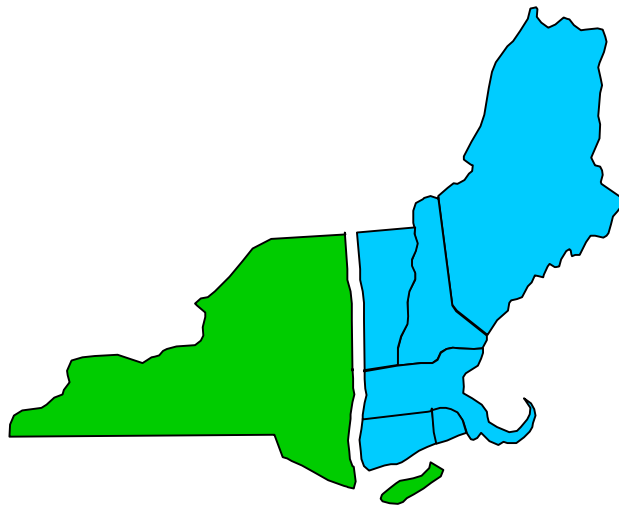


ITS Pilot Test



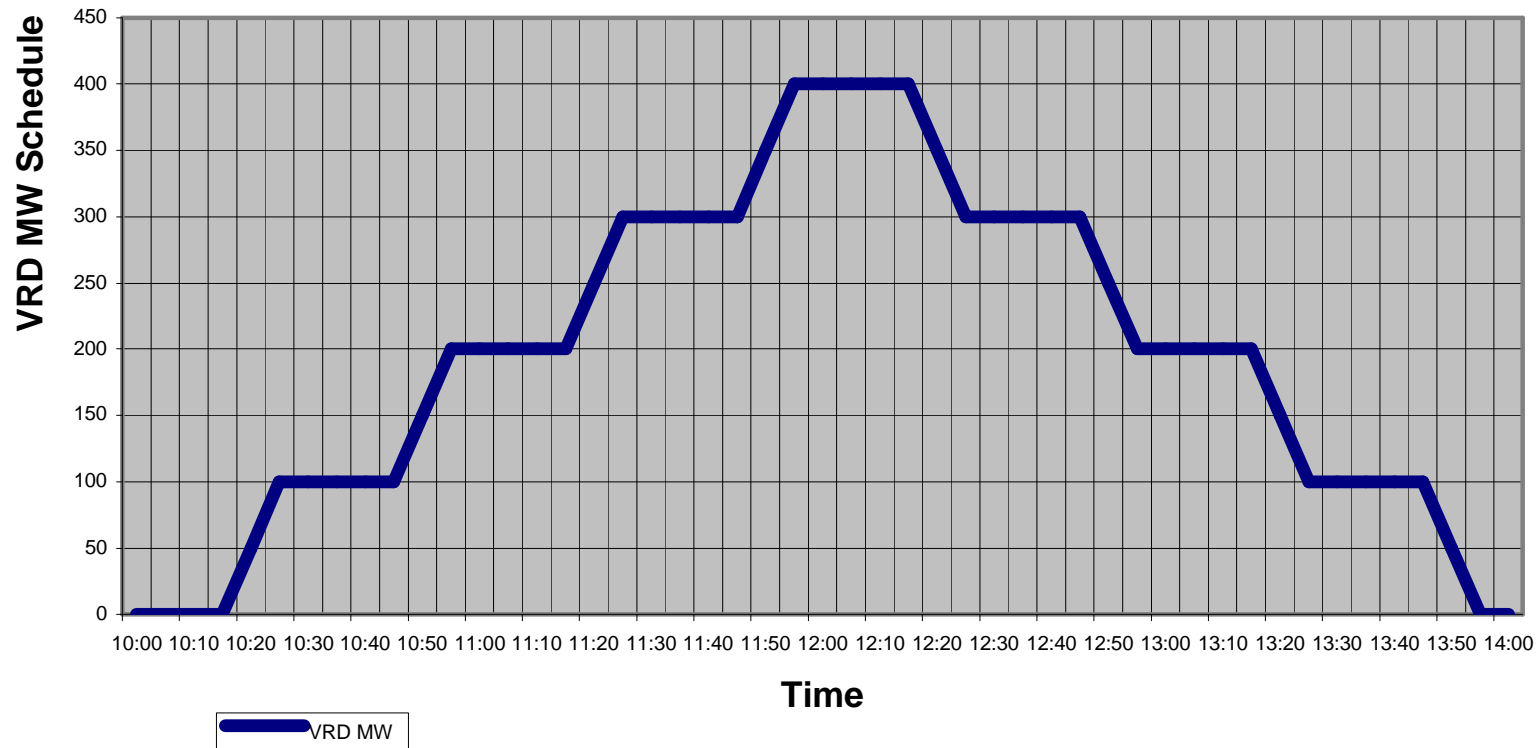
November 14, 2005 Joint Meeting
NYISO MSWG and ISO-NE Markets Comm.

