20.5 Allocation of Non-Historic Fixed Price TCC Revenues

20.5.1 Defined Terms and Overview

20.5.1.1 Defined Terms

Set of Non-Historic Fixed Price TCCs ("NHFPTCCs"): Non-Historic Fixed Price TCCs that have the same POI and POW, same duration and which take, or took, effect in the same Capability Period.

20.5.1.2 Overview

The ISO shall allocate the revenues from the initial award and renewal of Non-Historic Fixed Price TCCs as follows:

1. following the effective date of this Section 20.5, the ISO shall allocate to the Transmission Owners the revenue paid by LSEs for Non-Historic Fixed Price TCCs that took effect on or before May 1, 2017 by using the methodology described in this Section 20.5 and by using the applicable data and results of the last Centralized TCC Auction completed prior to the respective Capability Period in which each such Non-Historic Fixed Price TCC took effect; and
2. following the completion of each Centralized TCC Auction after the effective date of this Section 20.5, the ISO shall allocate to the Transmission Owners any revenue paid by LSEs for Non-Historic Fixed Price TCCs that take effect in the Capability Period immediately following such Centralized TCC Auction using the methodology described in this Section 20.5 and by using the applicable data and results of such Centralized TCC Auction.

To do so, for each Set of NHFPTCCs, the ISO shall:

1. determine the Non-Historic Fixed Price TCC revenue deemed to be associated with: (i) the applicable rounds of the two-year Sub-Auction of the relevant

Centralized TCC Auction pursuant to Section 20.5.2 of this Attachment N in the case of revenue related to initial awards of Non-Historic Fixed Price TCCs; or (ii) each round of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction pursuant to Section 20.5.2 of this Attachment N in the case of revenue related to renewals of Non-Historic Fixed Price TCCs;

2. determine the applicable Non-Historic Fixed Price TCC facility flow-based methodology coefficient for each Transmission Owner for: (i) the applicable rounds of the two-year Sub-Auction of the relevant Centralized TCC Auction pursuant to Section 20.5.3 of this Attachment N in the case of revenue related to initial awards of Non-Historic Fixed Price TCCs; or (ii) each round of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction pursuant to Section 20.5.3 of this Attachment N in the case of revenue related to renewals of Non-Historic Fixed Price TCCs; and

3. allocate, among the Transmission Owners, the Non-Historic Fixed Price TCC revenue deemed to be associated with: (i) the applicable rounds of the two-year Sub-Auction of the relevant Centralized TCC Auction pursuant to Section 20.5.4 of this Attachment N in the case of revenue related to initial awards of Non-Historic Fixed Price TCCs; or (ii) each round of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction in accordance with Section 20.5.4 of this Attachment N in the case of revenue related to renewals of Non-Historic Fixed Price TCCs.

Notwithstanding anything to the contrary herein, in the case of revenue related to renewals of Non-Historic Fixed Price TCCs, if a relevant Centralized TCC Auction includes a

single round one-year Sub-Auction for TCCs with a start date that is after the first day of the Capability Period that commences immediately following the completion of such Centralized TCC Auction, such single round one-year Sub-Auction shall not be considered for purposes of this Section 20.5.

20.5.2 Calculation of Non-Historic Fixed Price TCC Revenue Deemed to be Associated with Sub-Auction Rounds

For each Set of NHFPTCCs, the ISO shall calculate the revenue deemed to be associated with: (i) an applicable round of the two-year Sub-Auction of the relevant Centralized TCC Auction in accordance with Formula N-33 in the case of revenue related to initial awards of Non-Historic Fixed Price TCCs; or (ii) each round of the applicable one-year Sub-Auction for the relevant Centralized TCC Auction in accordance with Formula N-33 in the case of revenue related to renewals of Non-Historic Fixed Price TCCs.

