

Consumer Impact Analysis

*Tom Rumsey, Vice President- External Affairs
New York Independent System Operator*

Management Committee Meeting

July 27, 2011

Rensselaer, NY

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Consumer Empowerment Initiatives

Improved Transparency

- *Tech Conference on RTO/ISO Responsiveness*
- *Posting of BOD meeting minutes*
- *Ease of use of website*
- *Release of 90 day bid data*
- *FERC Metric Report*

Improved Coordination

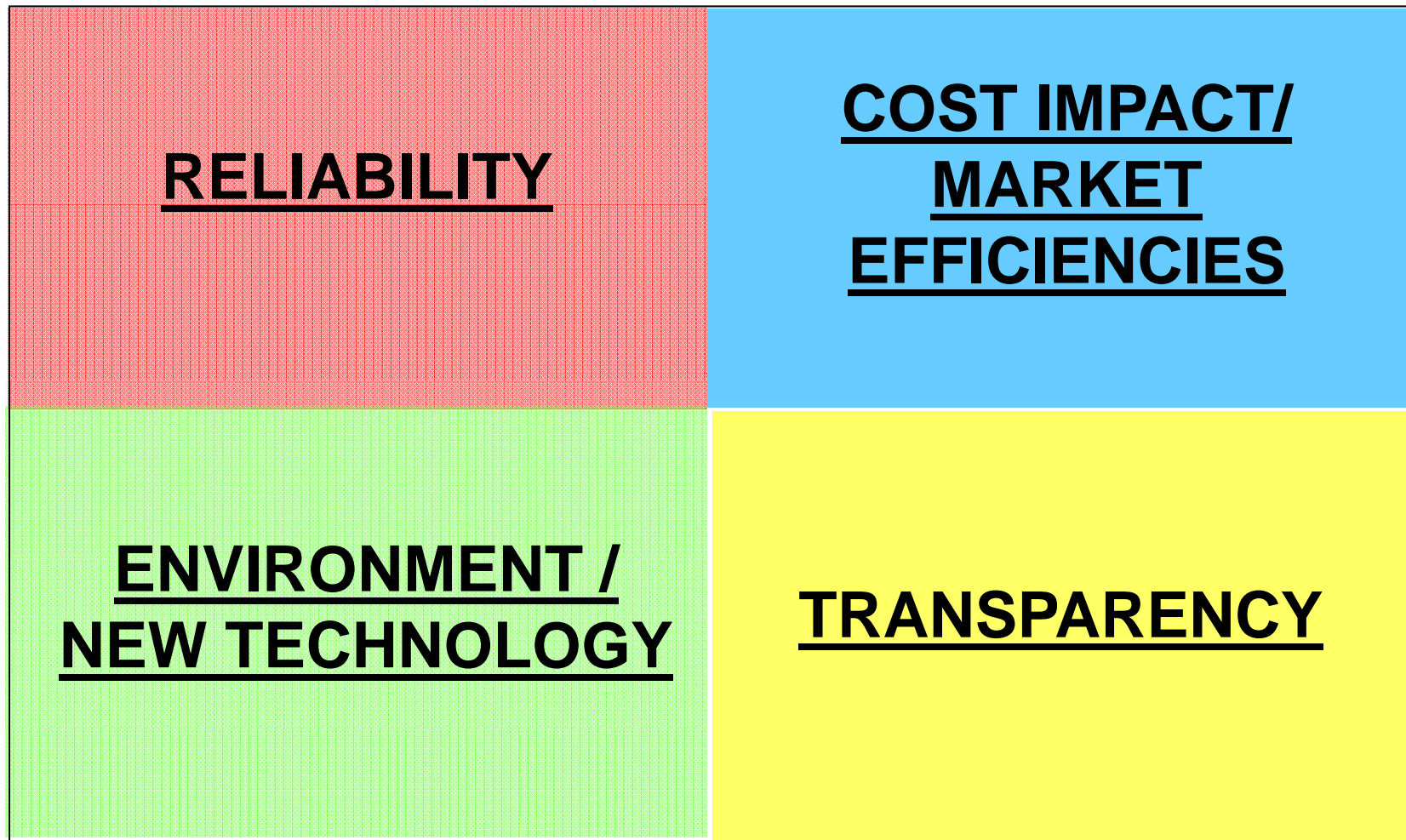
- *Consumer Advisory Council to BOD*
- *Update of Mission Statement*
- *Consumer Consultant*
- *Consumer Liaison*
- *Consumer Impact Analysis*

