

September 2000 BAWG Notes

1. BAWG Chairman's Report

Wes Yeomans discussed the assignments from the August Business Issues Committee which included (1) Produce a recommendation for the Voltage Support Service payments to power suppliers for both Year 2000 and Year 2001 and, (2) Produce a recommendation for a process describing how the NYISO would "short-pay" the power suppliers in the event the NYISO exhausts its working capital.

Wes Yeomans describe the BAWG presentation to the BIC at the August BIC meeting.

Wes Yeomans stated that chair of the BIC has requested a formal tracking of working group action items.

2. NYISO Grid Accounting Staff Report

Randy Bowers distributed a "NYISO Billing & Accounting Working Group- September 27, 2000 NYISO Report". This report can be found on the NYISO web Site under Billing & Accounting Working Group.

Essentially, this report describes,

The Import Bilateral Curtailment Problem:

The code that computes the MWh for the LBMP settlement is correct but the code for the MWh for ancillary services was incorrect. This code was fixed October 1, 2000. Retroactively this error is being fixed in true-ups.

Real Time Production Cost Guarantee Payment Problem:

(1) MIS was not passing bid curves to the billing systems for generators that did not have accepted day-ahead or hour ahead schedules. Thus for units dispatched out-of-merit for either local TO reliability or NY control area reliability, the bid curves were zero. (BPCG has been paid to power suppliers that have day ahead or hour ahead schedules.) The solution is to have MIS pass

bid curve to the billing for units with no schedules. This code is being developed.

- (2) There was a BPCG problem for grouped generators whereby the LBMP energy value was not subtracted out of the BPCG when a limit on a single unit was raised above its single unit limit. This code should be fixed by November 1, 2000. It is not clear how to fix retroactively.

SCD and PTS Internal Communication Failure Problem:

When the internal communication between SCD and PTS fails, the billing system is not award of the "extra" SCD interval and only uses the LBMPs from PTS. The extra SCD interval is reflected on the NYISO Web Site. This problem is still not fixed. The NYISO is performing analysis to determine the magnitude of this error on LBMP prices and then decide what to do retroactively.

Billing Related Projects

1. Code changes for R.S.1 tariff change to calculate variable components on a daily basis and charge in the month incurred.
2. Code to post hourly ancillary services components.
3. Automate the invoicing process

November Rebill & True Up

This was covered in the ISO Report in Agenda #2. Essentially there is still a problem with real time BPGC for units that were required on line that did not have day ahead or hour ahead schedules in that the billing systems did not have the bid curves. There is also the SCD-PTS interval LBMP problems as described in Agenda #2.

December Rebill & True Up

This was covered in the ISO Report in Agenda #2. Essentially there is still a problem with real time BPGC for units that were required on line that did not have day ahead or hour ahead schedules in that the billing systems did not have the bid curves. There is also the SCD-PTS interval LBMP problems as described in Agenda #2.

January-March Rebills & True-Ups

The schedule of rebills and true-ups up to May, 2000 can be found in the NYISO "NYISO Billing & Accounting Working Group-

September 27, 2000 NYISO Report" as found on the NYISO web site. This shows the ISO performing rebills and true ups up to May, 2000 at which point new code will need to be written for the reserve changes. By skipping some of the 3 and 6 month true ups, the ISO hopes to be on a 3-6-12-24 month true up schedule by January, 2001.

TCC Shortfall Problem

No discussion other than NMPC observed that these are getting fixed in the rebills.

BIC Charges

Wes Yeomans noted that the charges from BIC to the BAWG are (1) better tracking of action items, (2) produce a recommendation for Voltage Support Service payments, (3) produce a recommendation for a process on how to "short-pay" power suppliers in the event that the ISO exhausts its working capital. Rick Hoefer noted that the "short-pay" issue may not be needed in light of the increased working capital. Wes stated he would note that to the BIC Chair.

Voltage Support Service Payments

Wes Yeomans described a meeting on September 15 of a few market participants and NYISO staff to draft recommendations for voltage support payments for year 2000 and year 2001. Wes Yeomans distributed draft proposals for non-binding straw votes.

