

Components of New England Wholesale Load Cost

Current Settlement Rules (January 2011)

Calculated Components ¹								
Cost Component	Concept	Start Effective	Interval	Level	Rate	Quantity	Reference	Billing Descriptor
Day-Ahead (DA) Energy Market	Zonal Load Asset	Mar-03	Hourly	Load Zone	LMP	DA Load Obligation (DALO)	M-28, Sec. 3.2.2	Energy Day-Ahead
	Asset Related Demand	Oct-06	Hourly	Node	LMP			Energy Day-Ahead
Real-Time (RT) Energy Market	Zonal Load Asset	Mar-03	Hourly	Load Zone	LMP	RT Load Obligation (RTLO) minus DALO	M-28, Sec. 3.2.3	Energy Real-Time
	Asset Related Demand	Oct-06	Hourly	Node	LMP			Energy Real-Time
ISO Schedule 2 – Energy Administration Service	Energy Transaction Unit	Apr-04	Monthly	System	Fixed Rate	Block Hours associated to Demand Bid, Bilateral Contract, and Exports plus count of Non-Zero RT Adjusted Net Interchange (RTANI)	FERC Electric Tariff No. 3, Section IV.A	ISO Schedule 2
	Submitted Virtual Transaction Unit	Apr-04	Monthly	System	Fixed Rate	Submitted Decrement Bids	FERC Electric Tariff No. 3, Section IV.A	ISO Schedule 2
		Apr-04	Monthly	System	Fixed Rate	Cleared Decrement Bids	FERC Electric Tariff No. 3, Section IV.A	ISO Schedule 2
	Volumetric Measure	Mar-03	Monthly	System	Fixed Rate	RTLO	FERC Electric Tariff No. 3, Section IV.A	ISO Schedule 2
ISO Schedule 3 – Reliability Administration Service	Non-coincident peak load	Jul-06	Monthly	System	Fixed Rate	Fixed rate per MW of Non-Coincident Peak Load (NCPL)	FERC Electric Tariff No. 3, Section IV.A	ISO Schedule 3 Peak
NEPOOL Expenses	Annual fees and expenses	Mar-03	Monthly	System	Fixed Rate	Based upon customer size	RNA, Section 14	Annual Membership Fees; Participant Expenses

¹ This component listing is not exhaustive, but includes the concepts most common to customer bills.

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Allocated Components ²								
Cost Component	Concept	Start Effective	Interval	Level	Credit or Charge	Allocation Method	Reference	Billing Descriptor
Day-Ahead NCPC	First Contingency – Internal Locations	Mar-03	Daily	System	Charge	Share of DALO over all locations	MR-1, App. F, Sec III.F.3.2.4	NCPC Day-Ahead
	First Contingency – External Nodes	Jul-09	Hourly	Nodal	Can be either	Charges allocated to scheduled fixed exports at external node as defined by prevailing flow. Cleared Decrement bids eligible for credit.	MR-1, App. F, Sec III.F.3.2.4	NCPC Day-Ahead
	Second Contingency	Mar-03	Daily	Reliability Region	Charge	Share of Reliability Region DALO	MR-1, App. F, Sec III.F.3.2.5	NCPC Day-Ahead
Energy Obligation-Related Charges/Credits	Inadvertent Energy	Mar-03	Hourly	System	Can be either	Participant share of sum of Participant-level RT Generation Obligation (RTGO) and RTLO	M-28, Sec. 10.2.2	Energy Real-Time
	Emergency Energy	Mar-03	Hourly	System	Can be either	Negative Deviations from cleared DA amounts	M-28, Sec. 8.1	Emergency Purchases/Sales Adj.
	Marginal Loss Revenue	Jan-11	Hourly	System	Can be either	Share of Marginal Loss Revenue Load Obligation (MLRLO)	MR-1, Sec. III.3.2.1(m); M-28 Sec. 7.2.1	Energy Real-Time
Capacity	Capacity	Jun-10	Monthly	Capacity Zone	Charge	Customer Capacity Load Obligation in the Capacity Zone	MR-1, III.13.7.3	Forward Capacity Market Charge
Real-Time NCPC	First Contingency	Mar-03	Daily	System	Charge	Real-time Deviations (sum of absolute value of generation, increment, import and RTLO deviations)	MR-1, App. F, Sec III.F.3.1, Sec III.F.3.2.12-15	NCPC Real-Time
	Second Contingency	Mar-05	Daily	Reliability Region	Charge	Share of Reliability Region RTLO	MR-1, App. F, Sec III.F.3.2.16	NCPC Real-Time
Regulation	ASM Phase I – Service and Time-On Credits	Oct-05	Hourly	System	Charge	Adj. Reg. Obligation (RTLO, Regulation contracts)	M-28, Sec. 4.3.1(5)	Regulation
	ASM Phase I – Lost Opportunity Credits	Oct-05	Hourly	System	Charge	Net Regulation Purchase (Adjusted Regulation Obligation, Self Scheduled Regulation)	M-28, Sec. 4.3.1(7)	Regulation
Forward Reserve	ASM Phase II (Locational)	Oct-06	Hourly	Load Zone	Charge	RTLO Adjusted for RT Dispatchable ARD designated for reserves.	M-28, Sec. 2.6.2	Reserve Market
Real-Time Reserve	ASM Phase II	Oct-06	Hourly	Load Zone	Charge	RTLO Adjusted for RT Dispatchable ARD designated for reserves.	M-28, Sec. 2.6.3	Reserve Market

