

# Ancillary Services

## Tariff Review

**Rick Hoefer**  
**New York Independent System Operator**

*Management Committee*  
*November 17, 2010*

# *Overview*

- ◆ The NYISO is identifying inconsistencies, ambiguities, and outdated material in the NYISO's Tariffs and proposing amended tariff language to resolve them.
- ◆ This presentation proposes changes to the Ancillary Services provisions of the OATT and Services Tariffs, covering the market rules associated with bidding, scheduling and settlement of Ancillary Services.
- ◆ These proposed changes are primarily ministerial; there are no changes requiring software revisions.

# *Tariff Areas*

- ◆ Services Tariff
  - 15.2: *Rate Schedule 2 - Payments for Supplying Voltage Support Service*
  - 15.3: *Rate Schedule 3 - Payments for Regulation Service*
  - 15.4: *Rate Schedule 4 - Payments for Supplying Operating Reserves*
  - 15.5: *Rate Schedule 5 - Payments and Certain Charges for Black Start and System Restoration Services*
  - 15.6: *Rate Schedule 6 - Quick Start Reserves*
- ◆ OATT
  - 2.3: *Ancillary Services*
  - 6.2: *Schedule 2 - Charges for Voltage Support Service*
  - 6.3: *Schedule 3 - Charges for Regulation Service*
  - 6.4: *Schedule 4 - Energy Imbalance Service*
  - 6.5: *Schedule 5 - Charges for Operating Reserve Service*
  - 6.6: *Schedule 6 - Black Start and System Restoration Services*

## *MST RS 2 (15.2) - Payments for Supplying Voltage Support Service*

- ◆ Section 15.2.2: Payments
  - *Language modified for consistency with Ancillary Services Manual*
- ◆ Section 15.2.3: Failure to Perform by Suppliers
  - *Clarified language in reference to Resources requested not to produce or absorb Reactive Power*
- ◆ Section 15.2.6 (**New**): Failure to Maintain and Automatic Voltage Regulator or Commence Timely Repairs
  - *Consistent with language in the Ancillary Services Manual*

## *MST RS 3 (15.3) - Payments for Regulation Service*

- ◆ Section 15.3.1: Obligations of the ISO and Suppliers
  - *Specify that a bid Regulation Response Rate not exceed the lowest normal Response Rate provided for the facility (also noted in bid parameters specified in Section 15.3.2)*
- ◆ Section 15.3.3: Monitoring Regulation Service Performance and Performance Related Payment Adjustments
  - *Specify that actual performance modifies the real-time Regulation schedule*
- ◆ Section 15.3.4: Regulation Service Settlements – Day-Ahead Market
  - *Moved the parenthetical in sub-section 15.3.4.1 to end of the sentence*
- ◆ Section 15.3.5: Regulation Service Settlements – Real-Time Market
  - *Deleted repetitive text and made minor clarifications*

*MST RS "3-A" (15.3A) - Charges Applicable to Suppliers  
That Are Not Providing Regulation Service*

- ◆ Defined interval length by number of seconds (for  
Tariff consistency)

*MST RS 4 (15.4): Payments for Supplying Operating Reserve;*

*MST RS 5 (15.5): Payments and Certain Charges for Black Start and System Restoration Services; and*

*MST RS 6 (15.6): Quick Start Reserves.*

- ◆ Minor edits and formatting corrections

## *OATT Section 2.3: Ancillary Services*

- ◆ Limit Section to an identification of the six Ancillary Services the NYISO provides and the three Customer types who pay for them – Customers, Load Serving Entities and Transmission Customers
  - *This simplification eliminates duplicative overview of who pays for which Ancillary Services which was previously found in this Section;*
  - *This detail is, more appropriately, covered comprehensively in each Rate Schedule.*
- ◆ Tariff–wide replacement of “Regulation and Frequency Response Service” with “Regulation Service” (consistent with Schedule 3 terminology)



## *OATT RS 2 (6.2) - Charges for Voltage Support Service*

- ◆ Clarification in all relevant sections that synchronous condensers are eligible for VSS payments
- ◆ Replaced “Purchases” with “Customers purchasing”
- ◆ Clarification, using defined terms, that Wheels Through, Export Bilateral Transactions and Customers engaging in Exports are subject to the charge for VSS
- ◆ Removed reference to credit of payments collected from Station Power; this is part of the Prior Year Adjustment

## *OATT RS 3 (6.3) - Charges for Regulation Service*

- ◆ Introduction

- *Deletion of description of Regulation (included in RS3 of the MST)*
- *Specify that Service must be offered by the ISO to all Load within the NYCA*

- ◆ Section 6.3.1

- *Specifies that the Service must be purchased from the ISO*

- ◆ Section 6.3.2: Charges to LSEs (changed from “Transmission Customers”)

- *Clarify that only LSEs serving load within the NYCA are charged for the Service*

## *OATT RS 4 (6.4) - Energy Imbalance Service*

- ◆ Introduction
  - *Imbalance determined at the interval level*
  - *Defines “Energy Imbalance” as the difference between scheduled Transmission Service and scheduled delivery of Energy*
  - *Separates provisions for Day Ahead and Real Time*
  - *Notes that differences between Day Ahead and Real Time schedules are governed by the MST Section 4.5*
- ◆ Section 6.4.1: Energy Imbalance Service Charges
  - *Clarifies application of charges to signatories and non-signatories of the MST*
  - *Deletes reference to “deviation band”*
- ◆ Section 6.4.2: Inadvertent Energy Management on Boundaries with Neighboring Control Areas (New)
  - *Replaces old Sections 6.4.2, 6.4.3 and 6.4.5*
  - *Specifies that all Inadvertent Energy Accounting techniques will be per NERC procedures*

## *OATT Schedule 5 (6.5) - Charges for Operating Reserve Service*

- ◆ Introduction
  - *Deletion of repetitive text regarding requirements that are defined in Rate Schedule 4 of the MST*
- ◆ Section 6.5.1: Operating Reserves Charges
  - *Specifies inclusion of Customers delivering LBMP Energy to external Control Areas*
- ◆ Section 6.5.2: Self-Supply
  - *Clarified description of Self-Supply for Reserves*

## *OATT Schedule 6 (6.6) - Black Start and System Restoration Services*

- ◆ Deleted reference to Internal Wheels and Import Transactions
- ◆ Added reference for charges to Station Power providers
- ◆ Removal of caps in “load ratio share”: as used here is not a Tariff term

# *Schedule*

- ◆ Topic was reviewed at MIWG on:
  - *August 23, 2010; and*
  - *September 20, 2010.*
- ◆ Business Issues Committee approval was received on November 3, 2010.
- ◆ To be filed at FERC after MC and Board approval is received.



The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and provides comprehensive reliability planning for the state's bulk electricity system.

---

***[www.nyiso.com](http://www.nyiso.com)***