

Draft – July 31, 2006

**SUMMARY OF ANCHORING METHODS FOR 2007-08 IRM AND LCR STUDIES
AND CORRESPONDING NYSRC & NYISO ACTIONS**

Alternative	IRM Anchoring Method	NYSRC Actions	NYISO Actions
A	TAN 45*	Develop Statewide IRM & min. LCRs.	Does not consider claimed Downstate reliability subsidy caused by transmission constraints, and develops final LCRs and LSE IRMs as previously.
B	TAN 45*	Develop Statewide IRM & min. LCRs.	Reviews and analyzes cost and reliability impacts of claimed Downstate reliability subsidy caused by transmission constraints. Develops LCRs and allocates Upstate/Downstate LSE IRMs and/or costs associated with procuring LSE IRMs, as appropriate for eliminating claimed subsidy. Revise NYISO tariff, if required, to implement above actions.
C	FFE**	Develop Statewide IRM & min. LCRs for meeting free-flow requirement to eliminate claimed Downstate reliability subsidy.	Prepare final LCRs and revise NYISO tariff if required for implementing LCRs as determined by FFE method.
D	FFE-Tan 45 Combo***	Develop FFE IRM for LSEs in Upstate unconstrained zones, FFE IRM plus supplemental IRM for LSEs in Downstate constrained zones, and min. LCRs based on Tan 45 Method.	Prepare final LCRs and revise NYISO tariff, if required, for implementing NYSRC actions.

* As described in “TAN 45 Anchor versus Free Flowing Equivalent for Establishing Statewide IRM”, dated July 14, 2006.

** As described in “The Case for Establishing a Free-Flowing Equivalent IRM”, dated July 14, 2006.

***As described in NYSEG’s “Combo FFE-TAN 45 Proposal”, provided to NYSRC EC on July 14, 2006.