

4.6 Payments

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4.6.1 Payments to Suppliers of Regulation Service

Suppliers of Regulation Service shall receive a payment that is calculated pursuant to Rate Schedule 15.3 of this ISO Services Tariff

4.6.2 Payments to Suppliers of Reactive Supply and Voltage Support Service ("Voltage Support Service")

Suppliers of Voltage Support Service shall receive a Voltage Support Service payment in accordance with the criteria and formula in Rate Schedule 15.2.

4.6.3 Payments to Suppliers for Operating Reserves

Suppliers of each type of Operating Reserve will receive payments for each MW of Operating Reserve that they provide, as requested by the ISO, pursuant to Rate Schedule 15.4.

Additionally, Generators providing Operating Reserves shall receive a payment for Energy when the ISO requests Energy under a reserve activation. The Energy payment shall be calculated as the product of: (a) the Energy provided; and (b) the Real-Time Market LBMP.

4.6.4 Payments to Generators for Black Start Capability

Black Start Capability providers shall receive a payment for Black Start Capability as set forth in Rate Schedule 15.5.

4.6.5 Day-Ahead Margin Assurance Payments

~~If an eligible Supplier is forced to buy out of a Day-Ahead Energy, Regulation Service or Operating Reserve schedule in a manner that reduces its Day-Ahead Margin, that Supplier shall receive a~~

~~Day-Ahead Margin Assurance Payment. Such payments shall be calculated pursuant to Attachment J of this ISO Services Tariff.~~ A Supplier that is scheduled in the Day-Ahead Market to provide Energy, Regulation Service, or Operating Reserves may be eligible to receive a Day-Ahead Margin Assurance Payment pursuant to Attachment J of this ISO Services Tariff.

4.6.6 Bid Production Cost Guarantee ~~and Curtailment Initiation Cost~~ Payments

4.6.6.1 Day-Ahead BPCG for Generators

The ISO shall determine ~~on a daily basis, if any ISO-Committed Fixed or ISO-Committed Flexible Generator, other than a Limited Energy Storage Resource, or Customer that schedules imports, that is committed by the ISO in the Day-Ahead Market~~ Supplier eligible under Section 18.2.1 of Attachment C of this ISO Services Tariff for a Day-Ahead Bid Production Cost guarantee payment will not recover its Day-Ahead Minimum Generation Bid, Start-Up Bid, and Incremental Energy Bid ~~Priceto produce Energy in the Day-Ahead Market~~ through Day-Ahead LBMP revenues and net Day-Ahead Ancillary Services revenues for Voltage Support Service, Regulation Service, and synchronized Operating Reserves. Such determination shall be made for an entire Day-Ahead Market day, and such determination shall be made separately for each Generator. On the basis of such determination (and subject to any mitigation that may apply) the ISO shall pay a Day-Ahead BPCG to the Supplier pursuant to Section 18.2 of Attachment C to this ISO Services Tariff.

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4.6.6.2 Day-Ahead BPCG for Imports

The ISO shall determine if a Supplier supplying an Import Sale to the LBMP Market and eligible under Section 18.3.1 of Attachment C of this ISO Services Tariff for a Day-Ahead Bid Production Cost guarantee payment will not recover its Day-Ahead Decremental Bid through Day-Ahead LBMP revenues. Such determination shall be made for an entire Day-Ahead Market day and such determination shall be

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made separately for each Import transaction. On the basis of such determination, the ISO shall pay a Day-Ahead Bid Production Cost guarantee payment to the Supplier pursuant to Section 18.3 of Attachment C of this ISO Services Tariff.