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Auction Revenue Rights	Zonal Load Asset	Mar-03	Monthly	Load Zone	Credit	RTLO in Monthly Peak Hour	MR-1, App. C, Sec III.C	LT/Month On/Off-Peak ARR Credit
	Asset Related Demand	Oct-06	Monthly	Node	Credit	RTLO in Monthly Peak Hour	MR-1, App. C, Sec III.C	LT/Month On/Off-Peak ARR Credit
GIS	Emissions Certificates	Oct-03	Monthly	System	Charge	GIS Load	Allocation of Costs Related to GIS	GIS Costs

Components of New England Wholesale Load Cost

Historical Settlement Rules

Calculated Components								
Cost Component	Concept	Start Effective	End Effective	Interval	Level	Rate	Quantity	Reference
ISO Schedule 2 – Energy Administration Service	Energy Transaction Unit	Mar-03	Mar-04	Monthly	System	Fixed Rate	Block Hours associated to Demand Bid, Decrement Bid, Bilateral Contract, and Exports plus count of Non-Zero RT (RTANI) Hours	ISO Tariff, Section IV.A

Cost Component	Concept	Start Effective	End Effective	Interval	Level	Allocation Method	Reference
Capacity	Transition Payment	Dec-06	May-10	Monthly	System	Adjusted UCAP Obligation, potential exposure to ICAP import contract penalty	M-20, Sec. 2.5
Capacity	Deficiency Auction	Mar-03	Nov-06	Monthly	System	\$/MW of pre-auction negative position divided by hours in the month	M-20 (Rev. 16), Sec. 4.12
Real-Time NCPC	Second Contingency	Mar-03	Feb-05	Daily	Region	NCPC Deviations	MR-1, App. F (12/13/04), Sec 3.2.8
Regulation	Pre-ASM Phase I	Mar-03	Sep-05	Hourly	System	RTLO	M-28 (Rev. 19), Sec. 4.3.1
Forward Reserve	Pre-ASM Phase II	Jan-04	Sep-06	Hourly	System	RTLO	M-36 (Rev. 6), Sec. 6.4
Day-Ahead NCPC	First Contingency	Mar-03	Jun-09	Daily	System	Share of DALO over all locations	MR-1, App. F, Sec III.F.3.2.4
Energy Obligation-Related Charges/Credits	Marginal Loss Revenue	Mar-03	Dec-10	Hourly	System	Share of RT Adjusted Load Obligation (RTALO)	MR-1, Sec. III.3.2.1(m) ; M-28 Sec. 7.2.1