

NYISO President's Report

*Management Committee Meeting
April 19, 2004*

Agenda #3

Report Items

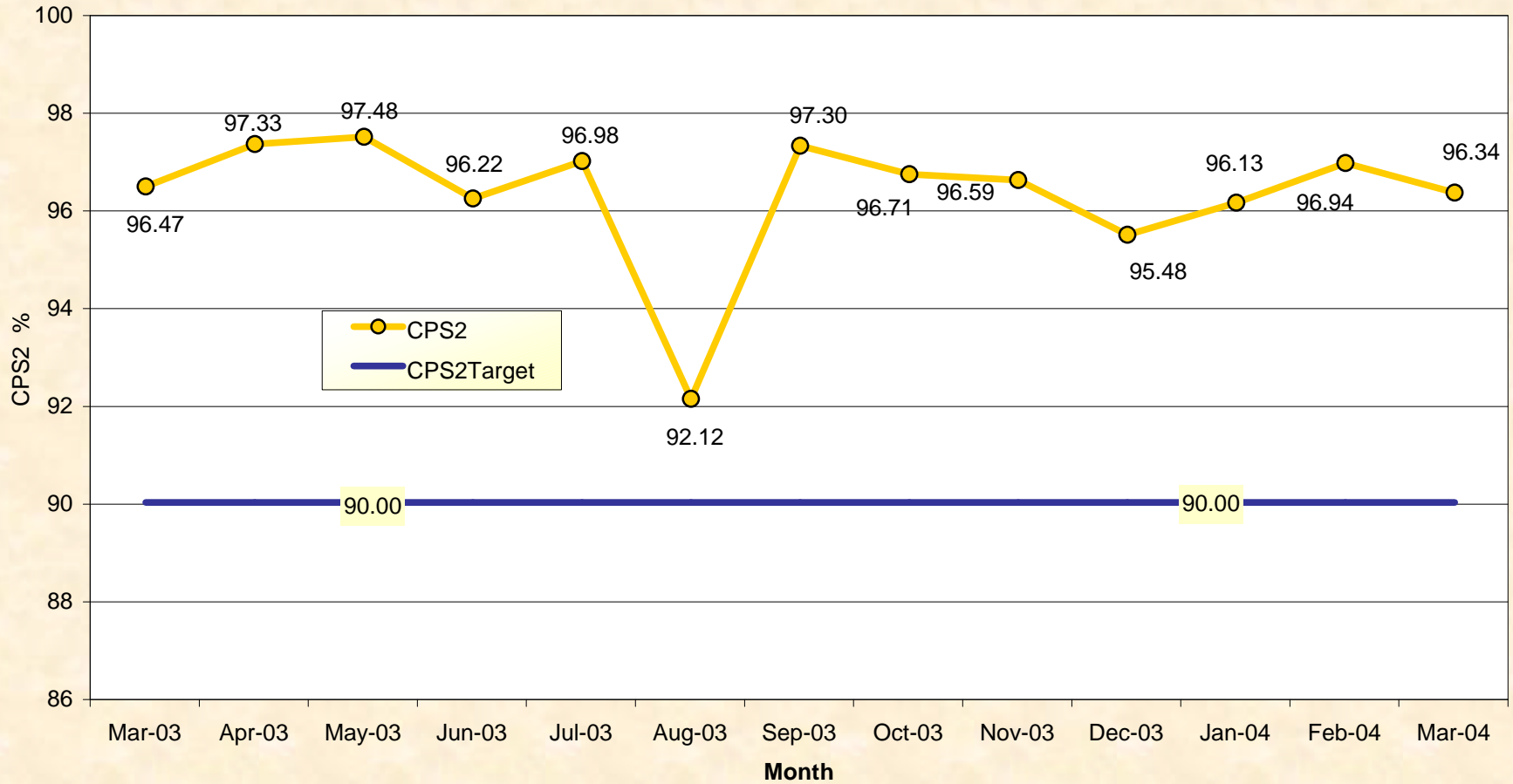
- 1) Market Performance Highlights
- 2) SMD 2.0 Update
- 3) Presentation of Extraordinary Costs
- 4) Report on Market Participant Readiness for SMD

Market Performance Highlights for March, 2004

- All-in average costs (4-B) for March 04 is 34% less than March 03 due to more moderate weather and lower fuel prices.
- MW of Virtual Load and Supply bids has been increasing since January and the percentage of Virtual Load accepted has also been increasing.(4-S)
- The revised Regulation Requirements went into practice on April 1st.
- For the second month in a row, the average monthly price for gas (in \$/mmBtu) is below that of Kero and No. 2 fuel Oil.

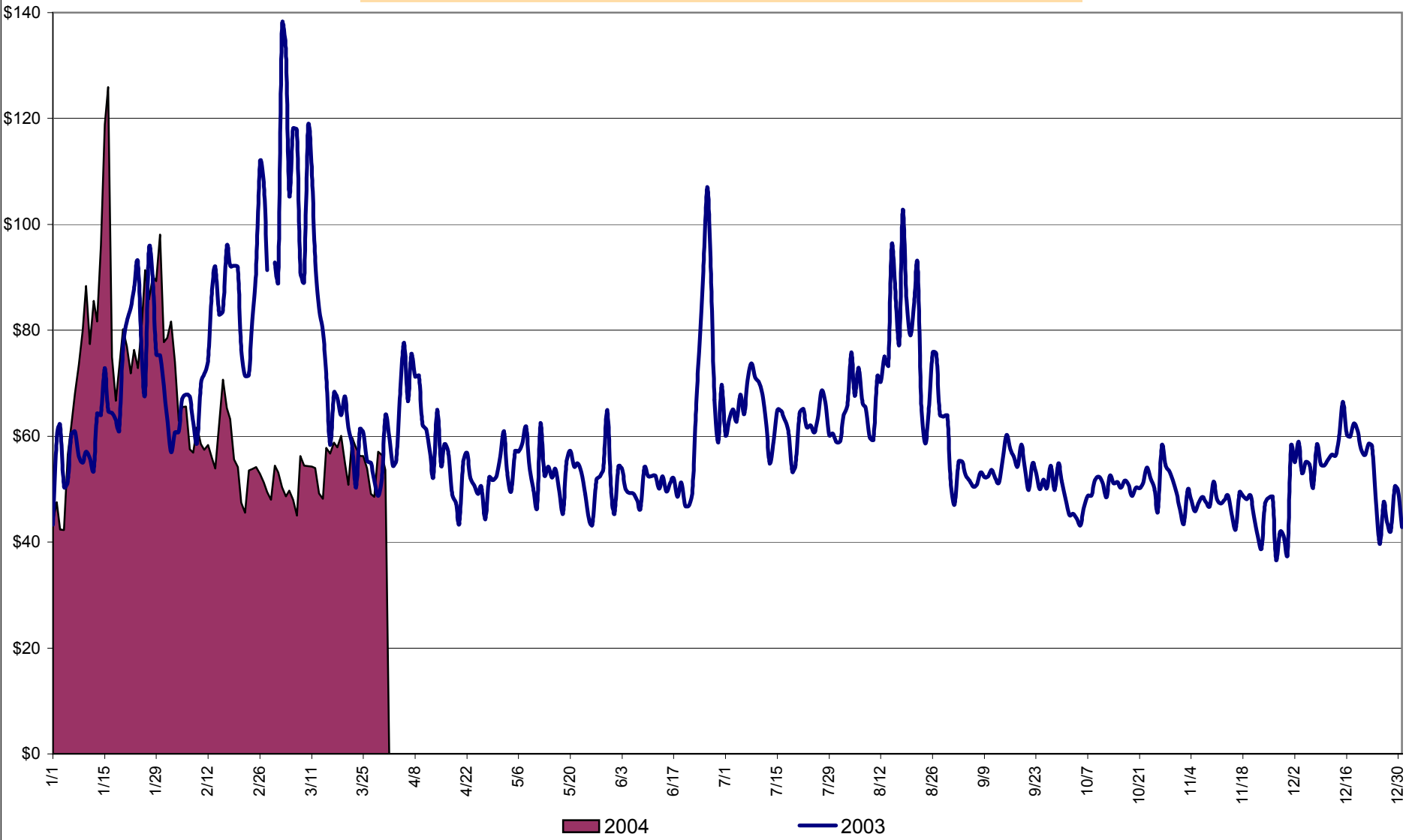
NERC Control Performance Standard

NYISO Compliance
Year 2003/2004



CPS2 for March = 96.34% Compliance Threshold = 90%
CPS2 measures excessive unscheduled power flow resulting from large Area Control Error (ACE)

Daily NYISO Average Cost/MWH (Energy & Ancillary Services)*
2003 Annual Average \$62.35/MWH
March 2003 YTD Average \$76.58/MWH
March 2004 YTD Average \$65.23/MWH



4-A

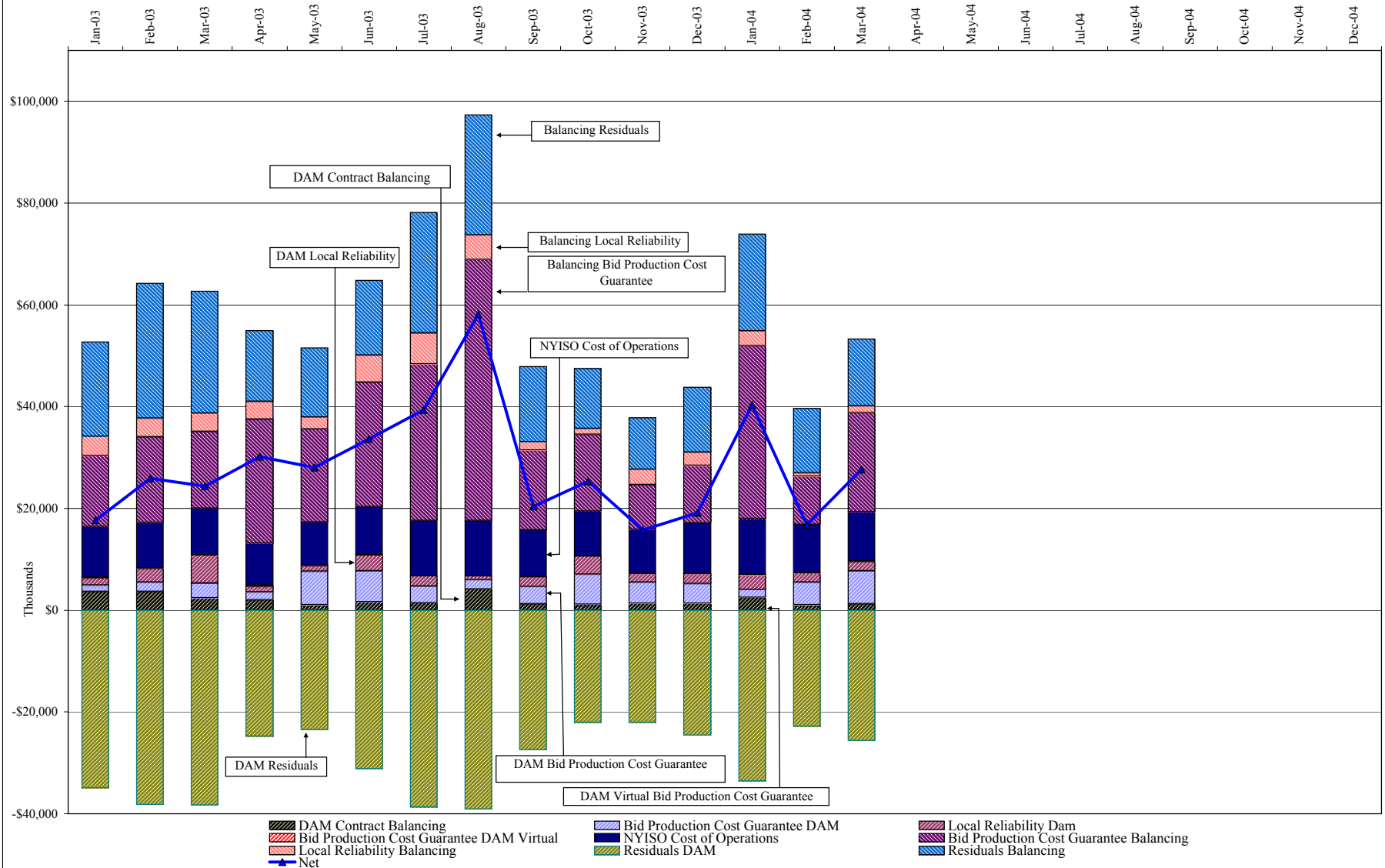
**NYISO Average Cost/MWH (Energy and Ancillary Services)*
from the LBMP Customer point of view**

2004		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	75.70	57.11	50.60									
	NTAC	0.47	0.42	0.55									
	Reserve	0.27	0.14	0.20									
	Regulation	0.18	0.31	0.25									
	NYISO Cost of Operations	0.73	0.73	0.73									
	Uplift	1.88	0.47	1.25									
	Voltage Support and Black Start	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>									
	Avg Monthly Cost	79.60	59.54	53.94									
	 Avg YTD Cost	79.60	70.60	65.23									

2003		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	66.34	76.59	78.31	54.27	49.76	57.37	60.10	68.14	50.82	47.05	43.37	52.40
	NTAC	0.42	0.36	0.67	0.46	0.45	0.40	0.54	0.37	0.25	0.29	0.52	0.37
	Reserve	0.47	0.35	0.45	0.40	0.47	0.25	0.15	0.22	0.13	0.10	0.18	0.16
	Regulation	0.27	0.28	0.39	0.32	0.65	0.32	0.19	0.18	0.33	0.51	0.46	0.25
	NYISO Cost of Operations	0.70	0.69	0.69	0.69	0.69	0.70	0.70	0.70	0.70	0.70	0.69	0.70
	Uplift	0.30	1.09	0.95	1.71	1.51	1.70	1.79	2.73	0.77	1.21	0.45	0.57
	Voltage Support and Black Start	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>
	Avg Monthly Cost	68.83	79.71	81.81	58.20	53.88	61.08	63.82	72.68	53.35	50.20	46.01	54.80
	 Avg YTD Cost	68.83	74.02	76.58	72.22	68.83	67.45	66.80	67.72	66.19	64.70	63.14	62.41

* Excludes ICAP payments

NYISO Dollar Flows - Uplift - OATT Schedule 1 components



DAM Contract Balancing amounts are for payments made to generating units to make them whole for being dispatched below their Day-Ahead schedule, as a result of out-of-merit dispatches.
 DAM Bid Production Cost Guarantees for Virtual Transactions are included in the chart and are shown from the inception of Virtual Transactions. These values are small and cannot be identified on the chart.
 DAM residuals are revenue charged or returned to customers due to the under or over collection of funds. On this chart, negative values represent funds returned to Transmission Customers (through Transmission Owners' Transmission Service Charges).