~~If the sum of the Minimum Generation Bid, Start-Up Bid and the net Energy Bid Price over the twenty-four (24) hour day of such a Generator or Importer exceeds its Day-Ahead LBMP revenue over the twenty-four (24) hour day, then that Generator or Importer's Day-Ahead LBMP revenue may be augmented by a supplemental Day-Ahead Bid Production Cost guarantee payment calculated pursuant to the provisions of Attachment C to this ISO Services Tariff. However, the amount of the shortfall of such a Generator will be compared to the margin that the Generator receives from being scheduled to provide Ancillary Services that it can provide only if scheduled to operate. The Generator's Ancillary Service margin is equal to the revenue it would have received for providing these Ancillary Services prior to any reductions based on a failure to provide these services less its Bid to provide these services, if any. If, and only to the extent that, the shortfall exceeds these Ancillary Service margins, the Generator will receive a payment pursuant to the provisions of Attachment C to this ISO Services Tariff. Suppliers bidding on behalf of Resources that were not committed by the ISO to operate in a given Dispatch Day, but which continue to operate due to minimum run time Constraints, shall not receive such a supplemental payment. The ISO shall make a supplemental payment pursuant to the terms of Attachment C to this Tariff if any Demand Side Resource scheduled to provide synchronized Operating Reserves in the Day-Ahead Market will not recover its synchronized Operating Reserves offers through its Day-Ahead synchronized Operating Reserves revenues and Regulation Service margin.~~

~~Demand Side Resources committed Day Ahead to provide non-synchronized Operating Reserves shall be treated the same as Generators with respect to the determination of supplemental payments.~~

4.6.6.3 Real-Time BPCG for Generators in RTD Intervals Other than Supplemental Event Intervals

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In addition, the ISO shall: (i) use Real Time Market prices and schedules to calculate and pay real-time Bid Production Cost guarantee payments to ISO-Committed Flexible Generators and to Customers that schedule imports provided however, no real-time Bid Production Cost guarantee payment shall be made to a Limited Energy Storage Resource; (ii) use RTD prices and schedules to calculate and pay real-time Bid Production Cost guarantee payments to any Self-Committed Flexible Generator if its self-committed minimum generation level does not exceed its Day-Ahead schedule at any point during the Dispatch Day; and (iii) use RTD prices and schedules to calculate and pay real-time Bid Production Cost guarantee payments for Minimum Generation Bids and Start-Up Bids to ISO-Committed Fixed Generators. All such payments shall be calculated in the manner described in Attachment C to this ISO Services Tariff. No such payments shall be made to Customers that schedule Exports or Wheels Through.

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Except as expressly noted in this Section 4.6.6, Self-Committed Flexible and Self-Committed Fixed Resources shall not be eligible to receive Bid Production Cost guarantee payments.

The ISO shall determine if a Supplier eligible under Section 18.4.1 of Attachment C of this ISO Services Tariff for a real-time Bid Production Cost guarantee payment will not recover its real-time Minimum Generation Bid, Start-Up Bid, and Incremental Energy Bid to produce Energy that was not scheduled in the Day-Ahead Market through real-time LBMP revenues and net real-time Ancillary Services revenues for Voltage Support Service, Regulation Service, and synchronized Operating Reserves. Such determination shall be made for an entire Dispatch Day (except for Supplemental Event Intervals). Such determination shall be made separately for each Generator. On the basis of such determination, and subject to any mitigation that may apply, the ISO shall pay a real-time Bid

Production Cost guarantee payment to the Supplier pursuant to Section 18.4 of Attachment C to this ISO Services Tariff.

~~Resources committed via SRE, or committed or dispatched by the ISO as Out-of-Merit Generation to ensure NYCA or local system reliability, shall remain eligible to receive a real-time Bid Production Cost guarantee payment for the hours of the day that they are committed via SRE or are committed or dispatched by the ISO as Out-of-Merit Generation to meet NYCA or local reliability without regard to the Bid mode(s) employed during the Dispatch Day.~~

~~Generators that Bid in Self-Committed mode only during ISO authorized Start-Up, Shutdown or Testing Periods, and hours when they are committed via SRE or are committed or dispatched by the ISO as Out-of-Merit Generation to meet NYCA or local reliability, will not be precluded from receiving a real-time Bid Production Cost guarantee payment for the other hours of the Dispatch Day due to these Self-Committed mode Bids. Suppliers bidding on behalf of Resources that were not committed by the ISO to operate in a given Dispatch Day, but which continue to operate due to minimum run time Constraints, shall not receive such a supplemental payment.~~

~~Both Bid costs, and LBMP and Ancillary Services revenues received during ISO authorized Start-Up, Shutdown or Testing Periods shall be excluded from the calculation of the daily Bid Production Cost guarantee payment.~~

~~The ISO shall make a supplemental payment pursuant to the terms of Attachment C to this Tariff if any Demand Side Resource scheduled to provide synchronized Operating Reserves in the Real-Time Market will not recover its synchronized Operating Reserves offers through its Real-Time synchronized Operating Reserves revenues and Regulation Service margin.~~

