



President's Report

**Management Committee Meeting
September 7, 2000**

Report Topics

1) Reliability Indicators

- ***NERC Criteria***

2) Market Performance

3) Import/Export Changes 1999-2000

4) RTO 2000 Working Group Schedule

5) Weekly Report

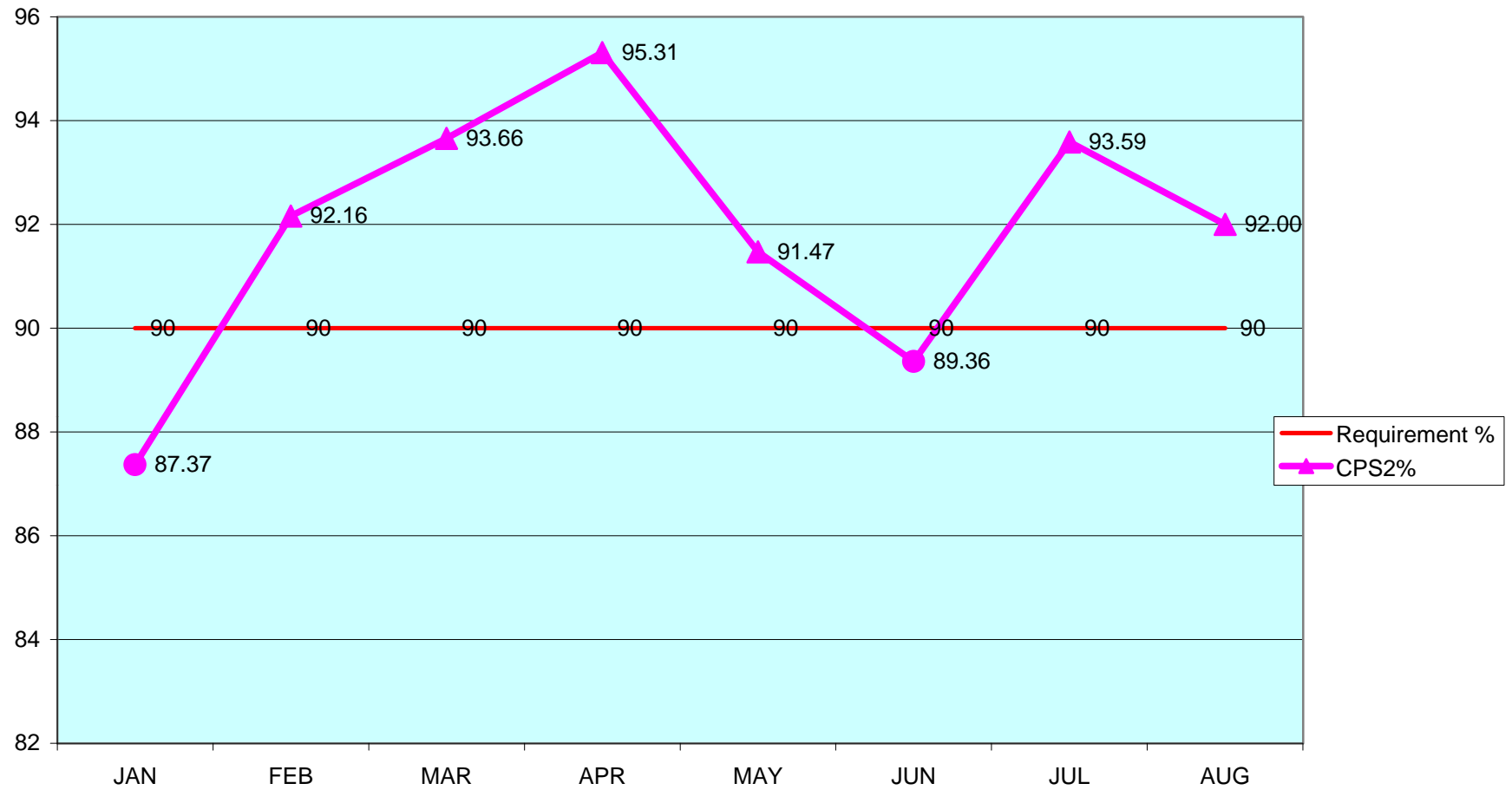
6) ICAP Withholding Investigation

7) Notification of Software Changes and Testing

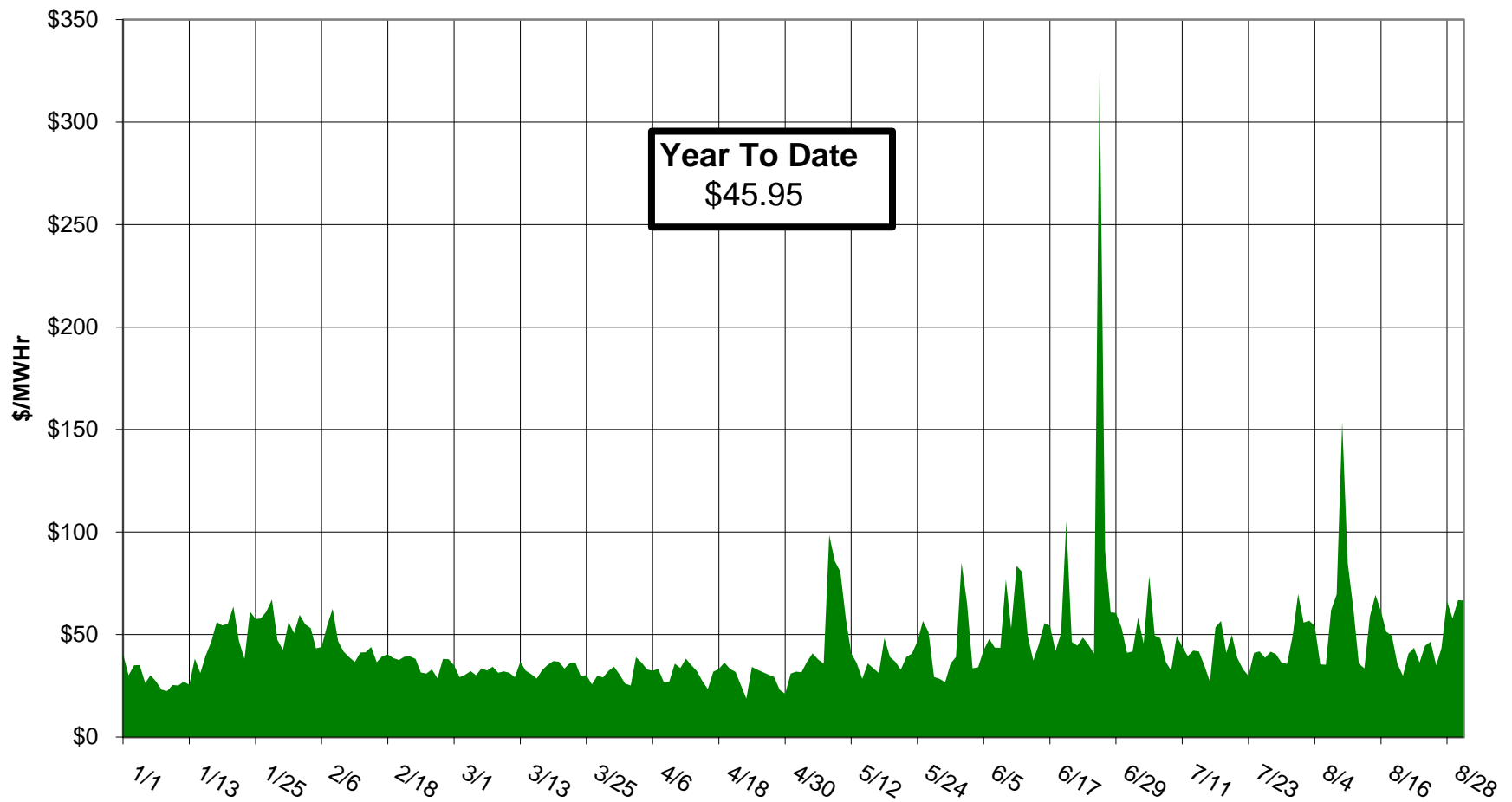
