6.14 Schedule 14 – Rate Mechanism for Recovery of RMR Generator Related Charges from and Payment of RMR Generator Related Credits to RMR LSEs

6.14.1 Applicability

The ISO will apply this Schedule separately for each RMR Generator operating under an RMR Agreement. For purposes of this Schedule, "RMR LSEs" are all the LSEs, including Transmission Owners, competitive LSEs and municipal systems, serving Load in the Load Zone or Subzone (as applicable) to which the charges and credits associated with an RMR Generator operating under an RMR Agreement are allocated.

Section 6.14.2 establishes how credits and charges to RMR LSEs will be allocated and recovered. Section 6.14.3 establishes how the ISO will calculate and recover the RMR Charge applicable to each RMR Generator operating under an RMR Agreement. The RMR Charge for a Billing Period may result in either a charge or a credit to the RMR LSEs. Sections 6.14.4 and 6.14.5 establish how the ISO will charge RMR LSEs any Performance Incentive payment or Availability Incentive payment owed to an RMR Generator with an RMR Agreement that contains an Availability and Performance Rate. Finally, Section 6.14.6 establishes how the ISO will allocate and credit to RMR LSEs any Capital Expenditure costs recovered from the RMR Generator by the ISO pursuant to Section 15.8.6 of Rate Schedule 8 to the Services Tariff.

6.14.2 Allocation of RMR Charges

Charges and credits to RMR LSEs under this Schedule will be allocated in accordance with Section 31.5.3 of Attachment Y to the ISO OATT. The ISO will charge or credit each RMR LSE based on its share of Actual Energy Withdrawals in the Load Zone or Subzone (as applicable) for the relevant Billing Period.

6.14.3 Calculation and Recovery of RMR Charge

6.14.3.1 Applicability

The ISO will calculate the RMR Charge in accordance with Section 6.14.3.3 for each RMR Generator operating under an RMR Agreement that includes an Availability and Performance Rate. The ISO will calculate the RMR Charge in accordance with Section 6.14.3.4 for each RMR Generator operating under a rate that is not an Availability and Performance Rate.

6.14.3.2 Assessing or Crediting the RMR Charge

If the RMR Charge calculated pursuant to Section 6.14.3.3 or 6.14.3.4, as applicable, is positive for a Billing Period, then the ISO will assess the RMR Charge to the RMR LSEs. If the RMR Charge calculated pursuant to Section 6.14.3.3 or 6.14.3.4, as applicable, is negative for a Billing Period, then the ISO will credit the absolute value of the RMR Charge to the RMR LSEs. Credits to the RMR LSEs are drawn from the revenue recovered from Transmission Customers as a result of the RMR Generator's participation in the ISO-Administered Markets during that Billing Period.

6.14.3.3 Calculation of RMR Charge for an RMR Generator Providing Service Under an Availability and Performance Rate

$$RMRCharge_{l,g,P} = \sum_{d \in P} \left(\left(RMRAvoidCost_{g,d} + VarCost_{g,d} - MarketRev_{g,d} \right) * \sum_{z \in Z} \left(ZonalCostAllocation_{g,z} * \left(MWh_{l,z,d} / MWh_{z,d} \right) \right) \right)$$

Where:

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

P = the relevant Billing Period;

d = the relevant market day;

l = the relevant RMR LSE;

z = an individual NYCA Load Zone or Subzone (as applicable);

Z = the set of all Load Zones (or Subzones as applicable) that have nonzero allocations for the relevant RMR Generator;

$RMRCharge_{l,g,P}$ = the RMR Charge associated with RMR Generator *g* for Billing Period *P* for RMR LSE *l*;

$RMRAvoidCost_{g,d}$ = the 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 31.2.11.8 and 31.2.11.17 of the OATT pending Commission action, shaped on a Capability Period basis;

$VarCost_{g,d}$ = the Variable Cost amount for RMR Generator *g* for day *d*, calculated pursuant to Section 15.8.1 of Rate Schedule 8 to the ISO Services Tariff;

$MarketRev_{g,d}$ = the revenue recovered from Transmission Customers under the ISO Tariffs for day d in connection with the participation of the RMR Generator g in the ISO Administered Markets, including LBMP revenues, Ancillary Services revenues, guarantee or supplemental payments, Day-Ahead to real-time balancing settlements as described in Section 4 of the ISO Services Tariff, and monthly Capacity revenues divided by the number of days in the month;

$ZonalCostAllocation_{g,z}$ = the proportion of the cost of RMR Generator *g* allocated to Load Zone or Subzone (as applicable) *z*;

$MWh_{z,d}$ = Actual Energy Withdrawals in Load Zone or Subzone (as applicable) *z* aggregated across all hours on day *d*;

$MWh_{l,z,d}$ = Actual Energy Withdrawals for RMR LSE *l* in Load Zone or Subzone (as applicable) *z* aggregated across all hours on day *d*.

