

Memo from Jim Scheiderich to be covered under New Business at 1/23 BIC Meeting

Date: 01/22/2002 03:03 PM
Subject: New Business Item

I had discussed this with a few of you last month and received favorable response so lets take it to the larger forum.

I am interested in doing all possible to reduce cross border transaction costs and to minimize scheduling issues. While we have worked on related issues at various of our working groups, it seems like it is time to broaden that horizon.

I am asking that the BIC consider a joint meeting with our NEPOOL counterparts on the Markets Committee with the goal of charging a Joint WG to tackle market issues as they relate to the NE-NY boundary.

The issues that could be considered by such a group include:

- application of appropriate share of ISO expenses to transactions - is it fair to ding transactions for rate Schedule 1 charges on both ends?
- eventual elimination of TSC/OutService charges so that power pays "generally" where it lands; TO concerns need to be recognized but the alternative is some mandated solution...
- review of ancillary service charges as to their applicability to exports; for example should an export from NY pay for reserves in NY and if that power is used for load in NE pay for reserves there as well?
- reduction in the HA "market" close times
- increase in the schedule changes from once per hour to four times per hour
- ability to schedule in close to the operating hour
- etc.

As you can see the list is long and other items certainly should be added. But we have to start some place.

Back to the beginning: a joint EMC/BIC meeting would have to be considered a special meeting (neither committee has near dates that could facilitate a meeting) AND if there is general consensus to launch a Joint WG to address issues such as suggested above, I do not believe that either governance process would have problems. Any recommendations that such a Joint WG would forward, would require the approval of both the EMC and BIC.

One possibility: the BIC could - at its next meeting - vote a resolution to establish such a group and suggest that NEPOOL act in a similar manner. This could then avoid the necessity(?) of a joint BIC/EMC meeting.

I would suggest that WG meeting alternate between Holyoke and Albany.

Jim

Agenda #12
Business Issues Committee – 1/23/02