NYISO Markets Transactions

Transactions by Market 2004	January	February	March	April	May	June	July	August	September	October	November	December
Day Ahead Market MWH	14,614,304	12,806,346	12,836,889									
DAM LSE Internal LBMP Energy Sales	52%	50%	51%									
DAM External TC LBMP Energy Sales	4%	2%	3%									
DAM Bilateral - Internal Bilaterals	41%	45%	44%									
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%									
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%									
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%									
Balancing Energy Market MWH	367,460	269,220	508,837									
Balancing Energy LSE Internal LBMP Energy Sales	66%	31%	61%									
Balancing Energy External TC LBMP Energy Sales	57%	78%	41%									
Balancing Energy Bilateral - Internal Bilaterals	-20%	0%	0%									
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	1%	0%									
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%									
Balancing Energy Bilateral - Wheel Through Bilaterals	-4%	-11%	-3%									
Transactions Summary												
LBMP	58%	54%	56%									
Internal Bilaterals	40%	44%	42%									
Import Bilaterals	1%	1%	1%									
Export Bilaterals	1%	1%	1%									
Wheels Through	1%	0%	1%									
Market Share of Total Load												
Day Ahead Market	97.5%	97.9%	96.2%									
Balancing Energy †	2.5%	2.1%	3.8%									
Total MWH	14,981,764	13,075,566	13,345,726									
Average Daily Energy Sendout/Month GWh	464	440	416									

Transactions by Market 2003

Day Ahead Market MWH	14,187,752	12,695,868	13,126,563	11,997,655	12,029,453	13,341,831	15,444,857	15,759,082	13,003,309	12,507,780	12,332,456	13,973,266
DAM LSE Internal LBMP Energy Sales	46%	48%	46%	49%	46%	48%	55%	57%	49%	48%	47%	48%
DAM External TC LBMP Energy Sales	1%	1%	1%	1%	2%	2%	1%	0%	1%	2%	2%	2%
DAM Bilateral - Internal Bilaterals	50%	49%	50%	46%	49%	46%	43%	40%	48%	47%	48%	46%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	2%	2%	2%	1%	1%	1%	1%	1%	2%
Balancing Energy Market MWH	347,539	285,381	376,222	235,800	278,939	291,519	208,142	-55,913	394,363	338,562	319,065	385,707
Balancing Energy LSE Internal LBMP Energy Sales	58%	35%	52%	72%	48%	39%	53%	-146%	65%	53%	26%	43%
Balancing Energy External TC LBMP Energy Sales	58%	80%	95%	73%	69%	78%	79%	242%	44%	61%	77%	68%
Balancing Energy Bilateral - Internal Bilaterals	-6%	-10%	-2%	0%	-5%	5%	-2%	-75%	1%	3%	0%	-2%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	4%	1%	1%	1%	1%	0%	0%	2%	0%	0%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	-38%	0%	0%	0%	0%	-14%	0%	0%	0%	0%
Balancing Energy Bilateral - Wheel Through Bilaterals	-14%	-7%	-8%	-46%	-14%	-23%	-31%	-109%	-10%	-16%	-3%	-9%
Transactions Summary												
LBMP	49%	50%	49%	52%	49%	52%	56%	58%	51%	52%	51%	52%
Internal Bilaterals	48%	47%	48%	45%	48%	46%	42%	40%	46%	46%	47%	45%
Import Bilaterals	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	1%	1%	1%	1%	1%	1%	1%	1%	0%	1%	1%	2%
Market Share of Total Load												
Day Ahead Market	97.6%	97.8%	97.2%	98.1%	97.7%	97.9%	98.7%	100.4%	97.1%	97.4%	97.5%	97.3%
Balancing Energy †	2.4%	2.2%	2.8%	1.9%	2.3%	2.1%	1.3%	-0.4% *	2.9%	2.6%	2.5%	2.7%
Total MWH	14,535,291	12,981,249	13,502,785	12,233,455	12,308,392	13,633,350	15,652,999	15,703,169	13,397,672	12,846,342	12,651,521	14,358,973
Average Daily Energy Sendout/Month GWh	458	450	418	393	382	432	497	498	433	397	402	435

† Balancing Energy: Load(MW) purchased at Real Time LBMP.

* The signs for the detail section intuitively reflect the direction of power flow eliminating the use of double negatives when Balancing Energy is negative.

Notes: Percent totals may not equal 100% due to rounding.
Virtual Transactions are not reflected in this chart.

NYISO Markets 2004 Energy Statistics

	January	February	March	April	May	June	July	August	September	October	November	December
<u>DAY AHEAD LBMP</u>												
Price *	\$72.12	\$55.31	\$49.08									
Standard Deviation	\$25.99	\$14.40	\$10.90									
Load Wtg.Price **	\$75.01	\$56.90	\$50.44									
<u>BME *** LBMP</u>												
Price *	\$77.51	\$54.41	\$53.01									
Standard Deviation	\$37.54	\$15.73	\$16.25									
Load Wtg.Price **	\$80.51	\$55.89	\$54.71									
<u>REAL TIME LBMP</u>												
Price *	\$73.72	\$52.95	\$49.56									
Standard Deviation	\$32.61	\$15.04	\$17.75									
Load Wtg.Price **	\$76.85	\$54.33	\$51.27									
Average Daily Energy Sendout/Month GWh	464	440	416									

NYISO Markets 2003 Energy Statistics

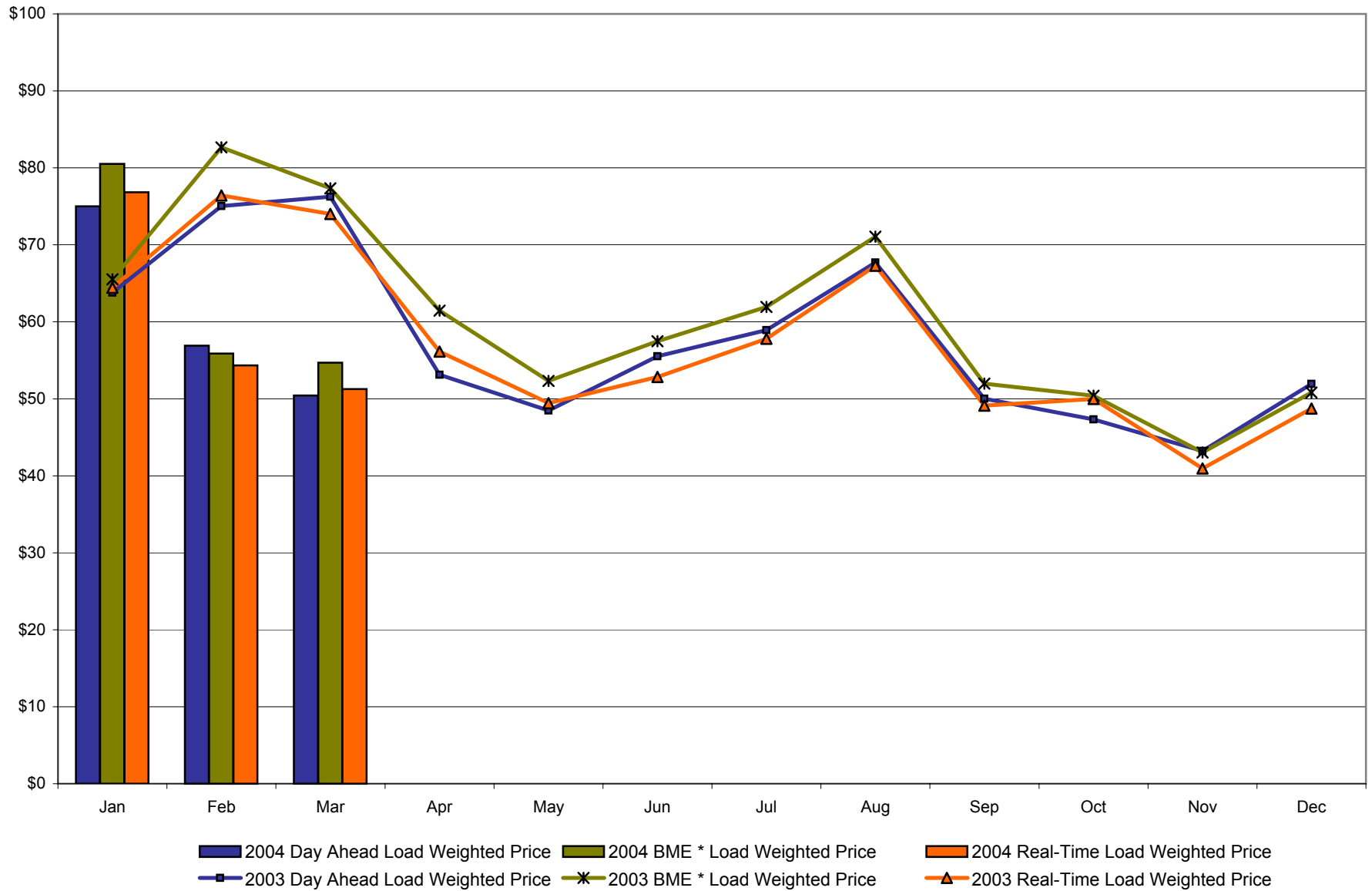
	January	February	March	April	May	June	July	August	September	October	November	December
<u>DAY AHEAD LBMP</u>												
Price *	\$61.33	\$72.81	\$73.18	\$51.58	\$46.43	\$51.45	\$57.10	\$64.94	\$48.29	\$45.81	\$41.58	\$50.07
Standard Deviation	\$20.09	\$21.12	\$29.70	\$12.47	\$14.03	\$21.27	\$11.88	\$18.06	\$11.04	\$10.91	\$12.06	\$14.92
Load Wtg.Price **	\$63.81	\$75.03	\$76.25	\$53.14	\$48.47	\$55.52	\$58.93	\$67.71	\$50.02	\$47.34	\$43.21	\$51.95
<u>BME *** LBMP</u>												
Price *	\$63.19	\$80.25	\$74.27	\$59.22	\$50.27	\$53.84	\$59.99	\$67.63	\$50.34	\$48.74	\$41.01	\$48.73
Standard Deviation	\$25.43	\$41.53	\$32.77	\$25.00	\$16.37	\$22.27	\$14.82	\$72.20	\$14.01	\$15.35	\$18.51	\$18.89
Load Wtg.Price **	\$65.54	\$82.65	\$77.33	\$61.45	\$52.31	\$57.49	\$61.94	\$71.07	\$51.96	\$50.39	\$43.05	\$50.81
<u>REAL TIME LBMP</u>												
Price *	\$61.53	\$74.03	\$70.54	\$53.94	\$46.74	\$48.96	\$55.94	\$64.32	\$47.24	\$48.57	\$38.72	\$46.45
Standard Deviation	\$30.16	\$37.46	\$37.97	\$28.70	\$23.03	\$21.57	\$13.68	\$34.91	\$15.52	\$25.74	\$22.35	\$20.55
Load Wtg.Price **	\$64.43	\$76.41	\$74.02	\$56.14	\$49.44	\$52.82	\$57.79	\$67.27	\$49.12	\$49.98	\$40.96	\$48.73
Average Daily Energy Sendout/Month GWh	458	450	418	393	382	432	497	498	433	397	402	435

* Average zonal load weighted prices

** Average zonal load weighted prices, load weighted in each hour

*** Commonly referred to as Hour Ahead Market (HAM)

**NYISO Monthly Average Internal LBMPs
2003 - 2004**



* Commonly referred to as Hour Ahead Market (HAM)

4-F

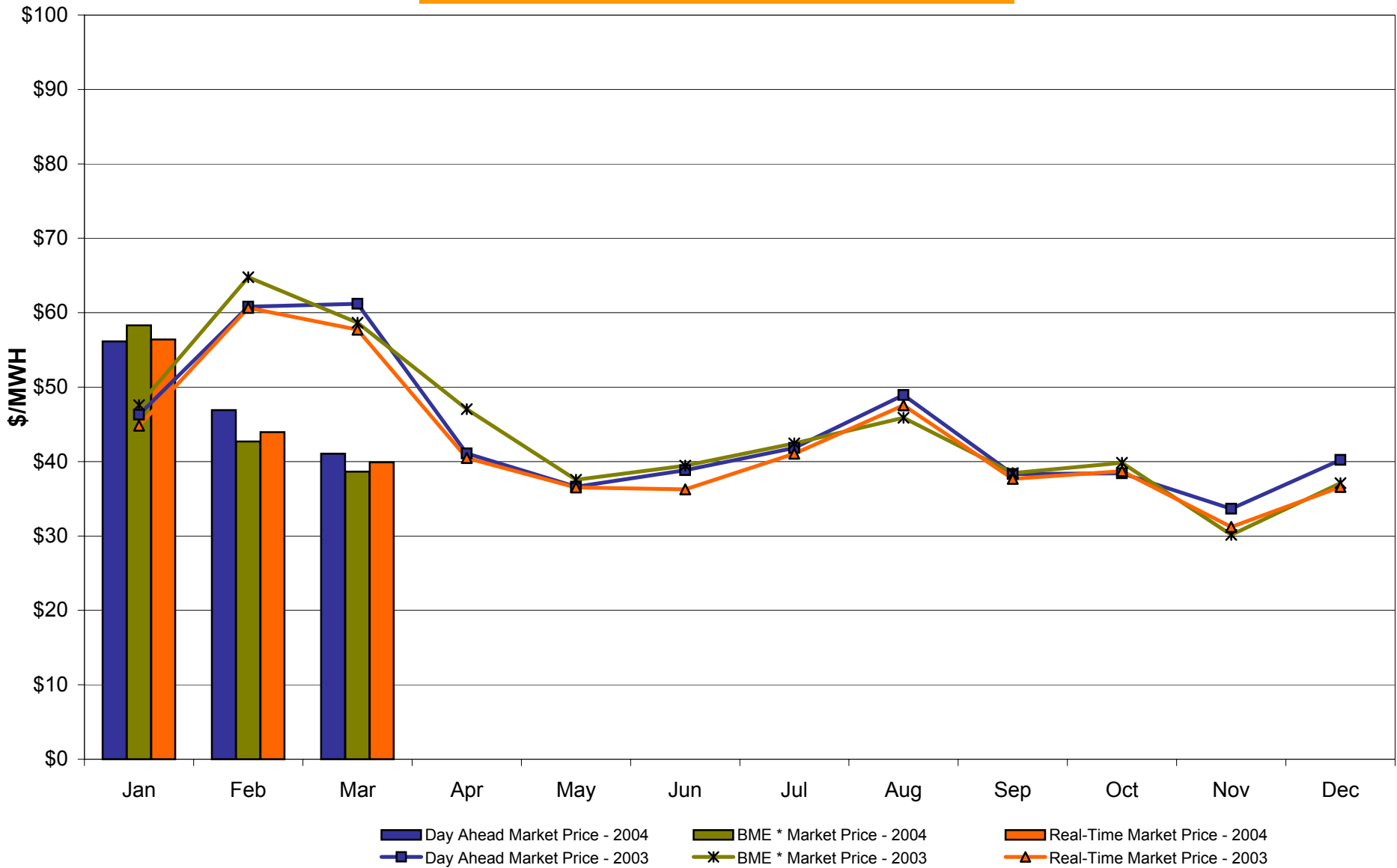
March 2004 Zonal Statistics for NYISO (\$/MWH)

	WEST Zone A	GENESEE Zone B	NORTH Zone D	CENTRAL Zone C	MOHAWK VALLEY Zone E	CAPITAL Zone F	HUDSON VALLEY Zone G	MILLWOOD Zone H	DUNWOODIE Zone I	NEW YORK CITY Zone J	LONG ISLAND Zone K
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	41.05	43.92	44.97	43.98	45.65	47.72	47.25	47.38	48.32	54.52	53.61
Standard Deviation	8.97	9.57	9.22	9.54	9.72	10.33	10.12	10.26	10.72	14.50	11.21
<u>BME ** LBMP</u>											
Unweighted Price *	38.66	40.14	43.92	42.74	44.17	45.06	45.68	45.65	46.28	68.40	59.50
Standard Deviation	11.49	11.76	12.07	12.34	12.55	12.82	12.99	13.43	13.62	26.24	31.08
<u>REAL TIME LBMP</u>											
Unweighted Price *	39.89	43.74	44.13	42.98	44.73	47.83	45.37	45.94	46.68	57.29	54.13
Standard Deviation	15.25	16.68	16.79	16.39	17.02	17.74	17.06	17.33	17.66	21.67	21.01
	ONTARIO HYDRO Zone O	HYDRO QUEBEC Zone M	PJM Zone P	NEW ENGLAND Zone N							
<u>DAY AHEAD LBMP</u>											
Unweighted Price *	40.52	45.25	41.73	47.51							
Standard Deviation	8.64	9.35	9.91	10.22							
<u>BME ** LBMP</u>											
Unweighted Price *	37.85	43.74	40.41	45.17							
Standard Deviation	11.25	12.18	12.92	12.92							
<u>REAL TIME LBMP</u>											
Unweighted Price *	39.92	43.75	40.53	45.65							
Standard Deviation	15.16	16.45	15.81	16.93							

