

February 22, 2017 Management Committee Meeting
NYISO New Business - PJM's Proposal for Pro Forma Pseudo-Tie Agreements

- PJM recently asked NYISO to review its proposed *pro forma* pseudo-tie agreement that would apply to NYCA Generators that sell all or a portion of their capacity to PJM. We are separately and directly providing our feedback at this Management Committee meeting for our stakeholders.
 - The pseudo-tie agreement specifies that PJM will provide pseudo-tied generators commitment and dispatch instructions. The pseudo-tied generator will be committed and dispatched to meet PJM's needs, not the NYISO's.
- The NYISO has not obtained sufficient information to determine how pseudo-tie agreements might be implemented between NYISO and PJM, or how a pseudo-tied generator electrically located in New York would interact with the NYISO-administered markets and reliability functions. The NYISO is prepared to work with PJM to evaluate potential alternate solutions that would be acceptable to both ISOs.
- NYISO has concerns about using PJM's proposed pseudo-tie agreement for generators located in the New York Control Area.
 - The proposed pseudo-tie agreement appears to be inconsistent with the NYISO's tariffs and agreements. It also appears to be inconsistent with the Memorandum of Understanding that defines requirements and expectations for the exchange of capacity between the NYISO and PJM control areas.
- PJM's proposal also raises market efficiency and reliability concerns.
 - The pseudo tie proposal would reduce the efficiency of the NYISO's commitment and dispatch solutions because NYISO's dispatch would not be able to accurately incorporate the impact of the pseudo-tied generator's operation on congestion in New York.
 - Relinquishing operational control of a generator located in New York may compromise NYISO's ability to direct generator actions to address transmission security needs.

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- NYISO has added PJM's pseudo tie proposal to the February 28th MIWG agenda to allow time, if needed, for more discussion with stakeholders regarding these concerns.

Link to PJM Materials:

<http://www.pjm.com/forms/registration/Meeting%20Registration.aspx?ID={D7B191D3-11D9-41FA-AD78-8214680AFBA3}>