



End Use Weekly Summary

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Items of interest:

- NYISO upgraded the Load Forecaster software on Tuesday, February 7. The new software will improve the real time forecasting methodology. For information on the new software, please refer to the February 2, 2012 MIWG presentation titled "New Forecasting Method for Real-Time Dispatch and Commitment" which can be found at http://www.nyiso.com/public/committees/documents.jsp?com=bic_miwg&directory=2012-02-02.
- Erin Hogan, representing NYSERDA in the NYISO governance process, will be co-chairing the upcoming joint Inter-regional Planning Task Force (IPTF)/ESPPWG meeting on February 27, 2012 beginning at 11:00 a.m. at the NYISO's Krey Corporate Center to discuss FERC Order 1000. Order 1000 is a Final Rule that reforms the Commission's electric transmission planning and cost allocation requirements for public utility transmission providers. The rule builds on the reforms of Order No. 890 and corrects remaining deficiencies with respect to the transmission planning processes and cost allocation methods. Meeting material will be posted within a few days of the meeting date.



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Meeting Notes:

Monday, February 6

Budget Priority Working Group

- 2012 Project Milestones
NYISO reviewed the status of the 2012 Projects.
- 2011 Project Milestones
NYISO reviewed the 2011 Project deployments noting that the DSASP Aggregation and Phase 4 ITC with NE were delayed. These projects are planned for completion in 2012.
- 2011 Budget vs. Actual
NYISO reported on the 2011 Budget vs. Actual

Tuesday, February 7

Electric System Planning Working Group

- 2011 CARIS Report Update
2011 CARIS report was reviewed for final preparation to be presented at BIC.
- 2011 Q4 Energy Efficiency Update
NYISO provided a summary of the 2011 Energy Efficiency Program results for each New York utility and NYSERDA. NYISO summarized the market and impact evaluation calculation and provided the results for LIPA, NYSERDA and National Grid Refrigerator and Freezer Recycling Program part of the Evaluation Advisory Group Workshop. NYISO plans to apply these results to subsequent forecasts to obtain a more accurate net forecast for system planning. NYISO summarized the PSC Order for EEPs for 2012 – 2015 and noted that money is allotted through 2015 for the programs conducted by the utilities and NYSERDA. The Order includes the savings goals by program for each utility and NYSERDA.
- Recent Developments in US EPA Regulations
NYISO provided an update on the Cross State Air Pollution Rule (CSAPR). It was



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reported that a federal court has stayed the CSPAR rule on December 30, 2011, pending an appeal, with the hearing anticipated in April 2012. The previous environmental standard, CAIR, continues to remain in effect. NYISO provided an overview of the Mercury and Air Toxic Standards (MATS) which establishes limits for the emission of mercury; acid gases and non mercury toxic metals from coal and oil fired electric generating units. This rule is effective in 2015 Q1 with the possibility of one year extensions to complete technology retrofits. NYISO reported that this rule could affect 16 NYCA coal plants and 31 oil/gas plants with a combined total of 14,300 MW. The USEPA cost impacts have been estimated to increase retail prices by up to \$.03/kwh.

- Attachment Y Clean Up

NYISO provided a summary of the changes being made to Attachment Y and Rate Schedule 10. These changes include edits to improve the overall consistency of the terms used, improve the organization of the document, and clarify intent of the text.

Thursday February 9

MMA Task Force

- Discuss Improvement to Reference Consultation Process

NYISO reviewed the charter for the Task Force with the stakeholders. The objective of the Task force is to improve the timeliness, transparency, efficiency and robustness of reference price process. The goals for the task force are to develop a process that addresses the mutual needs of MPs and NYISO in administering reference level process and to develop operational metrics that monitor success of the process in achieving the stated objective. A technical bulletin outlining the process accompanied with a more detailed Reference Level guide are the planned deliverables; they are expected in late March. NYISO is reviewing stakeholder suggestion to incorporate the resulting processes into the Tariff. Stakeholders stated that reviewing the steps of the process and the required documentation will raise substantive and policy questions regarding the NYISO's development of reference levels. Discussions with stakeholders are ongoing.



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FERC Filings

February 8, 2012 – A Response by PJM Interconnection, LLC and the NYISO to the January 20 2012 Motion to Intervene and Protest of the PSEG Companies (Docket No. ER 12-718-00)

NYISO and PJM filed a response to correct statements that the PSEG Company made in its January 20 2012 filing. PSEG questioned the mitigation measures applied to generators that are being redispatched to address congestion in the neighboring market. The NYISO and PJM stated that PSEG inaccurately suggested that M2M dispatch is “interregional dispatch”. Generators within NYISO or PJM that are redispatched as part of the M2M coordination to manage external constraints will be redispatched exactly as they are to manage internal constraints. Therefore, the RTO dispatching the generator must continue to utilize its market power mitigation rules to ensure that the generator is not exerting market power. The same cost capping or mitigation measures will be applied to generators that are redispatched to provide M2M coordination as are applied to generators that are redispatched to manage internal congestion within the NYISO or PJM footprint.

PSEG also suggested that the NY markets rules allow for hourly real time bids to incorporate updated fuel prices whereas the PJM market rules do not distort prices in PJM. Both PJM and NY agree that the fundamental philosophy behind the M2M transmission congestion coordination process that is set forth in the RTOs’ proposed revisions to the PJM-NYISO JOA is to allow transmission constraints that are significantly impacted by generation dispatch changes in both the NYISO and PJM markets or by the operation of the Ramapo PARs to be jointly managed in the real-time security-constrained economic dispatch models of both RTOs utilizing each RTO’s currently-existing market rules to: (1) effectuate a more efficient and lower cost transmission congestion management solution, and (2) facilitate price convergence at the market boundaries.



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