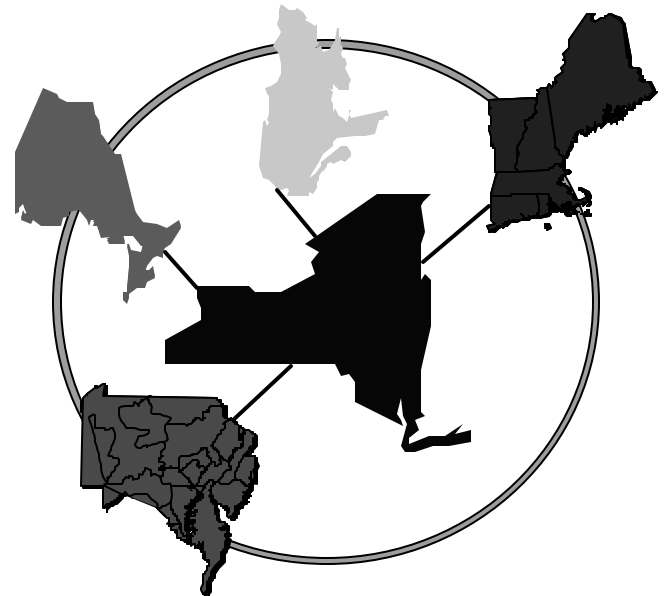
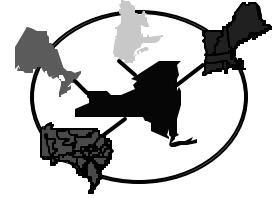


# Northeast Seams Report

## Update on Northeast Seams Issues

October 17, 2003  
Management Committee  
Agenda #4

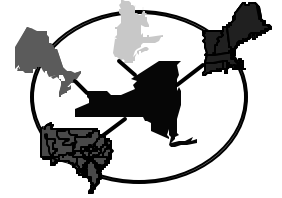




# Status of Seams Projects

## *Current Quarter Deliverables*

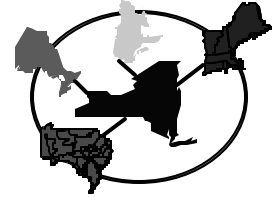
Project	Due Date	Status
1. Evaluation of 7040 transfer limits	▪ Q4 2003 (orig. June)	▪ Draft study presented to SOAS in July for comment. Awaiting final input from HQ prior to OC presentation.
2. Maritimes participation in ACE Diversity Interchange	▪ Pending Q4 2003 (orig. Summer 2003)	▪ Data link and AGC modifications completed in New Brunswick Power test site. NBP plans to implement on their production system in the very near future. ▪ Changes to NYISO software complete and awaiting final Q/A checkout.
3. OSS – PJM ramp data display	▪ September (orig. August) <b>Complete</b>	▪ Deployed 9/30/03 and functionality described in Tech Bulletin #115. ▪ PJM Ramp data now incorporated into OSS advisory Ramp / ATC displays and advisory pre-validation for preschedule bids.



# Other Seams Related Activity

## *Recent Initiatives*

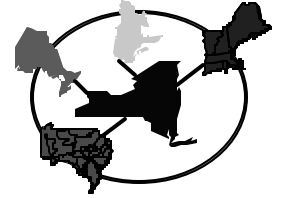
Issue	Activity Description
1. Elimination of Rate Pancaking	<ul style="list-style-type: none"> <li>▪ <b>PJM, NYISO and ISO-NE</b> – In June, the NYISO and New York TOs presented a proposal for the elimination of export fees to stakeholders in NY.</li> <li>▪ A meeting was held on October 15<sup>th</sup> with ISO-NE and the Transmission Owners from both New York and New England at which all present indicated their support for reaching a reciprocal agreement as soon as possible. Good progress was made and another meeting has been scheduled for mid-November.</li> <li>▪ The goal is to take action by the end of 2003 to begin the elimination of pancaking in 2004.</li> </ul>
2. Virtual Regional Dispatch	<ul style="list-style-type: none"> <li>▪ <b>NYISO and ISO-NE</b> – A draft working paper has been distributed for market participant review.</li> <li>▪ Four NY/NE stakeholder meetings have been held to date; the fourth meeting occurred on September 11<sup>th</sup>. Overall technical definition slated for completion in December 2003.</li> <li>▪ IMO and PJM are being kept informed of progress.</li> </ul>
3. Scarcity Pricing	<ul style="list-style-type: none"> <li>▪ <b>NYISO</b> - NY RTS implementation ongoing to replace current scarcity pricing method.</li> <li>▪ <b>ISO-NE</b> – Considering proposals for a similar reserve market design including the demand curve method for scarcity pricing.</li> </ul>



