

# Northeast Seams Report

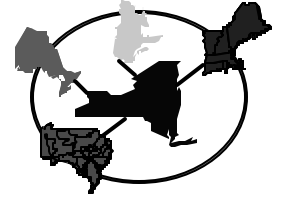
## Update on Northeast Seams Issues

September 9, 2003

Business Issues Committee

Agenda #5

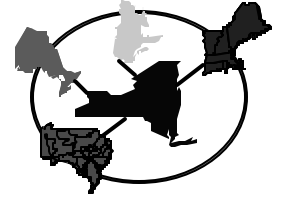




# Status of Seams Projects

## *Current Quarter Deliverables*

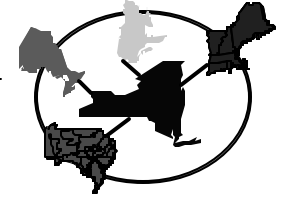
<b>Project</b>	<b>Due Date</b>	<b>Status</b>
1. Evaluation of 7040 transfer limits	<ul style="list-style-type: none"><li>▪ October (orig. June)</li></ul>	<ul style="list-style-type: none"><li>▪ Draft study presented to SOAS in July for comment. Final version scheduled to be provided to the Operating Committee in October.</li></ul>
2. Maritimes participation in ACE Diversity Interchange	<ul style="list-style-type: none"><li>▪ Open (orig. Summer 2003)</li></ul>	<ul style="list-style-type: none"><li>▪ Data link and AGC modifications completed in New Brunswick Power test site. NBP plans to implement on their production system in the very near future.</li><li>▪ Changes to NYISO software are awaiting project prioritization.</li></ul>
3. OSS – PJM ramp data display	<ul style="list-style-type: none"><li>▪ September (orig. August)</li></ul>	<ul style="list-style-type: none"><li>▪ Feature scheduled for deployment, September 30<sup>th</sup> as part of a regularly scheduled monthly software release.</li></ul>



# Other Seams Related Activity

## Recent Initiatives

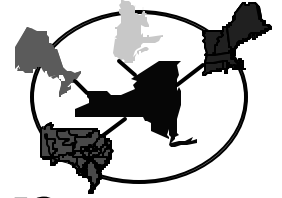
Issue	Activity Description
1. Elimination of Rate Pancaking	<ul style="list-style-type: none"> <li>▪ <b>PJM, NYISO and ISO-NE</b> – In June, the NYISO and New York TOs presented a proposal for the elimination of export fees to stakeholders in NY.</li> <li>▪ Next step is to schedule meetings with neighboring areas.</li> <li>▪ The goal is to take action by the end of 2003 to begin the elimination of pancaking in 2004.</li> </ul>
2. Virtual Regional Dispatch	<ul style="list-style-type: none"> <li>▪ <b>NYISO and ISO-NE</b> – A draft working paper has been distributed for market participant review.</li> <li>▪ Three NY/NE stakeholder meetings have been held to date; a fourth meeting set for September 11<sup>th</sup>.</li> <li>▪ IMO and PJM are being kept informed of progress.</li> </ul>
3. Scarcity Pricing	<ul style="list-style-type: none"> <li>▪ <b>NYISO and ISO-NE</b> – NY implementation complete for reserve shortage cost pricing and to permit EDRP and SCR resources to set energy prices in real-time.</li> <li>▪ ISO-NE's scarcity pricing proposal approved by FERC and implemented on August 1.</li> </ul>
4. Regional Resource Adequacy Model (RAM)	<ul style="list-style-type: none"> <li>▪ <b>ISONE, PJM and NYISO</b> – NERA selected for development of the central resource market design. Work is underway.</li> <li>▪ RAM group will continue to work on other issues outside the scope of the RFP in parallel with the RFP market study.</li> <li>▪ RAM status review meeting scheduled for September 8, Windsor, CT.</li> </ul>



# Other Seams Related Activity

## *Recent Initiatives (continued)*

Issue	Activity Description
5. Open Scheduling System (OSS)	<ul style="list-style-type: none"> <li>▪ <b>NYISO</b> - Conceptual and technical design of operator checkout application and NERC tagging tools for coordination with OATI nearing completion.</li> <li>▪ <b>NYISO, ISO-NE, PJM, and IMO</b> - Work is progressing on the use of standard secure web protocols for exchange of transaction data among control areas (called a "Web Service") to assist operator checkout. NYISO has a version in production with a follow-up release planned for October / November 2003. ISO-NE is testing a pilot application that accesses NYISO data via the new interface and is also developing a Web Service interface to their transaction data. IMO has been working with us to develop this capability and PJM is initiating a project subject to funding and resources. Ongoing meetings are being held through NPCC to further develop the solution.</li> </ul>
6. Multiple Proxy Buses	<ul style="list-style-type: none"> <li>▪ <b>NYISO and ISO-NE</b> – A draft white paper was distributed and discussed at a joint meeting between NY and ISO-NE Market Participants on May 29<sup>th</sup> in Albany.</li> <li>▪ Discussions are ongoing with LIPA and ISO-NE regarding application of the CSC approach for the Norwalk-Northport 1385 cable.</li> </ul>
7. Northeast Coordinating Committee	<ul style="list-style-type: none"> <li>▪ <b>NYISO, IMO and ISO-NE</b> - Northeast Independent Market Operator's Coordinating Committee - first status report issued in May 2003.</li> <li>▪ Meeting held on July 29 to discuss coordination with NAESB and NERC.</li> <li>▪ An expanded scheduling protocol has been implemented with the IMO that provides a 2-hour look-ahead of expected transaction schedules. This process has greatly improved scheduling coordination with the IMO.</li> </ul>



# Issues Pending Further Discussion

Issue	Activity Description
1. Different Ramping Rules	<ul style="list-style-type: none"><li data-bbox="699 529 1835 784">Stakeholder desire for Operations to look at the short-term ability to make 30-minute schedule changes between NY and PJM. No work has been planned on the scheduled replacement of the NYISO's existing legacy system. The SMD-2 software architecture will be capable of supporting more frequent schedule changes once the applicable business rules and scheduling protocols are agreed upon with a participating external control area.</li></ul>