CALCULATION OF ACKNOWLEDGED OPERATING TARGET

For purposes of determining the marginal unit for each interval during the refund period, the ISO calculated the Acknowledged Operating Target for each unit, _u_, for each 10 minute interval _i_ during each hour _t_ using the following formula:

$$AOT_{u,t,i} = HAMW_{u,t} + \sum_{j=1}^{j} RTMW_{u,t,i,j}$$

Where:

$HAMW_{u,t} =$ Final Hour Ahead Energy Schedule of Unit _u_ in hour _t_.

$RTMW_{u,t,i} =$ Total real time (BEEP) acknowledged dispatch instruction (MW) for Unit _u_ during 10-minute interval _i_ in hour _t_, including acknowledged dispatches from all categories of real time energy bids _j_ (where set _j_ includes energy bids from Spinning Reserve, Non-spinning Reserve, Replacement Reserve and Supplemental Energy).   Acknowledged dispatch instructions of incremental energy can include bids dispatched from all categories of real time energy bids in set _j_.   Since all decremental energy bids must be submitted as Supplemental Energy bids, acknowledged dispatch instructions of decremental energy can result only from Supplemental Energy bids.   Dispatch instructions for incremental energy are positive, and dispatch instructions for decremental energy are negative. All dispatch instructions represent change relative to the unit's final Hour-Ahead Energy schedule.