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Take-aways from the Benchmarking Study by The Analysis Group

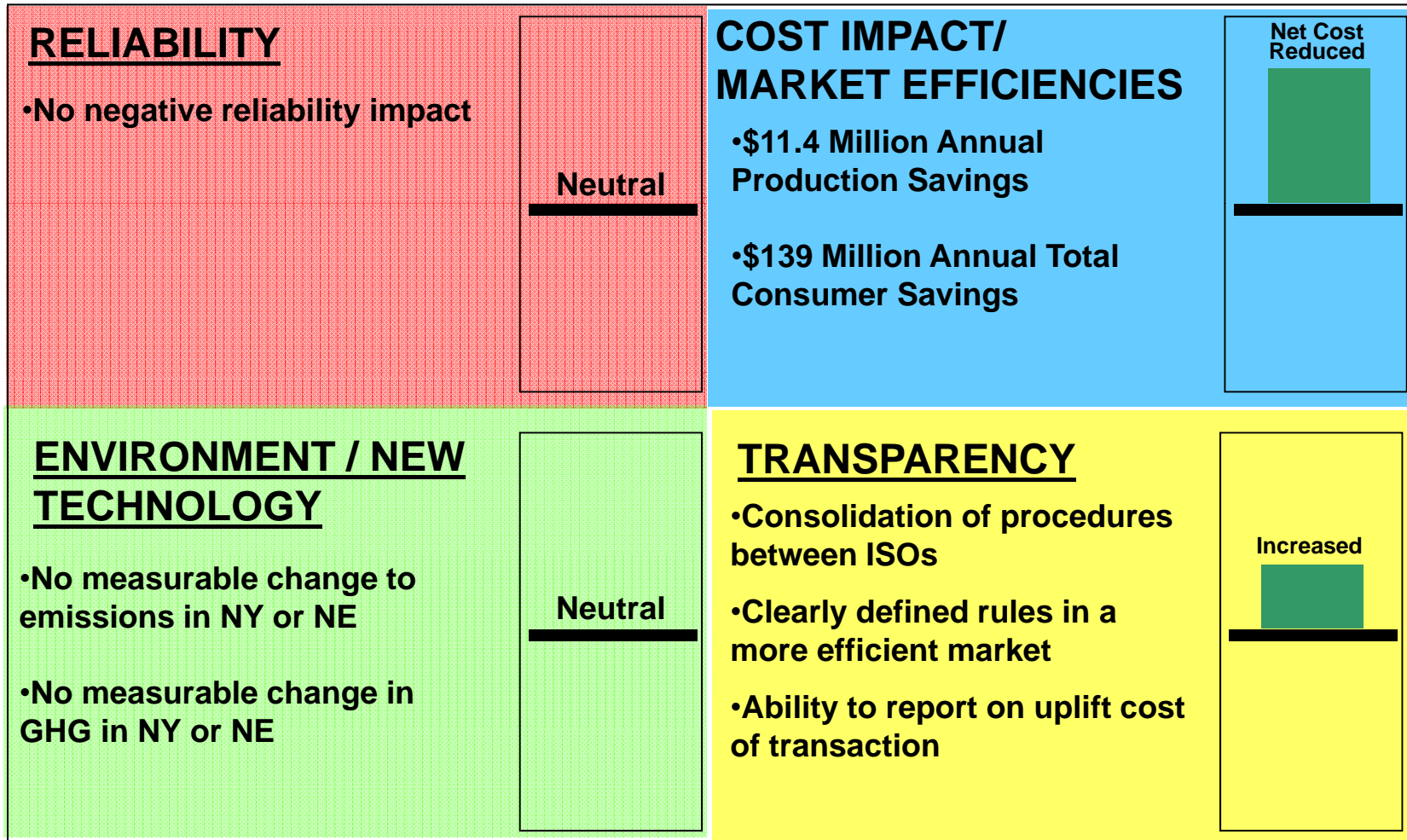
- ◆ **Identify threshold criteria for Impact Analysis (IA) and generally limit undertaking to those situations**
- ◆ **Include quantitative and qualitative analysis**
- ◆ **Formal process with flexibility to respond to stakeholders needs and changing circumstances**
- ◆ **Present stakeholders with analysis dashboard and provide backup data on analysis**