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4.6.6.4 BPCG for Generators for Supplemental Event Intervals

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The ISO shall determine if a Supplier eligible under Section 18.5.1 of Attachment C of this ISO Services Tariff for a Bid Production Cost guarantee payment for a Supplemental Event Interval will not recover its real-time Minimum Generation Bid and Incremental Energy Bid to produce Energy that was not scheduled Day-Ahead through real-time LBMP revenues and net real-time Ancillary Services revenues for Voltage Support Service, Regulation Service, and Operating Reserves in that interval. Such determination shall be made separately for each Supplemental Event Interval, and such determination shall be made separately for each Generator. On the basis of such determination, the ISO shall pay a Bid Production Cost guarantee payment to the Supplier for a Supplemental Event Interval pursuant to Section 18.5 of Attachment C of this ISO Services Tariff.

~~An ISO Committed Flexible Generator that is eligible to receive a Day Ahead Bid Production Cost guarantee payment but that then self-commits in certain hours, thus becoming ineligible for a real-time Bid Production Cost guarantee payment, shall not be disqualified from receiving a Day Ahead Bid Production Cost guarantee payment. Any Supplier that provides Energy during a large event reserve pickup or a maximum generation event, as described in Sections 4.4.4.1, 4.4.4.1.1 and 4.4.4.1.2 of this ISO Services Tariff shall be eligible for a Bid Production Cost guarantee payment calculated, under Attachment C, for the duration of the large event reserve pickup or maximum generation pickup and the three RTD intervals following the termination of the large event reserve pickup or maximum generation pickup. Such payments shall be excluded from the ISO's calculation of real-time Bid Production Cost guarantee payments otherwise payable to Suppliers on that Dispatch Day.~~

4.6.6.5 Real-Time BPCG for Imports

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The ISO shall determine if a Supplier supplying an Import sale to the LBMP Market and eligible under Section 18.6.1 of Attachment C of this ISO Services Tariff for a real-time Bid Production Cost

guarantee payment will not recover its real-time Decremental Bid through real-time LBMP revenues. Such determination shall be made for an entire Dispatch Day. Such determination shall be made separately for each Import transaction. On the basis of such determination, the ISO shall pay a real-time Bid Production Cost guarantee payment to the Supplier pursuant to Section 18.6 of Attachment C of this ISO Services Tariff.

4.6.6.6 BPCG for Long Start-Up Time Generators Whose Starts Are Aborted by the ISO Prior to their Dispatch

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The ISO shall pay a Supplier eligible under Section 18.7.1 of Attachment C of this ISO Services Tariff for a Bid Production Cost guarantee payment for a long start-up time Generator (i.e., a Generator that cannot be scheduled by SCUC to start up in time for the next Dispatch Day) whose start is aborted by the ISO prior to its dispatch that portion of its Start-Up Bid that corresponds to that portion of its start-up sequence that it completed prior to being aborted. Such determination shall be made for an entire Dispatch Day, and such determination shall be made separately for each long start-up time Generator. On the basis of such determination, the ISO shall pay a Bid Production Cost guarantee payment to the Supplier pursuant to Section 18.7 of Attachment C of this ISO Services Tariff.

4.6.6.7 BPCG for Demand Reduction in the Day-Ahead Market

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The ISO shall determine, on a daily basis, if any Demand Reduction Provider committed to provide Energy by the ISO in the Day-Ahead Market if a Demand Reduction Provider eligible under Section 18.8.1 of Attachment C of this ISO Services Tariff for a Bid Production Cost guarantee payment for Demand Reduction in the Day-Ahead Market will not recover its Day-Ahead Curtailment Initiation Cost and its Day-Ahead Demand Reduction Bid price through Day-Ahead LBMP revenues. Such determination shall be made for an entire Day-Ahead Market day, and such determination shall be made separately for each Demand Side Resource. On the basis of such determination, the ISO shall pay

a Bid Production Cost guarantee payment to the Demand Reduction Provider pursuant to Section 18.8 of Attachment C of this ISO Services Tariff. If a Demand Reduction Provider's Curtailment Initiation Cost Bid plus its Demand Reduction Bid Price over the twenty four (24) hour day exceeds its Day Ahead LBMP revenue over the twenty four (24) hour day, its Day Ahead LBMP revenue may be augmented by a supplemental Bid Production Cost guarantee payment pursuant to the provisions of Attachment C.

