

Product Enhancement Update

PPT – August 2, 2006

Agenda

- ◆ Current project status report
- ◆ 2007 Project Budget Planning
 - *Business Drivers*
 - *Project Identification / Estimating Process*
 - *Candidate Projects*
- ◆ Feedback

Status of Current Projects



2006 Major Product Enhancements

Description		Status and Milestone Deliverables
Energy Marketplace Product Enhancements		
A767	MIS Enhancements: Comprehensive Bid Management System	<p>Status: This project is in the concept development phase and will be formally initiated in the first quarter of 2006.</p> <p>Deliverables: This project will upgrade the web-based application structure to replace existing applications by allowing common components to support current application functionality and future strategic functional growth. One of the deliverables will be the implementation of a more flexible and reliable application architecture for the market applications. This project is part of a multi-year effort that will lead to a replacement of the Market Information System (MIS) and related bidding and scheduling applications.</p>
	Enhanced Price Validation	<p>Status: This project is in the concept development phase and requirements phase. Concept and design work will continue through the first quarter of 2006; development progress will be dictated by various factors including regulatory process, technical feasibility, and resource constraints. The project will entail a multi-phase, multi-year implementation of tools to enhance the price monitoring, reservation and correction processes for the NYISO markets.</p> <p>Deliverables: The NYISO has investigated known causes of pricing errors, and has taken a systematic approach to determine features and functions that can significantly enhance the price validation process. Product enhancements are proposed to implement proactive price monitoring, improved price reservations, and enhanced price corrections. Additionally, the NYISO will continue to aggressively pursue resolution to any issue that causes pricing errors.</p>
A769	Enhanced Scheduling of Combined Cycle Units	<p>Status: This project is in the concept development phase. Concept and design work will continue in 2006; development progress will be dictated by various factors including, regulatory process, technical feasibility, and resource constraints.</p> <p>Deliverables: Market Participants have historically expressed concern that NYISO does not model or schedule combined cycle generating units to their most efficient capabilities, thus impacting both real-time operations and market outcomes. This project will deliver a scheduling software solution and network modeling optimization for combined cycle generating units. Software may perform 15-minute economic dispatch scheduling for nominally off dispatch units during the real-time commitment execution and reflect those schedules into the real-time dispatch process.</p>
A706	Intra-Hour Transaction Scheduling (ITS)	<p>Status: This project is in the concept development phase. Concept and design work will continue in 2006; development progress will be dictated by various factors including, regulatory process, technical feasibility, and resource constraints.</p> <p>Deliverables: In 2005, the NYISO conducted a pilot project to assess the ability to evaluate and schedule intra-hour transactions and to identify any operational issues with scheduling. Additional work in 2006 will be based on the outcome of the pilot program, however, it is not assured that any significant software development will be completed in 2006.</p>

View Separate Handouts

2007 Budget Planning – Business Drivers

- ◆ Excellence in Execution
 - *Corporate Process Quality Initiative*
- ◆ Multi-year Infrastructure Upgrades
 - *Settlement System Replacement*
 - *Comprehensive Bid Management System*
- ◆ Regulatory / Compliance Initiatives
 - *Demand Response for Ancillary Services*
- ◆ Pricing and Billing Accuracy

2007 Project Budget Planning – Process

- ◆ Identify key business drivers
- ◆ Validate previous commitments / assumptions
- ◆ Provide initial candidates for review / discussion
 - *Internal NYISO business owners*
 - *Market Participants*
- ◆ Determine resource capacity
 - *Consider baseline work and infrastructure projects*
- ◆ Finalize candidate set of projects

