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Desirable Solutions/Changes

These were identified in the ISO-MOU Seams areas or have arisen – in the case of the GTs within NY in terms of how to commit and price GTs appropriately.

We need to consider pursuit of these in conjunction with an end state solution. While some parties consider elimination of BME, addition of physical rights on the boundaries and Participant internalization of risk the correct solution, there currently is no mandate for that outcome.

- Block transactions in the "HA" market

  This is on the schedule for the fall; are there any issues to be addressed?

- Ramp and schedule changes 4x/hour

  ISO needs to consider effort to add the 4x ability and whether it requires 4x BME runs or can we use a single run with multiple intervals? (Please note that BME's continued existence is assumed for discussion purposes)

  - Related issues:
    - Creation of a Ramping market (JES/RPK)
    - Regionalized optimization (TRB suggestion)
    - Ramp reservations
      Should NY adopt some reservation scheme like PJM or is such a scheme – absent some central controller – inappropriate?
    - Use scheduling over PAR controlled ties or HVDC (goes to add't PGBs) – Will other areas support same? What are the implications for congestion?

- Implement RT use of the SCUC for managing ST startup resources (GTs) and to perhaps better manage constraints

- Single "traffic cop" for the interfaces; if more than one they need to talk…
  Info sharing – CIT; testing NY-PJM; simplify entry (RT)
  - Is this an issue that MSWG can aid in any way?

- Moving BME posting earlier; close later

  - Still requires coordination of ramp space allocations
  - This is in direct conflict with desire to schedule closer to the hour
  - Regional DAM looking at Sequential (HA as well as DA)
    How does NY's current schedule fit with other ISO's and what adjustments may be needed?

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Other Possible Solutions/Issues to Consider

These have come up in discussion but have had little more than passing notice or, in the case of hubs, has been pushed back in being considered. We need to decide to either consider them in more detail or cast aside.

- Consider allocation of ramp capability by interface

  May incorrectly allocate if opposite party ISO has offsetting transactions. What would be the basis for allocation? Would the allocation change and for what conditions?

- Trading Hubs
  RThompson indicated that he can put it into consideration towards implementation of VB. What are the issues if any, if there is no nodal load pricing? TCC auction changes are required and what is involved in making the changes?

- We need to consider the impacts of the RT adjustment that A Ott has been developing.

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End State Solutions (Redesign)

The MSWG needs to consider the issues and for the approaches being offered (there are only two distinct ones?) fully develop an issue list and White Papers for presentation to the BIC to decide on which approach is more compelling.

- Physical rights approach

  - Needs to answer questions regarding anti-hoarding and if unused transmission is made available will it be in a timely enough fashion for others to use?

  - Will we create additional categories of transmission – more buckets?

  - Need for ISO to control internal interfaces – what is required for "security only" version of BME?

  - Guaranteeing physical delivery

    If we go to a physical rights system, your transaction will flow unless there is a security issue in which case the curtailment process needs addressing.

- Continuation of Financial Approach

  - Need to be able to mesh with alternative physical rights based systems i.e. PJM

    It seems that the first question that needs to be answered is the issue really just with coordination – the timeline for placing and accepting/rejecting transactions and issues related to the ramp that can be tolerated by a given control area. If it is solely a coordination issue then there are potential solutions to be had as described earlier (regardless of one's overall perspective on physical vs. financial).

  - Creation of Full 3rd Settlement

    Currently are to implement settlement on external transactions but excludes internal generators.

  - There is even a problem with the IMO and NY having differing PGB prices HA that needs resolution

    So far discussion has centered on the Regional DAM study and on PJM's approaches to RT without considering HA issues