4.6.6.8 BPCG for Special Case Resources

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The ISO shall determine, on a daily basis, if any Special Case Resource committed by the ISO if a Supplier eligible under Section 18.9.1 of Attachment C of this ISO Services Tariff for a Bid Production Cost guarantee payment for a Special Case Resource will not recover its Minimum Payment Nomination through real-time LBMP revenues. Such determination shall be made for an entire Dispatch Day, and such determination shall be made separately for each Special Case Resource. On the basis of such determination, the ISO shall make a Bid Production Cost guarantee payment to the Supplier pursuant to Section 18.9 of Attachment C of this ISO Services Tariff. If a Special Case Resource's Minimum Payment Nomination over the period of requested performance, or four (4) hour period, whichever is greater, exceeds the LBMP revenue received as a Special Case Resource over that same period, its LBMP revenue may be augmented by a supplemental payment pursuant to the provisions of Attachment C, provided however, that the ISO shall set to zero the Minimum Payment Nomination for that amount of Special Case Resource Capacity in each interval that was scheduled Day Ahead to provide Operating Reserves, Regulation Service or Energy.

Each Generator committed by the ISO in the Real Time Market whose Real Time LBMP payments for Energy produced are less than its Minimum Generation and Start-Up Bids to produce that Energy will be compensated by the ISO for the shortfall, in accordance with Attachment C. When a Non-Competitive Proxy Generator Bus or the Interface between the NYCA and the Control Area in which the

~~Non-Competitive Proxy Generator Bus is located is export constrained due to limits on Available Interface Capacity or Ramp Capacity limits for that Interface in an hour, External Generators and other Suppliers scheduling Imports at such Non-Competitive Proxy Generator Bus in that hour will not be eligible for Real-Time shortfall payments for those Transactions.~~

~~When a Proxy Generator Bus that is associated with a designated Scheduled Line is export constrained due to limits on Available Interface Capacity in an hour, External Generators and other Suppliers scheduling Imports at such Proxy Generator Bus in that hour will not be eligible for real time shortfall payments for those Transactions.~~

~~The ISO shall recover supplemental payments and Demand Reduction Incentive Payments to Demand Reduction Providers pursuant to Rate Schedule 6.1 of its Open Access Transmission Services Tariff, from all Loads excluding exports and Wheels Through on a zonal basis in proportion to the benefits received after accounting for, pursuant to ISO Procedures, Demand Reduction imbalance charges paid by Demand Reduction Providers pursuant to Section 4.4.4.1.5.~~

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4.6.6.9 Day-Ahead BPCG for Demand Side Resources Scheduled to Provide Synchronized Operating Reserves

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The ISO shall determine if a Supplier that bids Demand Side Resources committed by the ISO to provide synchronized Operating Reserves in the Day-Ahead Market will not recover its Day-Ahead synchronized Operating Reserves Bid to provide the amount of synchronized Operating Reserves that it was scheduled to provide. Such supplier shall be eligible under Section 18.10.1 of Attachment C to this ISO Services Tariff for a Day-Ahead Bid Production Cost guarantee payment. Such determination shall be made for an entire Day-Ahead Market day, and such determination shall be made separately for each Demand Side Resource. On the basis of such determination, the ISO shall make a Bid Production Cost

guarantee payment to the Customer pursuant to Section 18.10 of Attachment C of this ISO Services Tariff.

4.6.6.10 Real-Time BPCG for Demand Side Resources Scheduled to Provide Synchronized Operating Reserves

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The ISO shall determine if a Supplier that bids Demand Side Resources committed by the ISO to provide synchronized Operating Reserves will not recover its real-time synchronized Operating Reserves Bid to provide the amount of synchronized Operating Reserves that it was scheduled to provide. Such Supplier shall be eligible under Section 18.11.1 of Attachment C to this ISO Services Tariff for a real-time Bid Production Cost guarantee payment. Such determination shall be made for an entire Dispatch Day, and such determination shall be made separately for each Demand Side Resource. On the basis of such determination, the ISO shall make a Bid Production Cost guarantee payment to the Customer pursuant to Section 18.11 of Attachment C of this ISO Services Tariff.