

Attachment III

2.9 Definitions - I

ICAP Demand Curve: A series of prices which decline until reaching zero as the amount of Installed Capacity increases.

ICAP Demand Curve Reset Filing Year: A calendar year in which the ISO files ICAP Demand Curves, in accordance with Section 5.14.1.2.1.11 or Section 5.14.1.2.2.4.11.

ICAP Ineligible Forced Outage: The outage state of a Market Participant's Generator after: i) the expiration or termination of its Forced Outage pursuant to the provisions in Section 5.18.1.6 of this Services Tariff, which Forced Outage started on or after May 1, 2015; ii) the Market Participant voluntarily reclassified its Forced Outage pursuant to the provisions in Section 5.18.2.1 of this Services Tariff, which Forced Outage started on or after May 1, 2015; or iii) substantial actions have been taken, such as dismantling or disabling essential equipment, which actions are inconsistent with an intention to return the Generator to operation and the Energy market. A Generator in an ICAP Ineligible Forced Outage is subject to the return-to-service provisions in Section 5.18.4 of this Services Tariff and is ineligible to participate in the Installed Capacity market.

ICAP Spot Market Auction: An auction conducted pursuant to Section 5.14.1.1 of this Tariff to procure and set LSE Unforced Capacity Obligations for the subsequent Obligation Procurement Period, pursuant to the Demand Curves applicable to each respective LSE and the supply that is offered.

Import Constrained Locality: New York City and the G-J Locality.

Import Credit Requirement: A component of the External Transaction Component of the Operating Requirement, calculated in accordance with Section 26.4.2 of Attachment K to this Services Tariff.

Import Curtailment Guarantee Payment: A payment made in accordance with Section 4.5.2.3.2 and Attachment J of this ISO Services Tariff to compensate a Supplier whose Import is Curtailed by the ISO.

Imports: A Bilateral Transaction or sale to the LBMP Market where Energy is delivered to a NYCA Interconnection from another Control Area.

Imputed LBMP Revenue: Revenue developed for calculating a Generator or Import Bid Production Cost guarantee, for any interval, which equals the product of (i) the Bilateral Transaction scheduled MW in the Day-Ahead Market or real-time market, as appropriate, from the Generator bus or Proxy Generator Bus, as appropriate, for the interval, (ii) the LBMP, in units of \$/MWh, either Day-Ahead or real-time as appropriate, at the Generator or Proxy Generator Bus for that interval and (iii) the length of the interval, in units of hours.

Inactive Reserves: The outage state in which a Market Participant's Generator is unavailable to produce Energy for a limited period of time not to exceed six months, for reasons that are not equipment related, which state does not meet the criteria to be classified as any other outage

pursuant to the provisions of this Services Tariff or of ISO Procedures. A Generator in Inactive Reserves is ineligible to participate in the Installed Capacity market.

Inadvertent Energy Accounting: The accounting performed to track and reconcile the difference between net actual Energy interchange and scheduled Energy interchange of a Control Area with adjacent Control Areas.

In-City: Located electrically within the New York City Locality (LBMP Load Zone J).

Incremental Average Coincident Load (“Incremental ACL”): Beginning with the Summer 2014 Capability Period, the amount of qualifying Load that may be added to the Average Coincident Load of a Special Case Resource. In order to qualify to use Incremental ACL the SCR must enroll with an ACL and report an increase in the Load of the facility that is supplied by the NYS Transmission System and/or distribution system that meets or exceeds the SCR Load Change Reporting Threshold in accordance with this Services Tariff. The Incremental ACL reported in a Capability Period cannot exceed one-hundred percent (100%) of the ACL that has been calculated for the SCR when it first enrolls in the Capability Period. For resources reporting an Incremental ACL, the Net Average Coincident Load shall equal the enrolled ACL plus the reported Incremental ACL less any applicable SCR Change of Status. Each resource for which a RIP reports an Incremental ACL is subject to verification subsequent to the Capability Period pursuant to reporting requirements and calculations using the SCR’s metered Load values provided in Section 5.12.11.1.5 of this Services Tariff and ISO Procedures.

