{Local Reliability SCR BPCG Charge}_{c,d} = \text{BPCGCosts}_d * \frac{\text{SZWithdrawalUnits}_{c,d}}{\text{SZTotalWithdrawalUnits}_d}$$

Where:

c = Transmission Customer.

d = A given day in the relevant Billing Period.

$\text{Local Reliability SCR BPCG Charge}_{c,d}$ = The amount, in \$, for which Transmission Customer c is responsible for day d for the relevant Subzone.

BPCGCosts_d = The Bid Production Cost guarantee payments, in \$, made to Suppliers for Special Case Resources for day d in the relevant Subzone arising as a result of meeting the reliability needs of that Subzone.

$\text{SZWithdrawalUnits}_{c,d}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in day d in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as a third-party provider.

$\text{SZTotalWithdrawalUnits}_d$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in day d in the relevant Subzone, except for Withdrawal Billing Units for Wheels Through, Exports, and to supply Station Power as third-party providers.

6.1.12.4 Cost of BPCG for Special Case Resources Called to Meet the Reliability Needs of the NYCA

Pursuant to this Section 6.1.12.4, the ISO shall recover the costs for Bid Production Cost guarantee payments to compensate Special Case Resources called to meet the reliability needs of the NYCA. To do so, the ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units used except for Withdrawal Billing Units for Wheels Through, Exports or to supply Station Power as a third-party provider, a daily charge in accordance with the following formula.

$$\text{NYCA Reliability SCR BPCG}_{c,d} = \text{BPCGCost}_d * \frac{\text{WithdrawalUnits}_{c,d}}{\text{TotalWithdrawalUnits}_d}$$

Where:

c = Transmission Customer.

d = A given day in the relevant Billing Period.

NYCA Reliability SCR BPCG Charge $_{c,d}$ = The amount, in \$, for which Transmission Customer c is responsible for day d .

BPCG Costs $_d$ = The Bid Production Cost guarantee payments, in \$, made to Suppliers for Special Case Resources called to meet the reliability needs of the NYCA for day d .

Withdrawal Units $_{c,d}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in day d , except for the Withdrawal Billing Units for Wheels Through, Exports or to supply Station Power as a third-party provider.

Total Withdrawal Units $_d$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in day d , except for the Withdrawal Billing Units for Wheels-Through, Exports or to supply Station Power as third-party providers.

6.1.12.5 Costs of All Remaining BPCGs

Pursuant to this Section 6.1.12.5, the ISO shall recover the costs of all Bid Production Cost guarantee payments not recovered through Sections 6.1.12.1, 6.1.12.2, 6.1.12.3, and 6.1.12.4 of this Rate Schedule 1, including the residual costs of Bid Production Cost guarantee payments for additional Resources not recovered through the methodology in Attachment T of this ISO OATT, from all Transmission Customers.

6.1.12.5.1 Transmission Customer Charge Based on Withdrawal Billing Units Not Used to Supply Station Power Under Section 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula.

$$\text{Remaining BPCG Charge}_{c,d} = \text{Remaining BPCG Costs}_d * \frac{\text{Withdrawal Units}_{c,d}}{\text{Total Withdrawal Units}_d}$$

Where:

c = Transmission Customer.

d = A given day in the relevant Billing Period.

Remaining BPCG Charge $_{c,d}$ = The amount, in \$, for which Transmission Customer c is responsible for day d .

RemainingBPCGCosts $_d$ = The BPCG costs, in \$, for day d not recovered by the ISO through Sections 6.1.12.1, 6.1.12.2, 6.1.12.3, and 6.1.12.4 of this Rate Schedule 1.

