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Consumer Interest Liaison Weekly Summary

February 10 – February 14, 2013

Notices:

- *Due to a scheduling conflict with a full day EIPC meeting, the MC meeting scheduled for February 24 has been moved to February 27.*
- *The NYISO Market Training Department is offering a one day MT-101 Market Overview Course on Tuesday, March 11, 2014, from 8:30 AM to 4:30 PM at the NYISO at 10 Krey Boulevard Rensselaer, NY 12144.*
- *The NYISO Market Training Department is offering a three and a half day MT-201 New York Market Orientation Course (NYMOC). The course begins on March 18, 2014, and ends on March 21, 2014. On March 18-20 the course runs from 8:30 AM to 4:30 PM, and on March 21 the course runs from 8:30 AM to 12 Noon. It is being held at the NYISO at 10 Krey Boulevard Rensselaer, NY 12144.*
- *On 1/28/14, FERC issued a notice for a February 26, 2014 technical conference to discuss with interested parties whether or not to model Load Zone K as an export-constrained zone for future demand curve reset proceedings.*
- *Please note, due to external meeting conflicts, the February 26 EGCWG Meeting has been cancelled and will be rescheduled for a later date.*
- *As discussed in the February 19, 2014 PRL/ICAP meeting, an additional meeting has been scheduled for February 28 to continue the discussion on the proposed ICAP manual revisions related to the changes to concepts for the provisional ACL project.*

Meeting Summaries:

Monday, February 10, 2014

Market Issues Working Group

Discussion on Fuel Cost Recovery Waiver and Next Steps



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Robb Pike of the NYISO stated the NYISO is currently collecting data from the generators affected by high gas prices and the \$1000 bid cap. Data will be collected through the end of February, 2014. The NYISO will assess the data and schedule time in a working group or committee meeting in March to discuss the effect of the temporary waiver.

Comprehensive Shortage Pricing Review Update: Scarcity and Shortage Pricing

Ethan Avallone of the NYISO presented an update on the comprehensive shortage pricing review. The NYISO committed to provide an evaluation of zonal reserve market clearing prices during scarcity events and a comprehensive review of reserve pricing under shortage and scarcity conditions. The anticipated outcome of these commitments is to provide information and, if necessary, prioritize any identified opportunities related to scarcity pricing. Mr. Avallone listed potential issues and opportunities:

- The locations for which reserves are procured
- The reserves (type and amount) procured for those locations
- The reserve demand curve MW and value set points
- The implementation and triggering of scarcity pricing

Based on the feedback received to date, the NYISO proposes to work through the selected topics listed in order below:

1. The implementation and triggering of scarcity pricing
2. Assess the location for which reserves are procured
3. Assess the type and amount of reserves procured for reserve regions
4. The reserve demand curve MW and value set points

At a future MIWG, the NYISO will present the analysis and review the recommendations with a comprehensive shortage pricing review and concept due on June 30, 2014.

Stakeholder feedback is requested throughout this review process. To see Mr. Avallone's complete presentation, please see:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-02-10/Comprehensive%20Shortage%20Pricing%20Review_MIWG_Feb%20FINAL.pdf

Number of Centralized TCC Auction Rounds

Pradip Ganesan of the NYISO presented the proposed 2014 study on the number of rounds in a Centralized TCC Auction with the following objectives:

- *Determine the number of auction rounds required for suitable price discovery*
 - *Can suitable price discovery be quantified by measuring price convergence?*
 - *What is the correct price to measure against?*
- *The impact on net TCC auction revenue as it relates to reducing the number of TCC auction rounds per product*

Mr. Ganesan explained that the historical Centralized TCC Auction round data will be utilized in two proposed study approaches:

- *First approach will analyze whether net auction revenues are greater in the later auction rounds than in the first auction round of the same sub-auction.*



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- *Second approach will analyze whether net auction revenues are higher in auctions with a larger number of rounds.*

Mr. Ganesan requested stakeholder feedback on the two proposed study approaches as well as alternative study approaches stakeholders wish to be considered. Comments can be sent to deckles@nyiso.com. To view Mr. Ganesan's presentation, please see: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2014-02-10/Number%20of%20Centralized%20TCC%20Auction%20Rounds%20-%20MIWG%20021014.pdf

Wednesday, February 12, 2014

Business Issues Committee

Motion #1:

Motion to approve the Minutes of the December 2013 and January 2014 BIC meetings

Motion passed unanimously.