Incremental Energy Bid: A series of monotonically increasing constant cost incremental Energy steps that indicate the quantities of Energy for a given price that an entity is willing to supply to the ISO Administered Markets.

Incremental TCC: As defined in the ISO OATT.

Independent System Operator (“ISO”): The New York Independent System Operator, Inc., a not-for-profit corporation established pursuant to the ISO Agreement.

Independent System Operator Agreement (“ISO Agreement”): The agreement that establishes the New York ISO.

Independent System Operator/New York State Reliability Council (“ISO/NYSRC Agreement”): The agreement between the ISO and the New York State Reliability Council governing the relationship between the two organizations.

Independent System Operator-Transmission Owner Agreement (“ISO/TO Agreement”): The agreement that establishes the terms and conditions under which the Member Systems transferred to the ISO Operational Control over designated transmission facilities.

Indicative NCZ Locational Minimum Installed Capacity Requirement: The amount of capacity that must be electrically located within a New Capacity Zone, or possess an approved Unforced Capacity Deliverability Right, in order to ensure that sufficient Energy and Capacity are available in that NCZ and that appropriate reliability criteria are met.

Injection Limit: The maximum injection of a BTM:NG Resource, in MW, into the NYS Transmission System or distribution system at the BTM:NG Resource's Point of Injection. The Injection Limit for a BTM:NG Resource must be at least 1 MW.

Installed Capacity ("ICAP"): External or Internal Capacity, in increments of 100 kW, that is made-available pursuant to Tariff requirements and ISO Procedures.

Installed Capacity Equivalent: The Resource capability that corresponds to its Unforced Capacity, calculated in accordance with ISO Procedures.

Installed Capacity Marketer: An entity which has signed this Tariff and which purchases Unforced Capacity from qualified Installed Capacity Suppliers, or from LSEs with excess Unforced Capacity, either bilaterally or through an ISO-administered auction. Installed Capacity Marketers that purchase Unforced Capacity through an ISO-administered auction may only resell Unforced Capacity purchased in such auctions in the NYCA.

Installed Capacity Supplier: An Energy Limited Resource, Generator, Installed Capacity Marketer, Responsible Interface Party, Intermittent Power Resource, Limited Control Run of River Hydro Resource, municipally-owned generation, BTM:NG Resource, System Resource or Control Area System Resource that satisfies the ISO's qualification requirements for supplying Unforced Capacity to the NYCA.

Interconnection or Interconnection Points ("IP"): The point(s) at which the NYCA connects with a distribution system or adjacent Control Area. The IP may be a single tie line or several tie lines that are operated in parallel.

Interface: A defined set of transmission facilities that separate Load Zones and that separate the NYCA from adjacent Control Areas.

Interface MW - Mile Methodology: As defined in the ISO OATT.

Interim Service Provider ("ISP"): As defined in Attachment FF to the OATT.

Intermittent Power Resource: A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator. In New York, resources that depend upon wind, solar energy or landfill gas for their fuel have been classified as Intermittent Power Resources. Each Intermittent Power Resource that depends on wind as its fuel shall include all turbines metered at a single scheduling point identifier (PTID).

Internal: An entity (e.g., Supplier, Transmission Customer) or facility (e.g., Generator, Interface) located within the Control Area being referenced. Where a specific Control Area is not referenced, internal means the NYCA.

Internal Transactions: Purchases, sales or exchanges of Energy, Capacity or Ancillary Services where the Generator and Load are located within the NYCA.

Investment Grade Customer: A Customer that meets the criteria set forth in Section 26.3 of Attachment K to this Services Tariff.

Investor-Owned Transmission Owners: At the present time these include: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

ISO Administered Markets : The Day-Ahead Market and the Real-Time Market (collectively the "LBMP Markets") and any other market or auction administered by the ISO.