WithdrawalUnits $_{c,d}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in day d , except for the Withdrawal Billing Units to supply Station Power as a third-party provider and except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

TotalWithdrawalUnits $_d$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in day d , except for the Withdrawal Billing Units to supply Station Power as third-party providers and except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

6.1.12.5.2 Transmission Customer Charge Based on Withdrawal Billing Units to Supply Station Power Under Section 5 of this ISO OATT

The ISO shall charge, and each Transmission Customer shall pay based on its Withdrawal Billing Units used to supply Station Power as a third-party provider, a daily charge in accordance with the following formula.

$$\text{Remaining BPCG Charge}_{c,d} = \frac{\text{RemainingBPCGCosts}_d}{\text{TotalWithdrawalUnits}_d} * \text{StationPower}_{c,d}$$

Where:

StationPower $_{c,d}$ = The Withdrawal Billing Units, in MWh, of Transmission Customer c used to supply Station Power as a third-party provider for day d .

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.12.5.1 of this Rate Schedule 1 above.

6.1.12.5.3 Remaining BPCG Credit

The ISO shall calculate, and each Transmission Customer shall receive based on its Withdrawal Billing Units that are not used to supply Station Power as a third-party provider, an amount of the revenue collected through the charge under Section 6.1.12.5.2 of this Rate Schedule 1. This credit shall be calculated according to the following formula for each day in the relevant Billing Period.

$$\text{Remaining BPCG Credit}_{c,d} = \text{RemainingBPCGCharge}_d * \frac{\text{WithdrawalUnits}_{c,d}}{\text{TotalWithdrawalUnits}_{c,d}}$$

Where:

*Remaining BPCG Credit*_{c,d} = The amount, in \$, that Transmission Customer *c* will receive for day *d*.

*RemainingBPCGCharge*_d = The sum of charges, in \$, for all Transmission Customers as calculated in Section 6.1.12.5.2 of this Rate Schedule 1 for day *d*.

The definitions of the remaining variables are identical to the definitions for such variables set forth in Section 6.1.12.5.1 of this Rate Schedule 1 above.

6.1.13 Dispute Resolution Payment/Charge

The ISO shall calculate, and each Transmission Customer shall receive or pay, a dispute resolution payment or charge in accordance with Section 6.1.13.1 of this Rate Schedule 1 for the distribution of funds received by the ISO or the recovery of funds incurred by the ISO in the settlement of a dispute.

6.1.13.1 Calculation of the Dispute Resolution Payment/Charge

The ISO shall calculate, and each Transmission Customer shall receive or pay, a dispute resolution payment or a dispute resolution charge for each Billing Period as calculated according to the following formula.

$$\begin{aligned} & \textit{Dispute Resolution Payment/Charge}_{c,P} \\ & = \textit{DisputeResolutionCosts}_P * \frac{\textit{WithdrawalUnits}_{c,P}}{\textit{TotalWithdrawalUnits}_P} \end{aligned}$$

Where:

c = Transmission Customer.

P = The relevant Billing Period.

$\textit{Dispute Resolution Payment/Charge}_{c,P}$ = The amount, in \$, for Billing Period P that (i) Transmission Customer c will receive if the ISO is distributing funds that it has collected in the settlement of a dispute, or (ii) Transmission Customer c will be responsible for if the ISO is recovering funds that it has incurred in the settlement of a dispute.

$\textit{DisputeResolutionCosts}_P$ = The amount, in \$, for Billing Period P that (i) the ISO has collected in the settlement of a dispute or (ii) the ISO has incurred in the settlement of a dispute.

$\textit{WithdrawalUnits}_{c,P}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in Billing Period P , except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

$\textit{TotalWithdrawalUnits}_P$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in Billing Period P , except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

6.1.14 Credit for Financial Penalties

The ISO shall distribute to each Transmission Customer each Billing Period in accordance with the following formula any payments that it has collected from Transmission Customers to satisfy: (i) Financial Impact Charges issued pursuant to Sections 4.5.3.2 and 4.5.4.2 of the ISO Services Tariff; (ii) ICAP sanctions issued pursuant to Section 5.12.12 of the ISO Services Tariff; (iii) ICAP deficiency charges pursuant to Section 5.14.3.1 of the ISO Services Tariff, except as provided in Section 5.14.3.2 of the ISO Services Tariff; (iv) market power mitigation financial penalties pursuant to Section 23.4.3.6 of Attachment H of the ISO Services

