

Initiate Process to Reduce the Transmission Service Export Charges of NYISO and PJM



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CEE Proposal

Enhanced Interregional Transaction Coordination:

- NYISO and PJM are making efforts to improve cross border transactions, with 15 minute scheduling capabilities beginning 2012

Proposal:

- Export Fees that are charged on each Transaction also create barriers and should be replaced with an alternative ***non transaction based method*** for both NYISO and PJM transmission companies to recover facility cost

Similar to 2004 NYISO/ISO-NE Proposal

Elimination of Pancaking Charges on Exports from the NYCA

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NYISO Management Committee Meeting
May 5, 2004
Albany

➤ NY Savings for eliminating pancaking fees w/NE:

■ 2005

- ▶ Base Case: \$166 Million
- ▶ Hi Gas Case: \$ 93 Million

■ 2010

- ▶ Base Case: \$ 94 Million
- ▶ Hi Gas Case: \$ 16 Million

Current PJM Transmission Rate

SCHEDULE 8 Non-Firm Point-To-Point Transmission Service

1) The Transmission Customer shall pay for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below for the Point of Delivery:

Summary of Charges

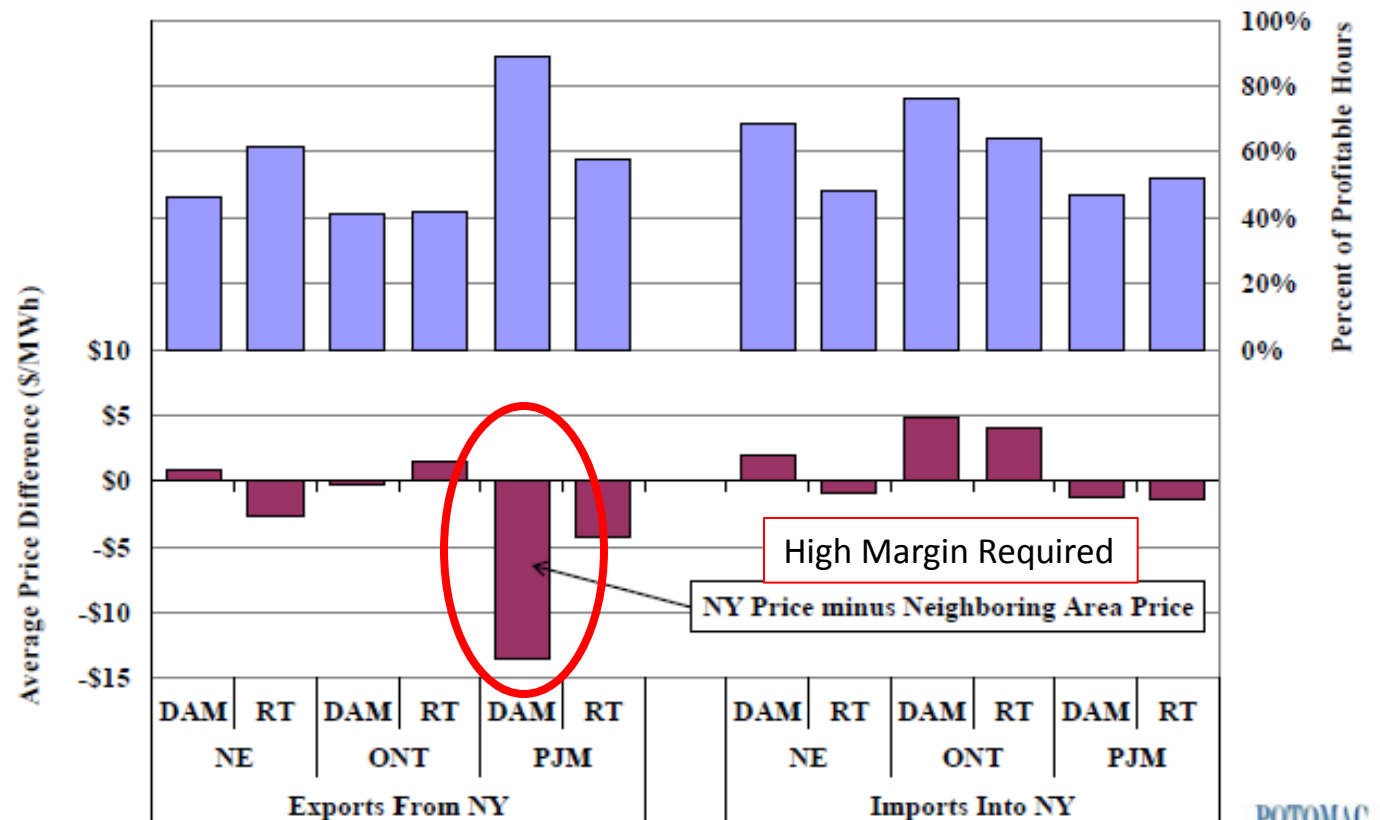
| Point of Delivery | Monthly Charge (\$/kW) | Weekly Charge (\$/kW) | Daily On-Peak ^{1/} Charge (\$/kW) | Daily Off-Peak ^{2/} Charge (\$/kW) | Hourly On-Peak ^{3/} Charge (\$/MWh) | Hourly Off-Peak ^{3/} Charge (\$/MWh) |
|-------------------|------------------------|-----------------------|--|---|--|---|
| Border of PJM | 1.574 | 0.3632 | 0.0726 | 0.0519 | 4.54 | 2.16 |
| AE Zone | 1.984 | 0.4580 | 0.0920 | 0.0650 | 5.7 | 2.72 |
| BGE/E Zone | 1.306 | 0.3010 | 0.0600 | 0.0430 | 3.8 | 1.80 |
| Delmarva Zone | 1.615 | 0.3730 | 0.0750 | 0.0530 | 4.6 | 2.21 |
| JCPL Zone | 1.259 | 0.2906 | 0.0581 | 0.0414 | 3.6 | 1.73 |
| MetEd Zone | 1.259 | 0.2906 | 0.0581 | 0.0414 | 3.6 | 1.73 |
| Penelec Zone | 1.259 | 0.2906 | 0.0581 | 0.0414 | 3.6 | 1.73 |
| PECO Zone | 2.189 | 0.5051 | 0.1010 | 0.0722 | 6.3 | 3.01 |