Formula N-33

$$NHFPTCCRevenue_{s,n} = \left[\sum_{k \in s} NHFPTCCPmt_{k,s}\right] * RoundPct_n$$

Where,

$NHFPTCCRevenue_{s,n}$ = (a) For Initial Awards: For Set of NHFPTCCs *s*, the Non-Historic Fixed Price TCC revenue that is deemed to be associated with round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction; provided, however, that no such revenue shall be deemed to be associated with the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction

(b) For Renewals: For Set of NHFPTCCs *s*, the Non-Historic Fixed Price TCC revenue that is deemed to be associated with round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction

s = A Set of NHFPTCCs

$NHFPTCCPmt_{k,s}$ = The revenue received for each Non-Historic Fixed Price TCC *k* that is part of Set of NHFPTCCs *s*, as payable by an LSE in accordance with Section 19.2.2.3.3 of Attachment M of this Tariff

$RoundPct_n$ = (a) For Initial Awards: The percentage of transmission capacity made available for round *n* of the relevant Centralized TCC Auction to support the sale of two-year TCCs, calculated as the ratio of (i) the percentage of transmission capacity made available to support the sale of two-year TCCs in round *n* of the relevant Centralized TCC Auction; to (ii) the total percentage of transmission capacity made available to support the sale of two-year TCCs in all rounds other than the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction, each as determined by the ISO prior to the relevant Centralized TCC Auction. Notwithstanding anything to the contrary herein, the NYISO shall not include the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction or the percentage of transmission capacity made available to support the sale of two-year TCCs in such round in conducting the calculations described above

(b) For Renewals: The percentage of transmission capacity made available for round *n* of the relevant Centralized TCC Auction to support the sale of one-year TCCs, calculated as the ratio of (i) the percentage of transmission capacity made available to support the sale of one-year TCCs in round *n* of the relevant Centralized TCC Auction; to (ii) the total percentage of transmission capacity made available to support the sale of one-year TCCs with the same start date as one-year TCCs in round *n* in the relevant Centralized TCC Auction, each as determined by the ISO prior to the relevant Centralized TCC Auction

20.5.3 Calculation of Non-Historic Fixed Price TCC Facility Flow-Based Methodology Coefficient

For each Set of NHFPTCCs, the ISO shall use the Non-Historic Fixed Price TCC facility flow-based methodology coefficient to allocate, among the Transmission Owners, the Non-Historic Fixed Price TCC revenue deemed to be associated with: (i) an applicable round of the two-year Sub-Auction of the relevant Centralized TCC Auction (*i.e.*, round *n*) in accordance with Formula N-34 in the case of revenue related to initial awards of Non-Historic Fixed Price TCCs; or (ii) each round of the applicable one-year Sub-Auction for the relevant Centralized TCC Auction (*i.e.*, round *n*) in accordance with Formula N-34 in the case of revenue related to renewals of Non-Historic Fixed Price TCCs.

Formula N-34

$$NHFPTCCFFB_{t,s,n} = \frac{\sum_{L \in L_{t,n}} \left| (AuctionFlow_{L,n} - ModAuctionFlow_{L,n,s}) \left(Price_{y,L,n} - Price_{x,L,n}\right) * Share_{n,t,L} \right|}{\sum_{L \in L_{n}} \left| (AuctionFlow_{L,n} - ModAuctionFlow_{L,n,s}) \left(Price_{y,L,n} - Price_{x,L,n}\right) \right|}$$

Where,

$NHFPTCCFFB_{t,s,n}$ = (a) For Initial Awards: For Set of NHFPTCCs *s*, the Non-Historic Fixed Price TCC facility flow-based methodology coefficient for Transmission Owner *t* for round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction; provided, however, that the NYISO shall not determine coefficient values for the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction

(b) For Renewals: For Set of NHFPTCCs *s*, the Non-Historic Fixed Price TCC facility flow-based methodology coefficient for Transmission Owner *t* for round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction

s = As defined in Formula N-33

L_n = (a) For Initial Awards: The set of all transmission facilities owned by Transmission Owners that are modeled in the Transmission System model for round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction; provided, however, that the NYISO shall not utilize data and information for the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction

(b) For Renewals: The set of all transmission facilities owned by Transmission Owners that are modeled in the Transmission System model for round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction

$L_{t,n}$ = (a) For Initial Awards: The set of all transmission facilities owned by Transmission Owner *t* that are modeled in the Transmission System model for round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction; provided, however, that the NYISO shall not utilize data and information for the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction

(b) For Renewals: The set of all transmission facilities owned by Transmission Owner *t* that are modeled in the Transmission System model for round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction

L = A transmission facility from bus *x* to bus *y*

$AuctionFlow_{L,n}$ = (a) For Initial Awards: The Energy flow on transmission facility *L* in the Optimal Power Flow solution to round *n* of the two-year Sub-

Auction of the relevant Centralized TCC Auction that includes all injections and withdrawals corresponding (as described in Section 20.1.2 of this Attachment N) to the set of TCCs (including Fixed Price TCCs) and Grandfathered Rights represented in such Optimal Power Flow; provided, however, that the NYISO shall not utilize data and information for the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction

(b) For Renewals: The Energy flow on transmission facility *L* in the Optimal Power Flow solution to round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction that includes all injections and withdrawals corresponding (as described in Section 20.1.2 of this Attachment N) to the set of TCCs (including Fixed Price TCCs) and Grandfathered Rights represented in such Optimal Power Flow

$ModAuctionFlow_{L,n,s}$ = (a) For Initial Awards: The Energy flow on transmission facility *L* in a Power Flow that includes all injections and withdrawals corresponding (as described in Section 20.1.2 of this Attachment N) to the set of TCCs (including Fixed Price TCCs) and Grandfathered Rights represented in the solution to round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction, except for the injections and withdrawals corresponding to Set of NHFPTCCs *s*; provided, however, that the NYISO shall not utilize data and information for the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction. For purposes of this Power Flow: (i) the phase angle settings for optimized phase angle regulators, as identified in ISO Procedures, will be set equal to the phase angle settings for such phase angle regulators as determined in the Optimal Power Flow solution to round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction, but the schedules for such phase angle regulators will be allowed to vary from the schedules determined in the Optimal Power Flow solution to round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction; and (ii) for all other phase angle regulators internal to the NYCA or on external borders, as identified in ISO Procedures, the schedules for such phase angle regulators will be set equal to the schedules as determined in the Optimal Power Flow solution to round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction, but the phase angle settings for such phase angle regulators will be allowed to vary from the phase angle settings determined in the Optimal Power Flow solution to round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction. Notwithstanding anything to the contrary herein, if the Power Flow results in Energy flow on transmission facility *L* that violates any limit applicable to the amount of Energy that may flow on transmission facility *L* for round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction, the ISO shall adjust the resulting value of the Energy flow on transmission facility

L, as determined by the Power Flow, to avoid consideration of flows that would otherwise violate the applicable limit for transmission facility *L* and use such adjusted Energy flow value for purposes of calculating $NHFPTCCFFB_{t,s,n}$

(b) For Renewals: The Energy flow on transmission facility *L* in a Power Flow that includes all injections and withdrawals corresponding (as described in Section 20.1.2 of this Attachment N) to the set of TCCs (including Fixed Price TCCs) and Grandfathered Rights represented in the solution to round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction, except for the injections and withdrawals corresponding to Set of NHFPTCCs *s*. For purposes of this Power Flow: (i) the phase angle settings for optimized phase angle regulators, as identified in ISO Procedures, will be set equal to the phase angle settings for such phase angle regulators as determined in the Optimal Power Flow solution to round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction, but the schedules for such phase angle regulators will be allowed to vary from the schedules determined in the Optimal Power Flow solution to round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction; and (ii) for all other phase angle regulators internal to the NYCA or on external borders, as identified in ISO Procedures, the schedules for such phase angle regulators will be set equal to the schedules as determined in the Optimal Power Flow solution to round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction, but the phase angle settings for such phase angle regulators will be allowed to vary from the phase angle settings determined in the Optimal Power Flow solution to round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction. Notwithstanding anything to the contrary herein, if the Power Flow results in Energy flow on transmission facility *L* that violates any limit applicable to the amount of Energy that may flow on transmission facility *L* for round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction, the ISO shall adjust the resulting value of the Energy flow on transmission facility *L*, as determined by the Power Flow, to avoid consideration of flows that would otherwise violate the applicable limit for transmission facility *L* and use such adjusted Energy flow value for purposes of calculating $NHFPTCCFFB_{t,s,n}$