8) Goals & Objectives

- ***2000 Report Card***
- ***2001 Target Candidates***

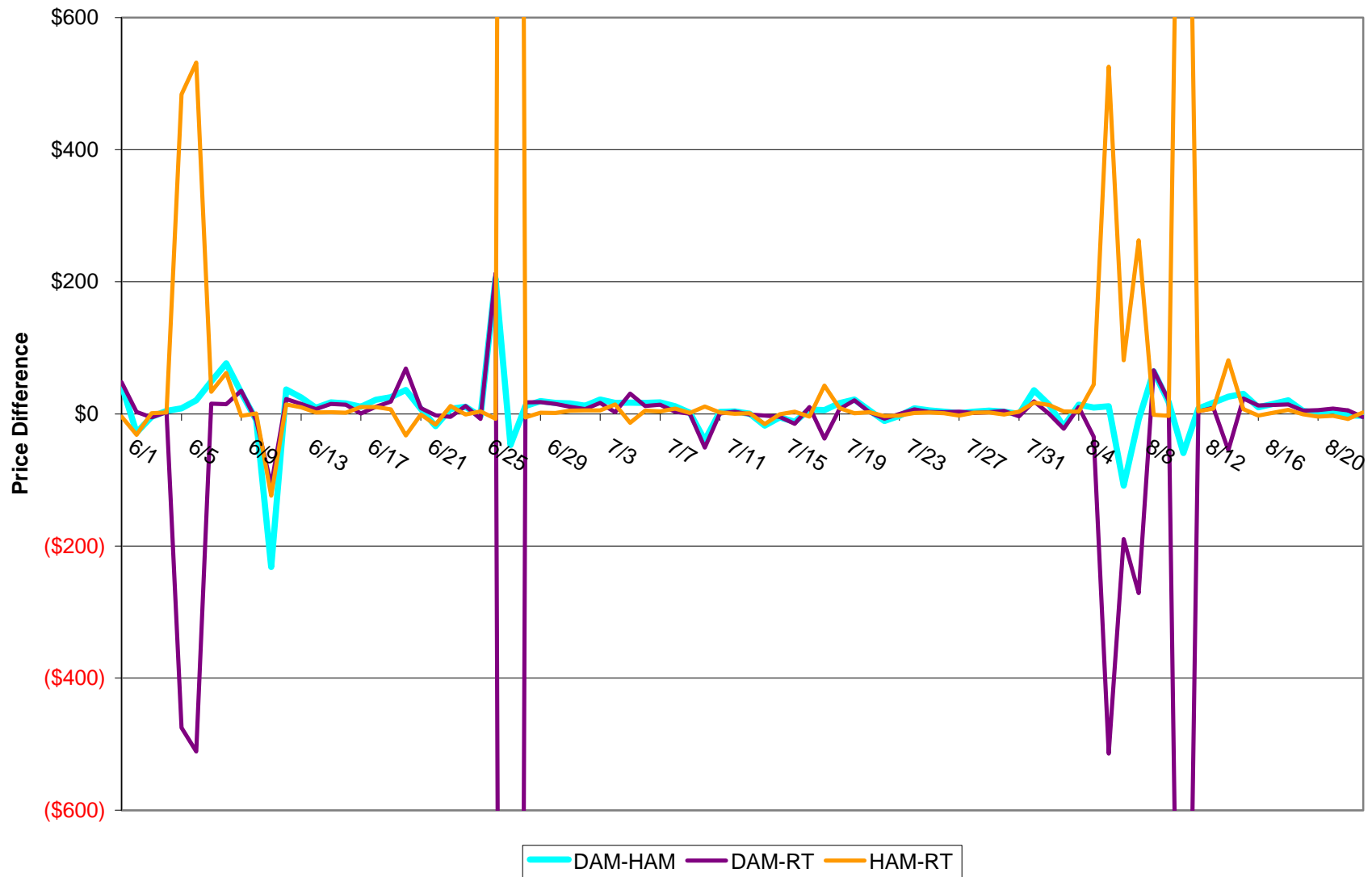
**NERC Control Performance Standard
NYISO Compliance
Year 2000**



