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End Use Summary

May 21 - May 25, 2012

Items of Interest

- The front walkway at the NYISO's Krey Blvd facility will be closed starting on **Wednesday, May 30, 2012** due to the construction progress. Access to the front entrance will be from the temporary blacktop walkway from the parking area.
- The New York Independent System Operator (NYISO) will offer an opportunity in June for individuals to learn more about New York's competitive wholesale electricity markets and power system operations.

The NYISO will offer its four-day New York Market Orientation Course on June 5 - 8, 2012. This course is geared toward active or prospective participants in New York's wholesale electricity markets. Attendees will receive instruction in the purchase and sale of energy, capacity and related market products.

The registration fee for the Market Orientation Course is \$1,450, with a government rate of \$350. The fee covers the cost of the training sessions and materials. Breakfast and lunch will be provided each day, and there will be a dinner reception for registrants on June 6. Use the link below for further information:

http://www.nyiso.com/public/markets_operations/services/market_training/course_details/index.jsp?course_id=61

- The 2012 Spring Economic Conference is being held at the NPCC offices in New York City on June 7, 2012, from 11:00 AM until 3:00 PM. For those unable to attend in-person, a NYISO WebEx option will be available.

Representatives from Moody's Analytics will present the National Economic



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Outlook and the NY State Economic Outlook. After these presentations, the Load Forecasting Task Force will meet to discuss current and upcoming activities. The agenda for LFTF business will follow in a separate email.

The NYC offices of NPCC are located at:

*Northeast Power Coordinating Council, Inc.
1040 Avenue of the Americas-10th floor
New York, New York 10018-3703
Phone: 212-840-1070 / FAX: 212-302-2782*

The NPCC conference room seats approximately 25 people. For security reasons, visitors will need to obtain visitor badges in the lobby of the NPCC offices. Those planning to attend in-person should contact Arvind Jaggi of NYISO at AJaggi@nyiso.com no later than **Friday, June 1**. Please contact Arvind if you have additional questions. Arvind can be reached at 518-356-7594.

Meeting Summaries:

Monday, May 20, 2012

Budget & Priorities Working Group

2011 Budget & Actual Results

The NYISO presented the 2012 Budget vs Actual analysis. The NYISO reported that as of May 12th, Rate Schedule one (RS1) recoveries for May are estimated to be approximately \$400,000 under budget. The NYISO stated that if the under collections continue through the summer, discussions would begin concerning the possible steps to compensate for the under collection of RS1. The allocation of RS1 costs to non-physical market activity is on target. The NYISO agreed to present a sensitivity analysis representing the RS 1 estimated volume statistics at the next BPWG meeting.

2012 Project Schedule & Milestone Status Update

The NYISO provided an overview of the impact of Order 755, a FERC mandate, on this year's resources. Complying with the FERC Order required significant software changes and incurred 10,000 additional hours of development and testing to support the October 2012 delivery. This resulted in the realignment of NYISO staff and the reprioritization of several 2012 approved projects. The following projects have been reprioritized:

- Enhanced Scarcity from 3rd Quarter to 4th Quarter



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- eTariff Public Website Module from 2nd Quarter to 4th Quarter
- Ancillary Services Mitigation from 4th Quarter to 2013 1st Quarter
- Scheduling and Pricing Graduated Transmission Demand Curve from 4th quarter to 2013 2nd or 4th Quarter
- DSASP Direct Communications from 4th Quarter to 2013 1st Quarter
- Transaction Credit Enhancements from 4th Quarter to 2013 2nd Quarter.
- HTP Controllable Tie Line from 4th Quarter to 2013 1st Quarter

The NYISO reported that projects rescheduled to 2013 will be included in the 2013 Budget Process.

2013 Project Prioritization and Budgeting Process

The NYISO presented a high level timeline for the 2013 Project Prioritization and Budgeting process. The NYISO presented the 2012 – 2014 Product plan showcasing the NYISO Strategic Initiatives and FERC Orders. The next step is to present preliminary projects candidates at the June BPWG meeting. The NYISO requested stakeholders to submit project candidates to Debbie Eckels, deckles@nyiso.com, by June 1st.

Tuesday, May 21, 2012

Installed Capacity Working Group

DRIS June 2012 Deployment: Event Notification

The NYISO reviewed the process that it uses to communicate event notices to Special Case Resource/Emergency Demand Response Program participants. The event notification is conducted via phone and email. The NYISO stated the only change to the notification process is that participants are now required to log into the DRIS system. The Retex system will no longer be utilized. Training for the DRIS system is planned for June 8th 1:30 PM – 2:30 PM and June 14th 10:00 AM – 11:00 AM.

The NYISO stated that it would consider the request to post to the NYISO website when notices are sent using the DRIS system.

