

Testing Exemption – Once Again

Management Committee

November 29, 2006

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Previously:

- ♦ The BIC, the MC and the Board approved a set of tariff amendments to provide an exemption from persistent under-generation penalties for generators in Testing Periods.
- ♦ Before tariff language was distributed and approved, the proposal was discussed as being similar to the exemptions provided to Generators in “Start-up and Shutdown Periods.”
- ♦ The tariff amendments for Testing Periods are not perfectly symmetrical with the provisions available to generators in Start-up and Shutdown Periods. The Testing Period amendments do not amend the definition of the term “Compensable Overgeneration” to provide payment for all Energy produced during the Testing Period.
- ♦ There is no valid reason to exclude payment for Energy produced during Testing Periods and the NYISO proposes to further amend the tariff to provide for such payment.

Proposed Revision

2.23a Compensable Overgeneration

A quantity of Energy injected by a Supplier, over a given RTD interval, that exceeds the Real-Time Scheduled Energy Injection established by the ISO for that Supplier and for which the Supplier may be paid pursuant to ISO Procedures, provided that the excess Energy injection does not exceed the Supplier's Real-Time Scheduled Energy Injection over that interval, plus a tolerance. The tolerance shall initially be set at 3% of a given Supplier's Normal Upper Operating Limit and may be modified by the ISO if necessary to maintain good Control Performance.

For Generators operating in Start-Up or Shutdown Periods, and Testing Periods, Compensable Overgeneration shall mean that quantity of Energy injected by a Supplier, over a given RTD interval, that exceeds the Real-Time Scheduled Energy Injection established by the ISO for that Supplier and for which the Supplier may be paid pursuant to ISO Procedures.

Next Steps

- ♦ The NYISO is willing to present this proposal directly to the Management Committee on November 29 for consideration by the MC.
 - *We do not know whether there is a Dec. Board meeting – if there is no meeting, the NYISO will bring the proposal to BIC and the MC in December for approval.*
- ♦ The filing would be no later than the January Board meeting with a request for a 2/1/07 effective date to match the earlier filed provisions for Testing Period.
- ♦ We will proceed to file the currently approved tariff amendments by 12/1/06.