* Straight zonal LBMP averages

** Commonly referred to as Hour Ahead Market (HAM)

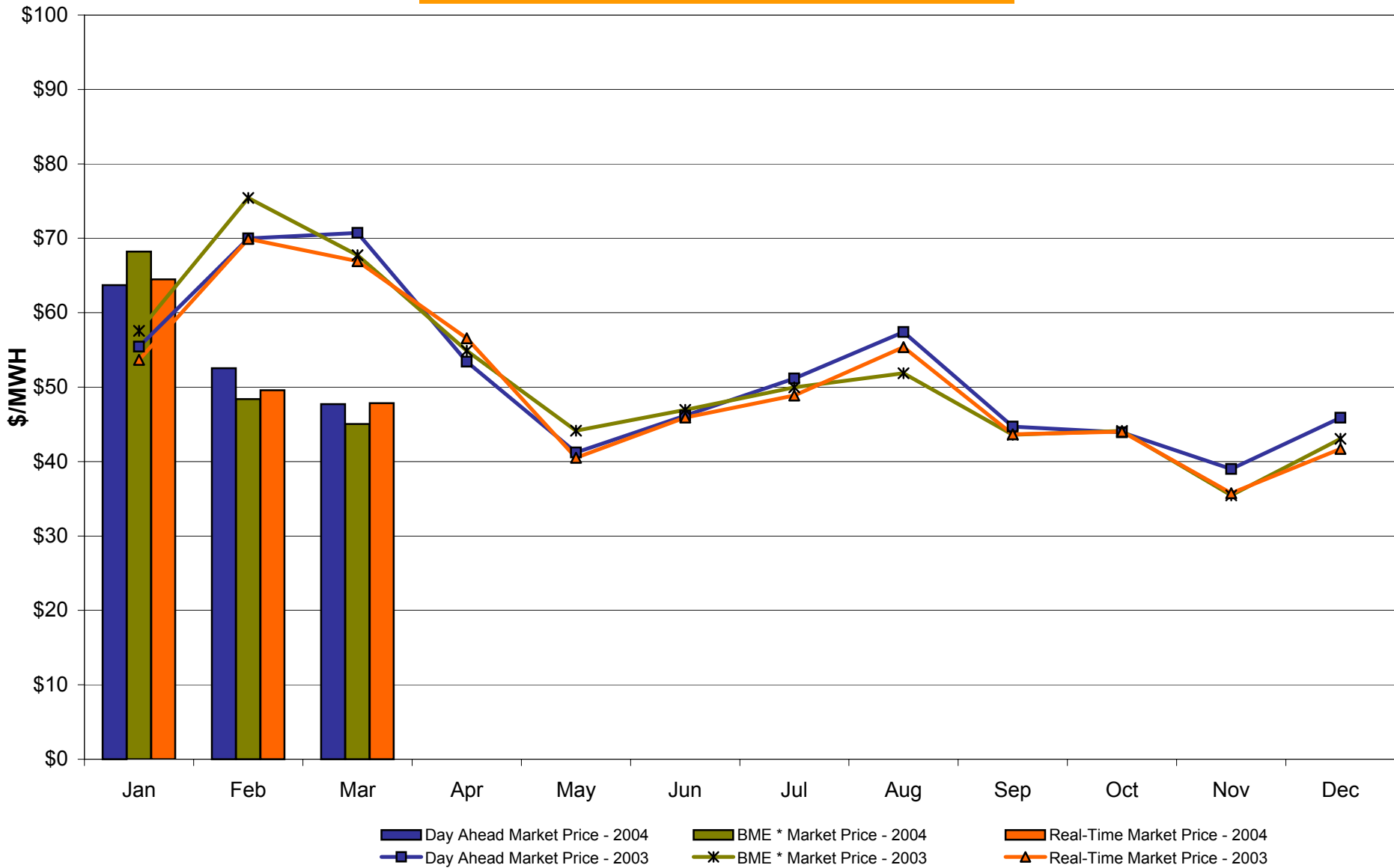
West Zone A Monthly Average LBMP Prices 2003 - 2004



4-H

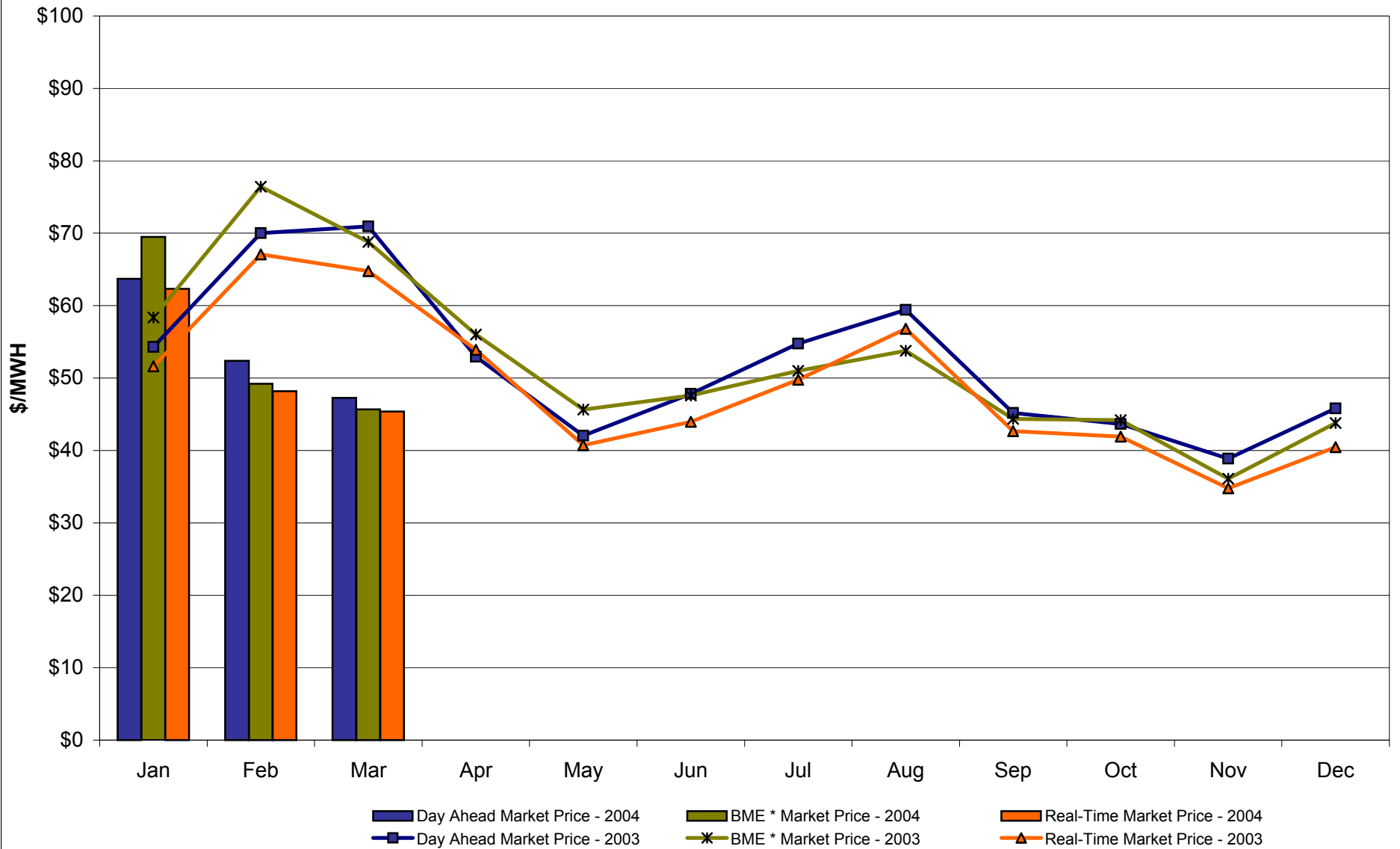
* Commonly referred to as Hour Ahead Market (HAM)

Capital Zone F Monthly Average LBMP Prices 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

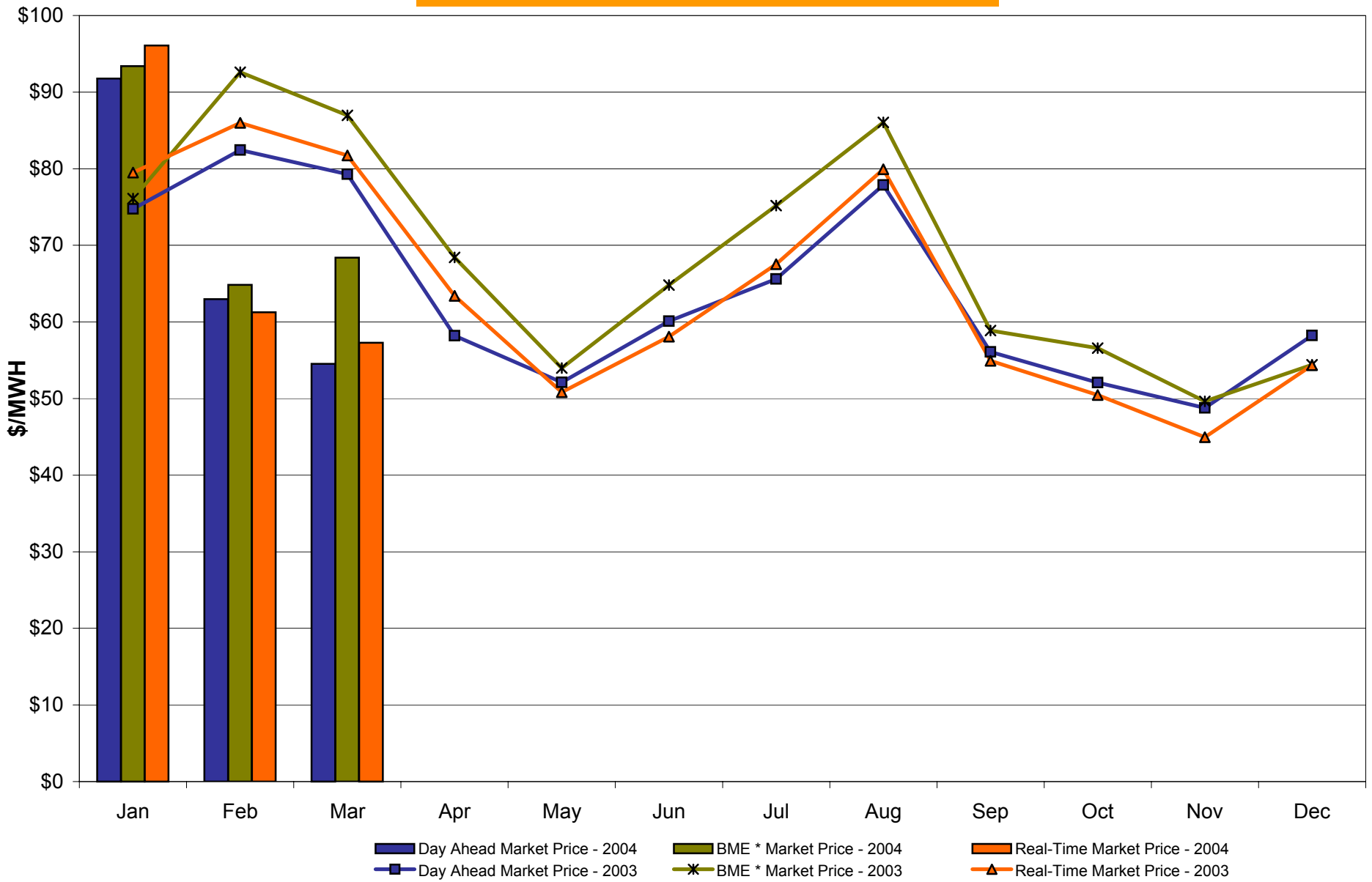
Hudson Valley Zone G Monthly Average LBMP Prices 2003 - 2004



4-J

* Commonly referred to as Hour Ahead Market (HAM)

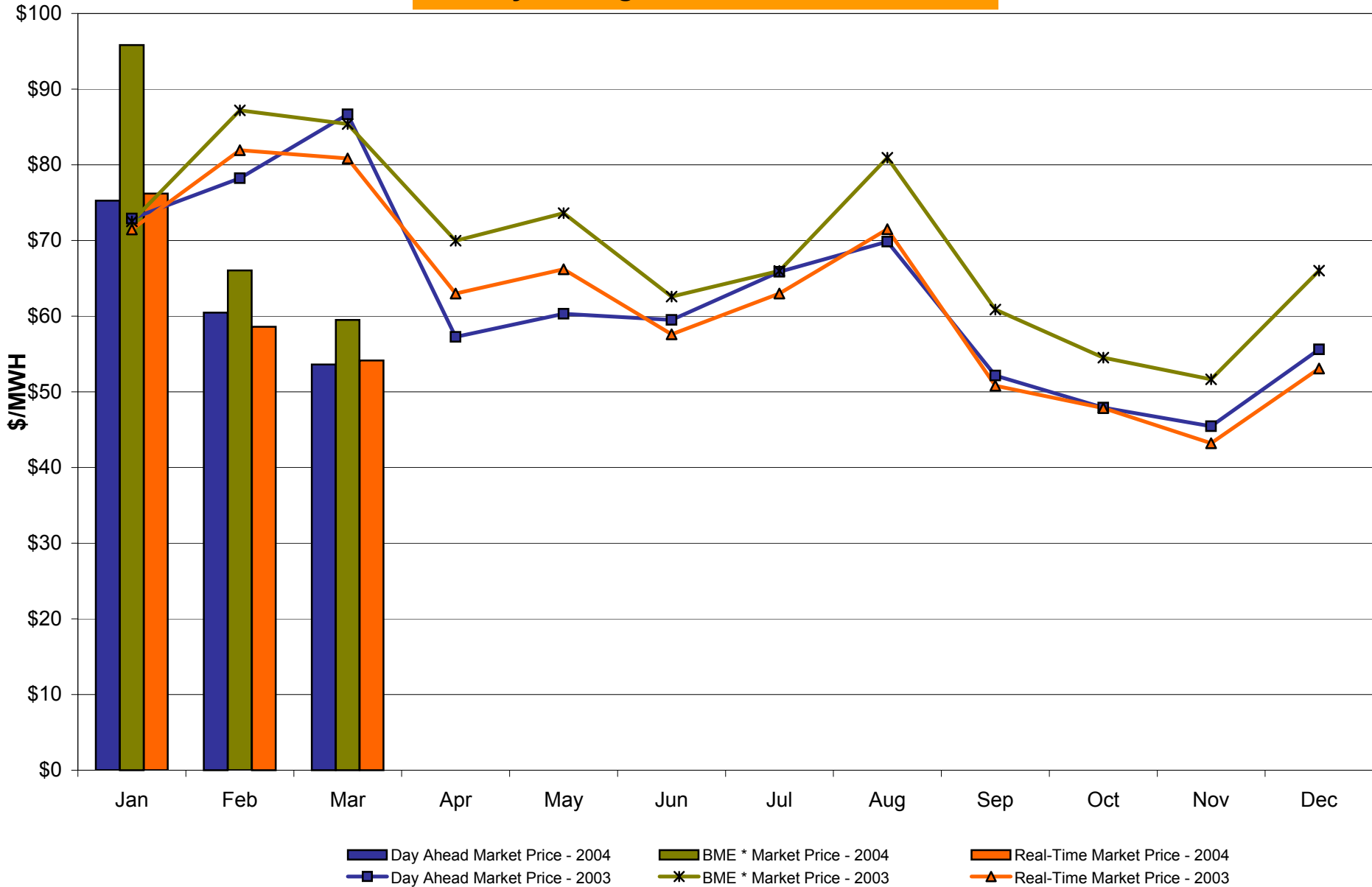
NYC Zone J Monthly Average LBMP Prices 2003 - 2004



