

ISO President's Report

**Management Committee Meeting
March 9, 2000**

TOPICS

- 1. Communications Improvement**
- 2. ICAP Requirements**
- 3. Market Performance Improvements**
- 4. High Priority Project Schedules**
- 5. NYISO Goals & Objectives**
- 6. ISO Comments on Billing Adjustments**
- 7. Report on ISO Presidents' Forum**

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1. Communications Improvement

- **Additional Staff (Communications Director, Sr. Project Manager, Customer Account Reps)**
- **Coordination of WG/Subcommittee Requests and Action Items (Market Participant Liaison to be assigned)**
- **Meetings with Sector/Special Purpose Groups**
- **Monthly Report**
- **External Contract Curtailment Notification**

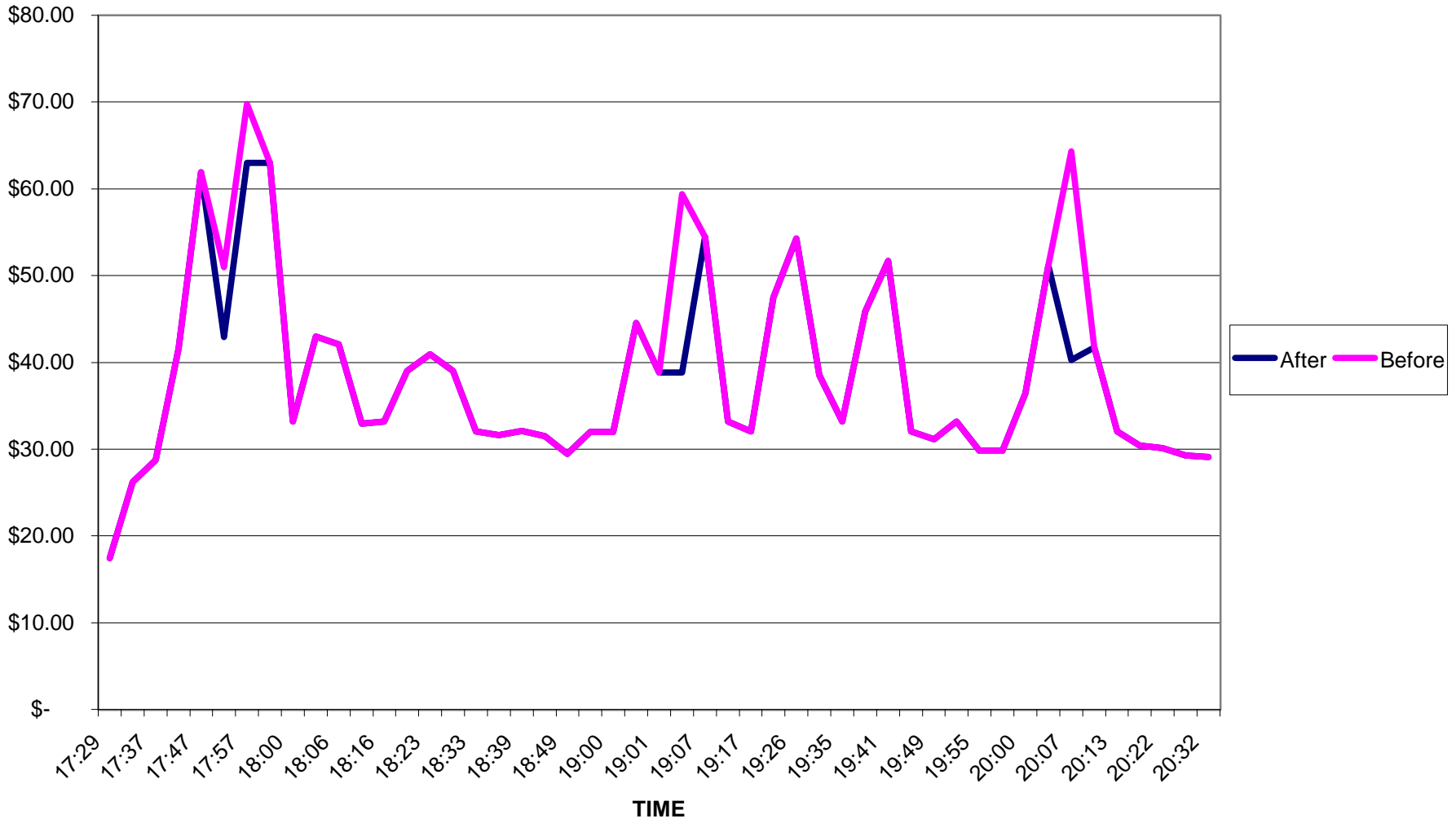
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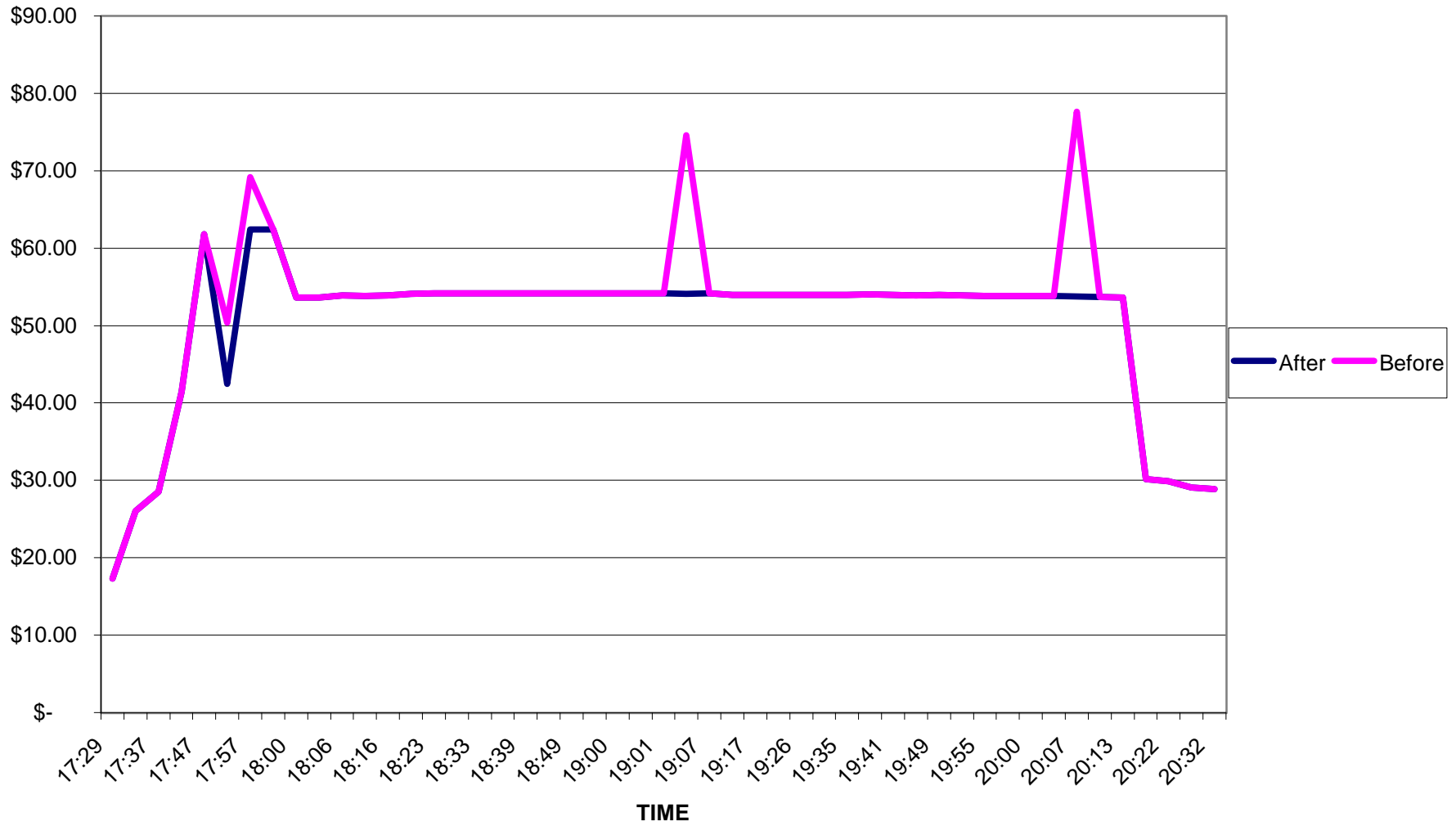
2. ICAP Requirements

