

Alternative Methods For Assigning Cost Responsibility for Locational Operating Reserves

Business Issues Committee

August 13, 2003

Agenda #15

Background

- FERC issued an Order on 7/1/03 which modified the market mitigation measures for the 10-minute non-synchronized reserves market
- The 7/1/03 Order also directed the NYISO to submit a timetable for implementing its self supply option within 60 days
- On 7/31/03, the NYISO filed a request for clarification and waiver or in the alternative, a request for rehearing

NYISO's Filing

- The NYISO asked FERC to clarify that the ability of market participants to self-supply operating reserves under RTS satisfies the 7/1/03 Order
- In the alternative, the NYISO sought rehearing if the Order was intended to require an additional self-supply option outside the RTS market structure
- At the request of market participants, the NYISO committed to facilitating discussions of alternative methods of assigning cost responsibility for locational operating reserves to LSEs and proposed submitting a status report to FERC in 90 days