4-K

* Commonly referred to as Hour Ahead Market (HAM)

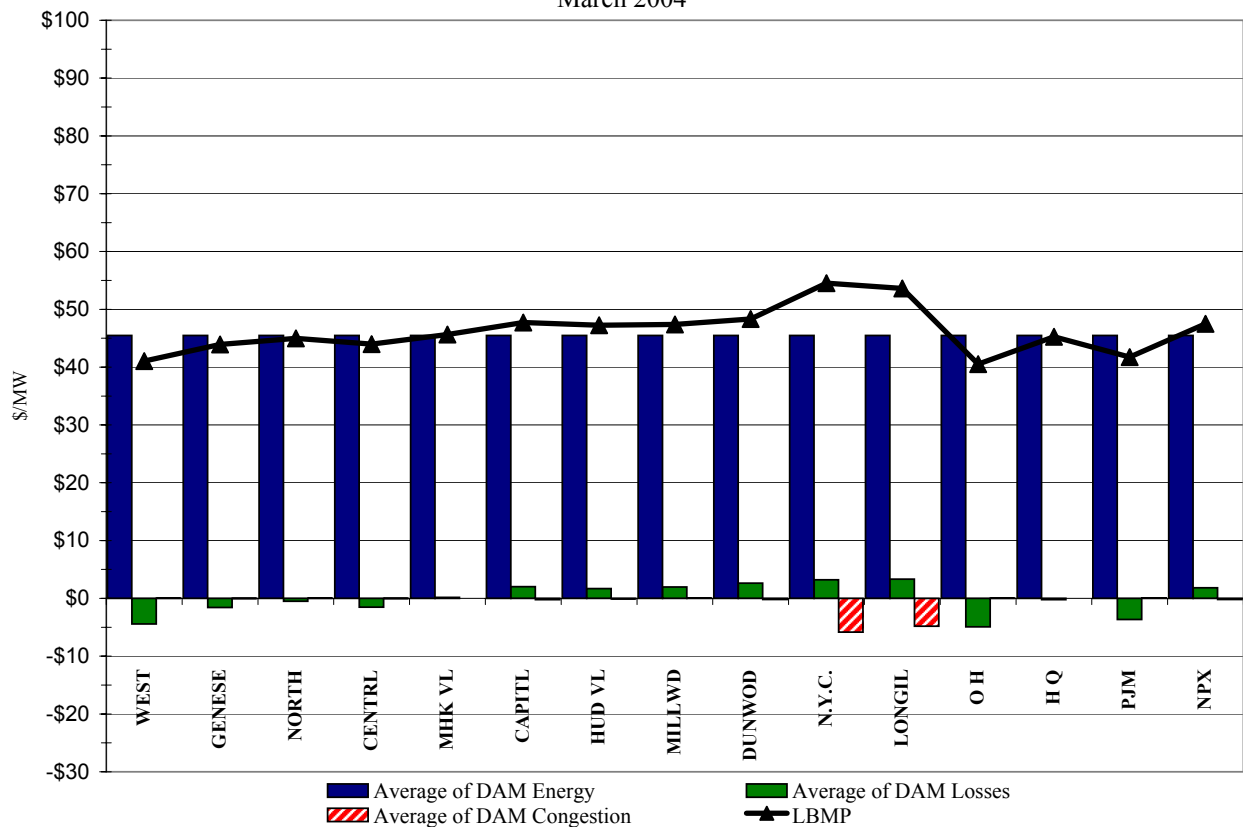
Long Island Zone K Monthly Average LBMP Prices 2003 - 2004



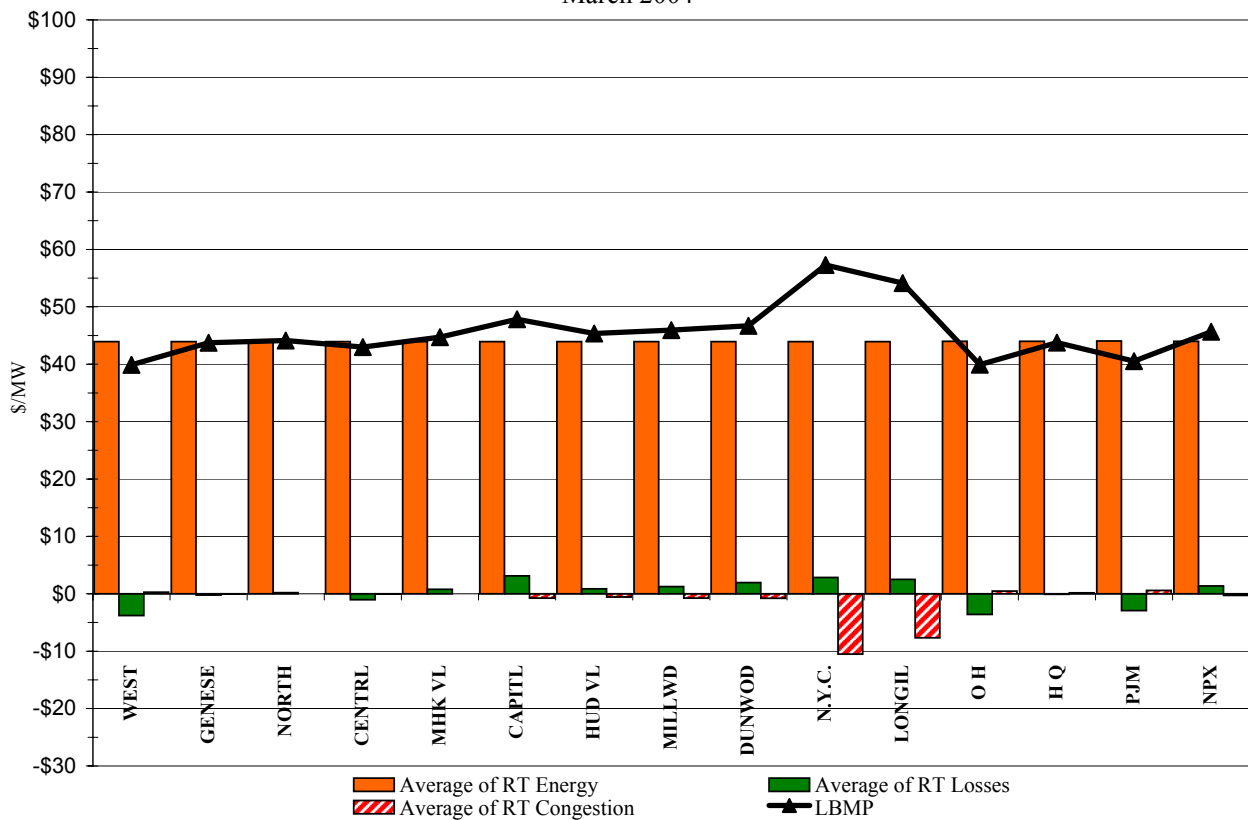
4-L

* Commonly referred to as Hour Ahead Market (HAM)

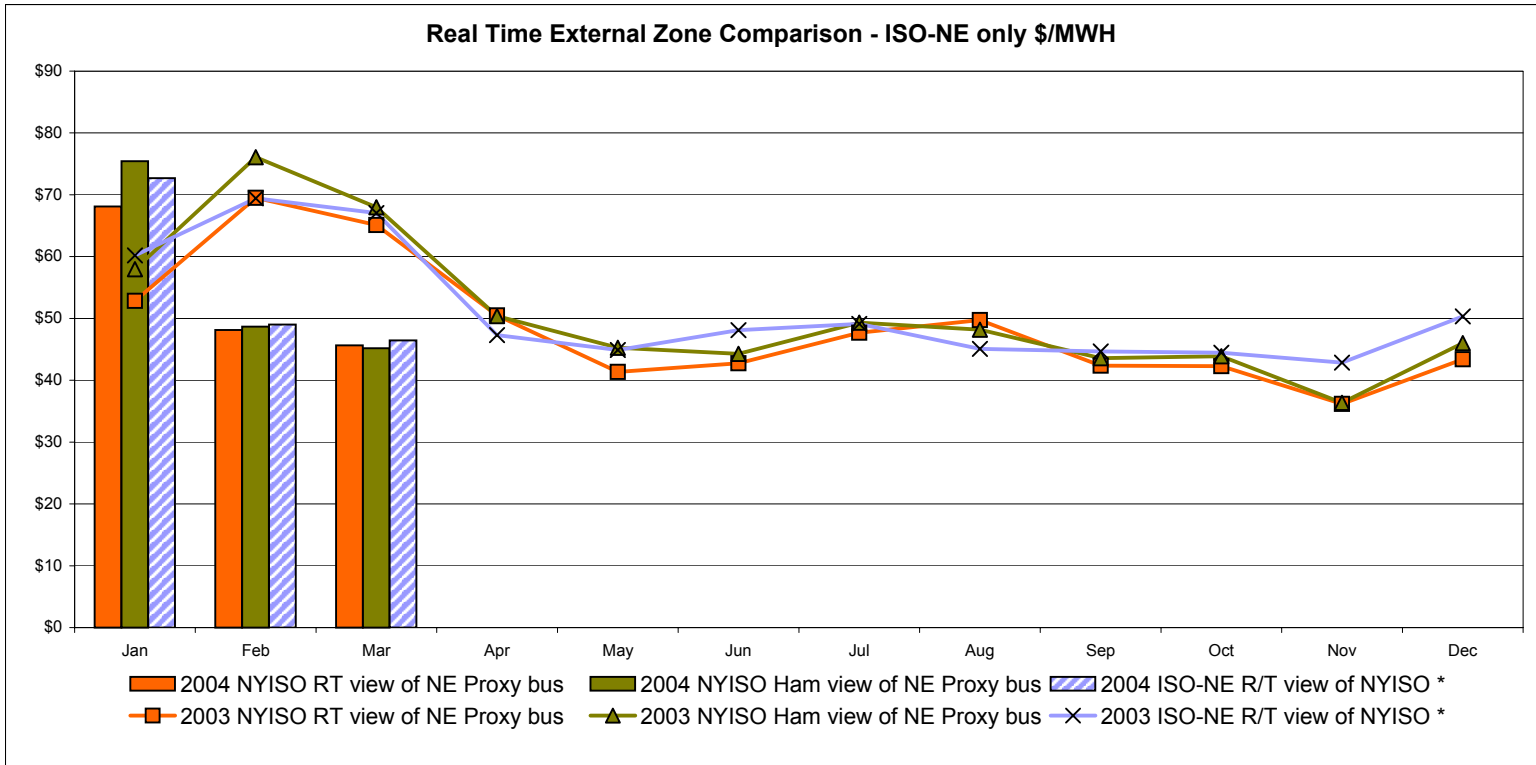
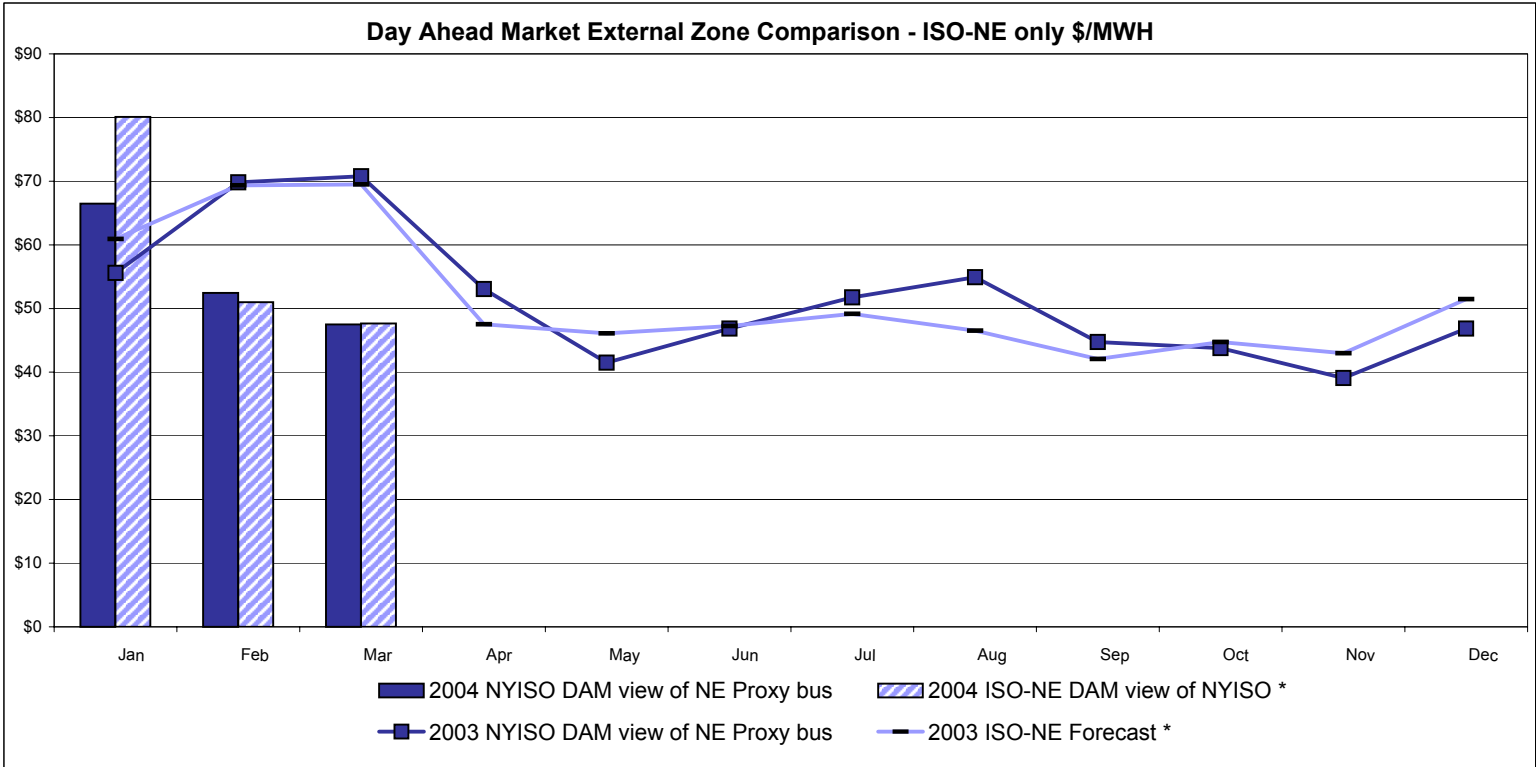
DAM Zonal Unweighted Monthly Average LBMP Components
March 2004