2007 Product Enhancement Candidates

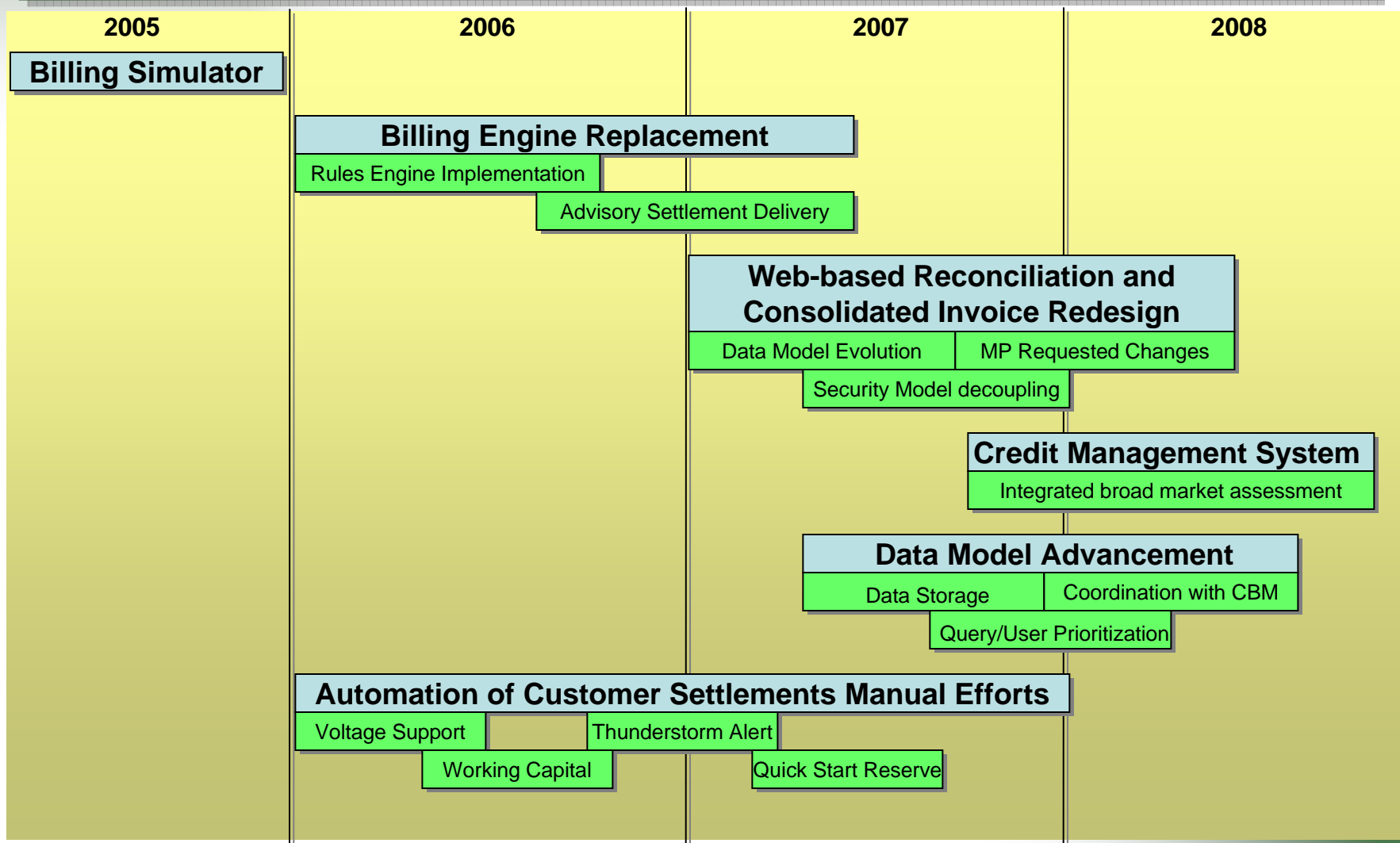
Products & Enhancements	Concept Development	Feasibility and Design	Product Development	Product Launch
Energy Marketplace Products				
Comprehensive Bid Management	⊗	⊗	⊗	Partial
Enhanced Price Validation	⊗	⊗	⊗	⊗
SASref Replacement	⊗	⊗	⊗	⊗
Wind Forecasting System	⊗	⊗	Under Review	Under Review
Financial Self Supply of Reserves	⊗	⊗	Under Review	Under Review
Netting of Bilaterals	⊗			
Auxiliary Market Products				
ICAP Auction Automation – Phase 2	⊗	⊗	⊗	⊗
Demand Response for Ancillary Services	⊗	⊗	⊗	⊗
TCC Marketplace Products				
TCC Auction Automation – P2 (Database)	⊗	⊗	⊗	⊗
TCC Auction Automation – P3 (Bidding)	⊗	⊗	Under Review	Under Review