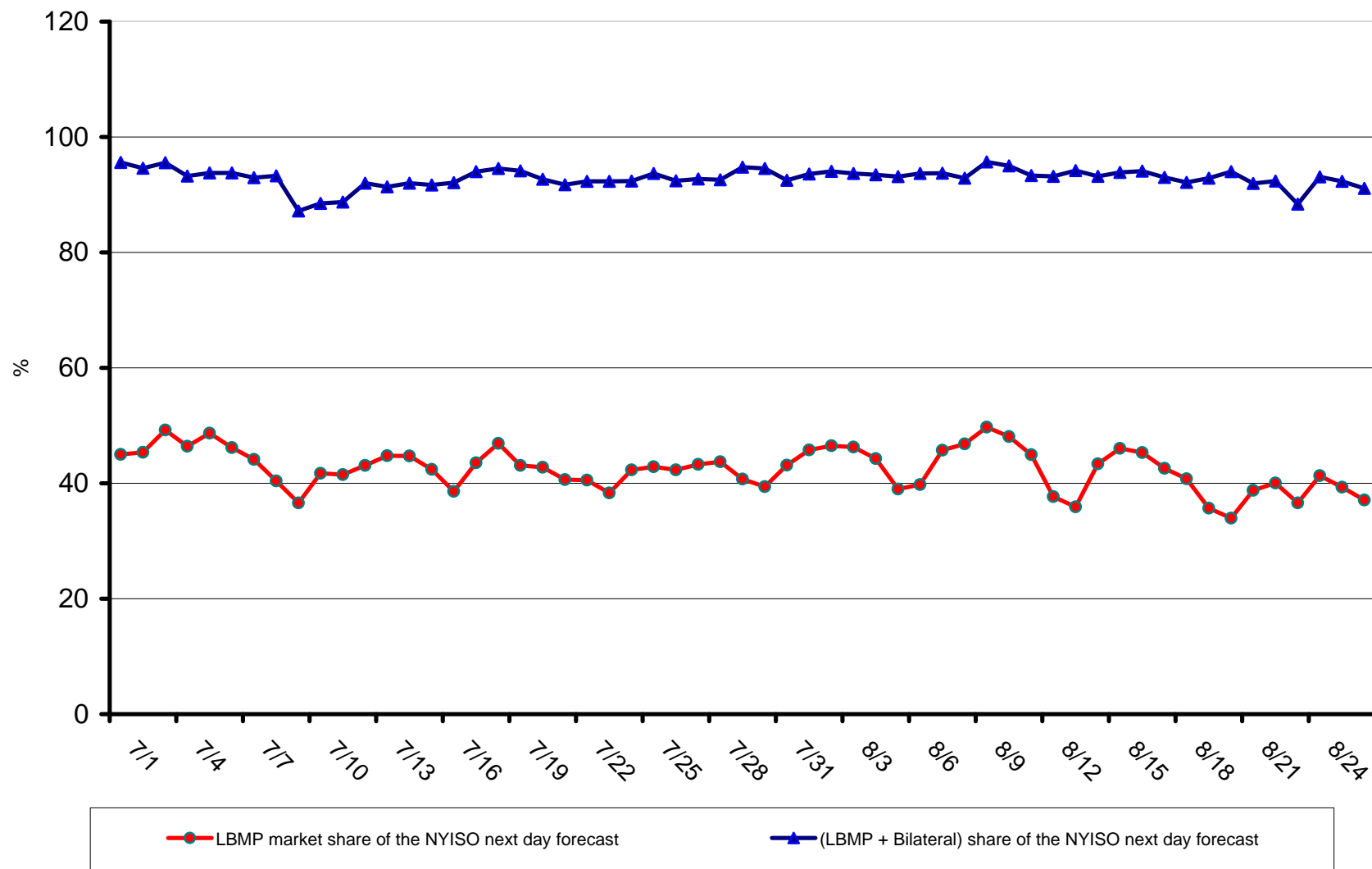
**NYISO Daily Wholesale Electricity Price
(1/1/00 - 8/31/00)**