Tariff, except as provided in Section 23.4.4.3.2 of Attachment H of the ISO Services Tariff; and (v) any other financial penalties set forth in the ISO Services Tariff or this ISO OATT. The ISO will perform this calculation separately for the allocation of the revenue from each financial penalty.

$$\text{Financial Penalties Credit}_{c,P} = \text{PenaltyRevenue}_P * \frac{\text{WithdrawalUnits}_{c,P}}{\text{TotalWithdrawalUnits}_P}$$

Where:

c = Transmission Customer.

P = A given day in the relevant Billing Period.

$\text{Financial Penalties Credit}_{c,P}$ = The amount, in \$, that Transmission Customer c will receive for Billing Period P .

PenaltyRevenue_P = The sum, in \$, of revenue that the ISO has collected for Billing Period P from a Transmission Customer for one of the financial penalties indicated in Section 6.1.14 of this Rate Schedule 1.

$\text{WithdrawalUnits}_{c,P}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c for Billing Period P , except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

$\text{TotalWithdrawalUnits}_P$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers for Billing Period P , except for Scheduled Energy Withdrawals at a CTS Enabled Interface with ISO New England resulting from Exports that are not associated with wheels through New England.

6.1.15 Calculation of FERC Fee Charges

As a public utility the transmission provider under this Tariff is subject to annual charges assessed by the Commission in accordance with Part 382 of the Commission's regulations (annual FERC fee). The ISO shall charge, and each Transmission Customer taking service under the ISO Tariffs shall pay, a charge for the recovery of the annual FERC fee, on the basis of its participation in physical market activity, and on the basis of its participation in non-physical

market activity in accordance with Sections 6.1.15.1 and 6.1.15.2 respectively. The annual FERC fee shall be allocated ninety-four (94%) to physical market activity and six (6%) to non-physical market activity respectively. Pursuant to ISO Procedures, the six (6%) of the annual FERC fee allocated to non-physical market activity shall be further allocated approximately four percent (4%) to Transmission Congestion Contracts and approximately two percent (2%) to Virtual Transactions. The total charge to each Transmission Customer for recovery of the annual FERC fee shall be the sum of the Transmission Customer's Physical FERC Fee Charge and the Transmission Customer's Non-Physical FERC Fee Charge.

An estimated annual FERC fee shall be recovered over the twelve months of each federal fiscal year. The ISO will publish the estimated annual FERC fee for each federal fiscal year no less than one month in advance of the start of that federal fiscal year. Upon receiving the invoice for the annual FERC fee, the ISO will implement a true-up, a credit or charge, equal to the difference between the estimated annual FERC fee for the fiscal year and the invoiced amount, in the first Billing Period following receipt of the invoiced annual FERC fee, as is practicable. The ISO shall recover or refund the true-up amount over a six month period.

All funds collected by the ISO for the annual FERC fee shall be deposited in the annual FERC fee account. The annual FERC fee account shall be an interest-bearing account separate from all other accounts maintained by the ISO. The ISO shall disburse funds from the annual FERC fee account in order to pay the FERC any and all annual FERC fee charges assessed against the ISO.