ISO-Committed Fixed: In the Day-Ahead Market, a bidding mode in which a Generator requests that the ISO commit and schedule it. In the Real-Time Market, a bidding mode in which a Generator, with ISO approval, requests that the ISO schedule it no more frequently than every 15 minutes. A Generator scheduled in the Day-Ahead Market as ISO-Committed Fixed will participate as a Self-Committed Fixed Generator in the Real-Time Market unless it changes bidding mode, with ISO approval, to participate as an ISO-Committed Fixed Generator. A BTM:NG Resource is not permitted to utilize the ISO-Committed Fixed bidding mode.

ISO-Committed Flexible: A bidding mode in which a Dispatchable Generator or Demand Side Resource follows Base Point Signals and is committed by the ISO. A BTM:NG Resource is not permitted to utilize the ISO-Committed Flexible bidding mode.

ISO Market Power Monitoring Program: The monitoring program approved by the Commission and administered by the ISO and the Market Monitoring Unit that is designed to monitor the possible exercise of market power in ISO Administered Markets.

ISO OATT: The ISO Open Access Transmission Tariff.

ISO Procedures: The procedures adopted by the ISO in order to fulfill its responsibilities under the ISO OATT, the ISO Services Tariff and the ISO Related Agreements.

ISO Related Agreements: Collectively, the ISO Agreement, the ISO/TO Agreement, the NYSRC Agreement, the ISO/NYSRC Agreement, and the Operating Agreements.

ISO Services Tariff (the "Tariff"): The ISO Market Administration and Control Area Services Tariff.

ISO Tariffs: The ISO OATT and the ISO Services Tariff, collectively.

ISP UCAP MW: The quantity of Unforced Capacity determined by the ISO in accordance with Section 5.14.1.1 of this Services Tariff.

4.5 Real-Time Market Settlements

Transmission Customers and Customers taking service under this ISO Services Tariff or the ISO OATT, shall be subject to the Real-Time Market Settlement. All withdrawals and injections not scheduled on a Day-Ahead basis, including Real-Time deviations from any Day-Ahead External Transaction schedules, shall be subject to the Real-Time Market Settlement. Transmission Customers not taking service under this Tariff shall be subject to balancing charges as provided for under the ISO OATT. Settlements with Suppliers scheduling service from External Suppliers to the LBMP Market or to External Loads from the LBMP Market will be based upon scheduled withdrawals or injections. Real-Time Market Settlements for injections by Resources supplying Regulation Service or Operating Reserves shall follow the rules which are described in Rate Schedules 15.3 and 15.4, respectively.

For the purposes of this section, the scheduled output of each of the following Generators in each RTD interval in which it has offered Energy shall retroactively be set equal to its actual output in that RTD interval:

- (i) Generators, except for the Generator of a Behind-the-Meter Net Generation Resource, 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, with the exception of Generators under must-take PURPA contracts executed and effective on or before November 18, 1999 who have not provided telemetering to their local TO and historically have not been eligible to participate in the NYPP market, which will continue to be treated as TO Load modifiers under the ISO-administered markets;

- (ii) 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 523 MW of such units.

This procedure shall not apply to Behind-the-Meter Net Generation Resources or a Generator for those hours it has used the ISO-Committed Flexible or Self-Committed Flexible bid mode.

In Sections 4.5.1, 4.5.2, 4.5.3, [and 4.5.4](#), ~~4.5.5 and 4.5.6~~ of this Tariff, references to “scheduled” Energy injections and withdrawals shall encompass injections and withdrawals that are scheduled Day-Ahead, [unless otherwise noted](#), as well as injections and withdrawals that occur in connection with real-time Bilateral Transactions. In Sections 4.5.~~21~~, [and 4.5.33](#), ~~4.5.4 and 4.5.6~~ of this Tariff, references to Energy Withdrawals and Energy Injections shall not include Energy Withdrawals or Energy Injections in Virtual Transactions, or Energy Withdrawals or Energy Injections at Trading Hubs. Generators, including Limited Energy Storage Resources, that are providing Regulation Service shall not be subject to the real-time Energy market settlement provisions set forth in this Section, but shall instead be subject to the Energy settlement rules set forth in Rate Schedule 15.3 of this ISO Services Tariff.

