

16.3 Transmission Service, Schedules and Curtailment

16.3.1 ISO's General Responsibilities

The ISO shall evaluate requests for transmission service submitted in the Day- Ahead scheduling process using Security Constrained Unit Commitment ("SCUC"), and will subsequently establish a Day-Ahead schedule. During the Dispatch Day, the ISO shall use the RTC₁₅ to establish schedules for each hour of dispatch in that day.

The ISO shall use the information provided by RTC when making Curtailment decisions pursuant to the Curtailment rules described in Section 16.3.4 of this Attachment J.

16.3.2 Use of Decremental Bids to Dispatch Internal Generators

When dispatching Generators taking service under this Tariff to match changing conditions, the ISO shall treat Decremental Bids and Incremental Energy Bids simultaneously and identically as follows: (i) a generating facility selling energy in the LBMP Market may be dispatched downward if the LBMP at the Point of Receipt falls below the generating facility's Incremental Energy Bid; (ii) a Generator serving a transaction scheduled under this Tariff may be dispatched downward if the LBMP at the Generators's Point of Receipt falls below Decremental Bid for the Generator; (iii) a Supplier's Generator may be dispatched upward if the LBMP at the Generator's Point of Receipt rises above the Decremental or Incremental Energy Bid for the Generator regardless of whether the Generator is supplying Energy to the LBMP Market or supporting a transaction scheduled under this Tariff.

16.3.2.1 Use of Decremental Bids to Dispatch External Generators

When determining the amount of Energy that External Generators taking service under this Tariff are scheduled an hour ahead to produce, the ISO shall treat Decremental Bids and Incremental Energy Bids simultaneously and identically as follows: (i) a generating facility

selling Energy in the LBMP Market will have its hour-ahead schedule reduced if the LBMP forecasted for the next hour by BME at the Point of Receipt falls below the generating facility's Incremental Energy Bid; (ii) a Generator serving a Transaction scheduled under this Tariff will have its schedule reduced if the LBMP forecasted for the next hour by RTC_{15} at the Generator's Point of Receipt falls below the Decremental Bid for the Generator; (iii) a Supplier's Generator will have its schedule increased if the LBMP forecasted for the next hour by RTC_{15} at the Generator's Point of Receipt rises above the Decremental or Incremental Energy Bid for the Generator, regardless of whether the Generator is supplying Energy to the LBMP Market or supporting a Transaction scheduled under this Tariff.

16.3.3 Day-Ahead Schedules

The ISO shall compute all NYCA Interface Transfer Capabilities prior to scheduling Transmission Service Day-Ahead. The ISO shall run the SCUC utilizing the computed Transfer Capabilities, submitted Firm Point-to-Point Transmission Service and Network Integration Transmission Service schedules, Load forecasts, and submitted Incremental Energy Bids, Decremental Bids and Sink Price Cap Bids.

In the Day-Ahead schedule, the ISO shall use the SCUC to determine Generator schedules, Transmission Service schedules and DNIs with adjacent Control Areas. The ISO shall not use Decremental Bids submitted by Transmission Customers for Generators associated with Non-Firm Point-to-Point Transmission Service in the determination of the Day-Ahead schedule.

16.3.4 Reduction and Curtailment

If a Transmission Customer's Firm Point-to-Point Transmission Service or Network Integration Transmission Service is supporting an Internal Bilateral Transaction, or an Import, the ISO shall not reduce the Transmission Service.

If the Transaction was scheduled in the Day-Ahead Market, and the Day-Ahead Schedule for the Generator designated as the Supplier of Energy for that Bilateral Transaction called for that Generator to produce less Energy than was scheduled Day-Ahead to be consumed in association with that Transaction, the ISO shall supply the Load or Transmission Customer in an Export with Energy from the Day-Ahead LBMP Market. The Transmission Customer shall continue to pay the Day-Ahead TUC and in addition, the Supplier of Energy for the Bilateral Transaction, if it takes service under the ISO Services Tariff, shall pay the Day-Ahead LBMP price, at the Point of Receipt for the Transaction, for the replacement amount of Energy in (MWh) purchased in the LBMP Market. If the Supplier of Energy for the Bilateral Transaction does not take service under the ISO Services Tariff, it shall pay the greater of 150 percent of the Day-Ahead LBMP at the Point of Receipt for the Transaction or \$100/MWh, for the replacement amount of Energy, as specified in this Tariff. These procedures shall apply regardless of whether the Generator designated to supply Energy in association with the Transaction was located inside or outside the NYCA.

