

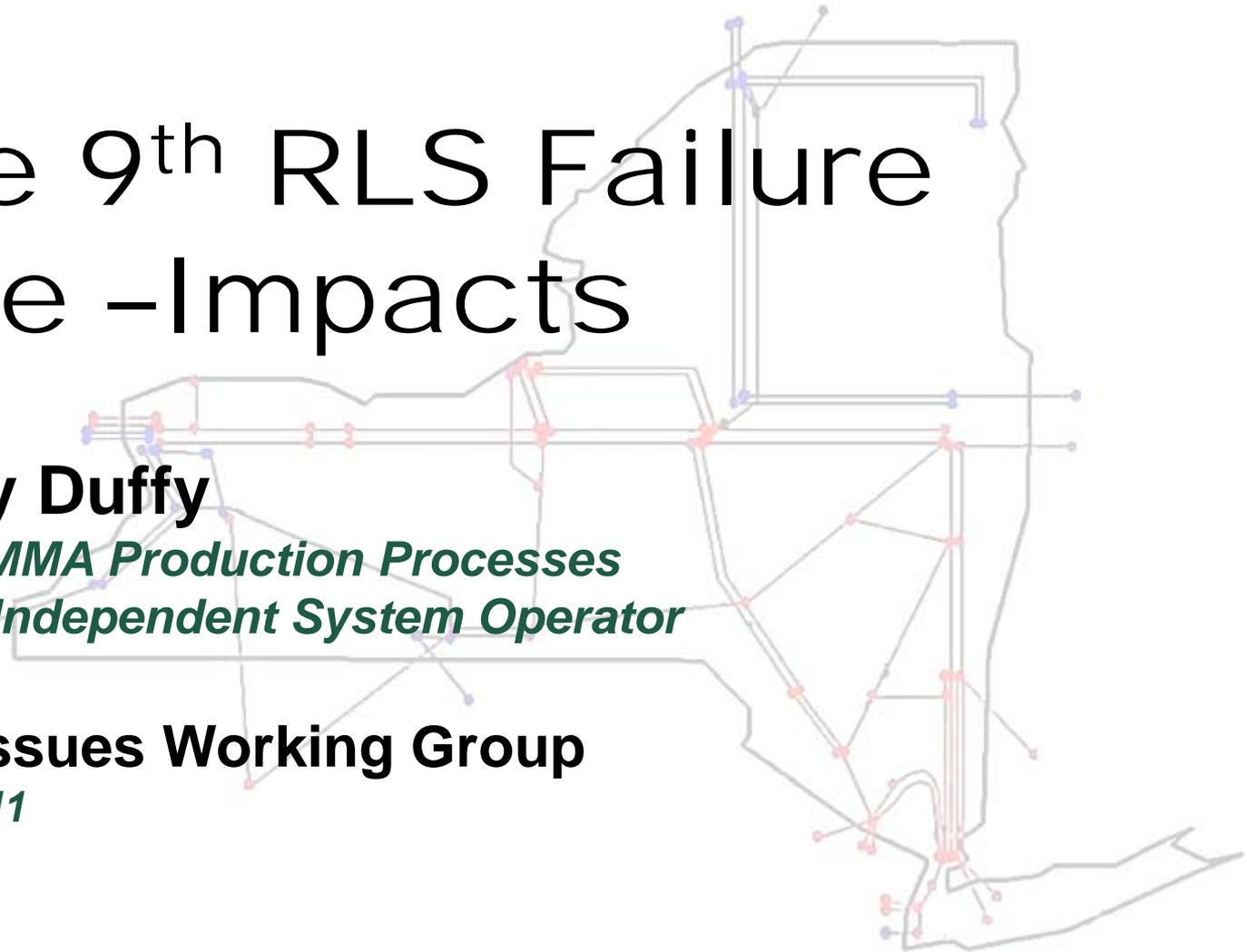
June 9th RLS Failure Issue -Impacts

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Background

- ◆ Reference Level Software (RLS) did not complete processing fuel index updates prior to the close of the DAM market for June 9th due to file system space issues
- ◆ Impacted DAM (all hours) for June 9th
- ◆ NYISO continued to use best available fuel index information, and no tariff violation occurred. However, due to potential market impacts, it was deemed to be a Market Problem (MST, Section 3.5.1).
- ◆ NYISO has followed the tariff provisions pertaining to Market Problems in noticing the FERC, its MMU and its Market Participants.
 - Market Participants notified via e-mail distributed on June 9th and discussed at June 30th MIWG
- ◆ Heightened response plans implemented to address similar circumstances going forward; to engage more staff sooner in the issue resolution process
- ◆ Final step in process is to develop and present estimates of market impact
 - *Impact analysis and estimates have now been reviewed with the MMU and FERC staff*

Fuel Index Updates Not Reflected

- ◆ Fuel index updates were not reflected in supplier reference levels in DAM (6/9)
- ◆ Natural Gas indices increases:
 - *Transco Zone 6 NY (\$0.71/mmbtu or 13%)*
 - *Algonquin (\$0.45/mmbtu or 8%)*