~~4.5.1 Settlement When Actual Energy Withdrawals Exceed Scheduled Energy Withdrawals Other Than Scheduled or Actual Withdrawals in Virtual Transactions~~

~~When the Actual Energy Withdrawals by a Customer over an RTD interval exceed the Energy withdrawals scheduled over that RTD interval, the ISO shall charge the Real Time LBMP for Energy equal to the product of: (a) the Real Time LBMP calculated in that RTD interval for each applicable Load Zone; and (b) the difference between the Actual Energy Withdrawals and the scheduled Energy withdrawals at that Load Zone.~~

~~If the Generator of a Behind the Meter Net Generation Resource is not able to serve the Resource's Host Load at any time, any resulting Actual Energy Withdrawals that serve the Host Load will be charged to the Load Serving Entity responsible for serving the Behind the Meter Net Generation Resource.~~

4.5.12 Settlement for Customers Scheduled To Sell Energy in Virtual Transactions in Load Zones

The Actual Energy Injection in a Load Zone by a Customer scheduled Day-Ahead to sell Energy in a Virtual Transaction is zero and the Customer shall pay a charge for the Energy imbalance equal to the product of: (a) the Real-Time LBMP calculated in that hour for the applicable Load Zone; and (b) the scheduled Day-Ahead Energy Injection of the Customer for that Hour in that Load Zone.

4.5.23 Real-Time Market Settlements for Energy Injections ~~When Actual Energy Injections are Less Than Scheduled Energy Injections or~~ When Actual Demand Reductions are Less Than Scheduled Demand Reductions

4.5.23.1 General Rules for Suppliers

~~When the Actual Energy Injections by a Supplier over an RTD interval are less than the Energy injections scheduled Day Ahead over that RTD interval, the~~^A Supplier shall pay or be

paid ~~pay a charge~~ for the Energy imbalance to account for differences between Actual Energy Injections, real-time Energy schedules and Day-Ahead Energy schedules.

When the LBMP calculated in that RTD interval at the applicable Generator's bus is positive, the Supplier payment shall be calculated as follows:

$$\text{Supplier payment} = ((\text{MIN}(\text{AE}_{iu}, \text{RTS}_{iu}) - \text{DAS}_{hu}) * \text{LBMP}_{iu}^{RT}) * \frac{S_i}{3600}$$

Where:

- AE_{iu} \equiv average Actual Energy Injection by Supplier u in interval i or average Actual Energy Withdrawal by an Energy Storage Resource u in interval i ;
- RTS_{iu} \equiv (1) real-time Energy scheduled for injection by Supplier u in interval i plus Compensable Overgeneration; or (2) real-time Energy scheduled for withdrawal by Energy Storage Resource u in interval i plus 3% of the absolute value of the Energy Storage Resource's Lower Operating Limit; or (3) average Actual Energy Withdrawal by an Energy Storage Resource u in interval i when it has been designated as operating Out-of-Merit to withdraw at the request of a Transmission Owner or the ISO;
- DAS_{hu} \equiv Day-Ahead Energy schedule for Supplier u in hour h containing interval i ;
- LBMP_{iu}^{RT} \equiv real-time price of Energy at the location of Supplier u in interval i ;
- S_i \equiv number of seconds in RTD interval i ;

When: (1) the LBMP calculated in that RTD interval at the applicable Generator bus is negative; or (2) the ISO initiates a large event reserve pickup or a maximum generation pickup under RTD-CAM that applies to the Load Zone where the Generator is located; or (3) a Transmission Owner initiates a reserve pickup in accordance with a Reliability Rule, including a Local Reliability Rule, then the Supplier payment shall be calculated as follows:

$$\text{Supplier Payment} = ((\text{AE}_{iu} - \text{DAS}_{hu}) * \text{LBMP}_{iu}^{RT}) * \frac{S_i}{3600}$$

Where:

The variables are defined above in this Section 4.5.2.1.

