

## **Business Issues Committee**

March 17, 2004 Meeting

Motion - Agenda #07

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Motion to approve modifications to the NYISO Ancillary Services Manual as presented to the Business Issues Committee on March 17, 2004, as described below.

### **Section 4.1. Description**

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The NYISO establishes the regulation and frequency response requirements consistent with criteria established by NERC which may vary by hour and by season. Seasonally, the NYISO shall post the hourly regulation and frequency response requirements and, prior to the start of the season, shall present the regulation and frequency response requirements to the SOAS for discussion and comment. The seasonal requirements are to be defined for four periods consisting of each April & May, June through August, September & October and November through March. Should the NYISO determine that it intends to establish regulation and frequency response requirements for any hour that are lower than any requirement for that hour in the seasonal regulation and frequency response requirements published as of March 1, 2004, it shall present, prior to posting, its analysis and the revised requirement to the Operating Committee for approval. Should the NYISO determine, for reliability reasons, that it intends to establish regulation and frequency response requirements for any hour that are higher than the requirement for that hour currently in effect, it shall raise the requirement, issue a notice as soon as possible, repost the hourly regulation and frequency response requirements for that season, and discuss its adjusted regulation and frequency response requirement for that hour at the next regularly scheduled Operating Committee meeting. **Shortly after the end of each Seasonal period, the NYISO shall present SOAS with an analyses of the regulation performance for that period.** The NYISO also establishes generation resource performance measurement criteria and procedures for bidder qualification and for the disqualification of bidders that fail to meet such criteria.

### **Section 4.3. Scheduling of Service**

As specified in Section 4.1, regulation requirements are determined by the NYISO consistent with industry standards set by NERC. The regulation requirements include locational requirements and consider transmission constraints. AGC signals for

regulation service are transmitted to the individual units via the Transmission Owners or directly from the NYISO.

### **Section 4.3.2. Regulation Capacity Scheduling**

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The NYISO may commit additional generation resources in the real-time market to provide regulation for that day if any of the following conditions exist:

- insufficient regulation MW is bid into the day-ahead market.
- units that were scheduled day-ahead to provide regulation services are unavailable.
- more regulation services are required than had been anticipated would be needed in the day-ahead market.