 - *Iroquois Waddington (\$0.345/mmbtu or 6%)*
 - *Dominion South (\$0.065/mmbtu or 1.3%)*
 - *Niagara (\$0.105/mmbtu or 2%)*
 - *Texas Eastern M3 (\$0.135/mmbtu or 2.6%)*
- ◆ Fuel Oil and Kerosene indices increased on average 1.7%

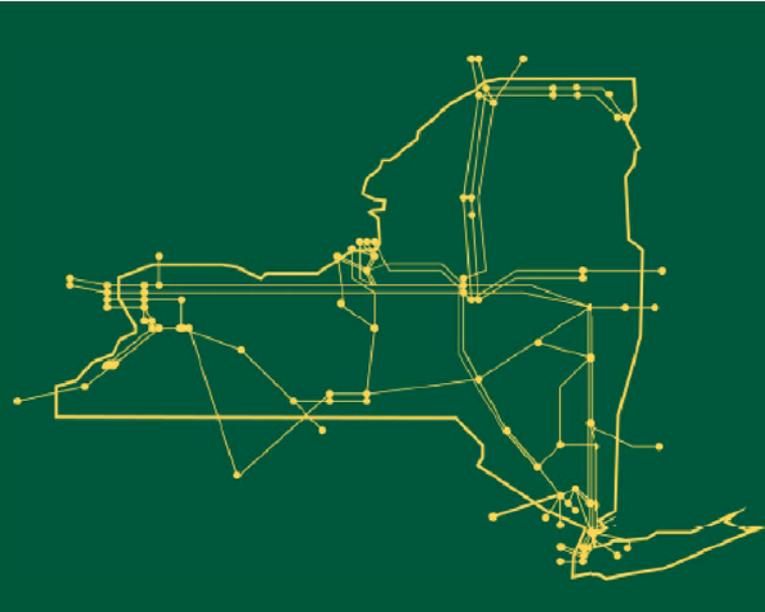
Day Ahead Market Impacts

- ◆ Re-ran DAM Model for 6/9 with revised reference levels; all impacts are estimates
- ◆ In-City Mitigation Impacts:
 - *Nine non-GT, in-city units no longer subject to mitigation, had reduced schedules*
 - *Twenty GTs no longer mitigated and, with unmitigated bids, not committed in study (21 unit-hours)*
- ◆ Generator Commitments Impacted:
 - *Observed changes in generator, transaction and virtual schedules due to changes in reference levels and associated LBMP changes*

Day Ahead Market Impacts

- ◆ Generally zonal LBMPs were affected very little by the adjustments in generator references.
 - *Average increase for NYC of \$1.67/ MWh.*
 - *All other zones had an average increase of less than \$1.08/ MWh throughout the day during the study.*
- ◆ Consultation requests have been received from multiple suppliers and are being processed

The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and conducts comprehensive planning for the state's bulk electricity system.



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