RT Zonal Unweighted Monthly Average LBMP Components
March 2004



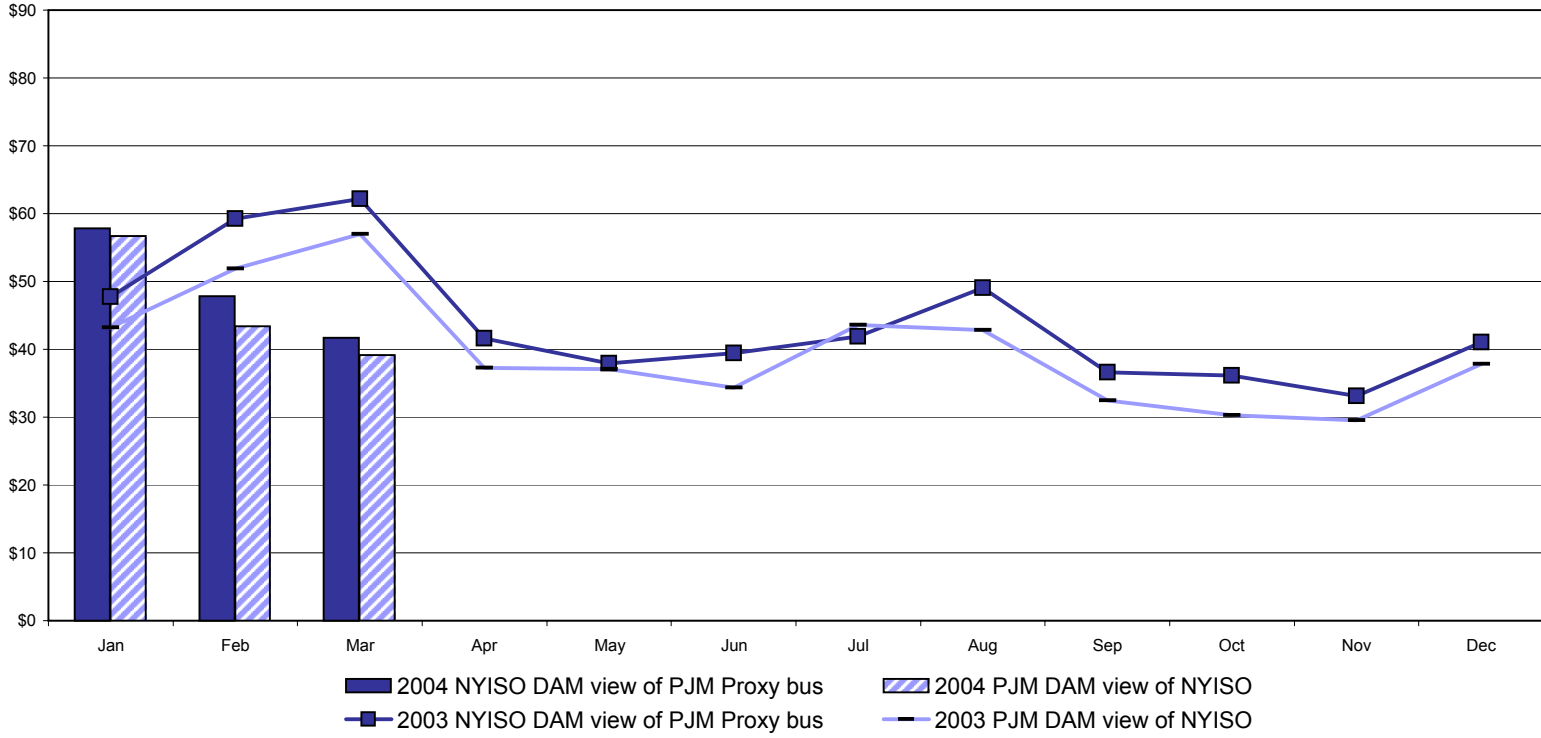
External Comparison ISO-NE



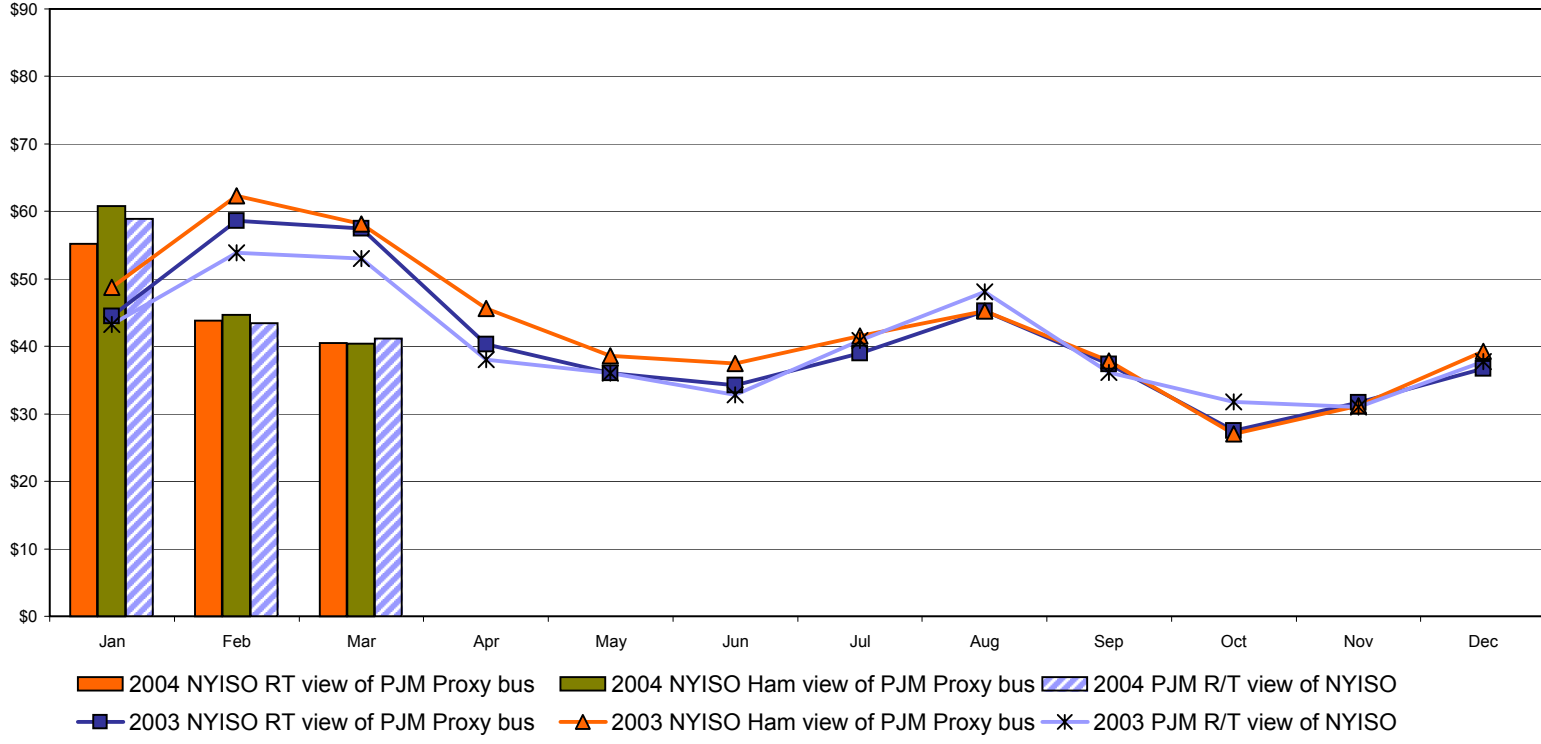
Note:
 ISO-NE Forecast is an advisory posting @ 18:00 day before
 * Effective 3/1/2003 SMD implemented by ISO-NE. The DAM and R/T prices at the Roseton interface are now used.

External Comparison PJM

Day Ahead Market External Zone Comparison - PJM only \$/MWH

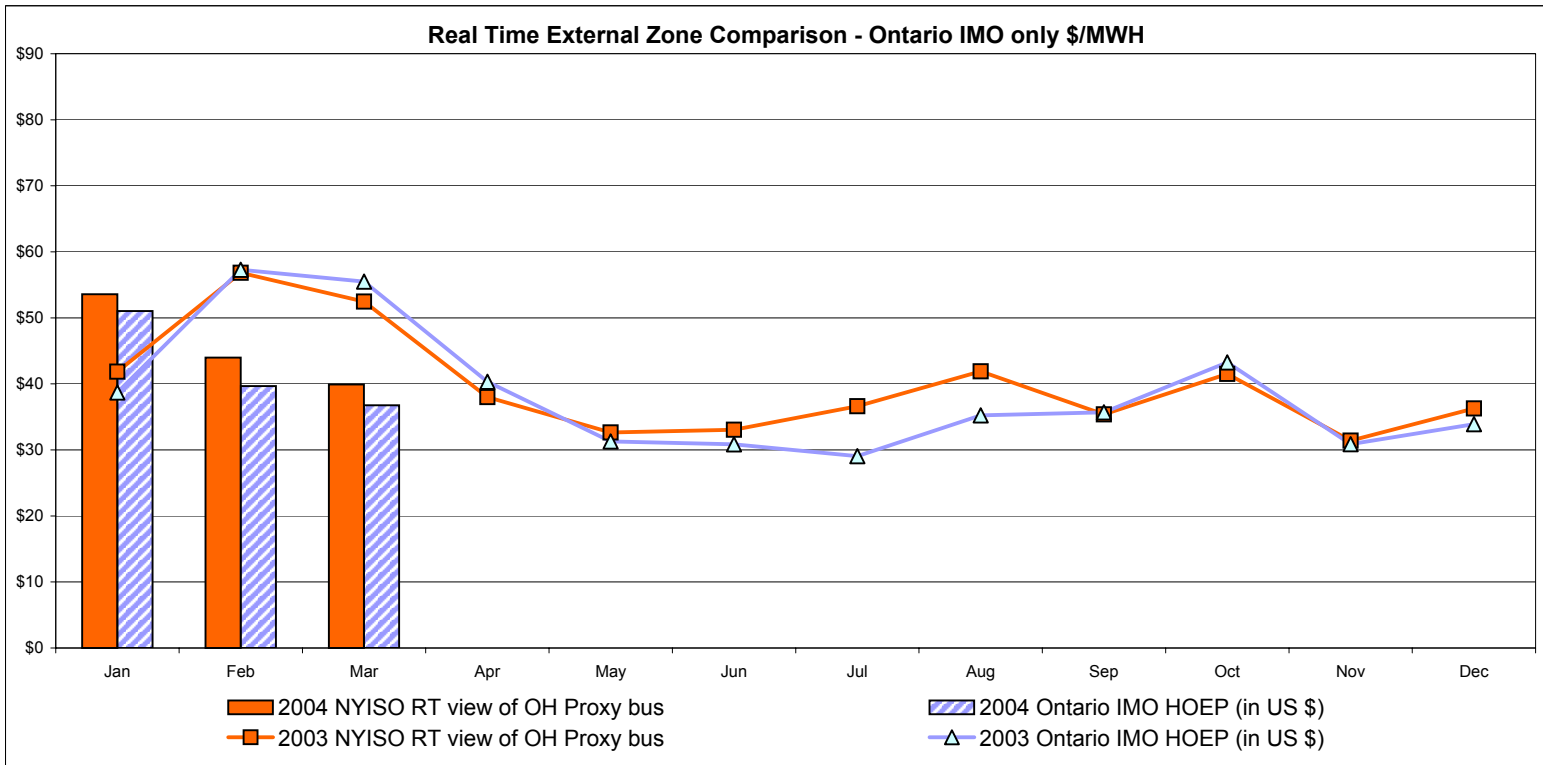
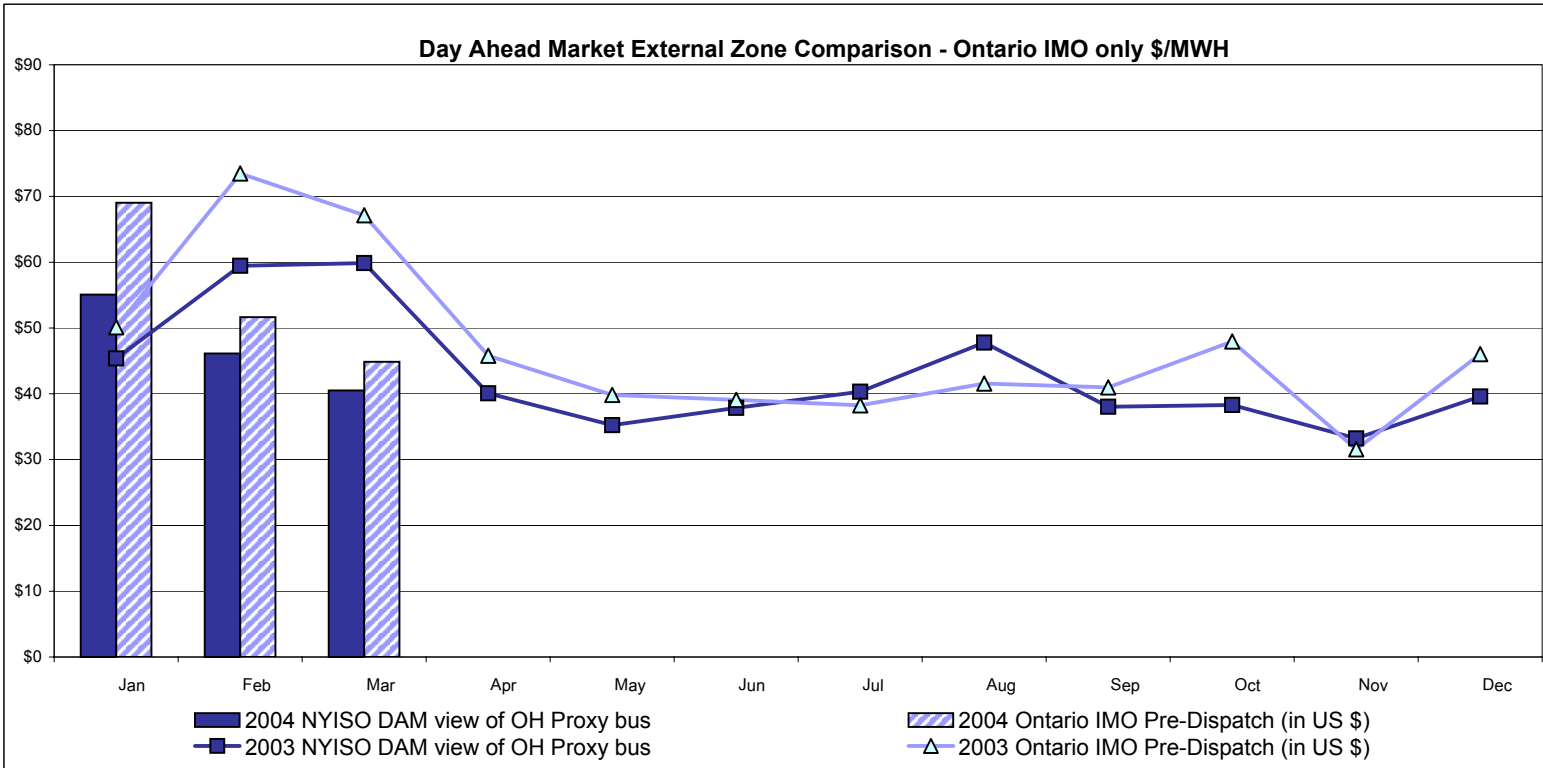


