

7.3.1.7 ISO Debit of Net Usage Charge Revenues. If, after the issuance of Final Day-Ahead Schedules by the ISO, (a) Participating TOs instruct the ISO to reduce interface limits based on operating conditions or (b) an unscheduled transmission outage occurs and as a result of either of those events, Congestion is increased and Available Transfer Capacity is decreased in the Inter-Zonal Interface in the Hour-Ahead Market, the ISO shall: (1) charge each Participating TO and FTR Holder with an amount equal to its proportionate share, based on its financial entitlement to Usage Charges in the Day-Ahead Market in accordance with Section 7.3.1.6, of the product of (i) the Usage Charge in the Day-Ahead Market and (ii) the reduction in Available Transfer Capacity across the Inter-Zonal Interface in the direction of the Congestion (such amount due to the Participating TOs to be debited by them in turn from their Transmission Revenue Balancing Accounts or, for those Participating TOs that do not have such accounts, to their transmission revenue requirements); (2) charge each Scheduling Coordinator with its proportionate share, based on Schedules in the Day-Ahead Market across the Inter-Zonal Interface in the direction of the Congestion, of the difference between the amount charged to Participating TOs and FTR Holders under clause (1) and the Usage Charges in the Hour-Ahead Market associated with the reduced Available Transfer Capacity across the Congested Inter-Zonal Interface; and (3) credit each Scheduling Coordinator whose Schedule in the Hour-Ahead Market for the transfer of Energy across the Congested Inter-Zonal Interface was adjusted due to the reduction in Available Transfer Capacity an amount equal to the product of the adjustment (in MW) and the Usage Charge in the Hour-Ahead Market (in\$/MW).

The ISO will issue a notice to Scheduling Coordinators of the operating hour, and extent, for which the derate will apply in the relevant Hour-Ahead Markets. The timing and form of such notices shall be set forth in ISO procedures.

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SETTLEMENT AND BILLING PROTOCOL

APPENDIX E

USAGE CHARGE COMPUTATION

E. 2.3.3 Debits to Participating TOs and Scheduling Coordinators and Rebates to Scheduling Coordinators

If, after the close of the Day-Ahead Market, Participating TOs instruct the ISO to reduce interface limits based on operating conditions or an unscheduled transmission outage occurs and as a result of either of those events, Congestion is increased and Available Transfer Capacity is decreased in the Inter-Zonal Interface in the Hour-Ahead Market, the $(L_{yth} - L_{ytd})$ will be negative. In this case:

- (a) Participating TOs and FTR Holders will be charged for the Usage Charge payments they received for the relevant Trading Interval t in the Day-Ahead Market with respect to the reduced interface limits;
- (b) Any Scheduling Coordinator whose Schedule was adjusted for the relevant Trading Interval t in the Hour-Ahead Market due to the reduced interface limits will be credited with μ_{yth} for each MW of the adjustment; and
- (c) Each Scheduling Coordinator will be charged an amount equal to its proportionate share, based on Schedules in the Day-Ahead Market in the direction of Congestion, of the difference between $\mu_{yth}(L_{yth} - L_{ytd})$ and the total amount charged to Participating TOs and FTR Holders in accordance with item (a) above.

The ISO will issue a notice to Scheduling Coordinators of the operating hour, and extent, for which the derate will apply in the relevant Hour-Ahead Markets. The timing and form of such notices shall be set forth in ISO procedures.