

## Attachment II

## 1.4 Definitions - D

**DADRP Component:** As defined in the ISO Services Tariff.

**Day-Ahead:** Nominally, the twenty-four (24) hour period directly preceding the Dispatch Day, except when this period may be extended by the ISO to accommodate weekends and holidays.

**Day-Ahead LBMP:** The LBMPs calculated based upon the ISO's Day-Ahead Security Constrained Unit Commitment process.

**Day-Ahead Market:** The ISO Administered Market in which Capacity, Energy and/or Ancillary Services are scheduled and sold Day-Ahead consisting of the Day-Ahead scheduling process, price calculations and Settlements.

**Day-Ahead Reliability Unit:** As defined in the ISO Services Tariff.

**Decremental Bid:** A monotonically increasing Bid Price curve provided by an entity engaged in a Bilateral Import, other than an entity submitting a CTS Interface Bid, or Internal Transaction to indicate the LBMP below which that entity is willing to reduce its Generator's output and purchase Energy in the LBMP Markets, or by an entity engaged in a Wheel Through transaction to indicate the Congestion Component cost at or below which that entity is willing to accept Transmission Service.

**Demand Side Resource:** As defined in the ISO Services Tariff.

**Dennison Scheduled Line:** A transmission facility that interconnects the NYCA to the Hydro Quebec Control Area at the Dennison substation, located near Massena, New York and extends through the province of Ontario, Canada (near the City of Cornwall) to the Cedars substation in Quebec, Canada.

**Dependable Maximum Gross Capability ("DMGC"):** As defined in the ISO Services Tariff.

**Dependable Maximum Net Capability ("DMNC"):** The sustained maximum net output of a Generator, or, where appropriate, an Aggregation, as demonstrated by the performance of a test or through actual operation, averaged over a continuous time period as defined in the ISO Procedures.

**DER Aggregation:** As defined in the ISO Services Tariff.

**Designated Agent:** Any entity that performs actions or functions on behalf of the Transmission Owner, an Eligible Customer, or the Transmission Customer required under the Tariff.

**Desired Net Interchange ("DNI"):** A mechanism used to set and maintain the desired Energy interchange (or transfer) between two Control Areas; it is scheduled ahead of time and can be changed manually in real-time.

**Direct Assignment Facilities:** Facilities or portions of facilities that are constructed by the Transmission Owner(s) for the sole use/benefit of a particular Transmission Customer requesting service under the ISO OATT. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

**Direct Sale:** The sale of Original Residual TCCs, ETCNL, and Grandfathered TCCs directly to a buyer by the Transmission Owner that is the Primary Holder through a non-discriminatory auditable sale conducted on the ISO's OASIS, in compliance with the requirements and restrictions set forth in Commission Orders 888 et seq. and 889 et seq.

**Dispatchable:** A bidding mode in which Generators or Demand Side Resources/Aggregations indicate that they are willing to respond to real-time control from the ISO. Dispatchable Resources, not including the Generator of a BTM:NG Resource, may either be ISO-Committed Flexible or Self Committed Flexible. Dispatchable Generators that are the Generator serving a BTM:NG Resource must be Self-Committed Flexible. Dispatchable Demand Side Resources must be ISO Committed Flexible. Dispatchable Resources that are not providing Regulation Service will follow five-minute RTD Base Point Signals. Dispatchable Resources that are providing Regulation Service will follow six-second AGC Base Point Signals.

**Dispatch Day:** The twenty-four (24) hour (or, if appropriate, the twenty-three (23) or twenty-five (25) hour) period commencing at the beginning of each day (0000 hour).

**Distributed Energy Resource (“DER”):** As defined in the ISO Services Tariff.

**DSASP Component:** As defined in the ISO Services Tariff.

**Duty Eligible Proxy Generator Bus:** A Proxy Generator Bus that represents interties between the NYCA and Ontario, Canada or Quebec, Canada.

**Dynamically Scheduled Proxy Generator Bus:** A Proxy Generator Bus for which the ISO may schedule Transactions at 5 minute intervals in real time. Dynamically Scheduled Proxy Generator Buses are identified in Section 4.4.4 of the Services Tariff.

## 1.19 Definitions - S

**Safe Operations:** Actions which avoid placing personnel and equipment in peril with regard to the safety of life and equipment damage.

**Scarcity Reserve Demand Curve:** A series of quantity/price points that defines the maximum Shadow Price for Operating Reserves to meet a Scarcity Reserve Requirement for which the pricing rules established in Section 15.4.6.1.1(b) of Rate Schedule 4 of the NYISO Services Tariff apply corresponding to each possible quantity of Resources that the ISO's software may schedule to satisfy that requirement. A single Scarcity Reserve Demand Curve will apply to the Real-Time Market for each such Scarcity Reserve Requirement.

