

EDRP Cost Allocation Summary

At two prior PRLWG meetings, various approaches to allocation of costs associated with EDRP activations were discussed.

The following is a bullet point summary:

- Uplift costs are allocated as following:
 - First to any lost facility (transmission element or generator) causing the EDRP call
 - Next to RT load in excess of DA load
 - and if neither above conditions exist, allocate to all load
- For situations where a facility is lost AND loads are above the DA positions:
 - Allocate the uplift costs pro-rata to the load and facility capacity
- For situations where actual EDRP that results from a call exceeds the amount of RT Load in excess of DA Load and/or the capacity of a lost facility, then the uplift for that excessive amount would be allocated to all load.
 - This is a change from prior proposals and reflects the real possibility that Operations could make EDRP calls in excess of that required. In that case, such excess actual response should be socialized.

NYISO currently is faced with increasing staff demands to implement RTS early in 2004. Further, it is desirable, from an audit perspective, to include such billing determinants internally to the BAS at NYISO. However, it appears that if we are to wait until adequate resources are allocated to accomplish the requisite billing automation, that some LSEs will continue in a position of subsidizing others. This situation could easily last until the Summer of 2005.

SENY believes that is unacceptably long. We are requesting that the PRLWG recommend to the BIC the following:

1. That the cost allocation outlined above be implemented by the NYISO as soon as practicable, recognizing the need of Tariff filings.
2. That the NYISO handle such cost allocation outside the BAS until such time it can be automated.

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3. That ISO staff report to the PRLWG on the cost allocation on a frequent basis if there are EDRP activations but in no case less often than quarterly.