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End Use Summary

May 7 - May 11, 2012

Items of Interest

- 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 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.

- As discussed during the April 26, 2012 Market Issues Working Group, the NYISO is implementing improved constraint modeling of the West Zone 230kV transmission system in the Day-Ahead and Real-Time markets. This change will be effective for the market day May 16, 2012.



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- [*"Power Trends 2012: State of the Grid"*](#), the annual review of the forces and factors affecting New York state's electric system, has been posted. Please use the hyperlink to view the document.

"The state of the grid is good, and the near-term outlook for New York's electric system is positive. However, a complex array of factors affecting future supply and demand requires close attention. *Power Trends 2012* is intended to enhance understanding and promote awareness of the issues facing New York's energy future," said Stephen G. Whitley, NYISO president and CEO.

- Please note that there have been some changes to the May PRLWG meeting schedule. The May 15 MIWG will be a Joint MIWG/PRL to discuss DSASP Aggregation, it is expected this item will be discussed in the afternoon. The May 22 ICAP meeting will be a Joint ICAP/PRLWG to discuss the DRIS Event Notification Project and it is expected this item will be covered in the morning. And finally, there were two meetings listed on the calendar, May 24 (listed as tentative) and May 31. Both have been cancelled and the group will now meet on May 22.

Meeting Summaries:

Monday, May 7, 2012

Black Start Task Force

Proposed Black Start Changes for Con Edison Plan

The NYISO presented the proposed changes to the Con Edison Black Start program. The proposed changes will affect the requirements for generating facilities in the



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Con Edison transmission district that are capable and eligible to provide the Black Start service. One of the major changes is that new or repowered units will be required to have black start capability and provide black start service upon a finding by Con Edison that the unit would provide a material benefit to system restoration, unless it is infeasible for the unit to have black start capability. This determination will be made early in the interconnection process and is subject to NYISO review.

Units identified for participation will be assured full recovery of related costs. Due to the revised participation requirement, Con Edison has proposed changes to compensation intended to fully recoup costs using a standard rate that does not require individual rate cases, unless it is an exceptional case. The proposed black start service rate will be based on just and reasonable costs as the service is paid for by the loads. The current black start service rates have not been updated since they were established in 2005.

The NYISO with its economic consultant, NERA, have identified ISO-NE's cost recovery model to be appropriate to replicate. ISO-NE's model is FERC approved, based on engineering cost study of incremental equipment and incremental O&M costs needed to provide black start service using today's technologies and lastly uses the Long Run Incremental Costs (LIRC) which are the changing costs that a company can somewhat foresee and that can be accounted for. The current compensation range for Con Edison's black start plan is between \$4 million - \$5 million. Assuming all existing units remain in the Con Edison black start plan, the estimated range for the proposed compensation is between \$12 million - \$20 million. The next step is to bring this proposal to vote at the BIC and OC on May 16.

FERC Filings

May 4, 2012 – Third Party Complaint v. NYISO regarding capacity resource interconnection service value. Docket No. EL12-000.



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May 8, 2012 – NYISO Motion to intervene and comment regarding Service Agreement #1837 between Con Edison and NYPA. Docket No. ER12-1624-000.

FERC Orders

May 8, 2012 – FERC letter order accepting a compliance filing regarding market participant verification of risk management policies and procedures. Docket No. ER11-3949-004.

May 8, 2012 – FERC letter order accepting Services Tariff Attachment J DAMAP revisions to align tariff with settlement code, market design and current practice. Docket No. ER12-1215-001.