

# **Proposal of the New York Transmission Owners & the NYISO for the Elimination of Pancaking Charges on Exports from the NYCA**

**By**

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**NYISO Scheduling & Pricing Committee Meeting**

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# **“Statement of Support”**

**“In order to enhance wholesale market efficiency in the Northeast, the New York Transmission Owners and the NYISO support the elimination of pancaking charges on export transactions from the NYCA provided that each TO is made whole with respect to its current export revenues through either existing rate mechanisms or additional mechanisms, if applicable.”**

# Key Elements

- **Current export fees (TSC & NTAC) will be eliminated from the NYISO OATT immediately, subject to reciprocity**
- **No transition adjustment mechanism providing payments to NY TOs from importing regions will be required, subject to reciprocity.**
- **While a single mechanism for all neighboring control areas is preferable, there may be different agreements on each border**

# Key Elements (Cont'd)

- **The existing NYISO export charge rates will continue to apply absent a reciprocity agreement with any control area**
- **NYPSC will allow recovery of these export fees through retail rates**
  - *Any savings realized by a TO from the elimination of export charges imposed by neighboring control areas will flow through to consumers in accordance with existing rate plans*
- **The NYISO wholesale TSC will account for the elimination of these export fees**
- **This proposal does not contemplate a benefit sharing mechanism with other jurisdictions**

# Historical Export Charges\*

- **Total NYISO Export Charges**
  - *3-Year Average: \$ 25.7 million (2000-2002)*
  - *2-Year Average: \$ 26.6 million (2001-2002)*
  
- **NYISO Exports vs Other Regions (2-Year Avg)**
  - *NYISO to PJM: \$ 8.2 million*
  - *PJM to NYISO: \$ 9.7 million*
  
  - *NYISO to ISO-NE: \$ 10.0 million*
  - *ISO-NE to NYISO: \$ 11.9 million*

\* NOTE: Figures based on NYISO data