

6.4 Schedule 4 - Energy Imbalance Service

Energy Imbalance Service is provided when (1) a difference occurs between the scheduled and the actual delivery of Energy to a Load located within the NYCA over a single hour, or (2) a difference occurs between the scheduled and actual delivery of Energy from a POI within the NYCA to a neighboring control area in a single hour. The ISO must offer this service when the Transmission Service is used to serve Load within the NYCA or for an Export Transaction when the generation source is a Generator located in the NYCA. The Transmission Customer must purchase this service from the ISO. The charges for Energy Imbalance Service are set forth below.

6.4.1 Energy Imbalance Service Charges

For each Transmission Customer that has executed a Service Agreement under the ISO Services Tariff, Energy Imbalance Service is considered to be supplied by the Real-Time Market and will be charged at the Real-Time LBMP price determined pursuant to Attachment ~~JB~~ of the Services Tariff.

For each Transmission Customer that is not a Customer under the ISO Services Tariff and is receiving service under Section 3 or 4 of this Tariff, the ISO shall establish a deviation band of +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any Energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s). Parties should attempt to eliminate Energy imbalances within the limits of the deviation band within thirty (30) days or within such other reasonable period of time as may be established by the ISO that is generally accepted in the region and consistently adhered to by the ISO. If an Energy imbalance is not corrected within thirty (30) days or such other reasonable period of time as may be established by the ISO that is generally accepted in the region and

consistently adhered to by the ISO, the Transmission Customer will compensate the ISO for such service, subject to the charges set forth below. Also, Energy imbalances outside the deviation band will be subject to charges set forth below.

For hours when the Transmission Customer's Actual Energy Withdrawals are greater than that customer's scheduled Energy delivery and applicable tolerance band, the Transmission Customer shall pay to the ISO an amount equal to the greater of 150% of the Real-Time LBMP price at the Point of Delivery or \$100 per MWh. In the event that the Transmission Customer's Actual Energy delivery exceeds that customer's Actual Energy Withdrawals, the Transmission Customer shall not receive payment for such Energy.

Transmission Customers with imbalances may also be subject to charges for Regulation and Frequency Response, as described in Rate Schedule 3.

Energy imbalances resulting from inadvertent interchange between Control Areas will continue to be addressed by the procedures that Control Area operators currently use to address such imbalances. Any increase or decrease in costs resulting from pay back of accumulated inadvertent interchange will be included in the residual costs payment or the residual costs charge as calculated in Section 6.1.8 of Rate Schedule 1 of this ISO OATT..

6.4.2 Inadvertent Energy Management Requirements

For Energy imbalances resulting from inadvertent interchange between Control Areas, the ISO shall: (i) accurately account for inadvertent Energy interchange, through daily schedule verification and the use of reliable metering equipment; (ii) minimize unintentional inadvertent accumulation in accordance with NERC and NPCC policies; and (iii) minimize accumulated inadvertent Energy balances in accordance with NERC and NPCC policies.

The ISO shall reduce accumulated inadvertent Energy balances with other Control Areas by one or both of the following methods: (i) scheduling interchange payback with another Control Area as an interchange schedule between Control Areas; and (ii) unilaterally offsetting the tie-line interchange schedule when such action will assist in correcting an existing time error.

Inadvertent interchange accumulated during On-Peak hours shall be paid back during On-Peak hours. Inadvertent interchange accumulated during Off-Peak hours shall be paid back during Off-Peak hours. In either case, payback is made with Energy “in-kind.”

6.4.3 Monthly Meter Reading Adjustments

6.4.3.1 Facilities Internal to the NYCA

The ISO shall develop rules and procedures to implement adjustments to meter readings to reflect the differences between the integrated instantaneous metering data utilized by the ISO for SCD and actual data for internal facilities as recorded by billing metering.

6.4.3.2 Facilities on Boundaries with Neighboring Control Areas

The correction required for external Inadvertent Energy Accounting facilities on Interfaces between the NYCA and other Control Areas will be done using Inadvertent Energy Accounting techniques to be established by the ISO in accordance with NERC and other established reliability criteria.

6.4.4 Self-Supply

All Inadvertent Energy Accounting services and Energy Imbalance Services shall be purchased from the ISO.

6.4.5 Verification of Adjustments

The ISO shall provide all necessary meter reading adjustment information required by the Transmission Owners to allow them to verify that meter reading adjustments were performed in accordance with ISO Procedures.