

## APPENDIX E

### USAGE CHARGE COMPUTATION

#### **E 1 Purpose of Charge**

The Usage Charge is payable by Scheduling Coordinators who schedule Energy across Congested Inter-Zonal Interfaces pursuant to Section 7.2.5 of the ISO Tariff. Scheduling Coordinators who counter-schedule across Congested Inter-Zonal Interfaces are entitled to Usage Charge Payments. The right to schedule across a Congested Inter-Zonal Interface is determined through the ISO's Congestion Management procedures.

The following categories of Payments and Charges are covered in this Appendix E:

- (a) Usage Charges payable by Scheduling Coordinators for Energy transfers scheduled across Congested Inter-Zonal Interfaces and which contribute to Congestion.
- (b) Usage Charge rebates payable to Scheduling Coordinators for Energy transfers scheduled across Congested Inter-Zonal Interfaces and which contribute to relieving Congestion.
- (c) Credits of net Usage Charge revenues to Participating TOs and FTR Holders.
- (d) Debits of net Usage Charge revenues to Participating TOs and FTR Holders.
- (e) Debits and rebates of Usage Charge to Scheduling Coordinators as set out in E 2.3.3.

#### **E 2 Fundamental Formulae**

##### **E 2.1 ISO Usage Charges on Scheduling Coordinators**

Each Scheduling Coordinator  $j$  whose Final Schedule includes the transfer of Energy scheduled across one or more Congested Inter-Zonal Interfaces shall (save to the extent that the transfer involves the use of transmission capacity represented by Existing Rights) pay, or be paid, Usage Charges in Trading Interval  $t$  calculated in accordance with the following formulae:

In the Day-Ahead Market:

$$UC_{jtd} = \sum_x NetZoneImp_{jtxd} * \lambda_{dxt}$$