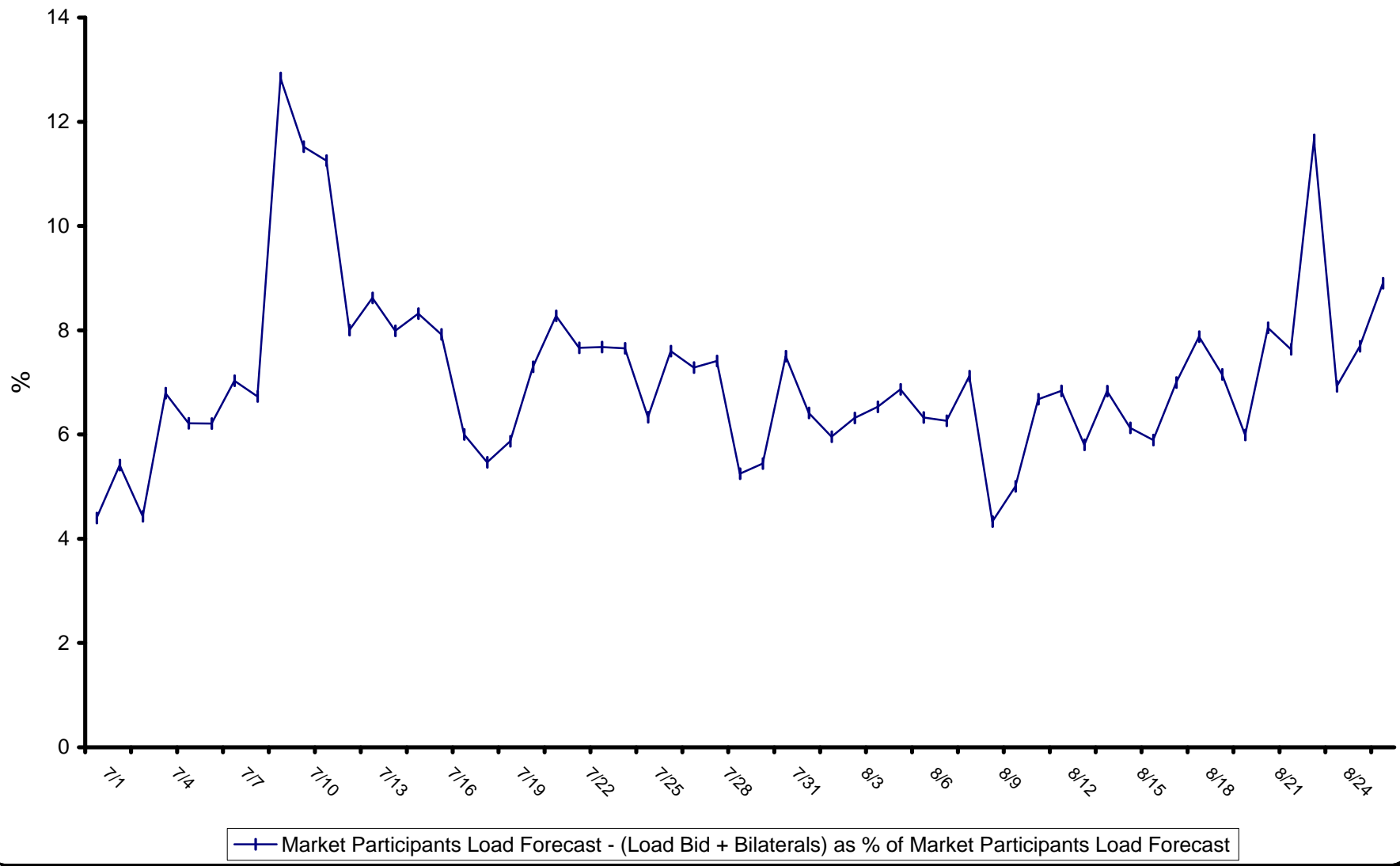
Difference between NYISO-wide Weighted Average Daily Corrected LBMP's(6/1/00 - 8/23/00)