Consumer Impact Analysis (IA) Evaluation Areas



Consumer Impact Analysis (IA)

NYISO / ISO NE Coordinated Transaction Scheduling Hypothetical Output



Analysis Triggers

- ◆ **Anticipated net production cost impact of \$5 Million or more**
- ◆ **Expected consumer impact from energy or capacity market prices changes is greater than \$50 Million per year**
- ◆ **Incorporates new technology into NY Markets for first time**
- ◆ **Allows or encourages a new type or category of market products**
- ◆ **Creates a mechanism for out of market payments for reliability**

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Anticipated 2011 Impact Analysis Project List

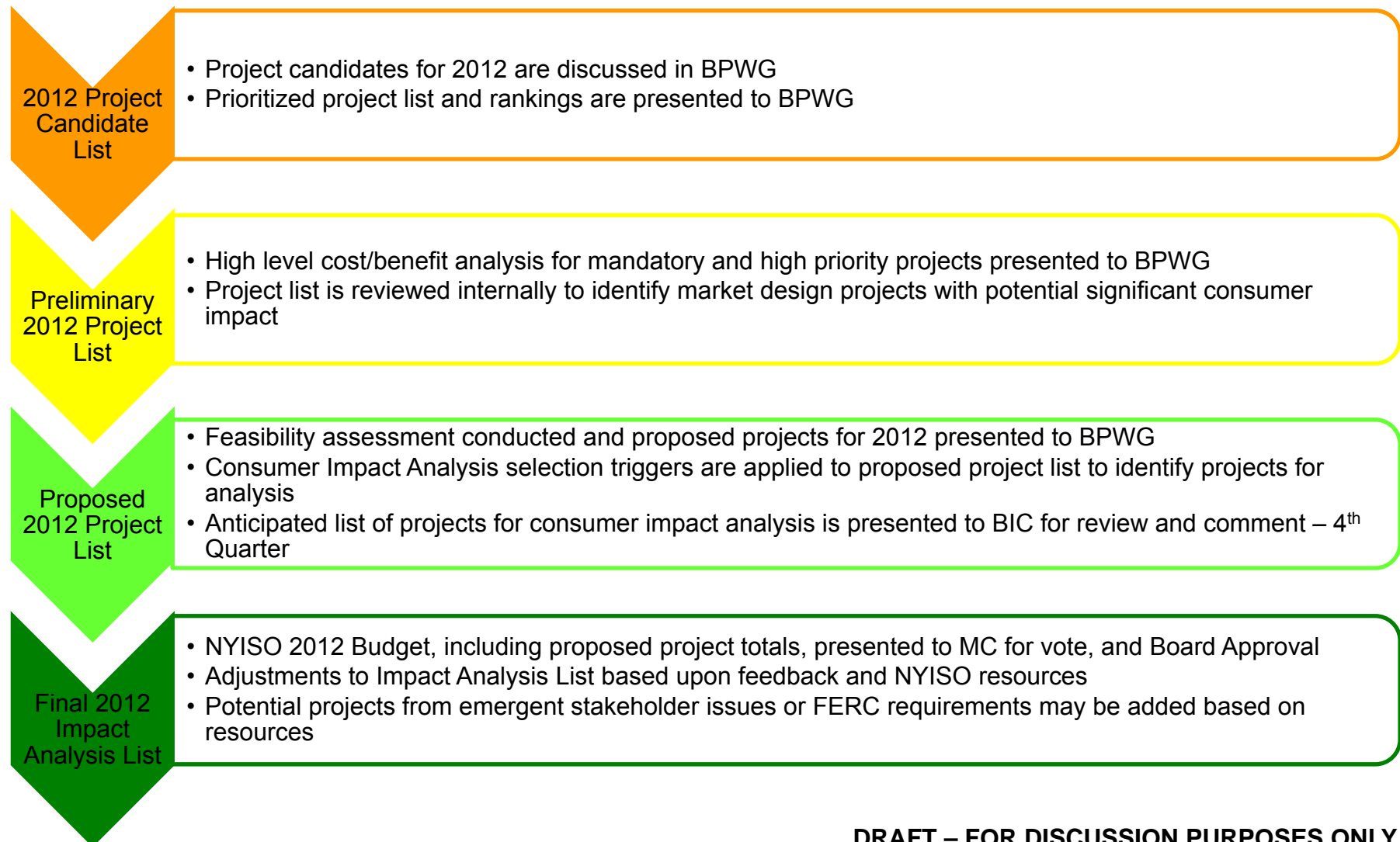
◆ **Inter- Regional Interface Scheduling (IRIS) – ISO NE / NYISO**