Year 2000 VSS Recommendation

After much discussion about the proposed proxy VSS rate of \$.37/MWh and embedded cost questions, in a non-binding straw vote, the BAWG voted 10-1 to move a recommendation to the BIC,

"Power Suppliers that submitted FERC Form 1 embedded cost data be paid based on that data assuming eligible by tariff and Power Suppliers requesting to be paid at the VSS proxy rate be paid at \$.37/Mvar-Hour rate assuming eligible by tariff."

Year 2001 VSS Recommendation

After much discussion about confidentiality of embedded cost forms and "equivalent" data, in a non-binding straw vote, the BAWG voted 10-0 to move a recommendation to the BIC,

1. All Utility Generators and any NUG without PCCs that want the option to chose a VSS rate must submit their embedded cost forms and other required data to the ISOI by December 1, 2000. NUGs without PCCs are not committed to an embedded cost payment at this point in time.
2. The ISO will calculate a VSS rate based on the embedded cost forms and publish this value on December 8, 2000.
3. The NUGs without PCC's must decide and state to the ISO by December 16 whether to be paid the published VSS rate or based on their submitted embedded cost forms.
4. The ISO will calculate the R. S. 2 rate to charge LSEs for the Year 2001 based on the forecasted total reactive payments to Power Suppliers. This will be published by December 20, 2000.

Wes Yeomans will bring both of these recommendations to the BAWG and describe the BAWG discussions, concerns, and results of the straw votes.

9. Sub Working Groups

R. S. 1 Sub Working Group

This is/was a temporary sub working group. The actual R.S. 1 variable charges will be calculated on a daily basis and charged in the month they are incurred beginning October 1, 2000. The fixed R.S. 1 charge will remain at \$.44/MWh.

Data & Format Sub Working Group

Linda Cavalluzzi distributed a matrix of twenty four types of data requirements with a description of each including action items, proposals, and status. The action items consisted of "looking for direction from the BAWG" which the BAWG did discuss and respond. This matrix can be found under the NYISO web site.

Meter & Data Sub Working Group

Ed Ware described the need for a "data warehouse" whereby TOs can efficiently send, receive, and review subzone tie data for the purposes of quickly reviewing and fixing actual subzone loads.

There are many other issues that will be discussed at upcoming Meter & Data Sub Working Group meetings.

10. August Uplift Charges

Wes Yeomans distributed a table of August uplift charges as found on the NYISO web site and as presented at the September 7, 2000 MC meeting. The ISO staff stated that the "External Supply" column were the charges that were discussed and addressed by the recently issued ECAs. The "Internal Contingency" column are the charges when the ISO orders a generator on in real time or SCD turns GT on for one dispatch but it has a one hour minimum run time. The ISO stated that there was \$15,000,000 of local reliability charged to LSEs in that TO's transmission district above and beyond the \$33,000,000 in this table.

11. Generator Performance Penalties

The issue of generator performance penalties for units bidding into the regulation markets has been discussed at several previous BAWG meetings. In light of the fact that it has been unclear whether this issue is with NYISO Management, the BAWG, or the BIC, Wes Yeomans distributed the following proposal,

"The BAWG proposed that beginning November 1, 2000 that the ISO begin charging Power Suppliers that are accepted in the Regulation Market for Generator Performance Penalties prospectively."

The BAWG took a non-binding straw vote which passed 6-3 in favor. Wes Yeomans will bring this to the October 2000 BIC meeting.

12. Posting of Correct LBMPs

It has been established that the LBMPs used in the billing systems are correct but that there is a problem getting LBMP prices that are corrected by Market Monitoring to the Web Site.

13. Existing TSC Data

This got little or no discussion.

14. Other Old/New Business

Linda Cavalluzzi brought up the old action item on the issue that the disclaimer on the NYISO web site should not apply to billing data. Rick Hofer stated that he had discussed this with NYISO staff and will follow up.