

Resource Adequacy Market: RAM (JCAG) Update

NYISO BIC Meeting

Agenda #11

August 13, 2003

Background

- NYISO, PJM and ISO-NE made Joint FERC Filing – January 10, 2003
- CRM Group developed concept of Centralized Resource Market Model (CRM) – Proposed an Independent Study to determine optimum design and to minimize market power/gaming potential.
 - *RFP was issued in April 2003*
 - *Contract was awarded to NERA in June 2003*
- “Other Issues” were also identified. They are:
 - *Resource Characteristics and Qualifications*
 - *Demand Resources*
 - *Unit Testing Requirements*
 - *Credit Requirements for Forward Market*

RAM/CRM Proposal

- Central auction on behalf of all load - commit Resources & set Resources prices for a future commitment period (i.e. 1 year commitment, 3 years hence)
 - *Coordinated auctions for Northeast region*
 - *Minimize, but allow for, area differences*
- UCAP used throughout the region
- Resource requirements set well in advance
- All Resources shall be included; supply and demand
- Supports retail access programs
- Bilateral agreements encouraged
- All three Northeast ISOs would transition existing capacity markets to CRM

Other Issues

- **Resource Characteristics and Qualifications**
 - *Supply*
 - *Intermittence*
 - *Demand*
- **Demand Response**
- **Testing Requirements**
 - *Verification, DMNC Testing*
 - *Treatment of Externals – Deliverability, (Re)call*
- **Credit Requirements**

Schedule

- **“Other Issues” Groups now meeting**
- **Next RAM Meeting – September 8, 2003 – Hartford**
 - *NERA Progress Report*
 - *“Other Issues” group reports*
 - *Stakeholder Forum*
- **NERA Final Report – Late October - Early November**
 - *RAM Meeting – NERA to present Final Report*
 - *“Other Issues” teams present their Results and Recommendations*
- **November – December – ISO/Stakeholders develop tariff proposals**
- **February 28, 2004 – File Status Report with FERC (NY)**
- **Second Quarter 2004 - Individual Tariff Filings**
- **Second half of 2004 – Hold Initial Forward Auction(s)**