6.14.3.4 Calculation of RMR Charge for an RMR Generator Providing Service Under a Rate Other Than an Availability and Performance Rate

$$RMRCharge_{l,g,P} = \sum_{d \in P} \left(\left(RMRCost_{g,d} + VarCost_{g,d} - MarketRev_{g,d} \right) * \sum_{z \in Z} \left(ZonalCostAllocation_{g,z} * \left(MWh_{l,z,d} / MWh_{z,d} \right) \right) \right)$$

Where:

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

$RMRCost_{g,d}$ = the costs RMR Generator *g* is authorized to recover for day *d* pursuant to a rate approved for RMR Generator *g* by the Commission, or is recovering subject to refund pending Commission action, shaped on a Capability Period basis.

The definitions of the remaining variables in this equation are identical to the definitions for such variables set forth in Section 6.14.3.3 above.

6.14.4 Performance Incentive Payment

The ISO will charge the RMR LSEs on a monthly basis for any Performance Incentive payment owed to an RMR Generator pursuant to Section 15.8.3 of the ISO Services Tariff for its performance in that month in accordance with the formula in Section 6.14.4.1.

6.14.4.1 Calculation of RMR Performance Incentive Charge

$$RMRPerformIncentCharge_{l,g,m} = RMRPerformIncentPayment_{g,m} * \sum_{z \in Z} \left(ZonalCostAllocation_{g,z} * \left(MWh_{l,z,m} / MWh_{z,m} \right) \right)$$

Where:

m = the billing month for which the performance was calculated;

$RMRPerformIncentCharge_{l, g, m}$ = the Performance Incentive Charge associated with RMR Generator *g* for billing month *m* for RMR LSE *l*;

$RMRPerformIncenPayment_{g,m}$ = the Performance Incentive amount for RMR Generator *g* for month *m*, calculated pursuant to Section 15.8.3 of Rate Schedule 8 to the ISO Services Tariff;

$MWh_{z, m}$ = Actual Energy Withdrawals in Load Zone or Subzone (as applicable) *z* aggregated across all hours in month *m*;

$MWh_{l, z, m}$ = Actual Energy Withdrawals for RMR LSE *l* in Load Zone or Subzone (as applicable) *z* aggregated across all hours in month *m*.

The definitions of the remaining variables in this equation are identical to the definitions for such variables set forth in Section 6.14.3.3 above.

6.14.5 Availability Incentive Payment

The ISO will charge the RMR LSEs on a Capability Period basis for any Availability Incentive payment owed to an RMR Generator pursuant to Section 15.8.4 of the ISO Services Tariff. The ISO will recover the Availability Incentive payment from RMR LSEs in the Billing Period following the first month of the Capability Period for any payment earned for the previous Capability Period in accordance with the formula in Section 6.14.5.1.

6.14.5.1 Calculation of RMR Availability Incentive Charge

$$RMRAvailIncentCharge_{l,g,m} = RMRAvailIncentPayment_{g,m} * \sum_{z \in Z} \left(ZonalCostAllocation_{g,z} * \left(MWh_{l,z,m} / MWh_{z,m} \right) \right)$$

Where:

m = the first billing month after the Incentive from the previous Capability period was calculated;

$RMRAvailIncentCharge_{l,g,m}$ = the Availability Incentive Charge associated with RMR Generator *g* for billing month *m* for RMR LSE *l*;

$RMRAvailIncenPayment_{g,m}$ = the Availability Incentive amount for RMR Generator *g* for month *m*, calculated pursuant to Section 15.8.4 of Rate Schedule 8 to the ISO Services Tariff;

$MWh_{z,m}$ = Actual Energy Withdrawals in Load Zone or Subzone (as applicable) *z* aggregated across all hours in month *m*;

$MWh_{l,z,m}$ = Actual Energy Withdrawals for RMR LSE *l* in Load Zone or Subzone (as applicable) *z* aggregated across all hours in month *m*.

The definitions of the remaining variables in this equation are identical to the definitions for such variables set forth in Section 6.14.3.3 above.

6.14.6 Distribution of Recovered Capital Expenditure Costs

If, at any time, the ISO recovers from the RMR Generator any Capital Expenditure in accordance with Section 15.8.6 of the ISO Services Tariff, the ISO will credit the recovered costs

to the RMR LSEs in the next monthly invoice following receipt of the payment from the RMR Generator in accordance with the formula in Section 6.14.6.1.

6.14.6.1 Calculation of RMR Capital Expenditure Credit

$$RMRCapExCredit_{l,g,m} = RMRCapExRecovery_{g,m} * \sum_{z \in Z} \left(ZonalCostAllocation_{g,z} * \left(MWh_{l,z,m} / MWh_{z,m} \right) \right)$$

Where:

m = the billing month in which the capital expenditure is recovered;

$RMRCapExCredit_{l,g,m}$ = the Capital Expenditure Credit associated with RMR Generator g for billing month m for RMR LSE l;

$RMRCapExRecovery_{g,m}$ = the Capital Expenditure Recovery from RMR Generator g for month m, calculated pursuant to Section 15.8.6 of Rate Schedule 8 to the ISO Services Tariff;

$MWh_{z,m}$ = Actual Energy Withdrawals in Load Zone or Subzone (as applicable) z aggregated across all hours in month m;

$MWh_{l,z,m}$ = Actual Energy Withdrawals for RMR LSE l in Load Zone or Subzone (as applicable) z aggregated across all hours in month m.

The definitions of the remaining variables in this equation are identical to the definitions for such variables set forth in Section 6.14.3.3 above.