



OATT Schedule 1 (S, SC, & D)

Presented by: Customer Settlements

January 2010

Description of Settlement

- Transmission Customers with Physical Transactions
- NYISO operating costs for scheduling, system control, and dispatch (S, SC &D) are allocated to Load Serving Entities (LSE), Transaction Customers (TC) (exports and wheel-throughs only) and Generators through charges under Schedule 1.
- The estimated annual NYISO operating costs are determined, then an OATT Schedule 1 Rate (\$/MWh) is determined using estimated load. This rate is then used over the year to recover the estimated annual NYISO operating costs.

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Description of Settlement

- Transmission Customers with Non-Physical Transactions
- The following Transmission Customers shall pay a Schedule One Charge:
 - Special Case Resources (SCR)
 - Emergency Demand Response Program (EDRP) participants
 - Virtual Transaction Customers
 - Purchasers of Transmission Congestion Contracts (TCC) created after January 1, 2010.
- These charges became effective on January 1, 2010

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Background

Schedule One Rates for 2010

Total NYISO Costs to be Recovered

NYISO Cost of Operations	\$137,917,303
FERC Fees	<u>\$ 11,206,119</u>
Total	\$149,123,422

Forecasted MWh Volumes

Load MWh Withdrawals	154,541,355
Export MWh Withdrawals	12,000,000
Wheelthru MWh Withdrawals	<u>825,000</u>
Total	167,366,355

Total Schedule One Rate for Physical Transactions

(\$149,123,422 / 167, 366,355 MWh) \$0.891/ MWh

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Background

Rate Schedule One for Injections

- Hourly Billing Units

LSE Actual Energy Withdrawals

TC Hourly Energy Schedules (Exports
and Wheelthrus)

- OATT Rate Schedule One Charge

80% of Total Schedule One Rate =

$$.80 * 0.891 = \$0.7128 / \text{MWh}$$

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Background

Rate Schedule One for Injections

- Hourly Billing Units

Internal Gens Actual Energy Injections

Imports Sched Energy Injections

- Imports include wheelthrus

- OATT Rate Schedule One Charge

20% of Total Schedule One Rate =

$.20 * 0.891 = \$0.1782 / \text{MWh}$

Note: Total Annual Injection Billing Units = Total
Annual Withdrawal Billing Units

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Rate Schedule One for SCR/EDRP Customers

- Hourly Billing Units

Tariff defines as Total Compensable Injection MWh

Implemented by measuring Load Reduction (MWh) calculated by Auxiliary Market operations (AMO)

- Schedule One Rate

\$0.1782/ MWh, same rate charged to physical injections, projected revenue of less than \$10,000

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Rate Schedule One for Virtual Customers

- Hourly Billing Units

Tariff defines as Total Cleared Virtual Bid
MWh

Implemented as the **Sum of Hourly Bill
Codes 412 and 414**

- Schedule One Rate

Tariff defined rate of \$0.065/ MWh, based
on a \$2.0 million projected annual revenue
requirement

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Rate Schedule One for TCC Customers

- Hourly Billing Units

Tariff defines as Settled Transmission
Congestion Contract MWh

Implemented as Hr TCC Capacity MW
an object found in DSS

(for contracts created after Jan 1, 2010)

- Schedule One Rate

Tariff defined rate of \$0.020/ MWh, based
on a \$6.7 million projected annual revenue
requirement

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Settlement Algorithm (Withdrawals)

Hr OATT Sched 1 Stlmnt :LSE (\$) =
(OATT Sched 1 Rate (\$/MWh) x
Hr RT LSE Load (MWh))

Bill Code 615

Bill Code 614

Bill Code 600

Hr OATT Sched 1 Stlmnt :TC (\$) =
(OATT Sched 1 Rate (\$/MWh) x
{Hr RT Export Trans :TC (MWh) +
Hr RT Wheel-Thru Trans :TC (MWh)})

Bill Code 615

Bill Code 614

Bill Code 601

Bill Code 602

**Hourly advisory is summed over all hours of the month to
obtain monthly invoice amount.**

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Settlement Algorithm (Injections)

Hr OATT Sched 1 Stlmnt :Gen (\$) =
(OATT Sched 1 Rate (\$/MWh) x
Hr Gen Meter Energy (MWh))

Bill Code 624
Bill Code 257
DSS object

Hr OATT Sched 1 Stlmnt :TC (\$) =
(OATT Sched 1 Rate (\$/MWh) x
{Hr RT Import Trans :TC (MWh) +
Hr RT Wheel-Thru Trans :TC (MWh)})

Bill Code 624
Bill Code 257
Bill Code 622
Bill Code 602

**Hourly advisory is summed over all hours of the month to
obtain monthly invoice amount.**

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Interim Settlement Process for Non-Physical Transactions

- The hourly billing units for an organization will be summed over the month
- The total organization monthly billing units will be multiplied by OATT Schedule One Rate to obtain OATT Schedule One Charge
- This process will be performed for virtual transactions, transmission congestion contracts and EDRP/SCR transactions
- A manual adjustment will charge Schedule One to that organization for all its non-physical transactions

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Interim Settlement Process for Non-Physical Transactions (continued)

- **January 2010 will be the first month for charging virtual transactions**
- **The first TCC contracts created after January 1, 2010 will occur during the February 2010 Reconfiguration Auction. These contracts will start getting charged in February 2010**
- **The first EDRP/SCR transactions will be charged 4 months after the winter test or four months after the first event whichever is sooner**

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Interim Settlement Process for Non-Physical Transactions (continued)

- **The total Schedule One charges for virtual transactions, TCC contracts and SCR/EDRP events will be summed over all organizations to create a pool of dollars**
- **80% of the dollars will be disbursed to the loads allocated using load ratio share of withdrawals by manual adjustment**
- **20% of the dollars will be disbursed to the generators allocated using load ratio share of injections by manual adjustment**

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January 2010 Example

- The first 10 days of virtual transaction results in January 2010 were obtained for analysis and extrapolated to the entire month for **demonstration purposes only**
- The total cleared MWh was 683,195 MWh which extrapolates to 2,117,905 for the entire month
- Using the Schedule One Rate of \$0.065/MWh, the total Schedule One charge was \$44,408 for the first ten days which extrapolates to \$137,665 for the entire month
- 80% or \$110,132 would be allocated to the withdrawals and 20% or \$27,533 would be allocated to the injections

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Next Steps

- **February BAWG presentation with TCC results included**
- **Future presentation with SCR/EDP results, when available**
- **Automate the virtual and TCC Schedule One charges subject to resource availability**
- **Automate the SCR/EDRP Schedule One charges after the SCR/EDRP settlement has been automated**

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Conclusion

Questions?

Conclusion