NYISO Transmission Service Charge (TSC \$/MWh) Rates and NTAC for month of: 6/2011

| Service Zone | | NYCA | HQ Load Chatguay | NE Load Sandy Pond | OH Load Bruce | PJM Load Keystone |
|-------------------------------|--------------|---------|---------------------|-----------------------|---------------|----------------------|
| Central Hudson Gas & Electric | Undiscounted | \$ 3.46 | N/A | \$0.00 | N/A | N/A |
| | on-peak | \$ 3.46 | N/A | \$0.00 | N/A | N/A |
| | off-peak | \$ 3.46 | N/A | \$0.00 | N/A | N/A |
| Consolidated Edison of NY | Undiscounted | \$ 5.85 | N/A | \$0.00 | \$ 5.85 | \$ 5.85 |
| | on-peak | \$ 5.85 | N/A | \$0.00 | \$ 5.85 | \$ 5.85 |
| | off-peak | \$ 5.85 | N/A | \$0.00 | \$ 5.85 | \$ 5.85 |
| Long Island Power Authority | Undiscounted | \$ 5.37 | N/A | \$0.00 | N/A | N/A |
| | on-peak | \$ 5.37 | N/A | \$0.00 | N/A | N/A |
| | off-peak | \$ 5.37 | N/A | \$0.00 | N/A | N/A |
| New York State Electric & Gas | Undiscounted | \$ 4.71 | N/A | N/A | \$ 4.71 | \$ 4.71 |
| | on-peak | \$ 4.71 | N/A | N/A | \$ 4.71 | \$ 4.71 |
| | off-peak | \$ 4.71 | N/A | N/A | \$ 4.71 | \$ 4.71 |
| Niagra Mowhawk Power | Undiscounted | \$ 5.65 | N/A | \$0.00 | \$ 5.65 | \$ 5.65 |
| | on-peak | \$ 5.65 | N/A | \$0.00 | \$ 5.65 | \$ 5.65 |
| | off-peak | \$ 5.65 | N/A | \$0.00 | \$ 5.65 | \$ 5.65 |
| Orange and Rockland Utility | Undiscounted | \$ 6.05 | N/A | N/A | N/A | \$ 6.05 |
| | on-peak | \$ 6.05 | N/A | N/A | N/A | \$ 6.05 |
| | off-peak | \$ 6.05 | N/A | N/A | N/A | \$ 6.05 |
| Rochester Gas & Electric | Undiscounted | \$ 3.52 | N/A | N/A | N/A | N/A |
| | on-peak | \$ 3.52 | N/A | N/A | N/A | N/A |
| | off-peak | \$ 3.52 | N/A | N/A | N/A | N/A |
| New York Power Authority | Undiscounted | N/A | \$ 2.19 | \$0.00 | \$ 1.78 | \$ 1.78 |
| | on-peak | N/A | \$ 2.19 | \$0.00 | \$ 1.78 | \$ 1.78 |
| | off-peak | N/A | \$ 2.19 | \$0.00 | \$ 1.78 | \$ 1.78 |
| | NTAC | \$ 1.25 | \$ 1.25 | \$0.00 | \$ 1.25 | \$ 1.25 |

2010 NYISO State of the Market Report

Efficiency of Inter-Market Scheduling Over Primary Interfaces – 2010



PJM and NYISO Exports

- High Export Transmission charges from NYISO to PJM create high hurdle rates. Transactions are only scheduled when price differences are expected to exceed export charges
- Elimination of Transaction based Export transmission charges will improve efficiencies and price convergence
- Request NYISO to initiate a process with PJM and Utilities to eliminate export charges on both sides