# Other Seams Related Activity

## *Recent Initiatives (continued)*

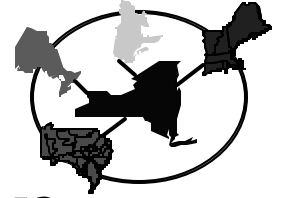
Issue	Activity Description
4. Regional Resource Adequacy Model (RAM)	<ul style="list-style-type: none"> <li>▪ <b>ISO-NE, PJM and NYISO</b> – NERA selected for development of the central resource market design. Work is underway.</li> <li>▪ A conference call meeting was held on Oct 7th to discuss the recommendations of the "other issues" working groups.</li> <li>▪ A meeting is scheduled for October 29th for an updated presentation on NERA's findings.</li> </ul>
5. Facilitated Checkout (FCO)	<ul style="list-style-type: none"> <li>▪ <b>NYISO, ISO-NE, PJM, IMO, HQ &amp; MISO</b>- Pilot implementation with ISO-NE successful.</li> <li>▪ ISO-NE able to access NYISO transaction data in real-time (incorporated in pilot checkout application).</li> <li>▪ ISO-NE solution in place to provide real-time access to transaction data (pending security review / approval).</li> <li>▪ IMO now able to access NYISO transaction data in real-time as well.</li> <li>▪ Collaborative meetings continue through NPCC to finalize specification and implementation standards.</li> <li>▪ NPCC members plus MISO targeting implementation of facilitated checkout based on the real-time transaction data exchange protocol across the Northeast by end of 2003.</li> </ul>
6. Multiple Proxy Buses	<ul style="list-style-type: none"> <li>▪ <b>NYISO and ISO-NE</b> – A draft white paper was distributed and discussed at a joint meeting between NY and ISO-NE Market Participants on May 29<sup>th</sup> in Albany.</li> </ul>



# Other Seams Related Activity

## *Recent Initiatives (continued)*

Issue	Activity Description
7. E-Tagging Integration	<ul style="list-style-type: none"><li>▪ <b>NYISO</b> – Will implement automated tools to improve communication and updates of NYISO transaction bids and schedules with the E-Tag system.</li><li>▪ Automation provides direct benefits to other control areas, such as PJM, that are linking their systems to the E-Tag system for transaction scheduling inputs.</li><li>▪ Allows automated approval / denial of incoming E-Tag requests and automated updates for bid / schedule changes resulting from economic evaluations (e.g. Hour Ahead Market), checkouts, etc. to the E-tag system.</li><li>▪ Phase II will provide enhanced tools for Market Participants to create NYISO bids from E-Tag profiles or vice-versa.</li><li>▪ Business and technical design complete. Phase I development (operations automation) underway.</li></ul>



# Issues Pending Further Discussion

Issue	Activity Description
1. Different Ramping Rules	<ul style="list-style-type: none"><li data-bbox="695 529 1818 867">Stakeholder desire for Operations to look at the short-term ability to make 30-minute schedule changes between NY and PJM. The need for multiple scheduling points on free flowing ties may be circumvented by the development and implementation of cross-border coordinated dispatch mechanisms such as VRD and/or congestion management at the borders. The SMD-2 software architecture will be capable of supporting more frequent schedule changes once the applicable business rules and scheduling protocols are agreed upon with a participating external control area.</li></ul>