Projects for 2012 will primarily be identified from

- ◆ **Significant Market Design Concepts**
 - *approved in the budget process*
- ◆ **Emergent stakeholder issues**
- ◆ **FERC directives where the NYISO has implementation flexibility**
- ◆ **PSC proposals**

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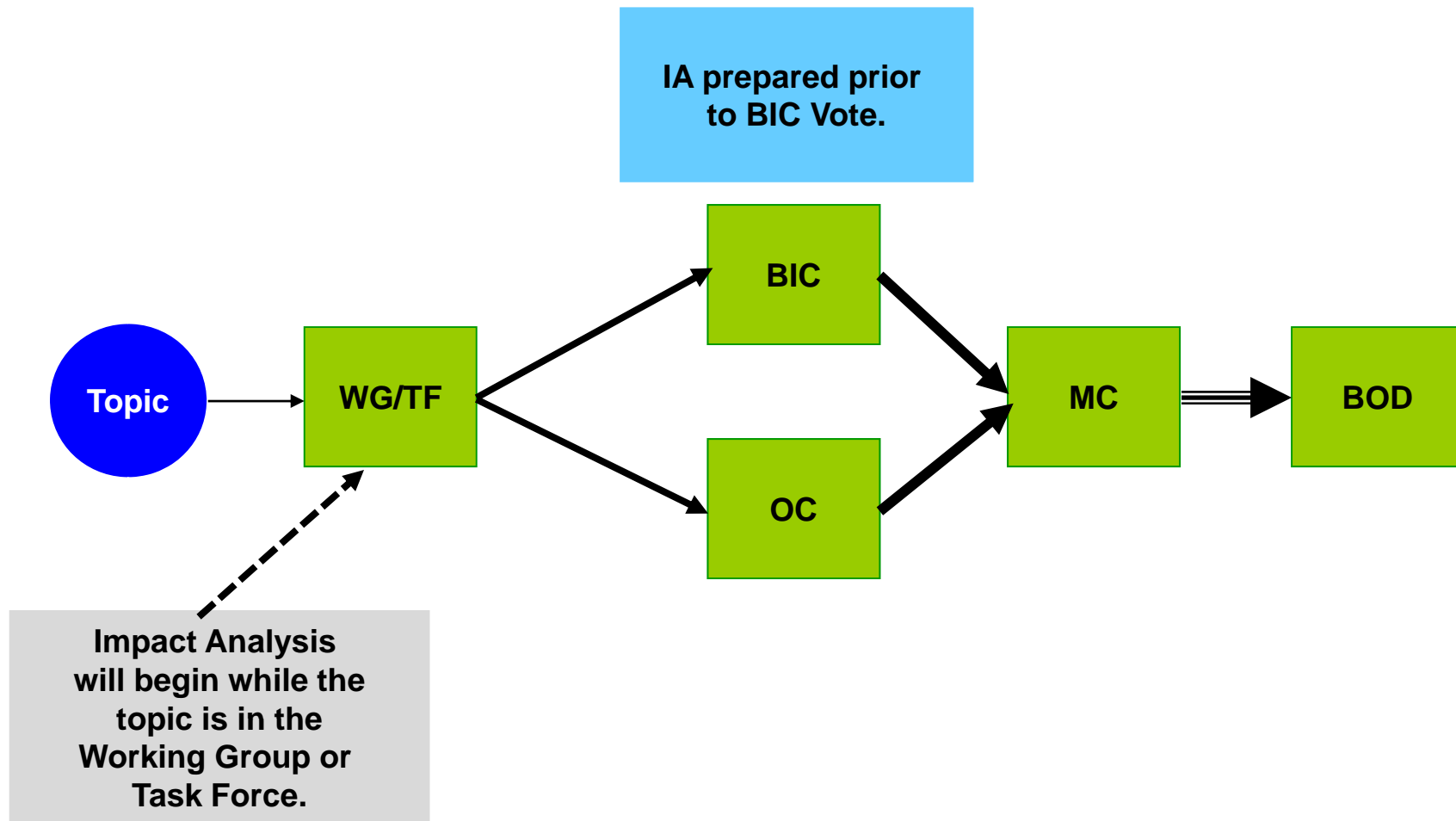
Example of Project Selection for Impact Analysis