2007 Product Enhancement Candidates (Cont.)

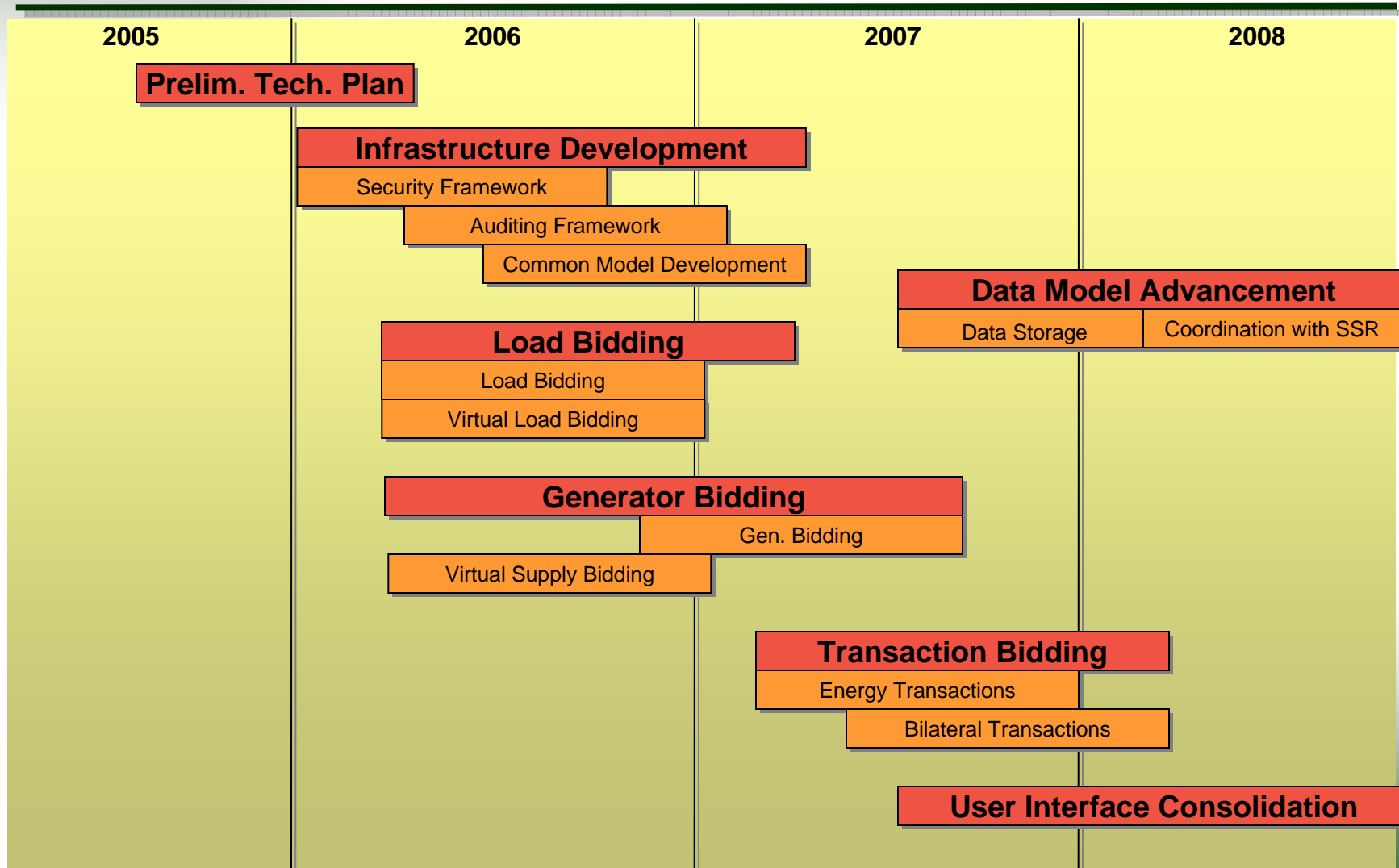
Products & Enhancements	Concept Development	Feasibility and Design	Product Development	Product Launch
Operations and Reliability Products				
Automate Outage Schedule Reporting	⊗	⊗	⊗	Partial
Integrate SRE / OOM Applications	⊗	⊗	⊗	Partial
Controllable Tie Line Additions	⊗	⊗	⊗	Partial
Financial Service Products				
Billing Engine Replacement	⊗	⊗	⊗	⊗
Web-Based Rec. Redesign	⊗	⊗	⊗	⊗
Settlements Data Retention	⊗	⊗	⊗	⊗
Billing Settlements Automation	⊗	⊗	⊗	Partial
Business Intelligence Products				
Pricing Data Mart	⊗	⊗	⊗	⊗
Real-time RANGER Data Availability	⊗	⊗	⊗	⊗
Market Monitoring Analysis Data Mart	⊗	⊗	⊗	Partial

Appendix

Settlement System Replacement



Comprehensive Bid Mgmt. System



Technology Infrastructure Upgrades

