Presented to Market Structures Working Group June 2, 2006

Draft - For discussion purposes only

- Development is currently underway to implement a new External Proxy Bus at Dennison (NYISO Zone D).
- New Proxy based upon a Scheduled Line between Dennison (NYCA) and Les Cedres (HQT) - the "Cedars Line."
 - Controlled via Variable Frequency Transformer (VFT) at Langlois.
 - System Impact Study discussed at Feb. 21, 2002 OC meeting.

- Will be scheduled independent of the existing NYCA/HQT interface.
- LBMP computed at proxy will be independent of LBMP at existing NYCA/HQT interface.
- Will support import and export transactions.
 - Cedars is currently modeled as a generator in NYISO systems.
 - Exports (from NY) are currently only permitted in an emergency situation.

- Transmission service reservations will be required via the HQ Transenergie OASIS.
 - Information related to scheduling transmission service from HQ Transenergie is located on the HQT OASIS at: http://www.transenergie.com/oasis/hqt/en/entree.htmlx
 - Transactions that are not supported by reservations on the HQ OASIS will fail inter-control area checkout
- NYISO transactions will be bid/scheduled in the same manner as any other external proxy (except CSC).

- Import / Export limits for the new interface are currently under study.
 - Import capacity will be in addition to the 1200 MW HQT limit.
 - Import capacity will be included in (will not increase) the current 2755 MW statewide ICAP import limit (will be considered in future NYSRC resource adequacy studies).
- Ramp will be subject to NYCA wide ramp limits
 Subject to consideration of line specific ramp limits
- ATC / TTC for interface will be published on NYISO and HQT OASIS.

- Supporting Tariff Changes
 - The NYISO must identify the Cedars Line as a Scheduled Line in Section 2.161a of the Services Tariff and Section 1.39d.02 of the OATT.
 - Market Monitoring and the Market Advisor are in the process of determining the need to designate the Dennison Proxy as being subject to the Special Pricing Rule for Scheduled Lines.
 - See Attachment B to the Services Tariff, Sheet Nos. 335B and 335B.00 and Attachment J to the OATT, Sheet Nos. 475.01 and 475.01a.
 - The NYISO anticipates that the Dennison Proxy Bus is likely to be designated as subject to the Special Pricing Rule.

- As part of the External Proxy Bus development process new external proxy busses may become visible within the MIS prior to their implementation (for example- Dennison, Neptune, 1385). During this period user fields will be "grayed out" and bidding will not be permitted until the individual proxy bus is activated.
- Implementation tentatively planned for fall 2006