6.1.15.1 Calculation of Physical FERC Fee Charge for Transmission Customers Participating in Physical Market Activity

The ISO shall charge, and each Transmission Customer that participates in physical market activity shall pay, a charge for the recovery of the annual FERC fee as calculated according to the following formula:

$$\begin{aligned}
 & \textit{Physical FERC Fee Charge}_{c,P} \\
 &= \left(\textit{Injection Units}_{c,P} * \left(0.28 * P\textit{Ratio} * \frac{(\textit{Est FERC Fee}_P + \textit{True-Up Costs}_P)}{\textit{TotalInjectionUnits}_P} \right) \right) \\
 &+ \left(\textit{Withdrawal Units}_{c,P} * \left(0.72 * P\textit{Ratio} * \frac{(\textit{Est FERC Fee}_P + \textit{True-Up Costs}_P)}{\textit{TotalWithdrawalUnits}_P} \right) \right)
 \end{aligned}$$

Where:

c = Transmission Customer.

P = The relevant Billing Period.

$\textit{Physical FERC Fee Charge}_{c,P}$ = The amount, in \$, of the annual FERC fee for which Transmission Customer c is responsible for Billing Period P .

$\textit{Injection Units}_{c,P}$ = The Injection Billing Units, in MWh, for Transmission Customer c in Billing Period P .

$P\textit{Ratio}$ = Ninety-four percent (94%).

$\textit{Est FERC Fee}_P$ = Billing Period P 's proportional allocation of the estimated annual FERC fee for the current FERC fiscal year.

$\textit{True-up Costs}_P$ = Billing Period P 's proportional allocation of the difference between the invoiced annual FERC fee and the estimated annual FERC fee.

$\textit{TotalInjectionUnits}_P$ = The sum, in MWh, of Injection Billing Units for all Transmission Customers in Billing Period P .

$\textit{Withdrawal Units}_{c,P}$ = The Withdrawal Billing Units, in MWh, for Transmission Customer c in the Billing Period P .

$\textit{TotalWithdrawalUnits}_P$ = The sum, in MWh, of Withdrawal Billing Units for all Transmission Customers in the Billing Period P .

6.1.15.2 Calculation of the FERC Fee Charge for Transmission Customers Participating in Non-Physical Market Activity

The ISO shall charge, and each Transmission Customer that has its virtual bids accepted and thereby engages in Virtual Transactions or that purchases Transmission Congestion Contracts shall pay, a charge for the recovery of the annual FERC fee as calculated according to the following formula: *Non-Physical FERC Fee Charge*_{c,P} =

$$\left(VT_{Cleared_{c,P}} * \left(\left(\frac{VTRatio * Est\ FERC\ Fee_P}{Total\ VT\ Cleared_P} \right) + \left(\frac{VTRatio * True-Up\ Costs_P}{Total\ VT\ Cleared_P} \right) \right) \right) + \left(TCC\ Settled_{c,P} * \left(\left(\frac{TCCRatio * Est\ FERC\ Fee_P}{Total\ TCC\ Settled_P} \right) + \left(\frac{TCCRatio * True-Up\ Costs_P}{Total\ TCC\ Settled_P} \right) \right) \right)$$

Where:

c = Transmission Customer.

P = The relevant Billing Period.

*Non – Physical FERC Fee Charge*_{c,P} = The amount, in \$, of the annual FERC fee for which Transmission Customer *c* is responsible for Billing Period *P*.

*VT Cleared*_{c,P} = The total cleared Virtual Transactions, in MWh, for Transmission Customer *c* in Billing Period *P*.

*Est FERC Fee*_P = Billing Period *P*'s proportional allocation of the estimated annual FERC fee for the current FERC fiscal year.

*True – up Costs*_P = Billing Period *P*'s proportional allocation of the difference between the invoiced annual FERC fee and the estimated annual FERC fee.

VTRatio = Approximately two percent (2%).

*Total VT Cleared*_P = The sum, in MWh, of cleared Virtual Transactions for all Transmission Customers in Billing Period *P*.

*TCCSettled*_{c,P} = The total settled Transmission Congestion Contracts, in MWh, for Transmission Customer *c* in Billing Period *P*.

TCCRatio = Approximately four percent (4%).

*Total TCC Settled*_P = The sum of settled Transmission Congestion Contracts, in MWh, for all Transmission Customers in Billing Period *P*.