

# FERC Order on Import Rights Review of Pro Rata Allocation

Business Issues Committee Review

October 11, 2006

# FERC Order: Import Rights

- ✓ **Order Issued on June 29**
  - *NYISO shall also consider whether external rights should be awarded on a pro rata basis among all bidders who submit bids within some interval rather than continue the allocation on an 'all or nothing' basis.*
- ✓ **Pro Rata Allocation Reviewed with ICAP Working Group on August 1 and with BIC on August 9**
- ✓ **Compliance Filing Made on August 28**
  - *Filing included a commitment to prepare and present specific ICAP Manual language that could be used to implement a pro rata allocation methodology*
- ✓ **Specific, Illustrative Pro Rata Proposal reviewed with ICAP Working Group September 26**

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## ✓ Pro Rata Allocation

- *Day 1: Requests submitted by email*
  - Cannot request Import Rights exceeding those remaining to be allocated from each Control Area
- *Day 2: Requests evaluated by NYISO staff*
- *End of Day 2: NYISO notifies submitters of status*
  - Accepted
  - Rejected
  - Prorated
- *If no prorating required, process ends as of Day 2*

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## ✓ Pro Rata Allocation (continued)

- *If prorating required*
  - Days 3 and 4: Customers may withdraw requests and submit new requests; prorating may again be necessary
  - End of Day 4: Pro rata awards become obligations if the submitter has not withdrawn its request
- *If a requester accepts obligation to supply ICAP on Day 1 (or thereafter), it will be protected against further subsequent proration*

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## ✓ Pro Rata Allocation Stages

- *First Stage: proration to meet the limits of individual external control area interfaces*
- *Second Stage: proration to meet the overall limit of imports into the New York Control Area*

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## ✓ BIC Vote

- *Determine whether or not to move to a pro rata allocation of import rights*
- *If BIC votes to move to pro rata allocation, the rules and manual language would need to be developed at the ICAP Working Group*