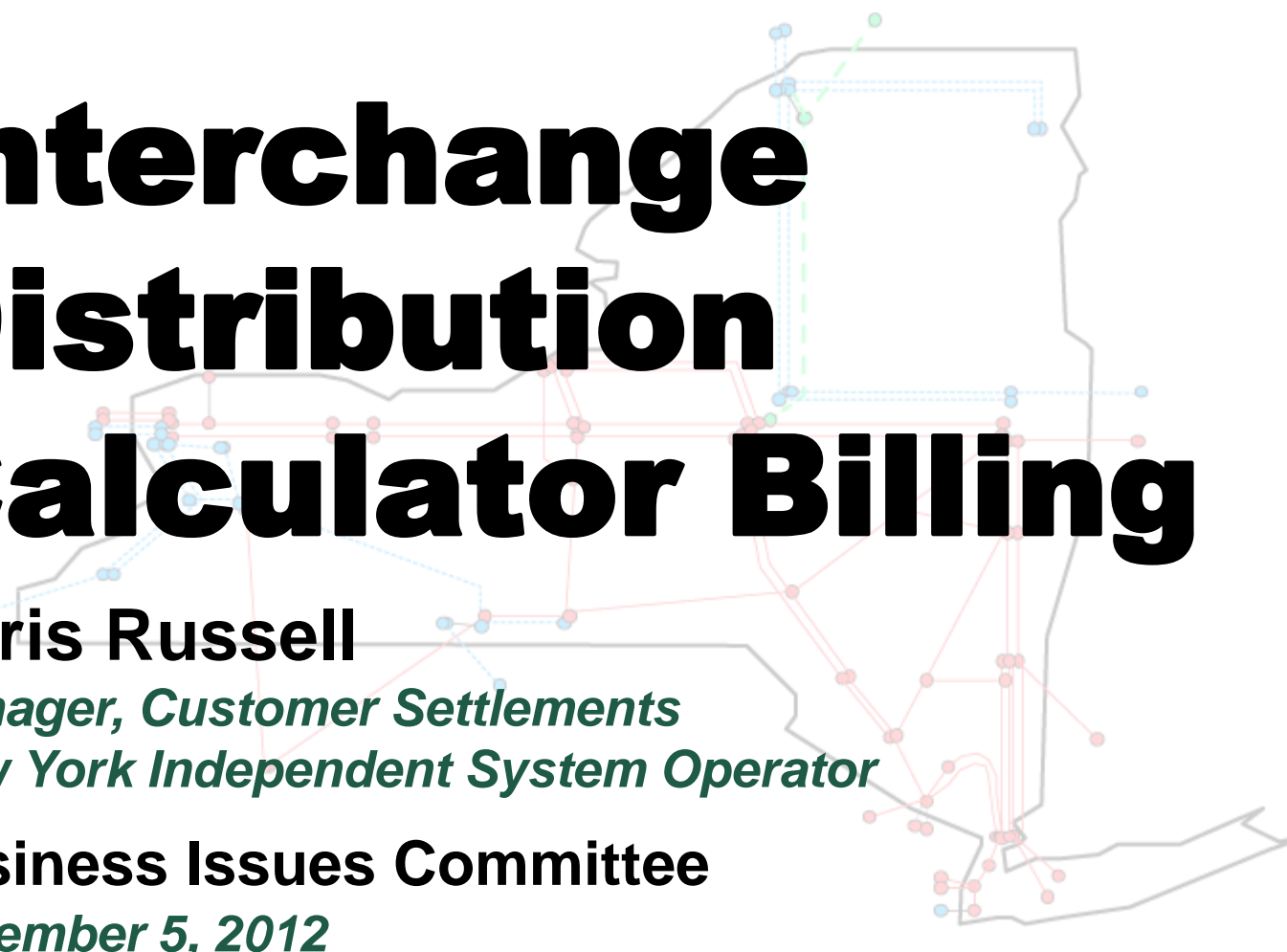


Interchange Distribution Calculator Billing

A faint background map of New York State is overlaid with a network of colored lines and dots representing a power grid. The lines are primarily red and blue, with some green lines. The dots are small circles in red, blue, and green, connected by thin lines, suggesting a complex network of power distribution or interchange points across the state.