$Price_{y,L,n}$ = (a) For Initial Awards: The market-clearing price at bus *y* on transmission facility *L* in the Optimal Power Flow solution to round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction; provided, however, that the NYISO shall not utilize data and information for the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction

(b) For Renewals: The market-clearing price at bus *y* on transmission

facility *L* in the Optimal Power Flow solution to round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction

$Price_{x,L,n}$ = (a) For Initial Awards: The market-clearing price at bus *x* on transmission facility *L* in the Optimal Power Flow solution to round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction; provided, however, that the NYISO shall not utilize data and information for the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction

(b) For Renewals: The market-clearing price at bus *x* on transmission facility *L* in the Optimal Power Flow solution to round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction

$Share_{n,t,L}$ = (a) For Initial Awards: The percentage of transmission facility *L* owned by Transmission Owner *t* on the effective date of the TCCs sold in round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction; provided, however, that the NYISO shall not utilize data and information for the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction

(b) For Renewals: The percentage of transmission facility *L* owned by Transmission Owner *t* on the effective date of the TCCs sold in round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction

20.5.4 Allocation of Non-Historic Fixed Price TCC Revenue

For each Set of NHFPTCCs, each Transmission Owner's share of the Non-Historic Fixed Price TCC revenue deemed to be associated with: (i) an applicable round of the two-year Sub-Auction of the relevant Centralized TCC Auction shall be calculated in accordance with Formula N-35 in the case of revenue related to initial awards of Non-Historic Fixed Price TCCs; or (ii) each round of the applicable one-year Sub-Auction for the relevant Centralized TCC Auction shall be calculated in accordance with Formula N-35 in the case of revenue related to renewals of Non-Historic Fixed Price TCCs.

Formula N-35

$$NHFPTCCRevAlloc_{t,s,n} = NHFPTCCRevenue_{s,n} * NHFPTCCFFB_{t,s,n}$$

Where,

$NHFPTCCRevAlloc_{t,s,n}$	= (a) For Initial Awards: For Set of NHFPTCCs *s*, the Non-Historic Fixed Price TCC revenue deemed to be associated with round *n* of the two-year Sub-Auction of the relevant Centralized TCC Auction that is allocated to Transmission Owner *t*; provided, however, that no such revenue shall be deemed to be associated with the first round of the two-year Sub-Auction of the relevant Centralized TCC Auction (b) For Renewals: For Set of NHFPTCCs *s*, the Non-Historic Fixed Price TCC revenue deemed to be associated with round *n* of the applicable one-year Sub-Auction of the relevant Centralized TCC Auction that is allocated to Transmission Owner *t*
s	= As defined in Formula N-33
$NHFPTCCRevenue_{s,n}$	= As defined in Formula N-33
$NHFPTCCFFB_{t,s,n}$	= As defined in Formula N-34.

Each Transmission Owner's share of Non-Historic Fixed Price TCC revenue allocated pursuant to this Section 20.5 shall be incorporated into, or otherwise accounted for as part of, its TSC, or NTAC or other applicable rate mechanism under the ISO Tariffs used to assess charges for Transmission Service provided by the Transmission Owner pursuant to this Tariff, as the case may be.