- **NYSRC Filed Statewide Reserve Requirements of 18% (down from previous 22%)**
- **NYISO Board Reliability Concern and Vote**
- **NYISO Preliminary Diversity Analysis Indicates Little Benefit (ie. 18% statewide requirement ~ = area requirements)**
- **NYISO will NOT file requesting stay of NYSRC reserve requirement (Total 2000 Reserve Requirement will be higher than 1999)**
- **NYISO will determine locational ICAP requirements by 3/22/00**

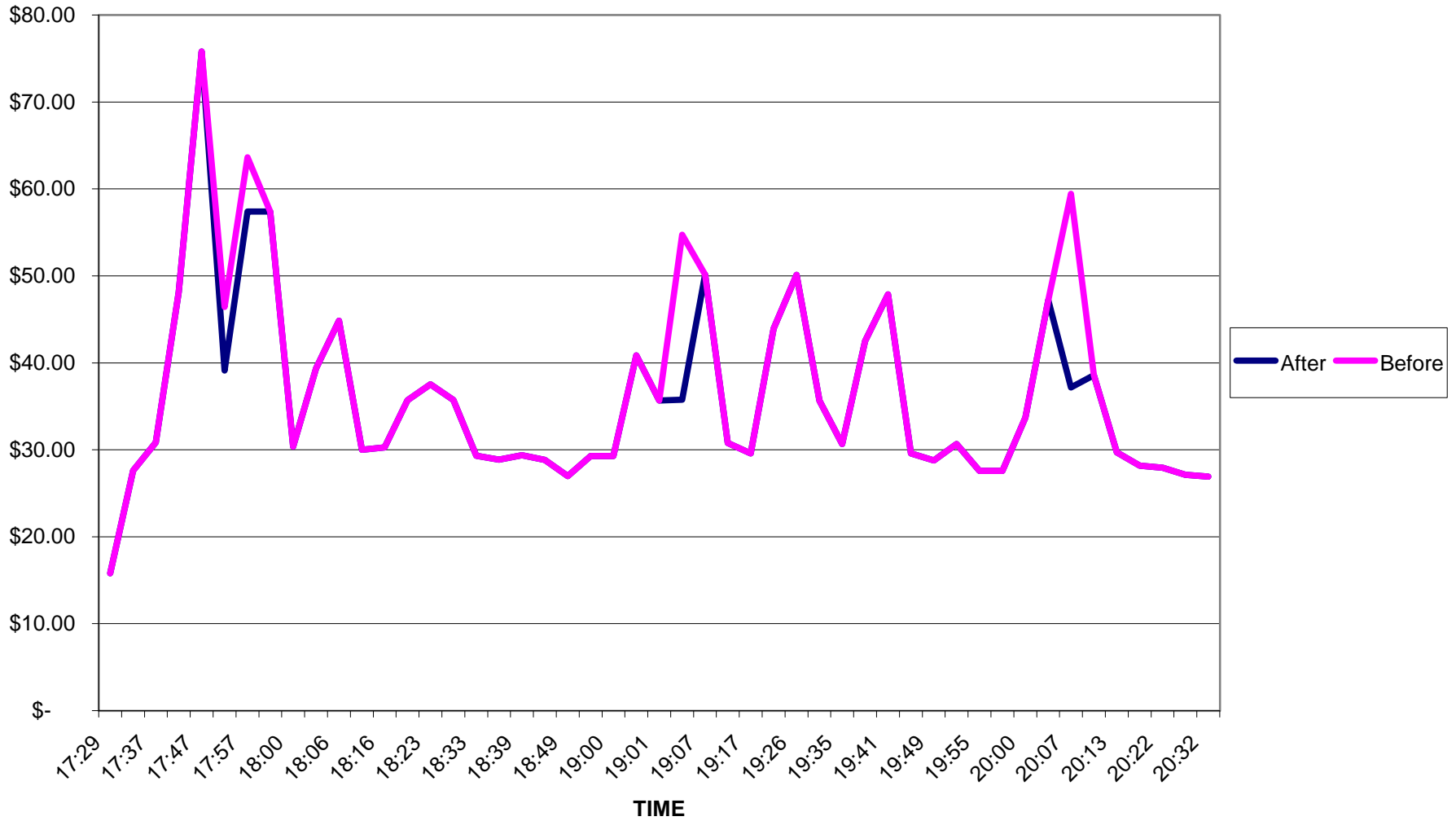
Improved coordination of reserves and regulation in SCD
Real-time Zonal Prices for 2/29/2000
N.Y.C. Zone