If the Transaction was scheduled following the Day-Ahead Market, or the schedule for the Transaction was revised following the Day-Ahead Market, then the ISO shall supply the Load or Transmission Customer in an Export with Energy from the Real-Time LBMP Market, at the Real-Time LBMP, if necessary. If (1) the Generator designated to supply the Transaction is an Internal Generator, and it has been dispatched to produce less than the amount of Energy that is scheduled hour-ahead to be consumed in association with that Transaction; or (2) the Generator designated to supply the Transaction is an External Generator, and the amount of Energy it has been scheduled an hour ahead to produce (modified for any within-hour changes in DNI, if any) is less than the amount of Energy scheduled hour-ahead to be consumed in association with that Transaction; then the Transmission Customer shall pay the Real-Time TUC

for the amount of Energy withdrawn in real-time in association with that Transaction minus the amount of Energy scheduled Day-Ahead to be withdrawn in association with that Transaction.

In addition, to the extent that it has not purchased sufficient replacement Energy in the Day-Ahead Market, the Supplier of Energy for the Bilateral Transaction, if it takes service under the ISO Services Tariff, shall pay the Real-Time LBMP price, at the Point of Injection for the Transaction, for any additional replacement Energy (in MWh) necessary to serve the Load. If the Supplier of Energy for the Bilateral Transaction does not take service under the ISO Services Tariff, it shall pay the greater of 150 percent of the Real-Time LBMP at the Point of Injection for the Transaction or \$100/MWh for the replacement amount of Energy, as specified in this Tariff. These procedures shall apply regardless of whether the Generator designated to supply Energy in association with that Transaction was located inside or outside the NYCA. Notwithstanding the foregoing, the amount of Transmission Service scheduled hour-ahead in the RTC for Transactions supplied by one of the following Generators shall retroactively be set equal to that Generator's actual output in each RTD interval:

16.3.4.1 Generators

16.3.4.1.1 Generators providing Energy under contracts executed and effective on or before November 18, 1999 (including PURPA contracts) in which the power purchaser does not control the operation of the supply source but would be responsible for penalties for being off-schedule;

16.3.4.1.2 Existing topping turbine Generators and extraction turbine Generators producing electric Energy resulting from the supply of steam to the district steam system located in New York City (LBMP Zone J) in operation on or before November 18, 1999 and/or topping or extraction turbine Generators utilized in replacing or repowering existing steam supplies from such units (in accordance

with good engineering and economic design) that cannot follow schedules, up to a maximum total of 499 MW of such units; and

16.3.4.1.3 Existing intermittent (i.e., non-schedulable) renewable resource

Generators in operation on or before November 18, 1999 within the NYCA, plus up to an additional 1000 MW of such Generators.

This procedure shall not apply for those hours the Generator supplying that Transaction has bid in a manner that indicates it is available to provide Regulation Service or Operating Reserves.

If the Energy injections scheduled by RTC_{15} at a Proxy Generator Bus are Curtailed at the request of the ISO then the Supplier of Transmission Customer whose transaction is Curtailed, in addition to paying the charge for replacement Energy necessary to serve the Load, shall be paid the product (if positive) of: (a) the Real-Time LBMP at the Proxy Generator Bus minus the higher of the Real-Time Bid price and zero; and (b) the scheduled Energy injection minus the actual Energy injections at that Proxy Generator Bus for the dispatch hour.

If the Transmission Customer was receiving Non-Firm Point-to-Point Transmission Service, and its Transmission Service was Reduced or Curtailed, the replacement Energy may be purchased in the Real-Time LBMP Market, at the Real-Time LBMP, by the Internal Load. An Internal Generator supplying Energy for such a Transmission Service that is Reduced or Curtailed may sell its excess Energy in the Real-Time LBMP Market.

The ISO shall not automatically reinstate Non-Firm Point-to-Point Transmission Service that was Reduced or Curtailed. Transmission Customers may submit new schedules to restore the Non-Firm Point-to-Point Transmission Service in the next RTC_{15} execution.

If a security violation occurs or is anticipated to occur, the ISO shall attempt to relieve the violation using the following procedures:

16.3.4.2 Procedures

- 16.3.4.2.1 Reduce Non-Firm Point-to-Point Transmission Service: Partially or fully physically Curtail External Non-Firm Transmission Service (Imports, Exports and Wheels Through) by changing DNI schedules to (1) Curtail those in the lowest NERC priority categories first; (2) Curtail within each NERC priority category, based on Decremental Bids; and Incremental Energy Bids for Imports and Wheel Throughs; and based on Sink Price Cap Bids for Exports and (3) prorate Curtailment of equal cost transactions within a priority category ;
- 16.3.4.2.2 Curtail non-Firm Point-to-Point Transmission Service: Curtail (through changing DNI) unscheduled non-Firm Transactions which contribute to the violation, starting with the lowest NERC priority category;
- 16.3.4.2.3 Dispatch Internal Generators, based on Incremental Energy Bids and Decremental Bids, including committing additional resources, if necessary;
- 16.3.4.2.4 Adjust the DNI associated with Transactions supplied by External Resources: Curtail External Firm Transactions until the Constraint is relieved by (1) Curtailing based on Incremental Energy Bids, Decremental Bids and Sink Price Cap Bids; and (2) except for External Transactions with minimum run times, prorating Curtailment of equal cost transactions;
- 16.3.4.2.5 Request Internal Generators to voluntarily operate in manual mode below minimum or above maximum dispatchable levels. When operating in manual mode, Generators will not be required to adhere to minimum ramp rates, nor will they be required to be respond to RTD Base Point Signals;
- 16.3.4.2.6 In over generation conditions, decommit Internal Generators based on Minimum Generation Bid rate in descending order; and