**Scarcity Reserve Region:** A Load Zone or group of Load Zones containing EDRP and/or SCRs that have been called by the ISO to address the same reliability need, as such reliability need is determined by the ISO.

**Scarcity Reserve Requirement:** A 30-Minute Reserve requirement established by the ISO for a Scarcity Reserve Region in accordance with Rate Schedule 4 of the NYISO Services Tariff.

**Scheduled Energy Injection:** Energy injections or Energy provided by Demand Side Resources which are scheduled on a real-time basis by RTC.

**Scheduled Energy Withdrawal:** Energy Withdrawals which are scheduled on a real-time basis by RTC.

**Scheduled Line:** A transmission facility or set of transmission facilities: (a) that provide a distinct scheduling path interconnecting the ISO with an adjacent control area, (b) over which Customers are permitted to schedule External Transactions, (c) for which the NYISO separately posts TTC and ATC, and (d) for which there is the capability to maintain the Scheduled Line actual interchange at the DNI, or within the tolerances dictated by Good Utility Practice. Each Scheduled Line is associated with a distinct Proxy Generator Bus. Transmission facilities shall only become Scheduled Lines after the Commission accepts for filing revisions to the NYISO's tariffs that identify a specific set or group of transmission facilities as a Scheduled Line. The transmission facilities that are Scheduled Lines are identified in Section 4.4.4 of the Services Tariff.

**SCUC:** Security Constrained Unit Commitment, described in Attachment C of the Tariff.

**Second Contingency Design and Operation:** The planning, design and operation of a power system such that the loss of any two (2) facilities will not result in a service interruption to either native load customers or contracted firm Transmission Customers. Second Contingency Design and Operation criteria do not include the simultaneous loss of two (2) facilities, but rather consider the loss of one (1) facility and the restoration of the system to within acceptable operating parameters, prior to the loss of a second facility. These criteria apply to thermal, voltage and stability limits and are generally equal to or more stringent than NYPP, NPCC and NERC criteria.

**Second Settlement:** The process of: (1) identifying differences between Energy production, Energy consumption or NYS Transmission System usage scheduled in a First Settlement, and the actual production, consumption, or NYS Transmission System usage during the Dispatch Day; and (2) assigning financial responsibility for those differences to the appropriate Customers and Market Participants. Charges for Energy supplied (to replace Generation deficiencies or unscheduled consumption), and payments for Energy consumed (to absorb consumption deficiencies or excess Energy supply) or changes in transmission usage will be based on the Real-Time LBMPs.

**Secondary Holder:** Entities that purchase TCCs and have not been certified as a Primary Holder by the ISO.

**Secondary Market:** A market in which Primary and Secondary Holders sell TCCs by mechanisms other than through the Centralized TCC Auction, Reconfiguration Auction, or by Direct Sale.

**Security Coordinator:** An entity that provides the security assessment and Emergency operations coordination for a group of Control Areas. A Security Coordinator must not participate in the wholesale or retail merchant functions.

**Self-Committed Fixed:** A bidding mode in which a Generator or Aggregation is self-committed and opts not to be Dispatchable over any portion of its operating range.

**Self-Committed Flexible:** A bidding mode in which a dispatchable Generator or Aggregation follows Base Point Signals within a portion of its operating range, but self-commits.

**Self-Supply:** The provision of certain Ancillary Services, or the provision of Energy to replace Marginal Losses by a Transmission Customer using either the Transmission Customer's own Generators or generation obtained from an entity other than the ISO.

**Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the ISO for service under the Tariff or any unexecuted Service Agreement, amendments on supplements thereto, that the ISO unilaterally files with the Commission.

**Service Commencement Date:** The date the ISO begins to provide service pursuant to the terms of an executed Service Agreement, or the date the ISO begins to provide service in accordance with Section 3.3.3 or Section 4.2.1 under the Tariff.

**Settlement:** The process of determining the charges to be paid to, or by a Transmission Customer to satisfy its obligations

**Shadow Price:** The marginal value of relieving a particular Constraint which is determined by the reduction in system cost that results from an incremental relaxation of that Constraint.

**Shift Factor ("SF"):** A ratio, calculated by the ISO, that compares the change in power flow through a transmission facility resulting from the incremental injection and withdrawal of power on the NYS Transmission System.

**Short-Term Firm Point-To-Point Transmission Service:** Firm Point-to-Point Service, the price of which is fixed for a short term by a Transmission Customer acquiring sufficient TCCs with the same Points of Receipt and Delivery as its Transmission Service.