Motion #2:

The Business Issues Committee (BIC) hereby approves revisions to the Installed Capacity Manual as presented at the February 12, 2014 BIC Meeting.

Motion passed by majority with abstentions.

Motion #3:

The Business Issues Committee (BIC) recommends that the Management Committee approve the proposal "Defining Outage States to Include Mothball Outage; including the accompanying tariff revisions," as presented to, and discussed at, the Business Issues Committee this February 12, 2014; provided, however, that the tariff revisions shall remain subject to further discussion and potential modification based on discussions at the Business Issues Committee prior to the Management Committee's consideration of this proposal. And as further amended by the following:

The Business Issues Committee hereby authorizes the NYISO to further revise the NYISO tariff so that a Market Participant with a Generator in Mothball Outage or ICAP Ineligible Forced Outage that has Commenced Repair in accordance with applicable provisions of Section 5.17.1.4 of the Services Tariff and the estimated return to service date occurs after the date the outage would expire then the outage and its CRIS rights will be tolled until either: i) the Repair Plan has been completed and the Generator returns to service; or ii) the ISO has determined that the Market Participant has ceased or unreasonably delayed the repair of its Generator; provided, however, that in no event shall such tolling exceed a period of 120 days beyond the date the Generator's CRIS rights would have otherwise expired. The ISO will determine if a Market Participant has unreasonably delayed the repair of its Generator if such delay would not have been included in a Credible Repair Plan from a supplier experiencing the situation which caused the Market Participant to delay the repair of its Generator.



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Motion passed with 73.12% affirmative votes.

Motion #3A:

Motion to amend motion 3 to include:

The Business Issues Committee hereby authorizes the NYISO to further revise the NYISO tariff so that a Market Participant with a Generator in Mothball Outage or ICAP Ineligible Forced Outage that has Commenced Repair in accordance with applicable provisions of Section 5.17.1.4 of the Services Tariff and the estimated return to service date occurs after the date the outage would expire then the outage and its CRIS rights will be tolled until either: i) the Repair Plan has been completed and the Generator returns to service; or ii) the ISO has determined that the Market Participant has ceased or unreasonably delayed the repair of its Generator; provided, however, that in no event shall such tolling exceed a period of 120 days beyond the date the Generator's CRIS rights would have otherwise expired. The ISO will determine if a Market Participant has unreasonably delayed the repair of its Generator if such delay would not have been included in a Credible Repair Plan from a supplier experiencing the situation which caused the Market Participant to delay the repair of its Generator.

Motion passed with 65.60% affirmative votes.

Thursday, February 13, 2014

Operating Committee

Motion #1:

The Operating Committee (OC) hereby approves the meeting minutes from January 16, 2014.

The motion passed unanimously by show of hands

FERC Filings

February 14, 2014

MISO, SPP, CAISO and NYISO late filed joint motion to intervene and comment in support of PJM request for clarification of order accepting NYISO's prohibited securities tariff language

February 10, 2014

NYISO filing of a document-less motion to intervene in the PJM Regional Transmission Expansion Plan

FERC Orders

February 12, 2014

FERC letter order accepting OATT revisions to allow early termination of incremental transmission contracts ("TCCs") and to eliminate the restriction on sales of certain incremental TCCs



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February 11, 2014

FERC order denying NYISO's request for an extension of time, suspending the fourth directive and directing compliance within 10 days of the first three directives in its November 21, 2013 order regarding the scaling factor used in applying the mitigation exemption test to Hudson Transmission Partners

Link to FERC Filings and Orders:

http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp