

AGENDA ITEM #6

ATTACHED PLEASE FIND THE CURRENT VERSION OF PROPOSED TARIFF AMENDMENTS TO ACCOMMODATE DELIVERABILITY REQUIREMENTS THEREBY ALLOWING INTERNAL GENERATORS TO SELL ICAP TO EXTERNAL CONTROL AREAS

THIS IS A WORK IN PROGRESS.
SEVERAL COMMENTS WERE RECEIVED THIS AFTERNOON AND A REVISED DRAFT WILL BE DEVELOPED NEXT WEEK.
NONETHELESS, IT APPEARS TO THE NYISO THAT THE LANGUAGE WILL BE AGREED UPON SHORTLY AND THAT THERE IS AGREEMENT ON THE SUBSTANCE OF THE PROPOSAL.

WE RECOMMEND THAT THE FINAL TARIFF LANGUAGE BE REVIEWED BY THE CHAIRS AND VICE CHAIRS OF THE MANAGEMENT COMMITTEE AND THE BUSINESS ISSUES COMMITTEE IN CONSULTATION WITH THE ICAP WORKING GROUP

4.14 Balancing Market Evaluation (Hour-Ahead)

After the Day-Ahead schedule is published, and up to ninety (90) minutes prior to each dispatch hour, Customers may: (i) submit additional Bids to the ISO for Energy from (a) Generators or other resources that are Dispatchable within five (5) minutes and that can be included in, and respond to, the ISO's SCD program and (b) Generators or other resources that provide fixed block Energy (non-Dispatchable) Bids available for the next hour; (ii) lower their Bid Price for Energy from Generators committed by the ISO in the Day-Ahead Market; (iii) change their Bid Price for additional Energy from Generators that were committed by the ISO in the Day-Ahead Market; (iv) propose new Bilateral Transactions; and (v) submit Bids to purchase Energy from the Real-Time Market. Generators that have sold installed Capacity to entities located in an External Control Area and that are available shall submit a BME Bid to supply a quantity of Energy for a given dispatch hour, as determined pursuant to ISO Procedures, immediately following notification that requires such Generators to supply Energy to the External Control Area.

After the Day-Ahead schedule is published, and up to ninety (90) minutes prior to each dispatch hour, the ISO may, after giving notice to affected Capacity Limited Resources and Energy Limited Resources, in order to prevent or address an Emergency, raise their bid-in upper operating limits to their maximum and make the additional Capacity available to the Balancing Market Evaluation for scheduling. The Bids submitted up to ninety (90) minutes before the dispatch hour shall be referred to as Hour-Ahead Bids. The ISO will use the BME to determine

which Transactions, including External Transactions affecting the NYCA, are permitted in each hour. The ISO shall

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use the BME no more than ninety (90) minutes before each dispatch hour, pursuant to ISO Procedures, to determine schedules for the Real-Time Market and Bilateral Transactions including External Transactions. In developing these schedules, the BME will consider updated Load forecasts and evaluate the impact on reliability of the proposed schedules and commitments. The BME will adjust firm External Transaction schedules based on Incremental Bids, Decremental Bids and Sink Price Cap Bids and all Generator schedules, based

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on their Bids, to maintain reliability. The BME will not determine any prices, except, when the special conditions described in Section 4.17 are applicable but will schedule on a least total Bid Production Cost basis. Minimum run-time Constraints will be honored by BME only until midnight of the Dispatch Day.

4.15 ISO Real-Time Dispatch

The ISO shall dispatch the NYS Power System consistent with the Bids that are submitted by Suppliers and accepted by the ISO, while satisfying the actual system Load. The ISO may, in order to prevent or address an Emergency, dispatch Energy above Capacity Limited Resources' and Energy Limited Resources' bid-in upper operating limits. The ISO shall use Day-Ahead and Hour-Ahead Bids and shall accommodate Bilateral Transaction schedules and schedule changes to the maximum extent possible consistent with reliability and the Decremental Bids and Sink Price Cap Bids of Bilateral Transaction parties. Pursuant to ISO Procedures, the ISO shall take any action necessary, including manual intervention, to accept requests for Bilateral Transactions from Generators that have sold installed Capacity to entities located in an External Control Area in response to notification that requires such Generators to supply Energy to that External Control Area. The ISO shall run a SCD nominally every five (5) minutes to minimize the total Bid Production Costs of meeting the system Load and maintaining scheduled interchanges with adjacent Control Areas over the next SCD interval. Bid Production Costs, for this purpose, will be calculated using accepted Day-Ahead and Hour-Ahead Bids submitted into the Real-Time Market. This dispatch may cause the schedules of Generators providing Energy under Bilateral Transaction schedules to be modified, depending upon the Decremental Bids submitted (or assigned) in association with these schedules.

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