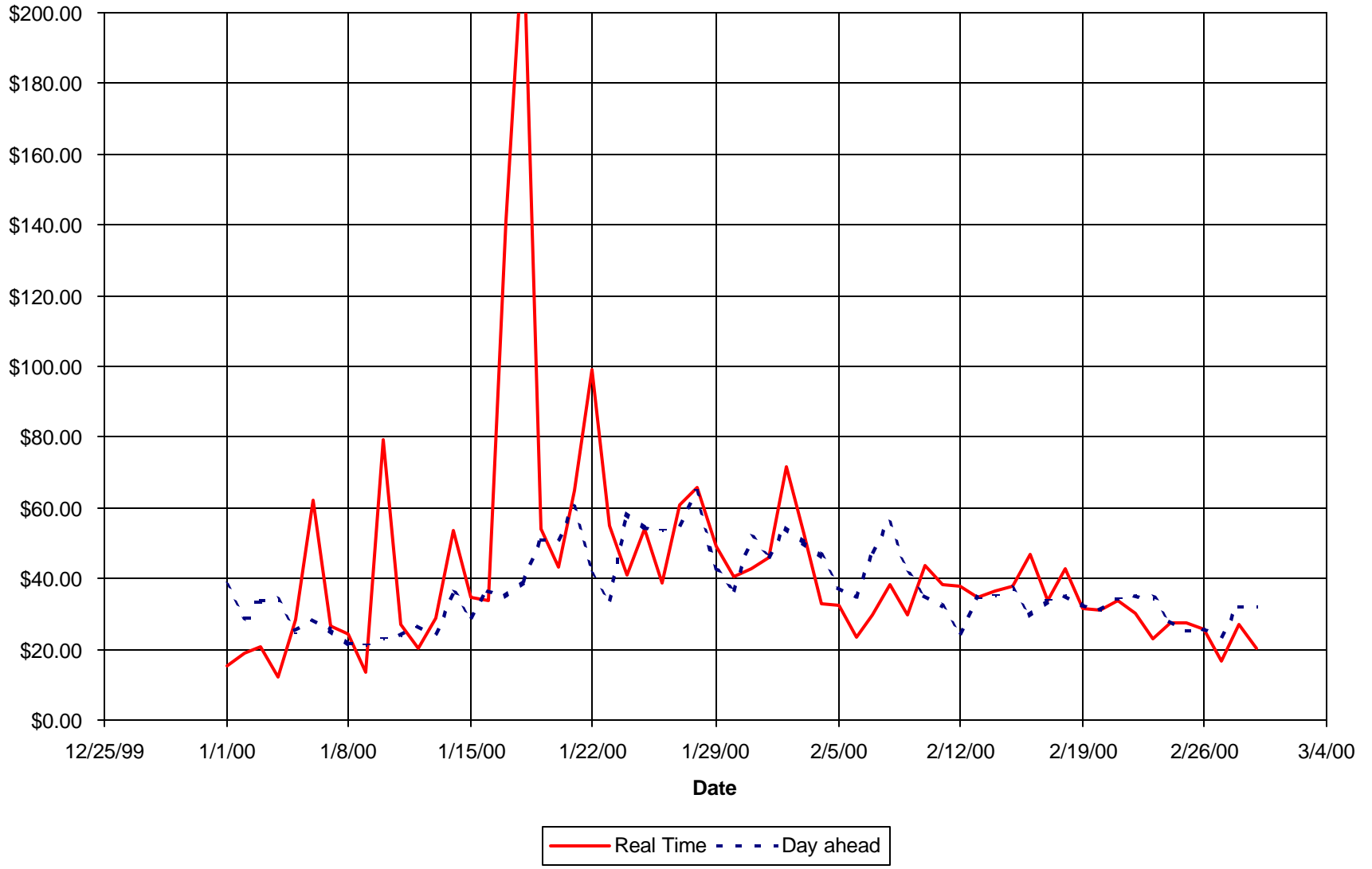
Improved coordination of reserves and regulation in SCD
Real-time Zonal Prices for 2/29/2000
LONGIL Zone



