

# **Revisions to Congestion Rent and Auction Revenue Shortfall/Surplus Allocation**

## **OATT Attachment N**

**Mike Calimano  
Management Committee  
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# Background

- **Attachment N describes the congestion settlements related to the Day-Ahead Market (DAM) and the allocation of TCC auction revenues**
- **Transmission Owners requested a methodology that would assign responsibility for revenue impacts of outages and returns-to-service in the DAM and TCC auctions**
- **In May 2003, 88 percent of the Management Committee voted in support of Attachment N revisions to the shortfall/surplus allocation methodology**
- **The revisions took effect in December 2003 and January 2004**

# Issues

- **Implementation issues were identified in spring 2004; the methodology did not produce meaningful results**
- **In February 2005, the Business Issues Committee voted to change the methodology**
- **Since then, the NYISO staff and consultants have been working with the Transmission Owners to further change Attachment N**

# Major Characteristics of Revisions

- **No substantive changes are proposed to TCC Holders' settlements or collection of congestion rents from energy purchasers**
- **The primary objective of the changes is to more accurately calculate the costs and benefits to Transmission Owners of outages and returns-to-service for transmission facilities**
- **Generally, changes to DAM congestion settlements will be retroactive, and changes to the allocation of TCC auction revenues will be prospective**

# Key Changes

- **Formulas are revised to more accurately calculate congestion settlements and allocate auction revenues.**
- **Simplifications are included to socialize costs and benefits among the Transmission Owners when impacts are small.**
- **Treatment of impacts not directly attributable to specific Transmission Owners is clarified.**

# Schedule

MC review & approval of tariff language	January 25
NYISO Board approval of tariff language	February 21
Submittal of Attachment N to FERC	By March 15