

Improved PJM Proxy Bus Scheduling and Pricing

**Market Issues Working Group
January 17, 2007**

Outline of Today's Presentation

- ◆ Review “Next Steps” from Previous Discussions
- ◆ Proposed Stakeholder Process
- ◆ Documentation of Proposed Changes
- ◆ Implementation Status and Schedule
- ◆ Next Steps

Next Steps from 11/21/06 MSWG

- ◆ Solicit stakeholder input on proposal
 - *Accomplished through 11/21/06 meeting*
- ◆ Obtain stakeholder consensus on proposal
 - *An objective for today*
- ◆ Determine potential implementation timeframe
 - *Will review today*

Stakeholder Review Process

- ◆ NYISO has determined that a tariff change is not required for this change
 - *Tariff does not detail the phase angle regulator modeling assumptions for calculating prices at conventional external proxy busses*

- ◆ NYISO currently reports status of the PJM Proxy Bus Pricing Issue to FERC through the quarterly seams report
 - *Future updates will reflect ongoing implementation progress*

- ◆ Proposed stakeholder review process will be pursued in NYISO working groups.

Proposed Stakeholder Process Schedule

◆ MSWG	.....	Nov. 21, 2006
◆ MIWG	.....	Jan. 17, 2007
◆ SOAS	.....	Jan. 24, 2007
◆ BIC	.....(Update).....	Feb. 7, 2007
◆ OC	.....(Update).....	Feb. 8, 2007
◆ MC	.....(Update).....	Feb. 21, 2007

Documentation of Critical Parameters

- ◆ The new parameters associated with the revised PJM Proxy Bus Pricing and Scheduling methodology are identified herein and will be subsequently incorporated into the appropriate operating manuals, including the **Day Ahead Scheduling Manual** and the **Transmission & Dispatch Operations Manual**.

- ◆ PJM-NYISO Interconnection definitions:
 - *JK Interface: (2) Ramapo-S.Mahwah 345kV interconnection facilities*

 - *ABC Interface: (2) Farragut-Hudson & (1) Linden-Goethals 345kV interconnection facilities*

 - *Branchburg- Ramapo Interconnection: (1) Branchburg- Ramapo 500kV interconnection facility*

Documentation of Day-Ahead Market Parameters

- *Day-Ahead Market: SCUC desired flows will be established for the ABC/JK/5018 interconnections based on:*
 - ***Con Edison Day-Ahead Market hourly election for the “600/400MW Contracts”***
 - ***13% of the Day-Ahead Market PJM-NYISO hourly interchange will be scheduled on the ABC interface***
 - ***-13% of the Day-Ahead Market PJM-NYISO hourly interchange will be scheduled on the JK interface***
 - ***40% of the Day-Ahead Market PJM-NYISO hourly interchange will be scheduled on the Branchburg-Ramapo Interconnection***

Documentation of Real-Time Market Parameters

- *Real-Time Market: RTC/RTD desired flows will be established for ABC/JK/5018 interconnections based on:*
 - *Current level of ABC/JK/5018 power flows (based on telemetered PAR MW values) and;*
 - *13% of the expected schedule changes to PJM-NYISO interchange within the next two and one-half hour scheduling horizon will be scheduled on the ABC interface*
 - *-13% of the expected schedule changes to PJM-NYISO interchange within the next two and one-half hour scheduling horizon will be scheduled on the JK interface*
 - *40% of the expected schedule changes to PJM-NYISO interchange within the next two and one-half hour scheduling horizon will be scheduled on the Branchburg-Ramapo Interconnection*

Operational Analysis of Critical Parameters

- Operating Protocol for the Implementation of Commission Opinion No. 476 defines the critical parameters for the ABC Interface and JK Interface as follows:
 - ***13% of the PJM-NYISO hourly interchange will be scheduled on the ABC interface***
 - ***-13% of the PJM-NYISO hourly interchange will be scheduled on the JK interface***

- Branchburg-Ramapo Interconnection (1000MW capability) is conservatively modeled to ensure feasible operating schedules at the PJM to NYISO scheduling limit of 2500MW.
 - ***40% of the PJM-NYISO hourly interchange will be scheduled on the Branchburg-Ramapo interface***
 - **1000MW / 2500MW = 0.40**

Implementation Status and Schedule

- ◆ Design of the necessary ABB software change has been completed
- ◆ Implementation effort has been assessed and is currently being scheduled
- ◆ Targeting a Q2 2007 deployment
 - *Not before June 1, 2007*
 - *Currently on schedule*
 - *Two week notice to stakeholders prior to implementation*
 - *Specific deployment date to be determined as Q2 software release schedule is finalized*

Next Steps

- ◆ Continue software implementation effort
- ◆ Stakeholder review and Committee discussion per proposed schedule
- ◆ Continued status updates through seams report

Questions / Discussion