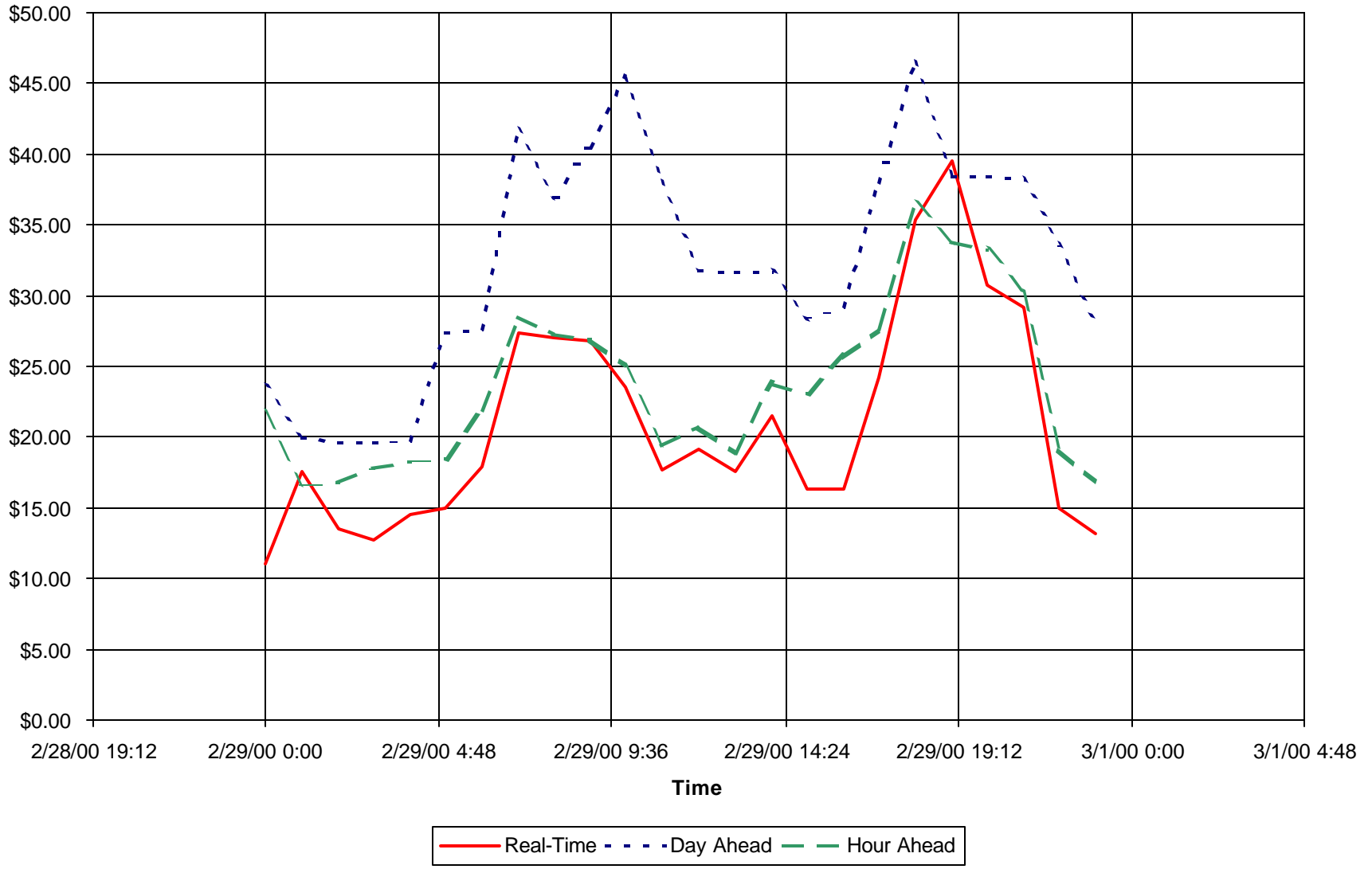
Improved coordination of reserves and regulation in SCD
Real-time Zonal Prices for 2/29/2000
Capital Zone



