

EXTERNAL SCHEDULED LINES

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Overview of Presentation

- Outline of NYISO's External Scheduled Line Project
- Focus on tariff revisions needed for implementation
 - To address “generic” application
 - Special provisions for Cross Sound Scheduled Line (“CSC”)
- Project Schedule/Milestones
- Regulatory Schedule

Business Overview

The External Scheduled Lines project will enable the NYISO to implement multiple External Proxy Buses representing its interface(s) with a neighboring Control Area.

This project is generic in nature and is capable of accommodating some limited variation in the rules applicable to each Scheduled Line

- As each proposed Scheduled Line is considered, a detailed Systems Design Specification document may be developed.
- If a proposed Scheduled Line can be accommodated via the generic design, it will ordinarily be considered a baseline support task and should not require a new IT “project” to implement.

The generic software provides the following capabilities:

- To model an additional Scheduled Line (external proxy generator bus).
- Gives MPs the ability to schedule transactions in the DAM and in real-time.
- Gives NYISO operators the ability to monitor the Scheduled Line and curtail transactions on the line (if and to the extent necessary).

Implementation for CSC will also validate Transmission Reservations by confirming the existence of an Advance Reservation

Tariff Revisions

- Add a new Attachment M to Services Tariff
- Modify/add definitions in both OATT & Services Tariff
- Minor modifications to other provisions of the OATT & Services Tariff
- Please refer to separate handouts for OATT & Services Tariff revisions

Scheduling Provisions

- “Generic” External Controllable lines will follow the same scheduling protocols as existing External Proxy Buses.
 - However, pre-scheduled transactions will not be permitted on Scheduled Lines
- For the CSC schedules will be limited:
 - To the hourly TTC posted for the CSC
 - To a maximum of 330MW in each direction

CSC Specific Scheduling Provisions

- **For the CSC Scheduled Line, an Advance Transmission Reservation is required**
 - Advance Reservations are posted on the CSC node of the NEPOOL OASIS
 - By 4:50 AM of the day before the dispatch day, MPs submitting external transaction requests in the NY DAM will be required to have: (i) an Advance Reservation on the CSC, (ii) a valid NERC E-Tag, and (iii) a bid submitted to the NYISO
 - By 85 minutes prior to the dispatch hour, MPs submitting external transaction requests in the NY Real Time Market will be required to have: (i) an Advance Reservation on the CSC, (ii) a valid NERC E-Tag, and (iii) a bid submitted to the NYISO
- **In addition to an Advance Reservation, customers must also schedule a corresponding transaction with ISO-NE**
 - The scheduling a transaction with ISO-NE is not a prerequisite to NYISO bid evaluation

CSC Specific Scheduling Provisions (cont'd)

- A **“Validation Passed” designation** in the ISO’s MIS following the submission of a CSC bid should not be relied on as an indication that, either (a) the NERC E-Tag supporting the reservation is valid, or (b) the Advance Reservation on the ISO-NE OASIS is sufficient to support the bid.
- **Customers may not use more than one Advance Reservation to support a MIS bid.**
 - Example: 500 MW bid based on two Advance Reservations of 250 MW each will not be permitted to proceed to economic evaluation.
 - Solution: Submit two bids of 250 MW each.
- **A single Advance Reservation may not be used to support more than one bid in New York.**
 - Example: If a holder of a single, 500 MW Advance Reservation submits two bids of 250 MW each, the first bid evaluated will be “assigned” the Advance Reservation. The second bid will not be permitted to rely on the Advance Reservation and will not be permitted to proceed to economic evaluation.
 - Solution: submit a single 500 MW bid or obtain multiple Advance Reservations.

“Generic” Pricing Rules

- An external proxy bus associated with a Scheduled Line will be subject to the same pricing rules that apply to transactions at existing NYISO external proxy buses
- ECA-a and ECA-b will apply to Scheduled Lines
 - ECA- a: A penalty is imposed if transactions fail for reasons within the control of the Market Participant.
 - ECA- b: Addresses inconsistencies between the constraints modeled by the hourly Market and the real time price.

Scheduled Line Special Pricing Rules (apply to CSC)

- The Special Pricing Rules apply when the proxy generator bus associated with the Cross Sound Controllable Line has a transfer limit (TTC) constraint. The Special Pricing Rules may apply at other Proxy Generator Buses that are associated with Scheduled Lines.
- The Special Pricing Rules are not triggered by a NYCA ramp (DNI) constraint or a CA ramp constraint if there are multiple Proxy Generator Buses representing the interfaces between the two CAs and at least one of the proxies is competitive.
- The Special Pricing Rules are determined by the direction of the transfer limit constraint – import or export.

Special Pricing Rules (Cont'd)

- When RTM net Import Transactions exceed ATC for the CSC, the RT LBMP associated with the CSC proxy bus will be the higher of:
 - RTC price at the proxy bus; or
 - Lower of: (i) the LBMP determined by RTD for the proxy bus; or (ii) Zero
- When RTM net Export Transactions exceed the ATC for the CSC, the RT LBMP associated with the CSC proxy bus will be the lower of:
 - RTC price at the proxy bus; or
 - Higher of: (i) the LBMP determined by RTD; or (ii) the DA LBMP determined by SCUC for the proxy bus

Curtailment Provisions

- “Generic” Scheduled Lines
 - Follow same curtailment rules as other NYISO scheduled transactions
- Cross Sound Scheduled Line
 - To the extent possible, in-hour curtailments are to be based upon NERC priority of the associated Advance Reservations

MMP Provisions

- Establishment of multiple proxy buses representing the interfaces between two Control Areas may present gaming opportunities
- Therefore, NYISO MMP is seeking authority to share information with ISO-NE MMP regarding transactions at all NE proxy buses
- The NYISO is investigating ISO-NE's ability to protect confidential data provided to it by the NYISO
 - The NYISO will not provide Confidential or Protected Information to ISO-NE's market monitoring unit unless and until adequate protections are in place in ISO-NE
 - The NYISO will not provide Confidential or Protected Information to ISO-NE's market monitoring unit unless and until ISO-NE possesses reciprocal authority to share information with the NYISO's MMP

Project Schedule/Milestones

- Design
 - Started: May 2004
 - Completion: December 2004
- Development
 - Start: October 2004
 - Completion: January 2005
- QA Testing
 - Start: December 2004
 - Completion: May 2005
- Deployment (for CSC)
 - June 2005

Regulatory Schedule

- December 2004—Proposed tariff revisions provided to S&PWG or MSWG for comment
- December 2004—BIC review and approval of proposed tariff revisions
- January 2005—MC review and approval of proposed tariff revisions
- Late January 2005—BOD review and approval of proposed tariff revisions;
- February 2005—file with FERC;
- April 2005--FERC action/order addressing tariff revisions;
- May 2005--compliance filing responding to FERC order (if necessary);
- June 2005--Effective date of tariff revisions (for implementation of CSC).