~~-equal to the product of: (a) the Real-Time LBMP calculated in that RTD interval for the applicable Generator bus; and (b) the difference between the scheduled Day-Ahead Energy injections and the lesser of: (i) the Actual Energy Injections at that bus; or (ii) the Supplier's Real-Time Scheduled Energy Injection plus any Compensable Overgeneration.~~

~~Suppliers shall not pay or be paid for Energy in excess of their Real-Time Scheduled Energy injections, except: (i) for Compensable Overgeneration; or (ii) when the ISO initiates a large event reserve pickup or a maximum generation pickup under RTD-CAM that applies to the Load Zone where the Supplier's Resource is located; or (iii) when a Transmission Owner initiates a reserve pickup in accordance with a Reliability Rule, including a Local Reliability Rule.~~

A Generator that is not following Base Point Signals shall not be compensated for Energy in excess of its Real-Time Scheduled Energy injection if its applicable upper operating limit has been reduced below its bid-in upper operating limit by the ISO in order to reconcile the ISO's dispatch with the Generator's actual output, or to address reliability concerns.

If the Energy injections by a Supplier over an RTD interval are less than the Energy injections scheduled for the Supplier Day-Ahead, and if the Supplier reduced its Energy injections in response to instructions by the ISO or a Transmission Owner that were issued in order to maintain a secure and reliable dispatch, the Supplier may be entitled to a Day-Ahead Margin Assurance Payment, pursuant to Attachment J of this ISO Services Tariff.

Suppliers scheduling Imports shall pay or be paid for Energy imbalance to account for differences between real-time Energy schedules and Day-Ahead Energy schedules. For an Import to the LBMP Market that is only scheduled in the Real-Time Market, or to the extent it is scheduled to supply additional or less Energy to the LBMP Market in real-time than it was scheduled to supply Day-Ahead, the Supplier payment shall be calculated as follows:

$$\text{Supplier Payment} = ((RTS_{iup} - DAS_{hup}) * LBMP_{ip}^{RT}) * \frac{S_i}{3600}$$

Where:

- RTS_{iup} \equiv real-time Energy scheduled for injection by Supplier u in interval i at Proxy Generator Bus p ;
- DAS_{hup} \equiv Day-Ahead Energy schedule for Supplier u in hour h containing interval i at Proxy Generator Bus p ;
- $LBMP_{ip}^{RT}$ \equiv real-time price of Energy at the Point of Receipt p (i.e., the Proxy Generator Bus) in interval i ;
- S_i \equiv number of seconds in RTD interval i ;

4.5.2.2 Failed Transactions

If an Energy injection scheduled by RTC at a Proxy Generator Bus fails in the ISO's checkout process, ~~the Supplier or Transmission Customer that was scheduled to make the injection will pay the Energy imbalance charge described above in Section 4.5.3.1. In addition,~~ if and the checkout failure occurred for reasons within the Supplier's or Transmission Customer's control, it will be required to pay the "Financial Impact Charge" described below. The ISO's Market Mitigation and Analysis Department will determine whether the Transaction

associated with an injection failed for reasons within a Supplier's or Transmission Customer's control.

If an Energy injection at a Proxy Generator Bus is determined to have failed for reasons within a Supplier's or Transmission Customer's control, the Financial Impact Charge will equal: (i) the difference computed by subtracting the actual real-time Energy injection from the amount of the Import scheduled by RTC; multiplied by (ii) the greater of the Real-Time Market Congestion Component of the LBMP in the relevant interval, or zero.

If a Wheel Through fails for reasons within a Supplier's or Transmission Customer's control, the Financial Impact Charge will equal the sum of the Financial Impact Charge described in this section and the Financial Impact Charge described below in Section 4.5.3.4.2.

All Financial Impact Charges collected by the ISO shall be used to reduce the charges assessed under Rate Schedule 1 of this ISO Services Tariff. In the event that the Energy injections for an Import scheduled by RTC or RTD, at a Proxy Generator Bus is Curtailed at the request of the ISO, and (i) the real-time Energy Profile MW is equal to or greater than the Day-Ahead Energy Schedule for that interval, and (ii) the real-time Decremental Bid is less than or equal to the default real-time Decremental Bid amount as established by ISO procedures, then the Supplier or Transmission Customer that is subjected to the Curtailment, in addition to the charge for Energy Imbalance, shall be eligible to receive an Import Curtailment Guarantee Payment for its curtailed Import pursuant to Attachment J of this ISO Services Tariff.