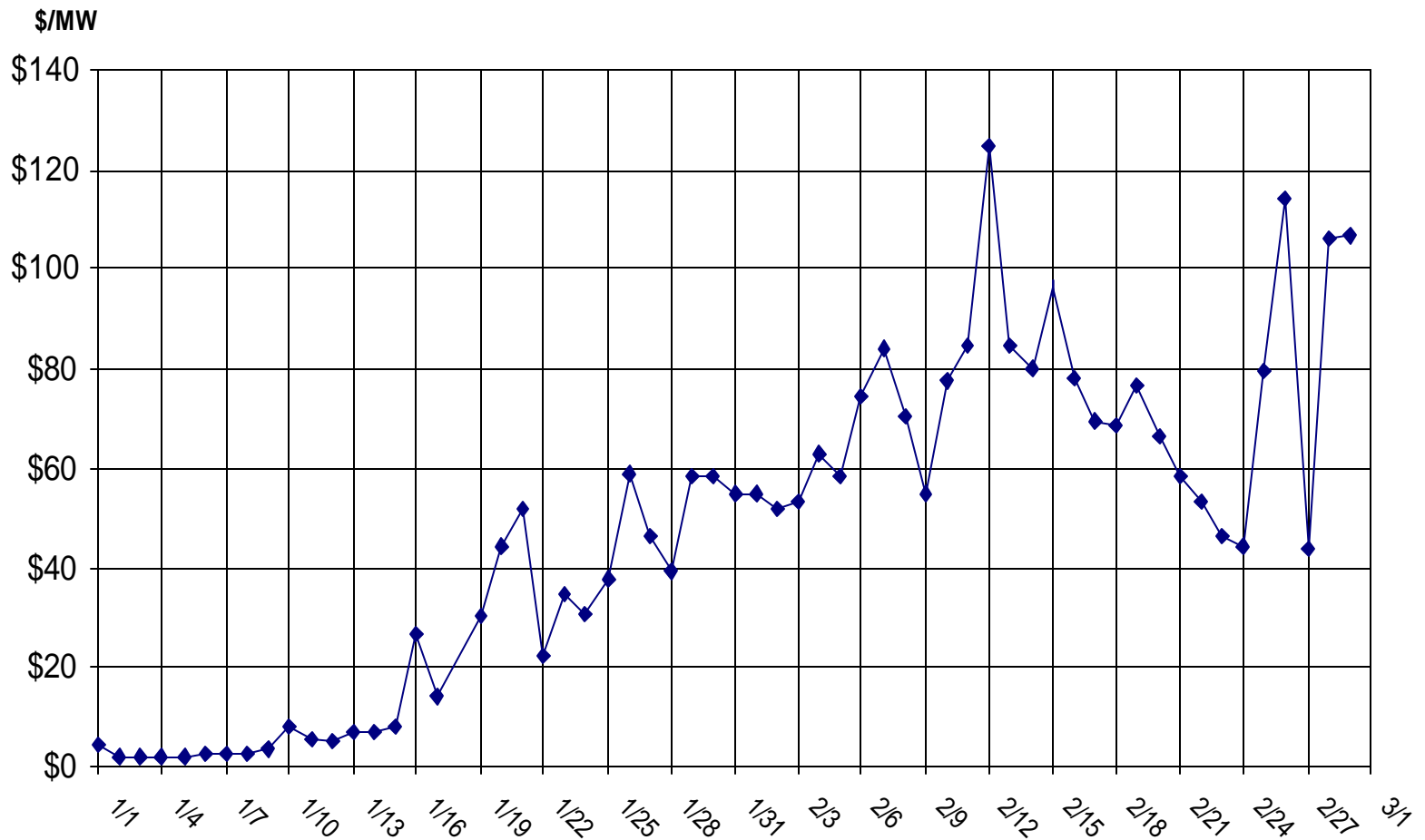
NYISO-wide Weighted Average Daily Corrected LBMP's



