

**New York Independent System Operator**  
**Sanctions Proposal**

**Operations and Reliability**

*Sanctionable Activity*

A Supplier fails to meet its obligations to supply operating reserves.

*Sanction*

**The NYISO will charge the Supplier 1.5 times the LBMP during the reserve pick-up period.**

Sanctionable Activity

Sanction

Failure of an LSE to procure ICAP prior to Capability Period.

**If the current tariff provisions remain in effect, the NYISO will impose a daily sanction equal to the applicable Installed Capacity deficiency charge (see section 5.13) multiplied by the number of MWs that the LSE is deficient. The sanction will be assessed if the LSE fails to provide documentation on the required date that it has procured sufficient ICAP to cover its requirement, which is based on the LSEs forecast, and set by the NYISO. The daily sanction will be imposed until the LSE cures the deficiency by providing the required documentation. This up-front sanction will be in addition to the deficiency charge assessed at the end of the capability period, when the LSEs forecasted peak load is reconciled against the LSEs actual peak load. The reconciliation will first account for all verified load-shifting.**

**If the transitional ICAP tariff provisions are in effect for the Summer 2000 capability period, the sanctions contained in Section 5.14.1 will apply.**

\* Bold Type indicates proposed sanction.

Sanctionable Activity

Sanction

Failure of Installed Capacity supplier:

- (a) to demonstrate DMNC equal to or greater than ICAP sold from that unit, or
- (b) Failure to supply required information.

**If the current tariff provisions are in effect, and action (a) occurs, the ISO will impose a daily penalty equal to the appropriate deficiency charge (section 5.13) multiplied by the number of MWs that the Supplier is short, until the earlier of the following: (1) the Supplier demonstrates that it has covered the shortfall (through purchases or a verified increase in its DMNC rating), or (2) the end of the Capability Period.**

**If the current tariff is in effect and action (b) occurs, the provisions of section 5.12.9(b) of the proposed transitional ICAP tariff will apply.**

**If the transitional ICAP tariff provisions are in effect during the Summer 2000 Capability Period, and action (a) occurs, the sanctions in Section 5.14.2 will apply; if action (b) occurs, the sanctions in Section 5.12.9(b) will apply.**

Sanctionable Activity

Sanction

During normal operations, for activities not otherwise listed, failure to perform, or failure to follow NYISO's instructions or orders so as to violate a Reliability Rule or endanger the reliability of NYS Power System or the effective operation of the NY Markets. **\$10,000/Event**

During emergency operations, failure to follow NYISO instructions:

- a. For generation **The higher of \$50,000/Instruction or \$5,000 per MW/hr or fraction of an MW/hr**
- b. For transmission **\$100,000/Instruction**

\* Bold Type indicates proposed sanction.

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## Financial and Reporting

### Sanctionable Activity

### Sanction

Failure to make timely payment under the NYISO OATT.

Current: Interest accrues at the rate specified by FERC for refunds (prime rate). NYISO OATT Section 7.2.

**Prime rate plus 500 basis points.**

Failure to make timely payment to a Customer or to NYISO as trustee of ISO Clearing Account.

Current: Interest accrues at the rate specified by FERC for refunds (prime rate). NYISO Services Tariff Section 7.3.

**Prime rate plus 500 basis points.**

Sanctionable Activity

Sanction

Failure to submit required information:

1. Market monitoring information requests \$1,000/Event/day after 3 business days

2. Market settlement information

a. Late \$500/day for the first three days; \$1,000/day thereafter

b. Inaccurate **The sanction for late submission from the date the NYISO notifies the submitter of the inaccuracy until accurate information is submitted.**

Failure to maintain records that affect the ability of the ISO to (a) properly settle a monthly bill in a timely manner; (b) analyze reliability related events; or (c) evaluate potentially improper Market Power activities.

**\$5,000/Event for actions related to (a).**

**\$10,000/Event for actions related to (b) and (c).**

**The sanctions are in addition to any sanction for late or inaccurate submission of information.**

Sanctionable Activity

Sanction

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Doc #: 132385; V. 1

Doc Name: NYISO Sanctions/ira version w/Museler comments (latest version)

Author: Quint, Arnold, 00876