New Capacity Zone Mitigation Proposal

The NYISO reported that the New Capacity Zone compliance filing with FERC is due by June 30, 2012. The NYISO plans to propose in the filing market power mitigation tariff provisions to apply to any New Capacity Zones. The NYISO reviewed the proposed revisions to the following sections from the Market Services Tariff (MST): Section 2, Attachment H, and Attachment O.



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In Section 2 of the MST, the NYISO reported that the added language used to define "Locality" is to clarify that Transmission Districts do not line up with load zones. The NYISO agreed to review the suggestion to remove the reference to Transmission Districts. Also, included in this section was the new definition Mitigated Capacity Zone, which is defined as NYC and any Locality added on or after March 31, 2013..

The NYISO agreed to review and clarify the wording regarding transfers of CRIS to Attachment S of the Tariff. The NYISO also agreed to revise the language to address the grandfathering of existing SCRs from mitigation. The NYISO also agreed to provide an example and time line of how a project would move through the Class Year process and buyer-side mitigation determination processes under the proposal.

Draft Schedule for Demand Curve Reset

The NYISO reviewed the draft schedule for the Demand Curve reset process, which includes reviewing the RFP scope and selecting the Demand Curve consultant. The draft schedule provides for the contract for the consultant will be in place by October 31, 2012. Once the consultant is retained, the first date in the Demand Curve reset process is November 15, 2012 with initial assumptions and methodology provided to stakeholders and ends with the Board of Directors issuing the final Demand Curve recommendations on November 13, 2013. Please see the discussion material for a full description of the draft Demand Curve reset timeline.

Proposed Buyer Side Mitigation Measures for Increase CRIS Requests

The NYISO reviewed the proposed revisions to definitions to the Market Services Tariff Attachment H Section 23.2 definitions and 23.4 Installed Capacity Mitigation. The NYISO stated the next step is to take the revised tariff language to the June BIC meeting.

Wednesday, May 23, 2012

Electric System Planning Working Group

Topology

The NYISO reviewed the proposed changes to the New York Control Area (NYCA) transmission system representation intended to be used in the 2013 IRM study and 2012 RNA study. The NYISO agreed to review the possibility of performing an analysis to determine the risk, if any, primarily in the NYC area that is placed on the 138 kV system as a result of the recent retirements.

2011 CARIS Lessons Learned

The NYISO presented the 2011 CARIS lessons learned to address comments received at the last ESPWG meeting. The lessons learned are broken up into three



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main categories: Modeling, Procedures and Changes to the tariff. The NYISO agreed to return to an upcoming ESPWG meeting with a presentation demonstrating how generator availability is determined in MAPS runs. The NYISO also agreed to review the hurdle rates at the end of each initial MAPS run to determine if there is a need to adjust the hurdle rate to accurately reflect the LBMP prices that essentially reflect gas prices. The NYISO agreed with the suggestion to establish a proxy for transmission interface capability based on historic outages and derate by determining the seasonal average using historical data to establish interface limits in the DAM. The NYISO proposed to consider improvements to the demand response and energy efficiency solutions in the next CARIS cycle consistent with the anticipated FERC Order 745 decision. The decision may require demand response to be modeled differently as a result of the proposed dynamic offer floor.

Draft Gas Price Forecast for CARIS 2 Study

The NYISO presented an update to the forecast of gas prices intended to be used in the CARIS 2 study. The forecast is based on the Energy Information Administration's annual forecast.

2012 RNA Study Scenarios

The NYISO presented the proposed 2012 RNA scenarios. The proposed scenarios are:

- Retirement of Indian Point Plant,
- High load,
- Low load with a full energy efficiency programs achieved by 2015,
- zones at risk A – F, GHI, J, K
- the retirement of all coal units in located in NY by year end 2015.

Stakeholders supported the proposed five studies and recommended studying a combination of the scenarios, such as high load with the loss of the Indian Point Plant. The NYISO agreed to consider the suggestion.

Thursday, May 24, 2012

Market Issues Working Group

2011 State of the Market Report – Follow up

Potomac Economics returned to discuss follow up questions posed at the last MIWG meeting.

2012 State of the Market Report – 1st Quarter

Potomac Economics provided a review of the NY market for the first quarter in 2012.



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FERC Filings

May 21, 2012 –NYISO filing of an answer to the April 20,2012 complaint by Astoria Generating Company. Docket No. EL12-58-000.

May 23, 2012 –NYISO supplemental comments updating information provided in its May 18, 2012 Motion to Intervene with Supporting and Explicatory Comments regarding NYPA's tariff waiver request. Docket No. ER12-1806-000.

FERC Orders

May 22,2012 –FERC order granting on limited basis NYISO's petition for declaratory order concerning the recovery costs associated with phase angle regulator transmission facilities that have been allocated to NYISO. Docket No. EL12-38-000.