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Impact Analysis - Process Map

NYISO SHARED GOVERNANCE PROCESS



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Impact Analysis Process Team

◆Project Executive Champions

Rana Mukerji and
Tom Rumsey

◆Process Owner

Consumer Liaison

◆Finance Rep

Mary McGarvey

◆Planning Rep

Henry Chao

◆Infrastructure Rep

Rich Dewey

◆Operations Rep

Rick Gonzales

◆Enterprise Services Rep

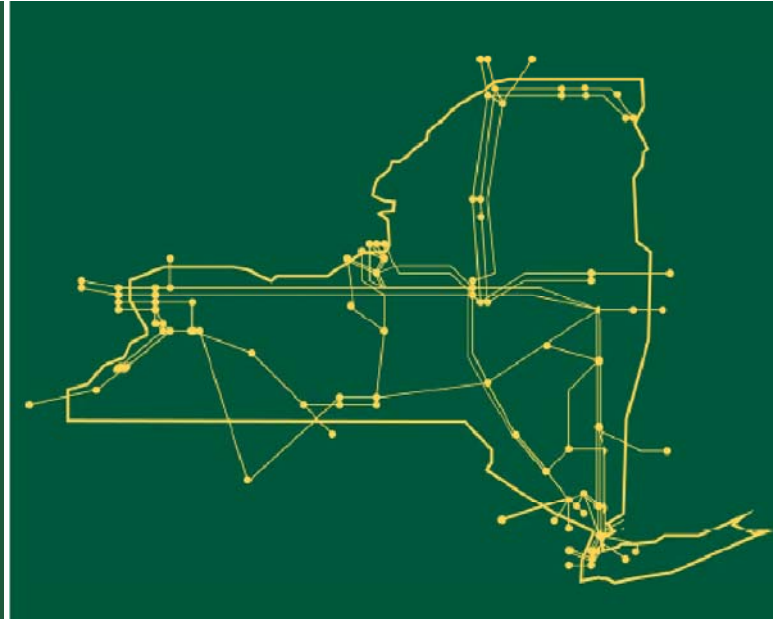
Wayne Bailey

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Summary

- ◆ **Impact Analysis Process Team will review after one year**
- ◆ **Guidelines identify when Impact Analysis will be performed**
- ◆ **Standard, yet flexible format providing quantitative and qualitative impacts**
- ◆ **Integrated into established processes for stakeholder review**
- ◆ **Overview and backup analysis to all market participants**

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.



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