Real Time External Zone Comparison - PJM only \$/MWH



Note:
After 5/1/02 PJM lists only one interface as NYIS

External Comparison Ontario IMO



Notes: Exchange factor used for February 2004 was .75 to US \$
 HOEP: Hourly Ontario Energy Price
 Pre-Dispatch: Projected Energy Price
 Pre-Dispatch data from 8/14/03 Hr 15 thru 8/21/03 not included

NYISO Price Correction Statistics

NYISO Price Corrections 2004

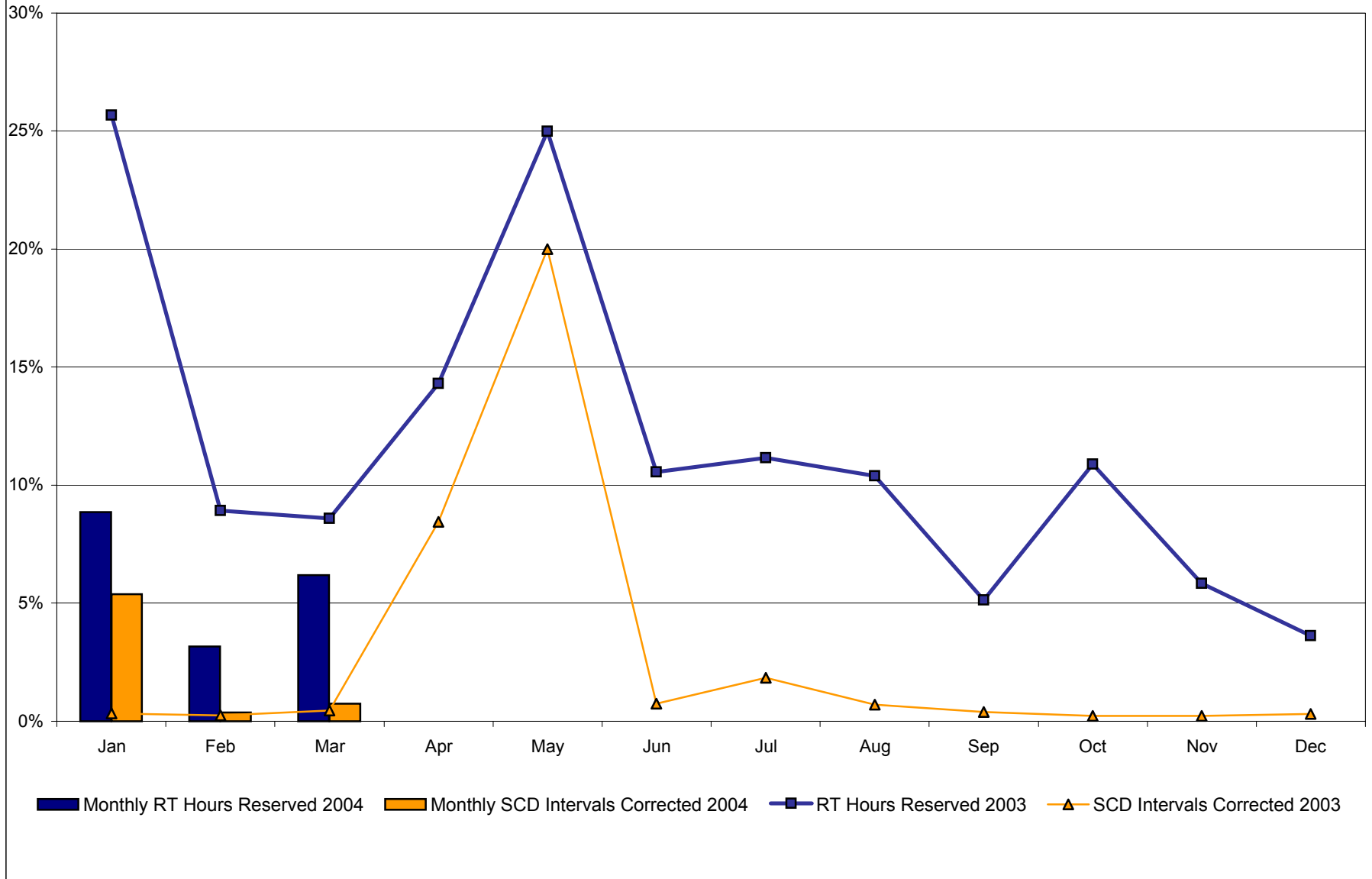
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	597	40	83									
Number of Intervals in the month	11,089	10,495	11,085									
Percentage of intervals corrected in the month	5.38%	0.38%	0.75%									
Number of Intervals corrected Year-to-date	597	637	720									
Number of Intervals Year-to-date	11,089	21,584	32,669									
Percentage of intervals corrected Year-to-date	5.38%	2.95%	2.20%									
<u>Hours Reserved</u>												
Number of hours reserved in the month	66	22	46									
Number of hours in the month	744	696	744									
Percentage of hours reserved in the month	8.87%	3.16%	6.18%									
Number of hours reserved Year-to-date	66	88	134									
Number of hours Year-to-date	744	1,440	2,184									
Percentage of hours reserved Year-to-date	8.87%	6.11%	6.14%									
<u>Days Without Corrections</u>												
Days without price corrections in the month	14	20	11									
Days without price corrections Year-to-date	14	34	45									

NYISO Price Corrections 2003

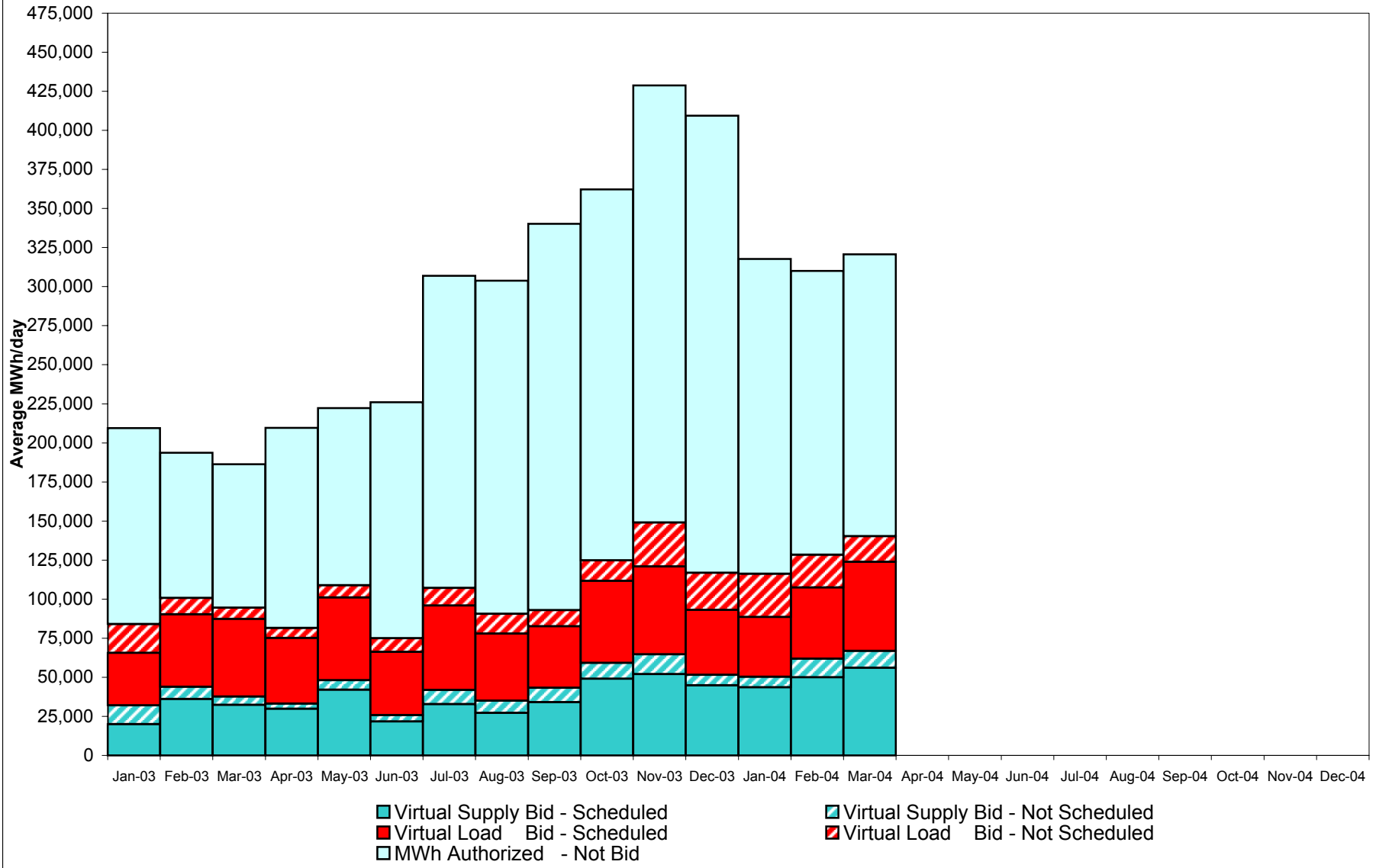
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	36	25	49	891	2,254	79	202	71	41	25	25	34
Number of Intervals in the month	10,986	10,197	10,918	10,554	11,274	10,729	10,998	9,973	10,620	11,248	10,629	11,175
Percentage of intervals corrected in the month	0.32%	0.25%	0.45%	8.44%	19.99%	0.74%	1.84%	0.71%	0.39%	0.22%	0.24%	0.30%
Number of Intervals corrected Year-to-date	36	61	110	1,001	3,255	3,334	3,536	3,607	3,648	3,673	3,698	3,732
Number of Intervals Year-to-date	10,986	21,183	32,101	42,655	53,929	64,658	75,656	85,629	96,249	107,497	118,126	129,301
Percentage of intervals corrected Year-to-date	0.32%	0.28%	0.34%	2.35%	6.04%	5.16%	4.67%	4.21%	3.79%	3.42%	3.13%	2.89%
<u>Hours Reserved</u>												
Number of hours reserved in the month	191	60	64	103	186	76	83	69	37	81	42	27
Number of hours in the month	744	672	744	720	744	720	744	664 *	720	744	720	744
Percentage of hours reserved in the month	25.67%	8.93%	8.60%	14.31%	25.00%	10.56%	11.16%	10.39%	5.14%	10.89%	5.83%	3.63%
Number of hours reserved Year-to-date	191	251	315	418	604	680	763	832	869	950	992	1,019
Number of hours Year-to-date	744	1,416	2,160	2,880	3,624	4,344	5,088	5,752	6,472	7,216	7,936	8,680
Percentage of hours reserved Year-to-date	25.67%	17.73%	14.58%	14.51%	16.67%	15.65%	15.00%	14.46%	13.43%	13.17%	12.50%	11.74%
<u>Days Without Corrections</u>												
Days without price corrections in the month	17	15	14	9	8	8	7	5	9	17	15	14
Days without price corrections Year-to-date	17	32	46	55	63	71	78	83	92	109	124	138