ITS Pilot Test

- Pilot tests were conducted on
 - April 20, 2005 (NY? to? NE), and
 - April 21, 2005 (NE? to? NY)
- Originally scheduled for April 19th and 20th
 - Delayed due to unexpected transmission outage in New England.
- Tests were conducted between the hours of 10:00AM and 2:00PM

Interchange Adjustments

ITS MW Schedule During Four Hours
Starting at 10:00 AM and ending at 14:00 PM in the example

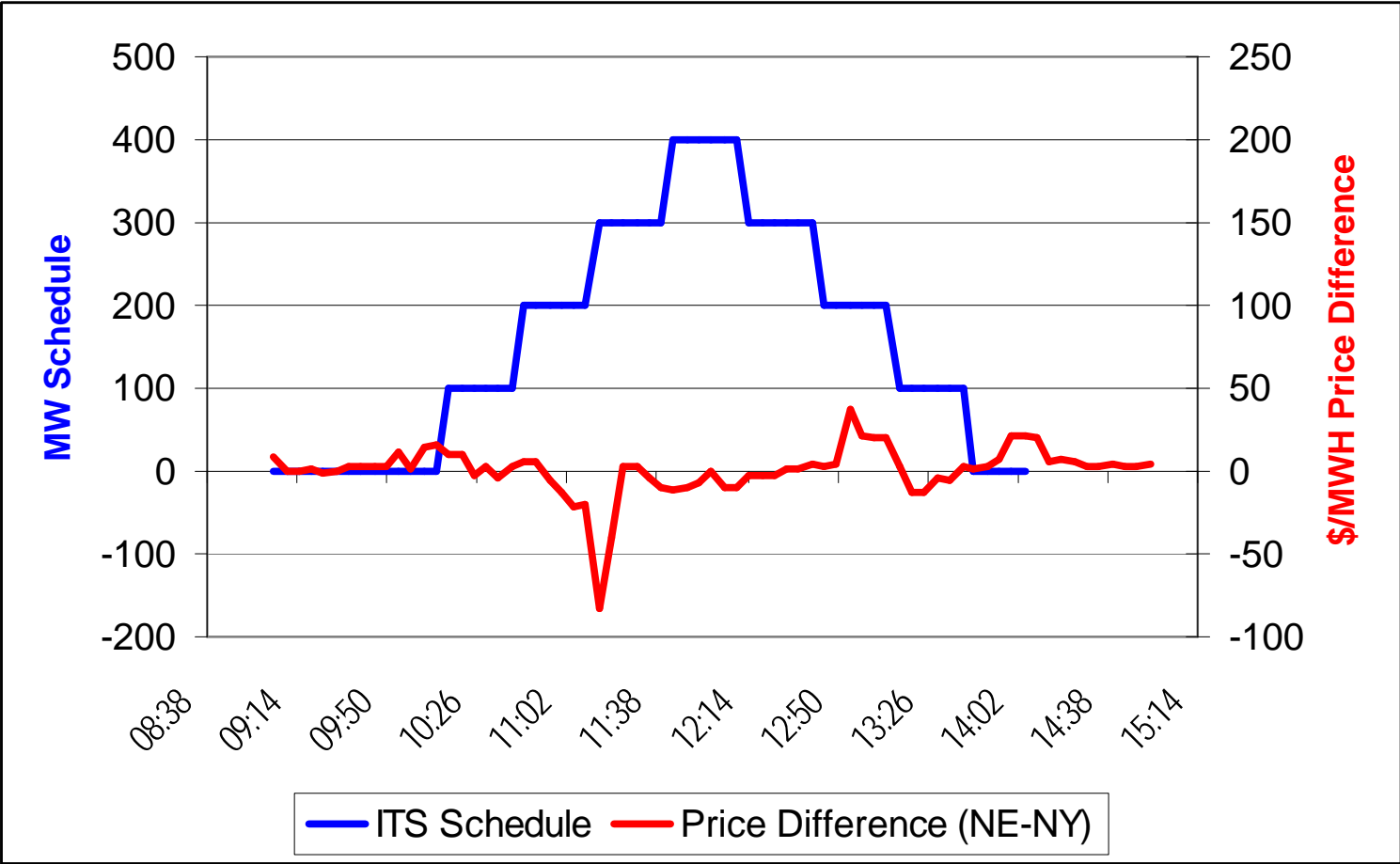


Test Conditions

- Conditions during testing were essentially normal
 - Test 2 was reduced to three hours due to price divergence
 - NY initiated one reserve pickup during test 2