4.5.2.3.3 Capacity Limited Resources and Energy Limited Resources

For any hour in which: (i) a Capacity Limited Resource is scheduled to supply Energy, Operating Reserves, or Regulation Service in the Day-Ahead Market; (ii) the sum of its schedules to provide these services exceeds its bid-in upper operating limit; (iii) the Capacity

Limited Resource requests a reduction for Capacity limitation reasons; and (iv) the ISO reduces the Capacity Limited Resource's upper operating limit to a level equal to, or greater than, its bid-in upper operating limit; the imbalance charge for Energy, Operating Reserve Service or Regulation Service imposed on that Capacity Limited Resource for that hour for its Day-Ahead Market obligations above its Capacity limited upper operating limit shall be equal to the product of: (a) the Real-Time price for Energy, Operating Reserve Service and Regulation Capacity; and (b) the Capacity Limited Resource's Day-Ahead schedule for each of these services minus the amount of these services that it has an obligation to supply pursuant to its ISO-approved schedule. When a Capacity Limited Resource's Day-Ahead obligation above its Capacity limited upper operating limit is balanced as described above, any real-time variation from its obligation pursuant to its Capacity limited schedules shall be settled pursuant to the methodology set forth in Section 4.5.23.1.

For any day in which: (i) an Energy Limited Resource is scheduled to supply Energy, Operating Reserves or Regulation Service in the Day-Ahead Market; (ii) the sum of its schedules to provide these services exceeds its bid-in Normal Upper Operating Limit; (iii) the Energy Limited Resource requests a reduction for Energy limitation reasons; and (iv) the ISO reduces the Energy Limited Resource's Day-Ahead Emergency Upper Operating Limit to a limit no lower than the Normal Upper Operating Limit; the Resource may be eligible to receive a Day-Ahead Margin Assurance Payment pursuant to Attachment J of this ISO Services Tariff.

4.5.23.4 Demand Reductions

When the verified actual Demand Reduction over an hour from a Demand Reduction Provider that is also the LSE providing Energy service to the Demand Side Resource(s) that produced the reduction is less than the Demand Reduction scheduled for that hour, that-LSE shall

pay a Demand Reduction imbalance charge consisting of the product of: (a) the greater of the Day-Ahead LBMP or the Real-Time LBMP for that hour and (b) the difference between the scheduled Demand Reduction and the verified actual Demand Reduction in that hour.

When the verified actual Demand Reduction over an hour from a Demand Reduction Provider that is not the LSE providing Energy service to the Demand Side Resource(s) that produced the reduction is less than the Demand Reduction scheduled over that hour, then (1) the LSE providing Energy service to the Demand Reduction Provider's Demand Side Resource(s) shall pay a Demand Reduction imbalance charge equal to the product of (a) the Day-Ahead LBMP calculated for that hour for the applicable Load bus and (b) the difference between the scheduled Demand Reduction and the verified actual Demand Reduction at that bus in that hour, and (2) the Demand Reduction Provider will pay an amount equal to (a) the product of (i) the higher of the Day-Ahead LBMP or the Real-Time LBMP calculated for that hour for the applicable Load bus, and (ii) the difference between the scheduled Demand Reduction and the verified actual Demand Reduction at that bus in that hour, and (b) minus the amount paid by the LSE providing service to the Demand Reduction Provider's Demand Side Resource(s) under (1), above.