16.3.4.2.7 Invoke other emergency procedures including involuntary load Curtailment, if necessary.

16.3.5 Scheduling Transmission Service for External Transactions

The amount of Firm Transmission Service scheduled Day-Ahead for Bilateral Transactions which designate External Generators to supply Imports or Internal Generators to supply Exports will be equal to the amount of Energy scheduled to be consumed under those Transactions Day-Ahead. The amount of Firm Transmission Service scheduled in the RTC₁₅ for Bilateral Transactions which designate External Generators to supply Imports or Internal Generators to supply Exports will be equal to the amount of Energy scheduled to be consumed under those Transactions in the RTC₁₅. The DNI between the NYCA and adjoining Control Areas will be adjusted as necessary to reflect the effects of any Curtailments of Import or Export Transactions. Additionally, any Curtailment or Reductions of schedules for Export Transactions will cause the scheduled amount of Transmission Service to change.

To the extent possible, Curtailments of External Transactions at the Proxy Generator Buses associated with the Cross-Sound Scheduled Line, the Neptune Scheduled Line, and the Linden VFT Scheduled Line shall be based on the transmission priority of the associated Advance Reservation for use of the Cross-Sound Scheduled Line, Neptune Scheduled Line, or the Linden VFT Scheduled Line (as appropriate).

The ISO shall use Decremental Bids supplied by Transmission Customers using External Generators to supply Wheels-Through to determine the amount of Energy those Generators are scheduled Day-Ahead to produce in each hour. This in turn will determine the Firm Transmission Service scheduled Day-Ahead to support those Transactions. The ISO shall also use Decremental Bids supplied by Transmission Customers using External Generators to supply Wheels-Through to determine the amount of Energy these Generators are scheduled to produce

in the RTC₁₅, which, in turn, will determine the Transmission Service scheduled in the RTC to support those Transactions.

The ISO will not schedule a Bilateral Transaction which crosses an Interface between the NYCA and a neighboring Control Area if doing so would cause the DNI to exceed the Transfer Capability of that Interface.

The ISO shall not permit Market Participants to schedule External Transactions over the following eight scheduling paths:

- 16.3.5.1 External Transactions that are scheduled to exit the NYCA at the Proxy Generator Bus that represents the NYCA's Interface with the Control Area operated by the Independent Electricity System Operator of Ontario ("IESO"), and to sink in the Control Area operated by PJM Interconnection, LLC ("PJM");
- 16.3.5.2 External Transactions that are scheduled to exit the NYCA at the Proxy Generator Buses that represent the NYCA's common border with the Control Area operated by PJM, and to sink in the Control Area operated by IESO;
- 16.3.5.3 External Transactions that are scheduled to enter the NYCA at the Proxy Generator Buses that represent the NYCA's common border with the Control Area operated by PJM, and to source from the Control Area operated by IESO;
- 16.3.5.4 External Transactions that are scheduled to enter the NYCA at the Proxy Generator Bus that represents the NYCA's Interface with the Control Area operated by IESO, and to source from the Control Area operated by PJM;
- 16.3.5.5 Wheels Through the NYCA that are scheduled to enter the NYCA at the Proxy Generator Buses that represent the NYCA's common border with the Control Area operated by PJM, and to sink in the Control Area operated by the Midwest Independent Transmission System Operator, Inc. ("MISO");

16.3.5.6 Wheels Through the NYCA that are scheduled to exit the NYCA at the Proxy Generator Buses that represent the NYCA's common border with the Control Area operated by PJM, and to source from the Control Area operated by the MISO;

16.3.5.7 Wheels Through the NYCA that are scheduled to enter the NYCA at the Proxy Generator Bus that represents the NYCA's Interface with the Control Area operated by IESO, and to sink in the Control Area operated by the MISO; and

16.3.5.8 Wheels Through the NYCA that are scheduled to exit the NYCA at the Proxy Generator Bus that represents the NYCA's Interface with the Control Area operated by IESO, and to source from the Control Area operated by the MISO.

External Transactions at the Proxy Generator Buses that are associated with the Cross-Sound Scheduled Line, the Neptune Scheduled Line, and the Linden VFT Scheduled Line shall also be governed by Attachment N to the ISO Services Tariff.