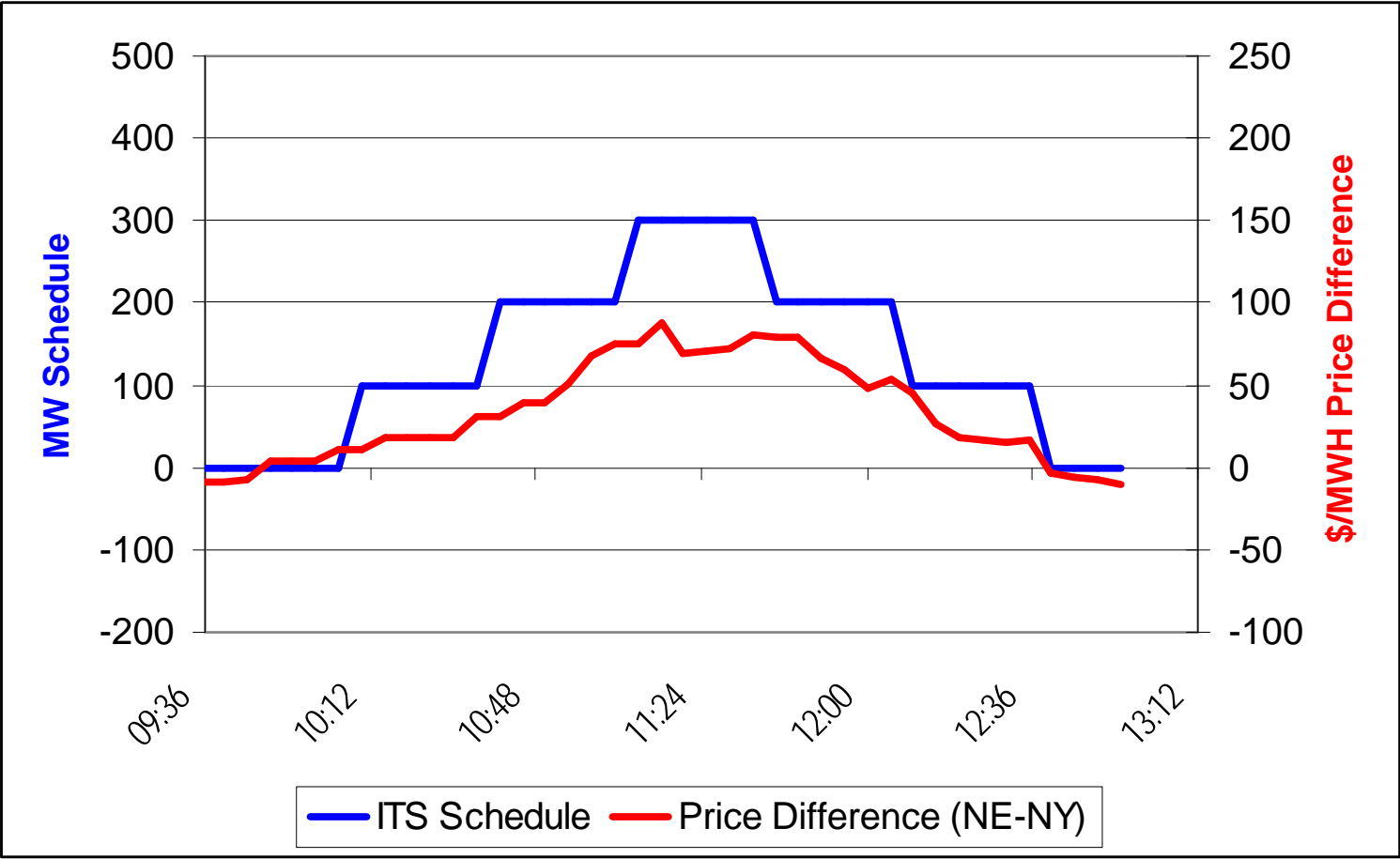
Price Difference During Test

April 20, 2005 (NY? to? NE)



Price Difference During Test

April 21, 2005 (NE? to? NY)



Conclusions & Observations

- The pilot tests showed nothing that was unexpected or startling.
- Was useful – conclusions, observations, and recommendations follow

Conclusions & Observations

- Control room tools and automation will be needed to provide clear and easily understood information about the current and expected ITS flows as well as tools to manage and control the process.

Conclusions & Observations

- Prices moved as expected. Even though this test did not attempt to control prices, prices reacted as would be expected to the flow changes.
- Impact on prices at other control area interfaces were too small to be assessed.

Next Steps

- The tests, though very limited, revealed no indications that an ITS form of interchange management is infeasible or impractical.
- The ISOs are making recommendations to participants in both markets on how to proceed through 2006.