

Joint Stakeholder Meeting

ISO-NE and NYISO Inter-Regional Interchange Scheduling (IRIS)

March 28, 2011 / Rensselaer, NY

Agenda

Today:

- Welcome and Overview
- ISO-NE Internal Market Monitor
- Joint ISO Memo on Alternatives
- Discussion by Brookfield Energy Marketing
- Discussion and Q&A
 - Tie Optimization Option
 - CTS (Interface Bid) Option
 - General

Joint Stakeholder Meetings

Purpose:

- **Discuss** white paper's options, pros/cons, how they work, rationale, & likely impact on the markets
- **Gather stakeholder input** on merits, concerns, questions
- **Forge consensus** on a design option the ISOs can implement

Joint ISO white paper:

- **Presents** in-depth analysis of problems, solution options, rationales, and joint ISO recommendations for reforms.

Presentation Plan for Element Details

Day 1 (1/21, AM): Current system and IRIS benefit analysis

(1/21, PM): RT scheduling system (Tie Opt & CTS)

Day 2 (2/14): RT Scheduling (CTS), DA & RT market linkages;
DA external transactions; interface settlements & pricing

Day 3 (3/7): FTRs and congestion, NCPC & fee
recommendations, conforming capacity rule changes

Day 4 & Day 5 (3/28, 4/28): Q&A, discussion of DBD
elements, and follow-ups on additional detail as requested.



Solution Options: Main Elements

Solution Options: Six Key Elements

1. **New RT Inter-Regional Interchange System (IRIS)**
 - *Two IRIS options for stakeholder consideration (next).*
2. **Higher-frequency** schedule changes (15 min)
3. **Eliminate NCPC** credits/debits & fees on ext. txns
4. **DA market:** External txn remain similar to today, *plus:*
5. **Congestion pricing** (DA & RT) at external nodes
6. **FTRs** at external interfaces (NY/NE)

Real-Time Interface Scheduling (IRIS)

- **Design Objectives:**
 1. **Equalize LMPs** at interface at time schedule is set;
 2. **Update** real-time schedule as frequently as feasible.
- **Two design options** for real-time interface scheduling with greatest potential for efficiency improvement:
 - **Tie Optimization (TO)**
 - **Coordinated Transaction Scheduling (CTS)**
- **Both are market-based solutions, but differ** in the market information they require of market participants.



ISO-NE Internal Market Monitor



Joint ISO Memo on Alternatives Considered



Discussion of IRIS Proposals

by Brookfield Energy Marketing LP

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Discussion and Q&A

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Final Points:

Upcoming Joint Schedule and Logistics

Stakeholder Review & Discussion

Next joint stakeholder meetings:

- Understand options in detail, gather feedback, refine into preferred design basis document (DBD) by April-May.
- ISOs need *common DBD* on IRIS due to coordination issue
- **Next Meeting Schedule:**
 - Feb 14 (ISO-NE hosting)
 - March 7 (ISO-NE hosting)
 - March 28 (NYISO hosting)
 - April 28 (NYISO hosting)

Remaining Presentation Plan

April 28: Q&A, follow-up's on additional detail as requested, stakeholder discussion of draft DBD

Next Steps: 2011+ Schedule

- **Jan-Apr:** Joint stakeholder meetings
- **Apr-May:** Advisory votes on design options (DBD)
from both NEPOOL and NYISO stakeholders
- **June-Oct:** Stakeholder tariff & market rule processes
(separate but parallel timing)
- **Dec 2011:** Target FERC filings (ISO-NE & NYISO)
- **Spring 2013 (est):** Implementation complete

Questions?



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