

15.3A Rate Schedule “3-A” -Charges Applicable to Suppliers That Are Not Providing Regulation Service

15.3A.1 Persistent Undergeneration Charges

A Supplier, other than a Supplier included in Section 15.3A.3.3 of this Rate Schedule, that is not providing Regulation Service and that persistently operates at a level below its schedule shall pay a persistent undergeneration charge to the ISO, unless its operation is within a tolerance described below, provided, however, no persistent undergeneration charges shall apply to a Fixed Block Unit that has reached a percentage of its Normal Upper Operating Limit, which percentage shall be set pursuant to ISO Procedures and shall be initially set at seventy percent (70%). Persistent undergeneration charges per interval shall be calculated as follows:

$$\text{Persistent undergeneration charge} = \text{Energy Difference} \times \text{MCP}_{\text{reg}} \times \text{Length of Interval} \frac{\text{in seconds}}{3600 \text{ seconds}}$$

Where:

Energy Difference in (MW) is determined by subtracting the actual Energy provided by the Supplier from its RTD Base Point Signal for the dispatch interval. The Energy Difference shall be set at zero for any Energy Difference that is otherwise negative or that falls within a tolerance, set pursuant to ISO Procedures, and which shall contain a steady-state and a dynamic component. The steady-state component shall initially be 3% of the Supplier's Normal Upper Operating Limit or Emergency Upper Operating Limit, as applicable, and the dynamic component shall be a time constant that shall initially be set at fifteen minutes; and

MCP_{reg} is the market clearing price (\$/MW) which applies to the dispatch interval for which Regulation Service in the Real-Time Market, or, if applicable, the Day-Ahead Market.

15.3A.1.1 Overgeneration Charges

An Intermittent Power Resource that depends on wind as its fuel, for which the ISO has imposed a Wind Output Limit after October 31, 2009, or after February 1, 2010 for an Intermittent Power Resource that depends on wind as its fuel in commercial operation before 2006 with nameplate capacity of 30 MWs or less, that operates at a level above its schedule shall pay an overgeneration charge to the ISO, unless its operation is within a tolerance described below.

Overgeneration charges per interval shall be calculated as follows:

$$\text{Overgeneration charge} = \text{Energy Difference} \times \text{MCP}_{\text{reg}} \times \text{Length of Interval} \frac{\text{in seconds}}{60 \times \text{Minutes} \times 3600 \text{ seconds}}$$

Where:

Energy Difference in (MW) is determined by subtracting the RTD Base Point Signal for the dispatch interval from the actual Energy provided by the Intermittent Power Resource for the same interval. The Energy Difference shall be set at zero for any Energy Difference that is otherwise negative or that falls within a tolerance, set pursuant to ISO Procedures, which shall initially be set at 3% of the Supplier's Normal Upper Operating Limit or Emergency Upper Operating Limit, as applicable; and

MCP_{reg} is the market clearing price (\$/MW) which applies to the dispatch interval for Regulation Service in the Real-Time Market, or, if applicable, the Day-Ahead Market.

15.3A.2 Restoration of Performance Charges

The persistent undergeneration charges described in Section 15.3A.1 above shall be suspended in the event that the ISO re-institutes Regulation performance charges pursuant to Section 15.3.8 of Rate Schedule 3 of this Services Tariff. If the ISO re-institutes performance charges then Suppliers that sell Energy through the LBMP Markets or that supply Bilateral

Transactions that serve Load in the NYCA, but do not provide Regulation Service, shall pay a performance charge per interval to the ISO as follows:

$$\text{Performance Charge} = \text{Energy Difference} \times \text{MCP}_{\text{reg}} \times \text{Length of SCD Interval} \frac{\text{in seconds}}{60 \text{ minutes} \times 3600 \text{ seconds}}$$

Where:

Energy Difference (in MW) is the absolute difference between the actual Energy supplied by the Supplier and the Energy is directed to produce by its RTD Base Point Signals, whether positive or negative, averaged over each RTD interval; and

MCP_{reg} is the market clearing price (\$/MW) which applies to the interval for which Regulation Service was provided in the Real-Time Market, or, if appropriate, the Day-Ahead Market.

In cases in which the Energy Difference that would be calculated using the procedure described above is less than the tolerance set forth in the ISO Procedures, the ISO shall set the Energy Difference for that interval equal to zero.

15.3A.3 Exemptions

The following types of Generator shall not be subject to persistent undergeneration charges, or, if they are restored by the ISO, to performance charges:

15.3A.3.1 Generators providing Energy under contracts (including PURPA contracts), executed and effective on or before November 18, 1999, in which the power purchaser does not control the operation of the supply source but would be responsible for payment of the persistent undergeneration or performance charge;

15.3A.3.2 Existing topping turbine Generators and extraction turbine Generators producing electric Energy resulting from the supply of steam to the district steam system 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;

15.3A.3.3 Intermittent Power Resources that depend on wind as their fuel and

Limited Control Run of River Hydro Resources within the NYCA in operation on or before November 18, 1999, plus up to an additional 3300 MW of such Generators;

15.3A.3.4 Intermittent Power Resources that depend on landfill gas or solar energy as their fuel;

15.3A.3.5 Capacity Limited Resources and Energy Limited Resources to the extent that their real-time Energy injections are equal to or greater than their bid-in upper operating limits but are less than their Real-Time Scheduled Energy Injections;

15.3A.3.6 Generators operating in their Start-Up Period or their Shutdown Period and, for Generators comprised of a group of generating units at a single location, which grouped generating units are separately committed and dispatched by the ISO, and for which Energy injections are measured at a single location, each of the grouped generating units when one of the grouped generating units is operating in its Start-Up or Shutdown Period; and

15.3A.3.7 Generators operating during a Testing Period.

For Generators and Resources described in Sections 15.3A.3.1, 15.3A.3.2, 15.3A.3.3, and 15.3A.3.4 above, this exemption shall not apply in an hour if the Generator or Resource has bid in that hour as ISO-Committed Flexible or Self-Committed Flexible.