4.5.34 Real-Time Market Settlements for Energy Withdrawals ~~When Actual Energy Withdrawals are Less Than Scheduled Energy Withdrawals~~ Other Than ~~Actual or Scheduled Withdrawals~~ in Virtual Transactions

4.5.34.1 General Rules

~~When a~~ A Customer's (other than a Generator that is eligible to withdraw Energy) shall pay or be paid for Energy imbalance to account for differences between Actual Energy Withdrawals over an RTD interval ~~are less than~~ and its Energy withdrawals scheduled Day-

Ahead. ~~over that RTD interval,~~ The ISO shall charge the Customer as follows for each applicable Load Zone:

$$\text{Customer Charge} = ((AEW_{icz} - DAS_{hcz}) * LBMP_{iz}^{RT}) * \frac{S_i}{3600}$$

Where:

AEW_{icz} \equiv Actual Energy Withdrawal by Customer c in Load Zone z in interval i ;

DAS_{hcz} \equiv Day-Ahead scheduled Energy withdrawals by Customer c in Load Zone z in hour h containing interval i ;

$LBMP_{iz}^{RT}$ \equiv real-time price of Energy for Load Zone z in interval i ;

S_i \equiv number of seconds in RTD interval i ;

~~shall be paid the product of: (a) the Real Time LBMP calculated in that RTD interval for each applicable Load Zone; and (b) the difference between the scheduled Energy withdrawals and the Actual Energy Withdrawals in that Load Zone. In addition, a~~ A Customer LSE providing Energy service to a Demand Reduction Provider's Demand Side Resource in a Load Zone shall be charged the product of: (a) the Real-Time hourly LBMP for that Load Zone; and (b) the actual Demand Reduction at the Demand Reduction Bus in that Load Zone.

If the Generator of a Behind-the-Meter Net Generation Resource is not able to serve the Resource's Host Load at any time, any resulting Actual Energy Withdrawals that serve the Host Load will be charged to the Load Serving Entity responsible for serving the Behind-the-Meter Net Generation Resource.

Customers scheduling Exports shall pay or be paid for Energy imbalance to account for differences between real-time Energy schedules and Day-Ahead Energy schedules. For an

Export from the LBMP Market that is only scheduled in the Real-Time Market, or to the extent it is scheduled to withdraw additional or less Energy from the LBMP Market in real-time than it was scheduled to withdraw Day-Ahead, the ISO shall charge the Customer as follows:

$$\text{Customer Charge} = ((RTS_{iup} - DAS_{hup}) * LBMP_{ip}^{RT}) * \frac{S_i}{3600}$$

Where:

- RTS_{iup} \equiv real-time Energy scheduled for withdrawal by Customer u in interval i at Proxy Generator Bus p ;
- DAS_{hup} \equiv Day-Ahead Energy schedule for Customer u in hour h containing interval i at Proxy Generator Bus p ;
- $LBMP_{ip}^{RT}$ \equiv real-time price of Energy at the Point of Delivery p (i.e., the Proxy Generator Bus) in interval i ;
- S_i \equiv number of seconds in RTD interval i ;

4.5.34.2 Failed Transactions

If an Energy withdrawal at a Proxy Generator Bus scheduled by RTC fails in the ISO's checkout process, ~~the Supplier or Transmission Customer that was scheduled to make the withdrawal will pay or be paid the energy imbalance charge described above in Section 4.5.4.1.~~ In addition, if and the checkout failure occurred for ~~the~~ reasons within the Supplier's or Transmission Customer's control, it will be required to pay the "Financial Impact Charge" described below. The ISO's Market Mitigation and Analysis Department will determine whether the Transaction associated with a withdrawal failed for reasons within a Supplier's or Transmission Customer's control.

If an Energy withdrawal at a Proxy Generator Bus is determined to have failed for reasons within a Supplier's or Transmission Customer's control, the Financial Impact Charge will equal: (i) the difference computed by subtracting the actual real-time Energy withdrawal from the amount of the Export scheduled by RTC; multiplied by (ii) the product of negative one and the lesser of the Real-Time Market Congestion Component of the LBMP in the relevant interval, or zero.

If a Wheel Through fails for reasons within a Supplier's or Transmission Customer's control, the Financial Impact Charge will equal the sum of the Financial Impact Charge described in this subsection and the Financial Impact Charge described above in Section 4.5.23.2.

All Financial Impact Charges collected by the ISO shall be used to reduce the charges assessed under Rate Schedule 15.1 of this ISO Services Tariff.