**Sink Price Cap Bid:** A monotonically increasing Bid curve provided by an entity engaged in an Export to indicate the relevant Proxy Generator Bus LBMP below which that entity is willing to either purchase Energy in the LBMP Markets or, in the case of Bilateral Transactions, to accept Transmission Service, where the MW amounts on the Bid curve represent the desired increments of Energy that the entity is willing to purchase at various price points.

**Southeastern New York (“SENY”):** An electrical area comprised of Load Zones G, H, I, J, and K, as identified in the ISO Procedures.

**Special Test Transactions:** The revenues or costs from purchases and/or sales of Energy that may occur pursuant to virtual regional dispatch/intra-hour transaction pilot tests conducted by the ISO to analyze potential solutions for, or approaches to resolving inter-market “seams” issues with neighboring control area operators.

**Start-Up Bid:** A Bid parameter that may vary hourly and that identifies the payment a Supplier requires to bring a Generator up to its specified minimum operating level from an offline state or a Demand Side Resource from a level of no Demand Reduction to its specified minimum level of Demand Reduction. If the Supplier is a BTM:NG Resource, Energy Storage Resource or an Aggregation, it shall not submit a Start-Up Bid.

Start-Up Bids submitted for a Generator that is not able to complete its specified minimum run time (of up to a maximum of 24 hours) within the Dispatch Day are expected to include expected net costs related to the hour(s) that a Generator needs to run on the day following the Dispatch Day in order to complete its minimum run time. The component of the Start-Up Bid that incorporates costs that the Generator expects to incur on the day following the Dispatch Day is expected to reflect the operating costs that the Supplier does not expect to be able to recover through LBMP revenues while operating to meet the Generator’s minimum run time, at the minimum operating level Bid for that Generator for the hour of the Dispatch Day in which the Generator is scheduled to start-up. Settlement rules addressing Start-Up Bids that incorporates costs related to the hours that a Generator needs to run on the day following the Dispatch Day on which the Generator is committed are set forth in Attachment C to the ISO Services Tariff.

**Station Power:** Station Power shall mean the Energy used by a Generator:

1. for operating electric equipment located on the Generator site, or portions thereof, owned by the same entity that owns the Generator, which electrical equipment is used by the Generator exclusively for the production of Energy and any useful thermal energy associated with the production of Energy; and
2. for the incidental heating, lighting, air conditioning and office equipment needs of buildings, or portions thereof, that are: owned by the same entity that owns the Generator; located on the Generator site; and

3. used by the Generator exclusively in connection with the production of Energy and any useful thermal energy associated with the production of Energy.

Station Power does not include any Energy: (i) used to power synchronous condensers; (ii) used for pumping at a pumped storage facility or for charging Limited Energy Storage Resources, or Energy Storage Resources when that Energy is stored for later injection back to the grid; (iii) provided during a Black Start restoration by Generators that provide Black Start Capability Service; (iv) used by a Resource in an Aggregation; or (v) used by an enhanced Fast-Start Resource to charge its battery.

**Storm Watch:** Actual or anticipated severe weather conditions under which region-specific portions of the NYS Transmission System are operated in a more conservative manner by reducing transmission transfer limits.

**Strandable Costs:** Prudent and verifiable expenditures and commitments made pursuant to a Transmission Owner's legal obligations that are currently recovered in the Transmission Owner's retail or wholesale rate that could become unrecoverable as a result of a restructuring of the electric utility industry and/or electricity market, or as a result of retail-turned-wholesale customers, or customers switching generation or transmission service suppliers.

**Stranded Investment Recovery Charge ("SIRC"):** A charge established by a Transmission Owner to recover Strandable Costs.

**Sub-Auction:** The round or set of rounds in a given Centralized TCC Auction in which TCCs of a given start date and duration may be purchased.

**Subject Transaction:** An Import or Wheel Through at a Duty Eligible Proxy Generator Bus that is subject to charges under Schedule 22. Subject Transactions include all real-time scheduled Imports of Energy, Import Bilateral Transactions for Energy, and Wheels Through that inject Energy at a Duty Eligible Proxy Generator Bus. Subject Transactions do not include real-time scheduled Imports or Wheels Through that inject Energy at other Proxy Generator Buses.

**Subject Transaction Financially Responsible Party:** The Transmission Customer or Customer that is paid or charged for an Import or Wheel Through that is a Subject Transaction, and that will be charged by the ISO for its Subject Transaction in accordance with Rate Schedule 22 of the ISO OATT.

**Subzone:** That portion of a Load Zone in a Transmission Owner's Transmission District.

**Supplier:** A Party that is supplying the Capacity, Energy and/or associated Ancillary Services to be made available under the ISO OATT or the ISO Services Tariff, including Generators, BTM:NG Resources, and Demand Side Resources/Aggregations that satisfy all applicable ISO requirements.