* 80 hours not included due to suspended market during system disruption

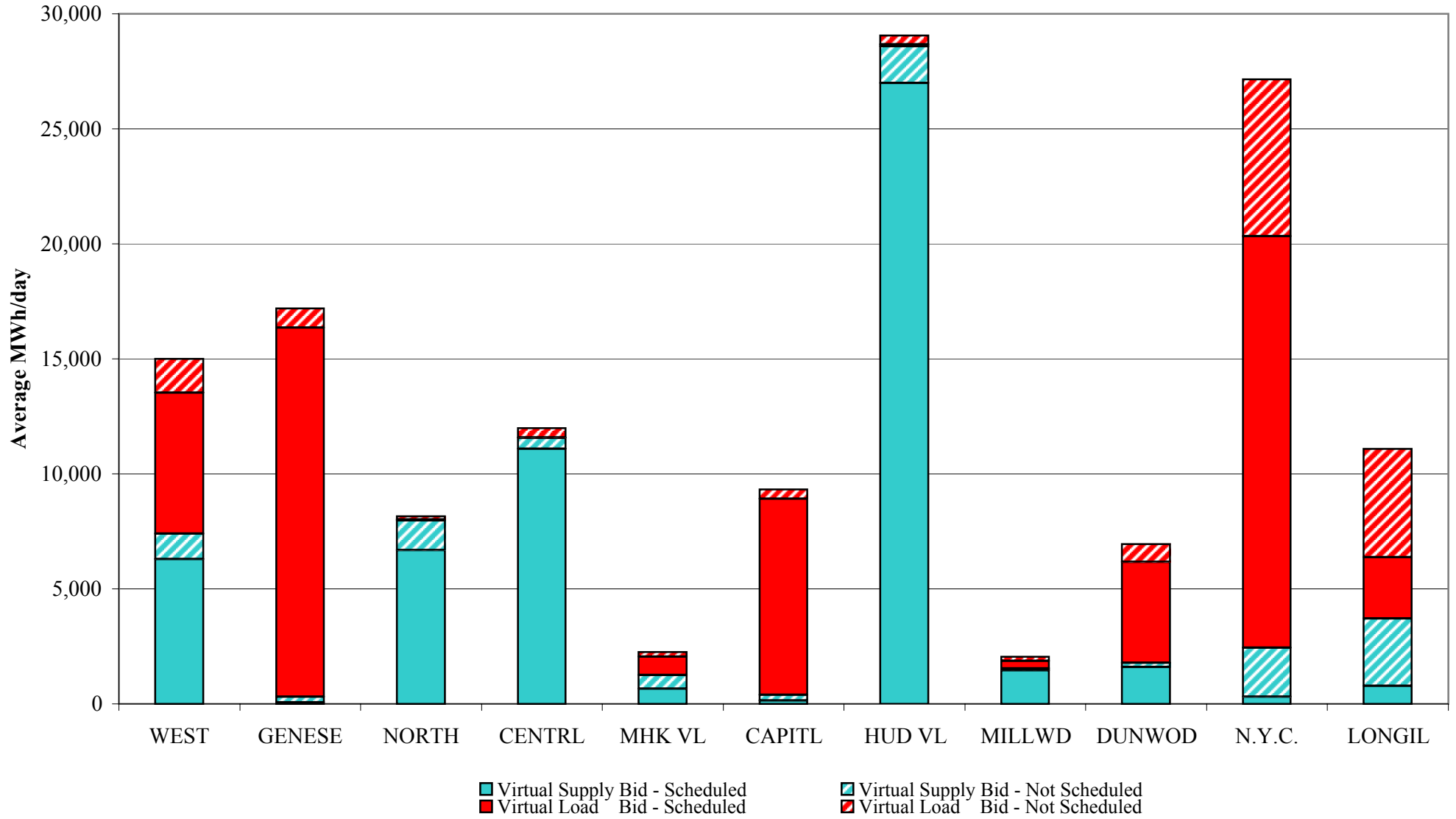
Percentage of Real-Time Corrections



**NYISO Virtual Trading
Average MWh per day**

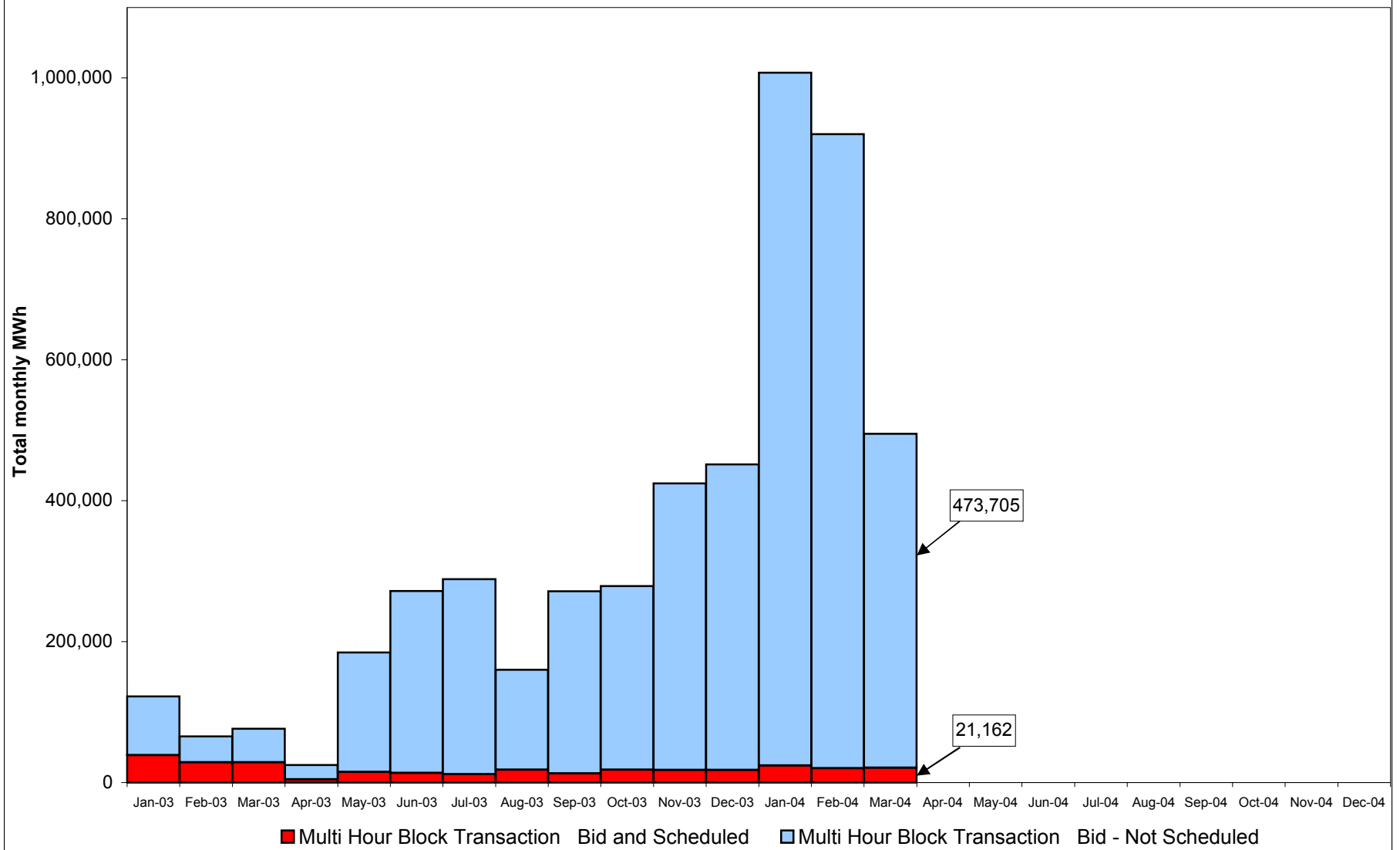


Virtual Load and Supply Zonal Statistics March 2004

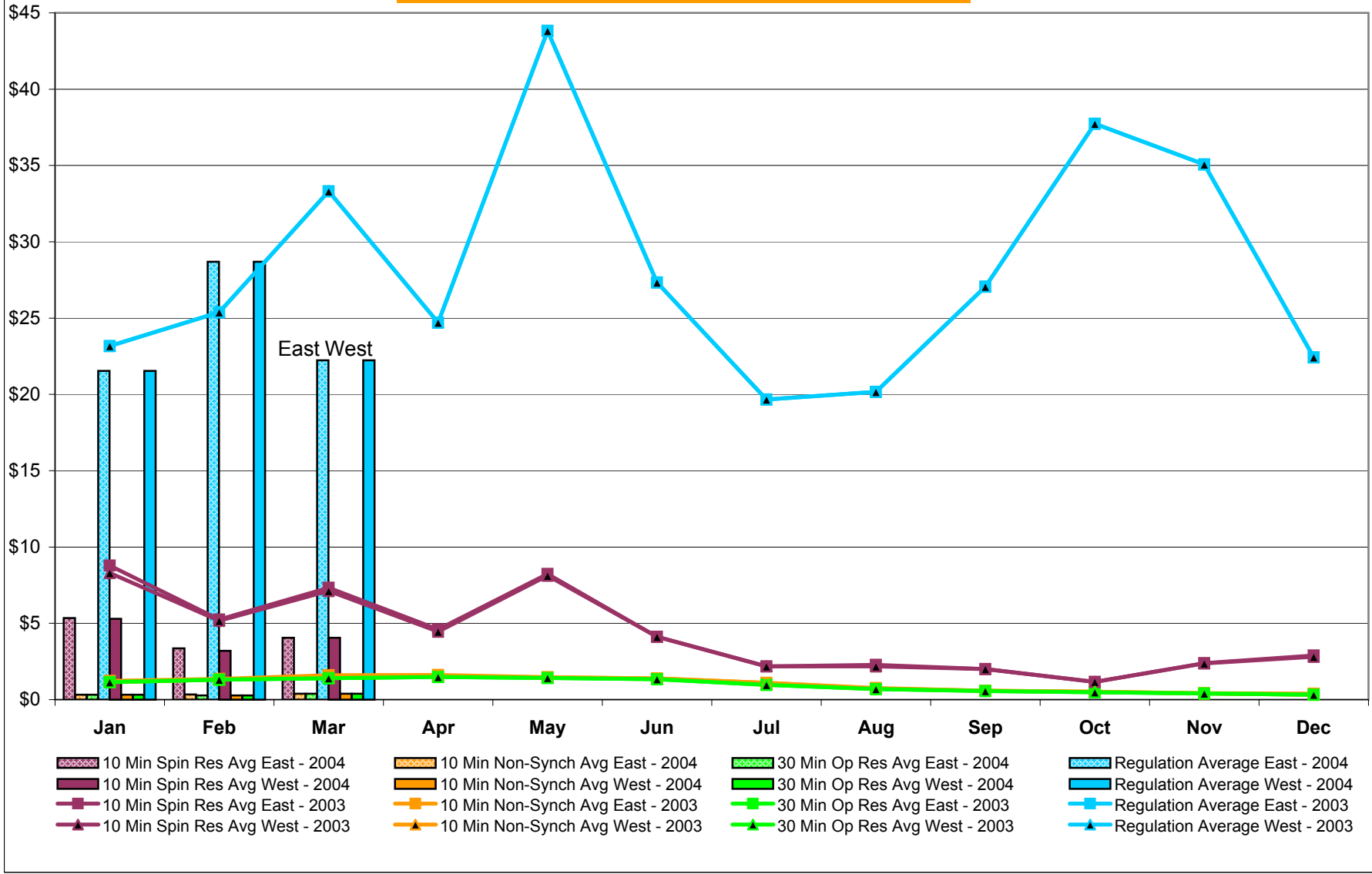


4-T

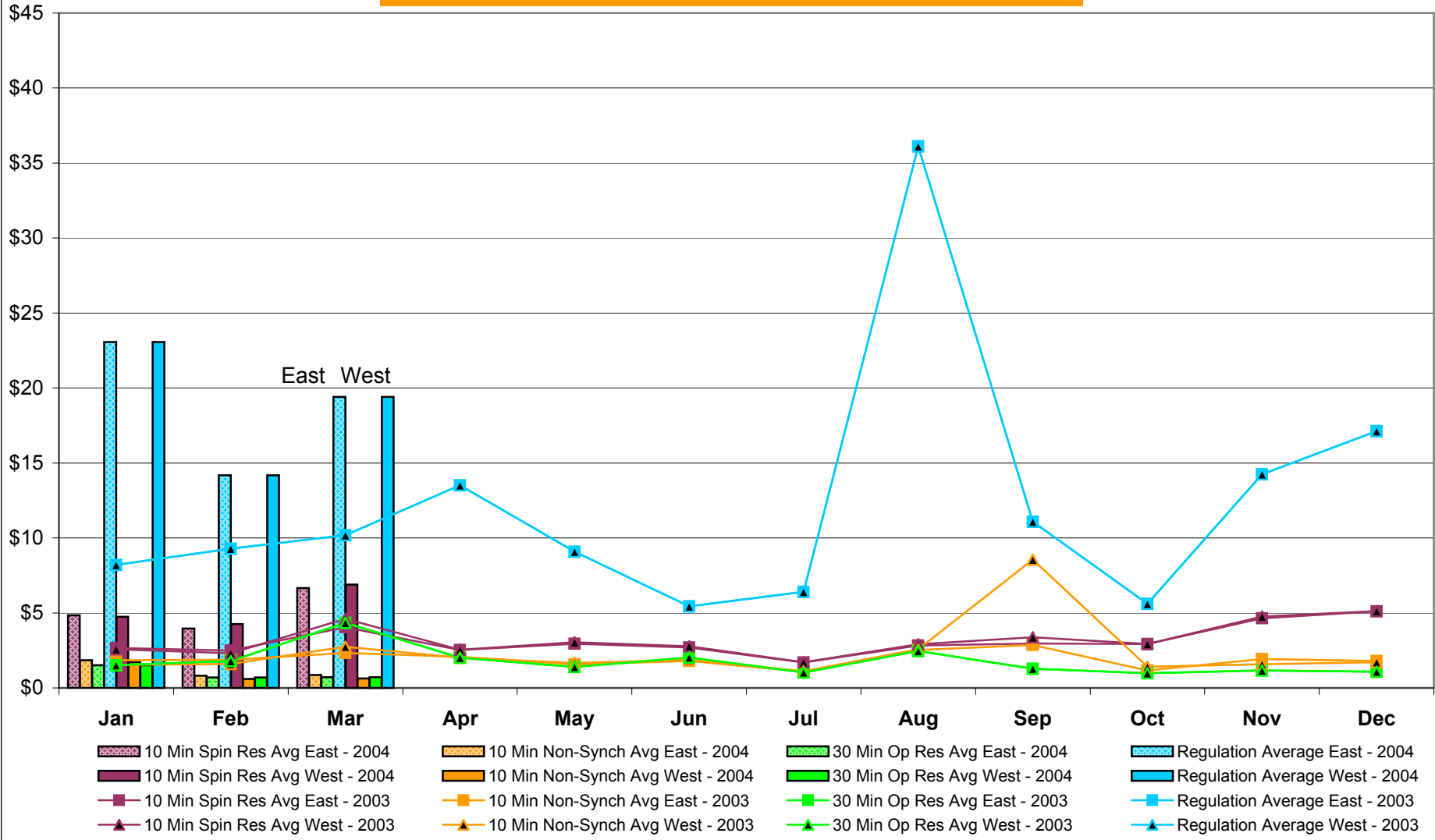
NYISO Multi Hour Block Transactions Monthly Total MWh



**NYISO Monthly Average Ancillary Service Prices
Day Ahead Market 2003 - 2004**



NYISO Monthly Average Ancillary Service Prices BME * 2003 - 2004



* Commonly referred to as Hour Ahead Market (HAM)

NYISO Markets Ancillary Services Statistics

January February March April May June July August September October November December

ANCILLARY SERVICES Unweighted Price (\$/MWH) 2004

Day Ahead Market

10 Min Spin East	5.35	3.36	4.05
10 Min Spin West	5.29	3.20	4.05
10 Min Non Synch East	0.33	0.33	0.39
10 Min Non Synch West	0.32	0.27	0.39
30 Min East	0.32	0.27	0.39
30 Min West	0.32	0.27	0.39
Regulation East	21.54	28.69	22.23
Regulation West	21.54	28.69	22.23

BME* Market

10 Min Spin East	4.84	3.96	6.65
10 Min Spin West	4.75	4.27	6.89
10 Min Non Synch East	1.85	0.81	0.87
10 Min Non Synch West	1.71	0.60	0.64
30 Min East	1.51	0.70	0.72
30 Min West	1.51	0.70	0.72
Regulation East	23.07	14.18	19.41
Regulation West	23.07	14.18	19.41

ANCILLARY SERVICES Unweighted Price (\$/MWH) 2003

Day Ahead Market

10 Min Spin East	8.78	5.24	7.33	4.60	8.24	4.12	2.18	2.28	2.01	1.17	2.39	2.89
10 Min Spin West	8.30	5.17	7.12	4.45	8.12	4.11	2.18	2.18	2.00	1.17	2.37	2.81
10 Min Non Synch East	1.22	1.36	1.60	1.61	1.48	1.40	1.09	0.76	0.58	0.52	0.41	0.38
10 Min Non Synch West	1.15	1.32	1.45	1.54	1.45	1.39	1.09	0.72	0.58	0.52	0.40	0.32
30 Min East	1.14	1.30	1.41	1.48	1.42	1.35	0.97	0.69	0.56	0.48	0.40	0.32
30 Min West	1.14	1.30	1.41	1.48	1.42	1.35	0.97	0.69	0.56	0.48	0.40	0.32
Regulation East	23.17	25.39	33.31	24.70	43.82	27.33	19.67	20.17	27.06	37.74	35.07	22.43
Regulation West	23.17	25.39	33.31	24.70	43.82	27.33	19.67	20.17	27.06	37.74	35.07	22.43