4.5.45 Settlement for Customers Scheduled To Purchase Energy in Virtual Transactions in Load Zones

The Actual Energy Withdrawal in a Load Zone by a Customer scheduled Day-Ahead to purchase Energy in a Virtual Transaction is zero and the Customer shall be paid the product of: (1a) the Real-Time LBMP calculated in that hour for the applicable Load Zone; and (b) the scheduled Day-Ahead Energy Withdrawal of the Customer for that Hour in that Load Zone.

~~**4.5.6 Settlement When Actual Energy Injections Exceed Scheduled Energy Injections**~~

~~When Actual Energy Injections from a Generator over an RTD interval exceed the Energy injections scheduled Day Ahead over the RTD interval the Supplier shall be paid the product of: (1) the Real Time LBMP calculated in that RTD interval for the applicable Generator bus and (2) the difference between the lesser of (i) the Supplier's Actual Energy Injection or (ii)~~

~~its Real Time Scheduled Energy Injection for that RTD interval, plus any Compensable Overgeneration and the Supplier's Day Ahead scheduled Energy injection over the RTD interval, unless the payment that the Supplier would receive for such injections would be negative (i.e., unless the LBMP calculated in that RTD interval at the applicable Generator's bus is negative) in which case the Supplier shall be paid the product of: (1) the Real Time LBMP calculated in that RTD interval for the applicable Generator bus and (2) the difference between the Supplier's Actual Energy Injection for that RTD interval and the Supplier's Day Ahead scheduled Energy injection over that RTD interval. A Generator that is not following Base Point Signals shall not be compensated for Energy in excess of its Real Time Scheduled Energy Injection if its applicable upper operating limit has been reduced below its bid in upper operating limit by the ISO in order to reconcile the ISO's dispatch with the Generator's actual output, or to address reliability concerns. Suppliers shall not be compensated for Energy in excess of their Real Time Scheduled Energy Injections, except: (i) for Compensable Overgeneration; (ii) when the ISO initiates a large event reserve pickup or a maximum generation pickup under RTD-CAM; or (iii) when a Transmission Owner initiates a reserve pickup in accordance with a Reliability Rule, including a Local Reliability Rule. When there is no large event reserve pickup or maximum generation pickup, or when there is such an instruction but a Supplier is not located in the area affected by the maximum generation pickup, that Supplier shall not be compensated for Energy in excess of its Real Time Scheduled Energy Injection plus any Compensable Overgeneration. When there is a reserve pickup, or when there is a maximum generation pickup and a Supplier is located in the area affected by it, and the Supplier was either scheduled to operate in RTD or subsequently was directed to operate by the ISO, that Supplier shall be paid based on the product of: (1) the Real Time LBMP calculated in that RTD Interval for the~~

~~applicable Generator bus; and (2) the Actual Energy Injection minus the Energy injection scheduled Day Ahead.~~

4.5.57 Settlement for Trading Hub Energy Owner when POI is a Trading Hub

Each Trading Hub Energy Owner who bids a Bilateral Transaction into the Real-Time Market with a Trading Hub as its POI and has its schedule accepted by the ISO will pay the product of: (a) the hourly integrated Real-Time LBMP for the Load Zone associated with that Trading Hub; and (b) the Bilateral Transaction scheduled MW.

4.5.68 Settlement for Trading Hub Energy Owner when POW is a Trading Hub

Each Trading Hub Energy Owner who bids a Bilateral Transaction into the Real-Time Market with a Trading Hub as its POW and has its schedule accepted by the ISO will be paid the product of: (a) the hourly integrated Real-Time LBMP for the Load Zone associated with that Trading Hub; and (b) the Bilateral Transaction scheduled MW.

4.5.79 Performance Tracking

The ISO shall use a Performance Tracking System to compute the difference between the Energy actually supplied and the Energy scheduled by the ISO for all Suppliers located within the NYCA and shall use it to measure compliance with criteria associated with the provision of Energy and Ancillary Services as set forth in the ISO Procedures. The Performance Tracking System shall also be used to report metrics for Loads.