**Supplemental Event Interval:** Any RTD interval in which there is a maximum generation pickup or a large event reserve pickup or which is one of the three RTD intervals following the termination of the maximum generation pickup or the large event reserve pickup.

**Supplemental Resource Evaluation (“SRE”):** A determination of the least cost selection of additional Generators or Aggregations, which are to be committed, to meet: (i) changed or local system conditions for the Dispatch Day that may cause the Day-Ahead schedules for the Dispatch Day to be inadequate to meet the reliability requirements of the Transmission Owner’s local system or to meet Load or reliability requirements of the ISO; or (ii) forecast Load and reserve requirements over the six-day period that follows the Dispatch Day.

**System Impact Study:** An assessment by the ISO of (i) the adequacy of the NYS Transmission System to accommodate a request to build facilities in order to create incremental transfer capability, resulting in incremental TCCs, in connection with a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service; and (ii) the additional costs to be incurred in order to provide the incremental transfer capability.



## **6.22 Schedule 22 – Implementing Federal Duties on Imports of Electrical Energy from Canada**

### **6.22.1 Authorization to Collect and Remit Federal Duties**

The ISO is authorized to collect any rate of duty (or other any other form of duty or charge) that may be assessed on imports of electrical energy from Canada if the ISO determines in good faith that it is lawfully obliged to remit such duties or charges to the appropriate federal revenue authority under the February 1, 2025 Executive Order “Imposing Duties to Address the Flow of Illicit Drugs Across Our Northern Border,” as it may be amended, or under any other Executive Order, federal law, or other legally binding directive, that imposes a rate of duty (or any other form of duty or charge) on such imports.

### **6.22.2 Assignment of Duty-Related Costs to Subject Transaction Financially Responsible Parties**

The Subject Transaction Financially Responsible Party for each Subject Transaction shall pay the ISO the full amount of any duty or related charge applicable to a Subject Transaction. The amount of the payment shall be the product of: (a) the Subject Transaction MWh; (b) the applicable Day-Ahead LBMP at the relevant Duty Eligible Proxy Generator Bus; and (c) the rate of duty specified by federal law as interpreted by the relevant federal revenue authority. The ISO shall remit all charges collected to the appropriate federal revenue authorities. Nothing in this Schedule 22 shall result in a payment to a Subject Transaction Financially Responsible Party if the Day-Ahead LBMP at the relevant Duty Eligible Proxy Generator Bus is negative.

### **6.22.3 Emergency Energy Purchases by the ISO**

Notwithstanding Section 6.22.2 above, if the ISO makes an Emergency Energy purchase from the Ontario Independent Electricity System Operator or from Hydro-Québec or their

successors, then the ISO shall collect an amount that shall be the product of: (a) the purchased Emergency Energy (MWh), (b) the Energy cost paid by the ISO (\$/MWh), and (c) the rate of duty specified by federal law as interpreted by the relevant federal revenue authority. The ISO shall allocate this amount using the same method used to allocate the cost of the underlying Emergency Energy purchase under the applicable tariff provision or coordination agreement. The ISO shall remit all charges collected to the appropriate federal revenue authorities.

#### **6.22.4 Alternative Cost Recovery Methodology**

To the extent that the ISO is not authorized by the Commission to recover costs identified under Section 6.22.1 through the procedure described in Section 6.22.2, the ISO shall charge, and Transmission Customers taking service under the Tariff shall pay, the full amount of any duty-related costs that are calculated but not recoverable under those sections. Duty-related costs that fall under this section shall be allocated on a pro rata basis based on each Transmission Customer's Withdrawal Billing Units, including Withdrawals Billing Units to supply Station Power, for the relevant Billing Period. The ISO shall remit all charges collected to the appropriate federal revenue authorities.

#### **6.22.5 Addressing the Potential Imposition of Duties on Products Other than Energy**

If federal rates of duty (or any other form of duty or charge) applicable to imports of electrical energy from Canada are deemed by the relevant federal revenue authorities to apply to products that are sold in the ISO Administered Markets other than Energy, then the ISO may address such duties or charges: (a) through the ISO Procedures; (ii) or by asking the Commission to accept revisions to this Schedule 22 that may be made retroactively effective in accordance with the notice provided below in Section 6.22.6.

**6.22.6 Notice that Provisions of this Schedule Are Potentially Subject to Retroactive Modification**

This Section provides express notice that all of the provisions of this Schedule 22 are tentative, subject to adjustment, and intended to be eligible for retroactive adjustment to the maximum extent permitted by law under the judicially recognized “notice exception” to the filed rate doctrine and the rule against retroactive ratemaking.