

6.4 Schedule 4 - Energy Imbalance Service

Energy Imbalance Service is provided Day-Ahead when a difference occurs between: (1) scheduled Transmission Service and scheduled delivery of Energy to a Load located within the NYCA from a POI located within the NYCA over a single hour, (2) scheduled Transmission Service and scheduled delivery of Energy to a Load located within the NYCA from a POI located external to the NYCA over the scheduling interval, and (3) scheduled Transmission Service and scheduled delivery of Energy from a POI within the NYCA to a neighboring control area over the scheduling interval.

Energy Imbalance Service is provided in real-time when a difference occurs between: (1) scheduled Transmission Service and scheduled delivery of Energy to a Load located within the NYCA from a POI located within the NYCA over the scheduling interval, (2) scheduled Transmission Service and scheduled delivery of Energy to a Load located within the NYCA from a POI located external to the NYCA over the scheduling interval, and (3) scheduled Transmission Service and scheduled delivery of Energy from a POI within the NYCA to a neighboring control area in the scheduling interval.

Differences between scheduled Transmission Service in the Day-Ahead Market and scheduled Transmission Service in the Real-Time Market for the same transaction are governed by Attachment J of the OATT, not by this Rate Schedule 4. Differences between the scheduled delivery of Energy in the Day-Ahead Market and the scheduled delivery of Energy in the Real-Time Market for the same transaction are governed by Section 4.5 of the Services Tariff, not by this Rate Schedule 4.

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, or Generator as appropriate, must purchase this service from the ISO. The charges for Energy Imbalance Service are set forth below.

6.4.1 Energy Imbalance Service Charges

Each Transmission Customer that has executed a Service Agreement under the ISO Services Tariff, whose scheduled Energy delivery in the Day-Ahead Market is less than its scheduled Transmission Service in the Day-Ahead Market, will be charged an amount equal to the product of the Day-Ahead LBMP determined pursuant to Attachment B of the Services Tariff, at the Point of Delivery (Point of Injection) and the difference between the scheduled Energy delivery in the Day-Ahead Market and the scheduled Transmission Service in the Day-Ahead Market, provided however, when the Energy delivery scheduled in the Day-Ahead Market is from a POI within the NYCA, Energy Imbalance Service is charged to the Generator associated with the POI.

Each Transmission Customer that has not executed a Service Agreement under the ISO Services Tariff, whose scheduled Energy delivery in the Day-Ahead Market is less than its scheduled Transmission Service in the Day-Ahead Market, will be charged an amount equal to the product of: (i) the higher of: (a) 150 percent of the Day-Ahead LBMP determined pursuant to Attachment B of the Services Tariff, at the Point of Delivery (Point of Injection); and (b) \$100 per MWh, and (ii) the difference between the scheduled Energy delivery in the Day-Ahead Market and the scheduled Transmission Service in the Day-Ahead Market, provided however, when the scheduled delivery of Energy is from a POI within the NYCA, Energy Imbalance Service is charged to the Generator associated with the POI.

Each Transmission Customer that has executed a Service Agreement under the ISO Services Tariff whose scheduled Energy delivery in the Real-Time Market is less than its

scheduled Transmission Service in the Real-Time Market, will be charged an amount equal to the product of the Real-Time LBMP price determined pursuant to Attachment B of the Services Tariff, at the Point of Delivery (Point of Injection) and the difference between the scheduled Energy delivery in the Real-Time Market and the scheduled Transmission Service in the Real-Time Market, provided however, when the scheduled delivery of Energy is from a POI within the NYCA, Energy Imbalance Service is charged to the Generator associated with the POI.

Each Transmission Customer that has not executed a Service Agreement under the ISO Services Tariff, whose scheduled Energy delivery in the Real-Time Market is less than its Transmission Service scheduled in the Real-Time Market, will be charged an amount equal to the product of (i) the higher of (a) 150 percent of the real-time LBMP determined pursuant to Attachment J, at the Point of Delivery (Point of Injection), and (b)\$100 per MWh, and (ii) the difference between the scheduled Energy delivery in the Real-Time Market and the scheduled transmission service in the Real-Time Market, provided however, when the scheduled delivery of Energy is from a POI within the NYCA, Energy Imbalance Service is charged to the Generator associated with the POI.

Settlements when Actual Energy delivery exceeds Actual Energy Withdrawals are governed by Services Tariff Section 4.5.

Energy imbalances resulting from inadvertent interchange between Control Areas will continue to be addressed by ISO procedures and in accordance with NERC and NPCC policies. 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

6.4.2.1 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 established by the ISO in accordance with NERC and other established reliability criteria.

6.4.3 Self-Supply

All Energy Imbalance Services shall be purchased from the ISO.