NYISO-wide weighted-average LBMP's 24 hour detail



Avg. Daily Price of 10-Minute Spinning Reserve: *Day-Ahead Market (1/1/00 - 2/29/00)*



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4. High Priority Project Schedules

<u>Project</u>	<u>Completion Date</u>	<u>Comments</u>
➤ TCC Unbundling-Liquidity Improvement(8.20)*	10/1/00	Requires Project Specification
➤ ICAP Auction(1.3)*	4/27/00	Existing or Stage I
➤ One vs. Two-month ICAP* Demonstration Period Study & FERC Filing (1.6)	6/30/00	Study Complete 5/30
➤ Resolve Potential NOx Restriction Problem (8.5.2)	4/25/00	Working with CT owners & CE
➤ BME vs. RT Schedule & Prices (8.16)	Indeterminate	Need Committee Consensus- White Paper to be prepared by NYISO
➤ Modify SCD for Short Startup Time Resources (8.5.4)	3/31/00	

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<u>Project</u>	<u>Completion Date</u>	<u>Comments</u>
➤ Post Weighting Used in Zonal Prices(8.7)	Complete	
➤ HQ Import Restriction Improvement (8.10)	6/30/00	NYISO Ops will have interim method for NE deliveries earlier
➤ “Out of Merit”, Real Time Status Mgt.(8.12)	3/17/00	
➤ Modify Gilboa and Niagara Modeling(8.19)	3/21/00	
➤ External Curtailment Messages(8.22)	9/29/00	Will have interim improvements by 6/30
➤ NY Area Transmission Review(9.1)	7/31/00	Tied to IPF Regional PIng. WG
➤ Hubs Implementation(8.8)	Indeterminate	Need Committee Consensus
➤ E-Schedules Implementation(8.9)	Indeterminate	Evaluating PJM Software Pkg.

*Corporate Goal Projects

NYISO Project and Process Integration Dept.