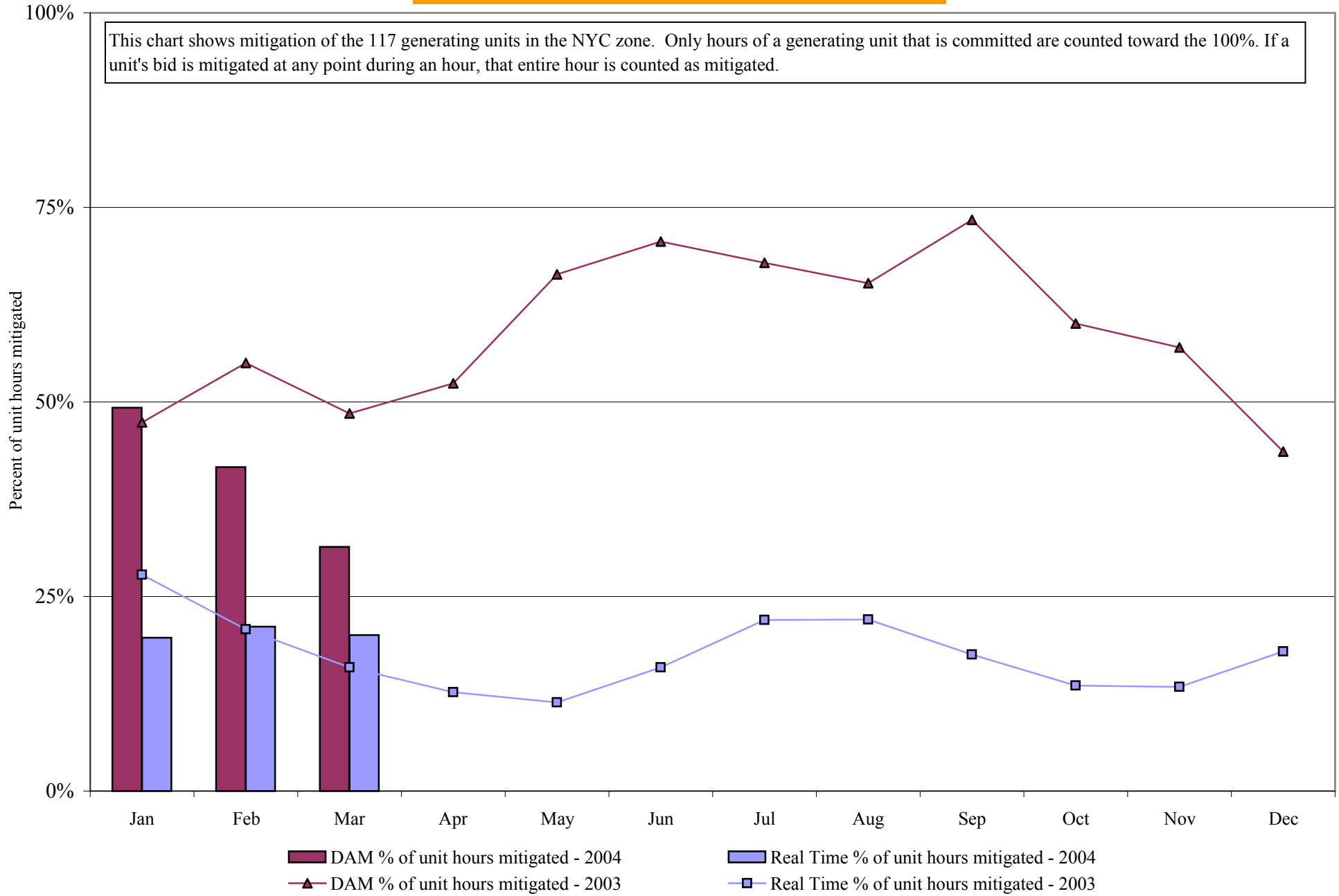
BME* Market

10 Min Spin East	2.67	2.50	4.05	2.54	2.95	2.69	1.69	2.82	2.96	2.92	4.65	5.11
10 Min Spin West	2.59	2.32	4.61	2.55	3.04	2.78	1.72	2.91	3.38	2.94	4.76	5.13
10 Min Non Synch East	1.85	1.89	2.34	2.07	1.57	1.80	1.09	2.53	2.87	1.17	1.92	1.80
10 Min Non Synch West	1.53	1.59	2.75	2.02	1.67	1.88	1.11	2.58	8.55	1.41	1.57	1.71
30 Min East	1.52	1.80	4.34	2.02	1.40	2.03	1.04	2.46	1.28	0.97	1.17	1.07
30 Min West	1.52	1.80	4.34	2.02	1.40	2.03	1.04	2.46	1.28	0.97	1.17	1.07
Regulation East	8.21	9.28	10.19	13.52	9.08	5.44	6.41	36.11	11.09	5.60	14.24	17.12
Regulation West	8.21	9.28	10.19	13.52	9.08	5.44	6.41	36.11	11.09	5.60	14.24	17.12

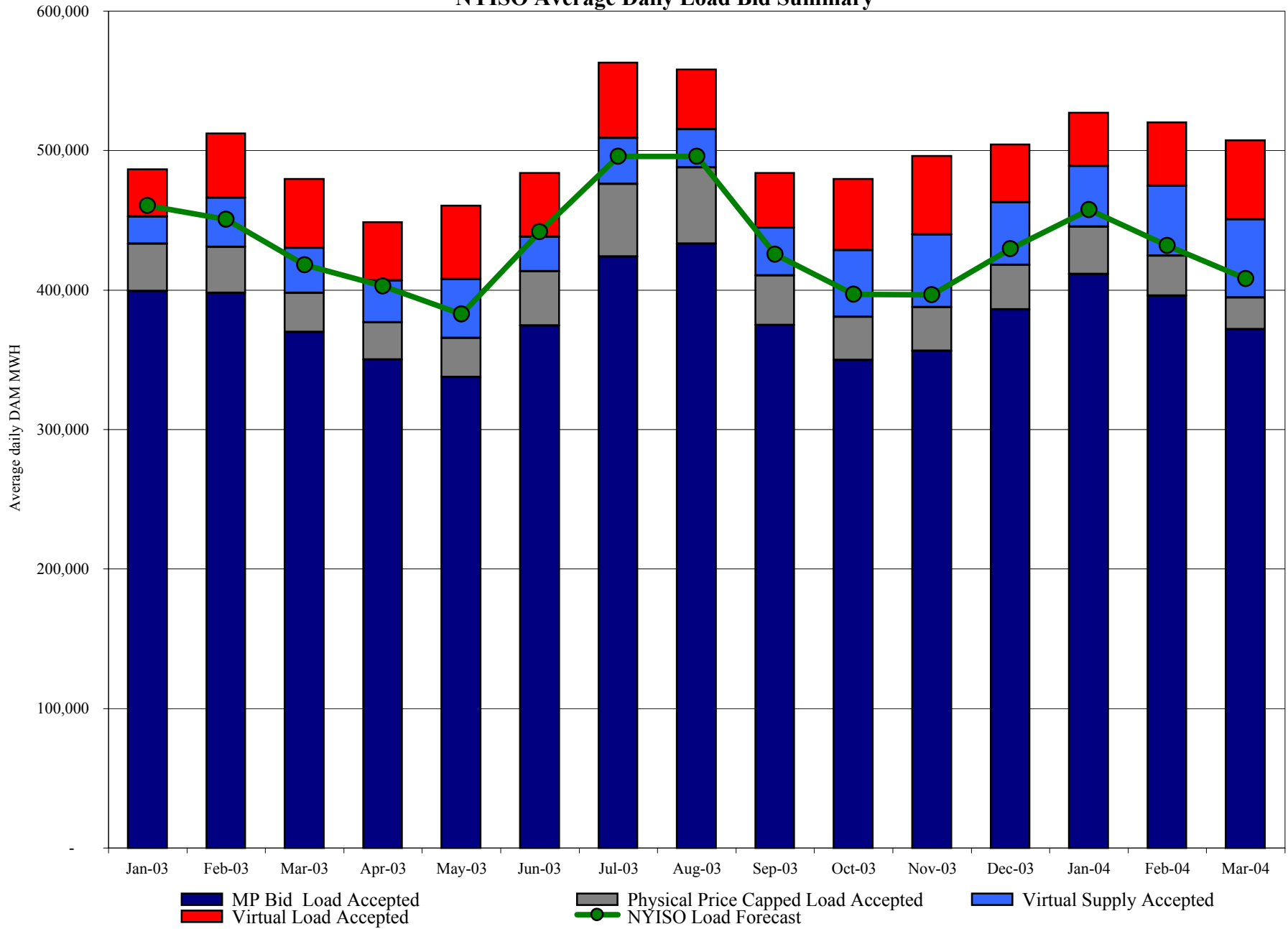
* Commonly Referred to as Hour Ahead Market (HAM)

NYISO In City Mitigation (NYC Zone) 2003-2004

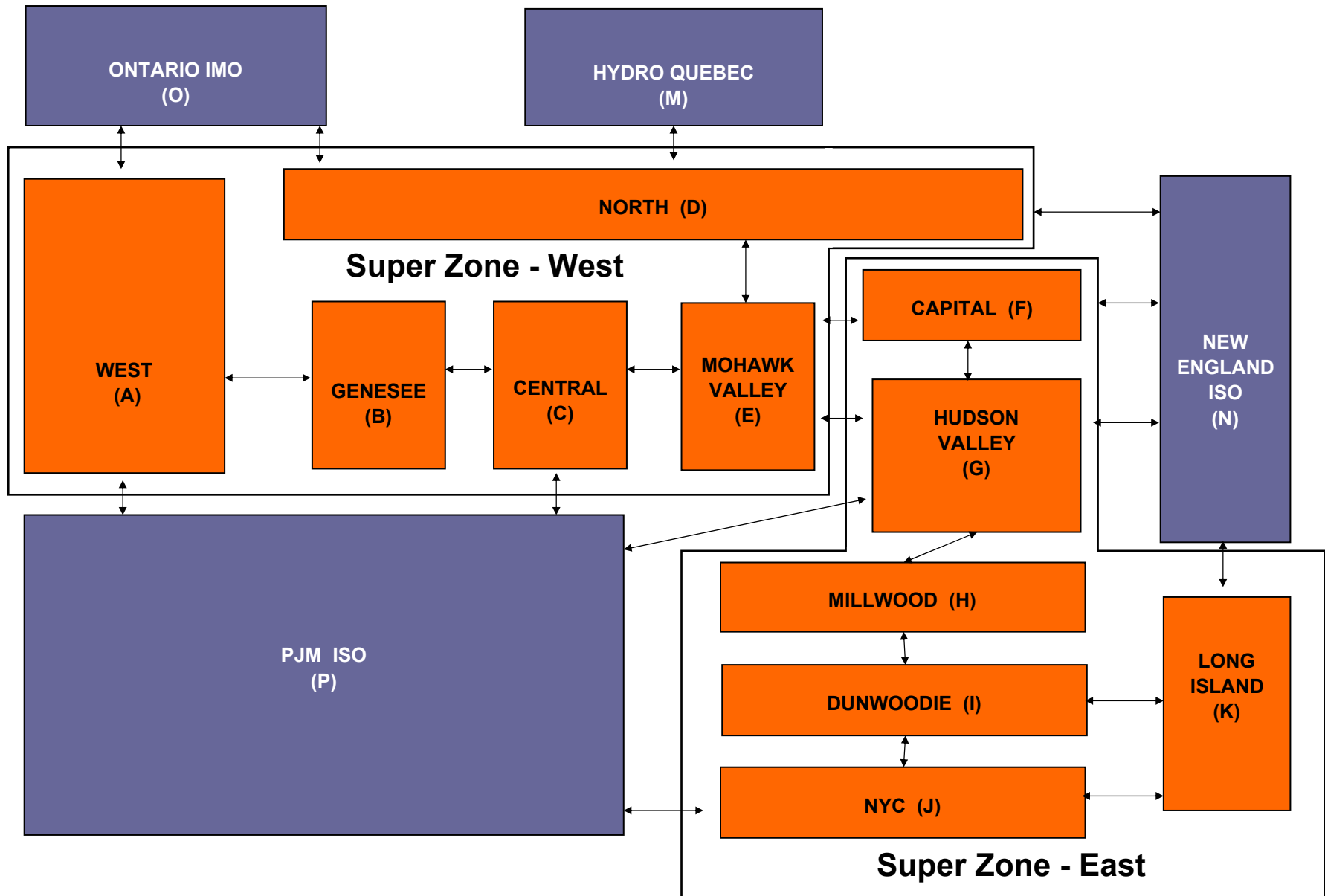
Percentage of committed unit-hours mitigated



NYISO Average Daily Load Bid Summary



NYISO LBMP ZONES



SMD 2.0 UPDATE

- Software defect validation has been completed for all the high severity software bugs from the Phase I Factory Acceptance Tests (FAT). This contract milestone was reached on schedule, as per the project plan.
- ABB software development activities for SMD Phase 2a were completed on schedule at the end of March. The SCADA/EMS software pre-FAT testing has been completed at the ABB facility, and BMS software pre-FAT testing is underway.
- The Phase 2a SCADA/EMS Factory Acceptance Testing started on schedule at the NYISO facility on April 13th. The SCADA/EMS FAT is scheduled to take three (3) weeks. The FAT for the BMS software is scheduled to start on May 3rd.
- The NYISO site testing and Market Trials plan is proceeding successfully. Upload/Download testing has started with NYPA; the full sandbox for all the MP's will be made available as soon as those tests are complete.
- A second SMD Technical Conference was held on March 31st. The target audience was market trial test participants, and the session was well attended.

**Extraordinary Costs Related to
System Restoration
August 14, 2003**

Including Amounts Paid for Emergency Energy

Extraordinary costs

Definition

- Costs not covered in DAM bids and incurred by suppliers that would not have been incurred but for restoration activity undertaken at the NYISO's or a TO's request
 - Including readiness activity by suppliers while waiting for grid restoration -- to ensure expeditious reconnection or load reduction.
- Costs may not be otherwise reimbursable or payable from another source.

Extraordinary costs

Review process

- NYISO Technical/Legal Review
 - Claimants required to provide description of action, invoices and officer certification as to accuracy and absence of other recovery opportunities;
 - NYISO cross departmental team of eight reviewed each claim often requesting additional information;
 - Temporary Extraordinary Procedures provide legal basis for payments.
 - FERC has recognized that Emergency System Conditions prevailed during the four-day blackout and restoration period.

Extraordinary costs

Payment Categories

- 22 claims received
- Extraordinary Costs being paid – by category:
 - Energy/Ancillary Services
 - Fuel
 - Labor – Restoration/Restart
 - Labor – Repair
 - Repairs
 - Consumables/Supplies
 - Gas Penalties
 - Outside Contractor Services
 - Un-Reimbursed BPCG

Extraordinary costs and Emergency Energy

Payments Made

- **Emergency Energy payments for period August 14 – August 17:**
 - Total paid to four C/A neighbors - \$11,773,912;
 - Net purchases - 126,817 MWHs;
 - Costs were recovered in August 2003 invoice.
- **Total Paid in Extraordinary Costs to Date**
 - \$1,207,444.08;
 - Included in April 2004 invoice.

SMD2 Marketplace Readiness Program

**Management Committee
April 19, 2004**

For Discussion Purposes Only

Purpose

- ✦ **NYISO Staff has developed an SMD 2.0 Readiness Program for Customers**
 - *Ensure Customers are aware of upcoming SMD training and testing activities*
 - *Ensure Customers have basic capabilities*
 - *Reduce issues for resolution during deployment*
 - *Decrease likelihood of unfavorable market impacts during deployment*

For Discussion Purposes Only

Readiness Program Process

- ✦ **Define recommended activities of each Customer by type**
 - *Initially, each Customer will be contacted by their Customer Representative to determine needs*
- ✦ **Communicate Readiness Program with Customers**
 - *Electronic distribution to SMD list*
 - *Articles in Insider*
 - *Discussion at committee meetings*
 - *E-mails and phone calls as necessary*

For Discussion Purposes Only

NYISO List of Activities

- **NYMOC**
- **SMD2 Transition Course**
- **SMD2 Transition for Accounting Staffs**
- **Upload/Download Sandbox Exercises**
- **Web Sandbox Exercises**
- **Oasis Access Exercises**
- **Virtual Day-Ahead Exercises**
- **Interactive DAM/Real Time Bid-to-Bill Exercises**

For Discussion Purposes Only

➤ **For each activity, the NYISO will**

- *Communicate dates, times, details of activity prior to start date*
- *Provide necessary documentation and information*
- *Provide communication path for questions/issues*
- *Encourage participation*
- *Track Customer progress*

For Discussion Purposes Only

Recommended MP Readiness Matrix

Activity

NYMOC

SMD2 Transition Course

SMD Transition for Accounting Staffs Course

Upload/Download Sandbox Testing

Web Sandbox Testing

Oasis Testing

Virtual DAM Testing

Virtual DAMRT and Settlements Testing

TO ICCP Testing

Customer Type

LSE

Generator

Power Marketer

Transmission Operator

New Market Participant

	X	X	X*	X	X	X	X	
	X	X	X*	X	X	X	X	
	X	X	X*	X	X	X	X	
	X	X	X*	X	X	X	X	X
X	X	X	X*	X	X	X	X	

***For organizations that use upload/download capabilities**

For Discussion Purposes Only

SMD2 Course Schedule*

✦ NYMOC

- *April 19-22*
- *June 8-11*

✦ SMD2 Transition Course

- *May 4, 6, 13, 17*
- *June 2*

✦ SMD2 Transition for Accounting Staffs

- *May 17-18 (Includes May 17 SMD2 Transition)*

** The NYISO is still considering the scheduling of additional dates for training.*

For Discussion Purposes Only