Chris Russell

*Manager, Customer Settlements
New York Independent System Operator*

Business Issues Committee

December 5, 2012

KCC

Background

- ◆ **NERC Standard IRO-006-EAST-1 establishes NERC's reliability standards for Eastern Interconnection Reliability Coordinators (RCs) related to Transmission Loading Relief (TLR).**
- ◆ **The Interchange Distribution Calculator (IDC) is a tool that supports the NERC TLR procedure for the Eastern Interconnection. The Eastern Interconnection RCs use the IDC tool to help manage congestion and mitigate actual and potential operating limit exceedances in accordance with NERC's TLR standard.**

Background, continued

- ◆ **Open Access Technology International, Inc. (OATI) owns the IDC tool, as well as other tools that support the NERC TLR procedure for the Eastern Interconnection including the (i) NERC Factor Viewer, (ii) Book of Flowgates (BOF), and (iii) System Data Exchange (webSDX) (collectively, the “IDC Tools”).**
- ◆ **NERC, through services agreements with OATI, has made the IDC Tools available to the Eastern Interconnection RCs since 1999. NERC passes the OATI charges for the IDC Tools on to the Eastern Interconnection RCs and regional entities in its quarterly invoices.**

NERC Transition of IDC Tools to RCs

- ◆ **On March 31, 2013, NERC's existing service agreements with OATI for the IDC Tools will expire. NERC will not renew those agreements.**
- ◆ **To ensure the continuation of the IDC Tools services, the Eastern Interconnection RCs will enter into an agreement with OATI for the provision of the IDC Tools (effective April 1, 2013).**
- ◆ **OATI, instead of NERC, will bill the Eastern Interconnection RCs for the cost of the IDC Tools.**

NYISO Payments for IDC Tools

- ◆ **NYISO collects funds from load serving entities as a non-budget charge through OATT Section 6.1.3 to pay quarterly NERC and NPCC invoices (see Attachment 1). The NERC and NPCC invoices currently include a charge for the NYISO's proportionate share of the cost of the IDC Tools.**

- ◆ **Effective April 1, 2013, OATI will begin invoicing each Eastern Interconnection Reliability Coordinator directly, including NYISO, for its share of the costs of the IDC Tools. NYISO's invoices from NERC and NPCC will no longer include a charge for those costs.**

NYISO Payments for IDC Tools

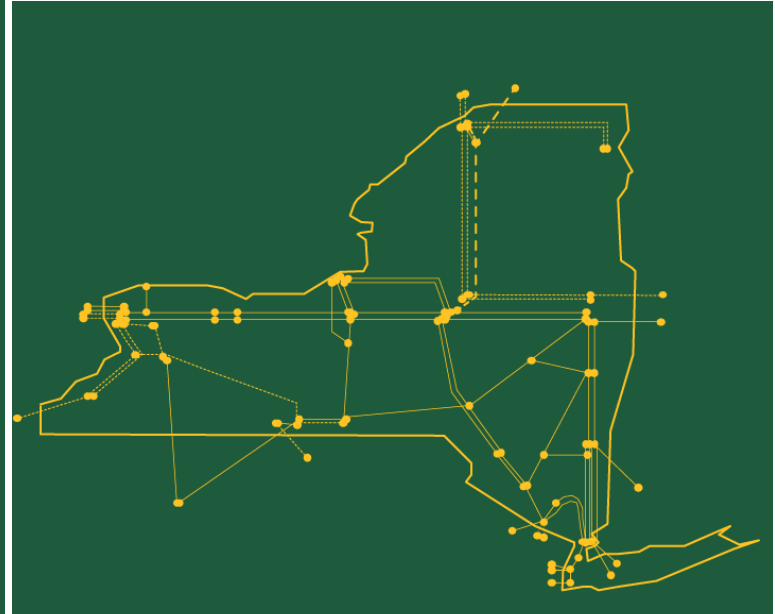
- ◆ **As a result, NYISO will need to modify OATT Section 6.1.3 to (1) allow NYISO to pay OATI instead of NERC/NPCC for the costs of the IDC Tools, and (2) continue collecting funds from load serving entities as a non-budget charge to cover those costs.**
- ◆ **To ensure OATT Section 6.1.3 is modified in a timely manner, NYISO is bringing the necessary tariff revisions through the stakeholder process according to the timeline set forth on the following slide.**

NYISO Payment for IDC Tools

◆ Next Steps

- *BAWG – November 26th*
- *BIC – December 5th*
- *MC – December 19th*
- *NYISO Board of Directors – January 2013*
- *Filing with FERC with proposed effective date of March 15, 2013*

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.



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