Project Schedule

ID	Task Name	Ref	Finish	4 '99		Q1 '00			Q2 '00			Q3 '00			Q4 '00				
				Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
204	6 One Year Requirements		Fri 11/17/00																
205	6.1 ISO Examine Penalties	B36, E22	Fri 11/17/00	MM															
211	6.2 ISO file w/ FERC status on operation of governance structure	B38,D17,E01	Fri 11/17/00	Schmidt															
212	6.3 BIC examine Penalties for off-dispctch gens w/ diff between sched & a	E17	Fri 11/17/00																
217	6.4 Sanction Proposals	E05, F02	Wed 3/15/00	MM															
222	6.5 Gens w/ Special concerns, "Green Units"	E11	Fri 11/17/00	MM															
225																			
226	7 Inter-Area Control Area Agreements		Fri 6/30/00																
227	7.1 Examine HQ's DC intertie permit for voltage support in NYCA	B12,E10	Tue 2/15/00	Cps&Rel															
235	7.2 Have inter control area agreements		Fri 6/30/00	Ops&Rel															
236	7.2.1 NE-ISO/NEPOOL	D01	Fri 4/28/00	Ops&Rel															
254	7.2.2 PJM	D01	Fri 4/28/00	Ops&Rel															
272	7.2.3 IMO/OPGI	D01	Fri 4/14/00	Ops&Rel															
288	7.2.4 HQTE	D01	Fri 4/21/00	Ops&Rel															
298	7.2.5 Method & Proc for Determining Cost Resp for New Interconne	B07,B30,E07,E25	Fri 6/9/00	Analysis&Plan															
302	7.2.6 Planning metering for nodal pricing	A36,B08,E09	Fri 6/30/00	IS, Ops&Rel															
310																			
311	8 Market Improvement		Mon 4/30/01																
312	8.1 Bill & Accting software func perform improvements	A01,A13,A33	Thu 6/1/00	IS															
323	8.2 Secure LIPA 138 Kv system west of Holbrook	A08	Wed 1/19/00																
324	8.3 Environ Disclosure Proj - supply market data to NYPSC	A09,F01	Mon 4/30/01																
337	8.4 Dunwoodie Interface Rating Problem	A10	Wed 2/16/00																

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5. NYISO Goals & Objectives (For Year 2000 Pay-for-Performance Plan)

I. Operations & Reliability Goals (34%)

- 1. Prepare Accurate Day-Ahead Load Forecasts**
- 2. NERC Operating Standards (CPS-1, CPS-2)**
- 3. End State AGC Process Design Complete and Ready for Testing**

II. Customer Care Goals (33%)

- 1. Improve Accuracy of Real-Time Prices (Reduce # of Corrections)**
- 2. Pay Market Participants on Time**
- 3. Budget Actuals Within Board-Approved Limits**

III. Market Innovation Goals

- 1. Market Liquidity Project**
 - Unbundle TCC's by 9/30/00**
- 2. Implement FERC Approved ICAP Auction & Post Results by 4/30/00 (Incl. Stage I, if approved)**
- 3. Complete Reliability Study of One Month vs. Six Month ICAP Demonstration Period by 6/15/00**

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6. Billing Adjustments for January

➤ **Supplemental Payments to Generators and Marketers**

- **External Energy Suppliers** \$ 215,000
- **Day-Ahead Suppliers**
 Balancing Purchases \$2,560,000

Subtotal **\$2,775,000**

➤ **Reductions in Regulating (\$3,363,000)**
Unit Supplements & Ramp Down
Supplements

➤ **Net Impact on Uplift** **(\$588,000)**

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7. Report on ISO President's Forum

- **Added “NE Region License Plate TSC Rates” to Business Issues WG issues list**
- **NYISO WG Leads to Report to BIC & OC after each WG Meeting**
- **Possible Customer Participation**
 - **March 30th Business Issues WG**
 - **Two Meetings of Business Issues, Planning & Operating Working Groups with Customers in 2000**
 - **NYISO Requesting WG (NY MP's) to work on NYISO RTO Filing due early 2001**