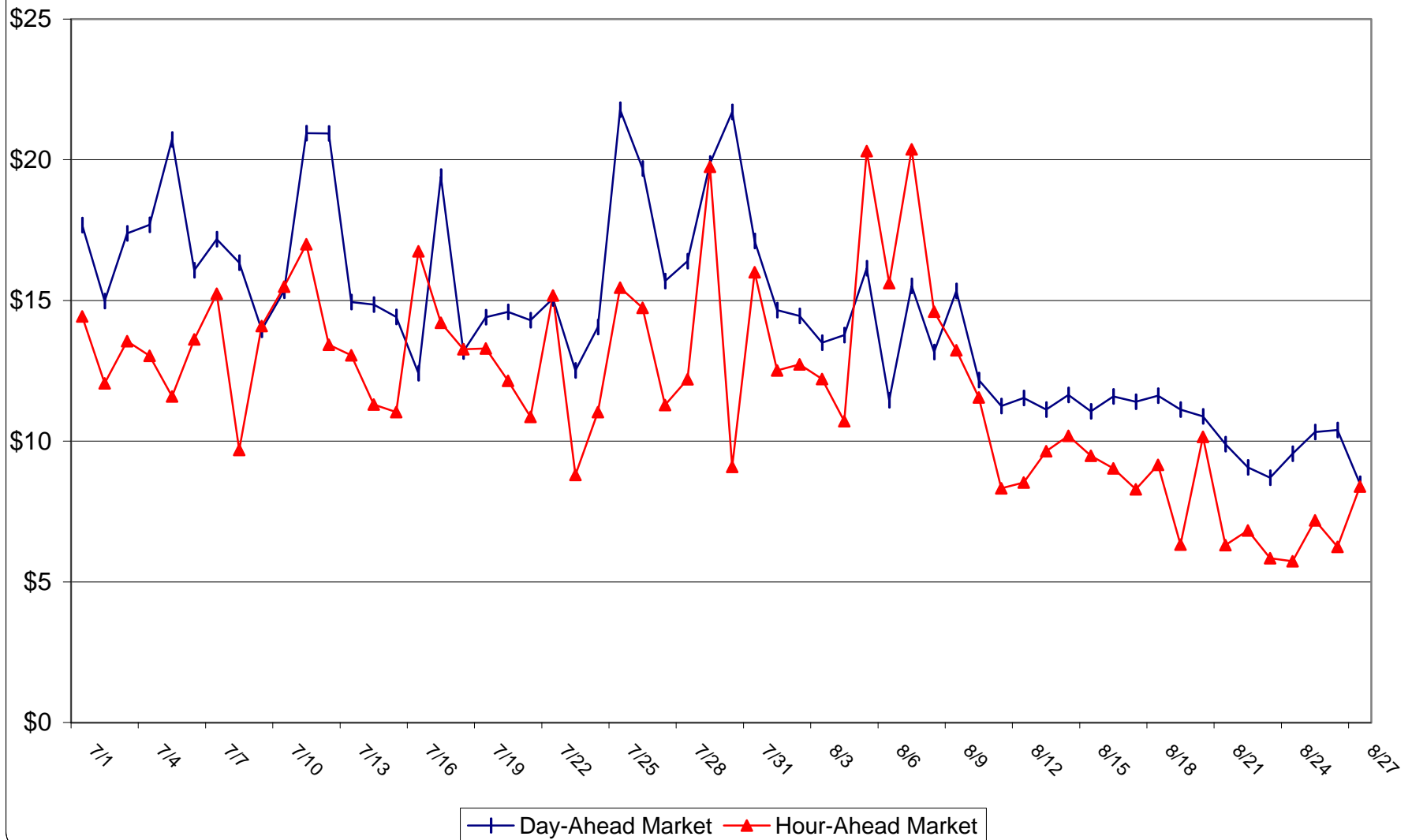
Planned Day-Ahead Market Composition 7/1/00 - 8/26/00



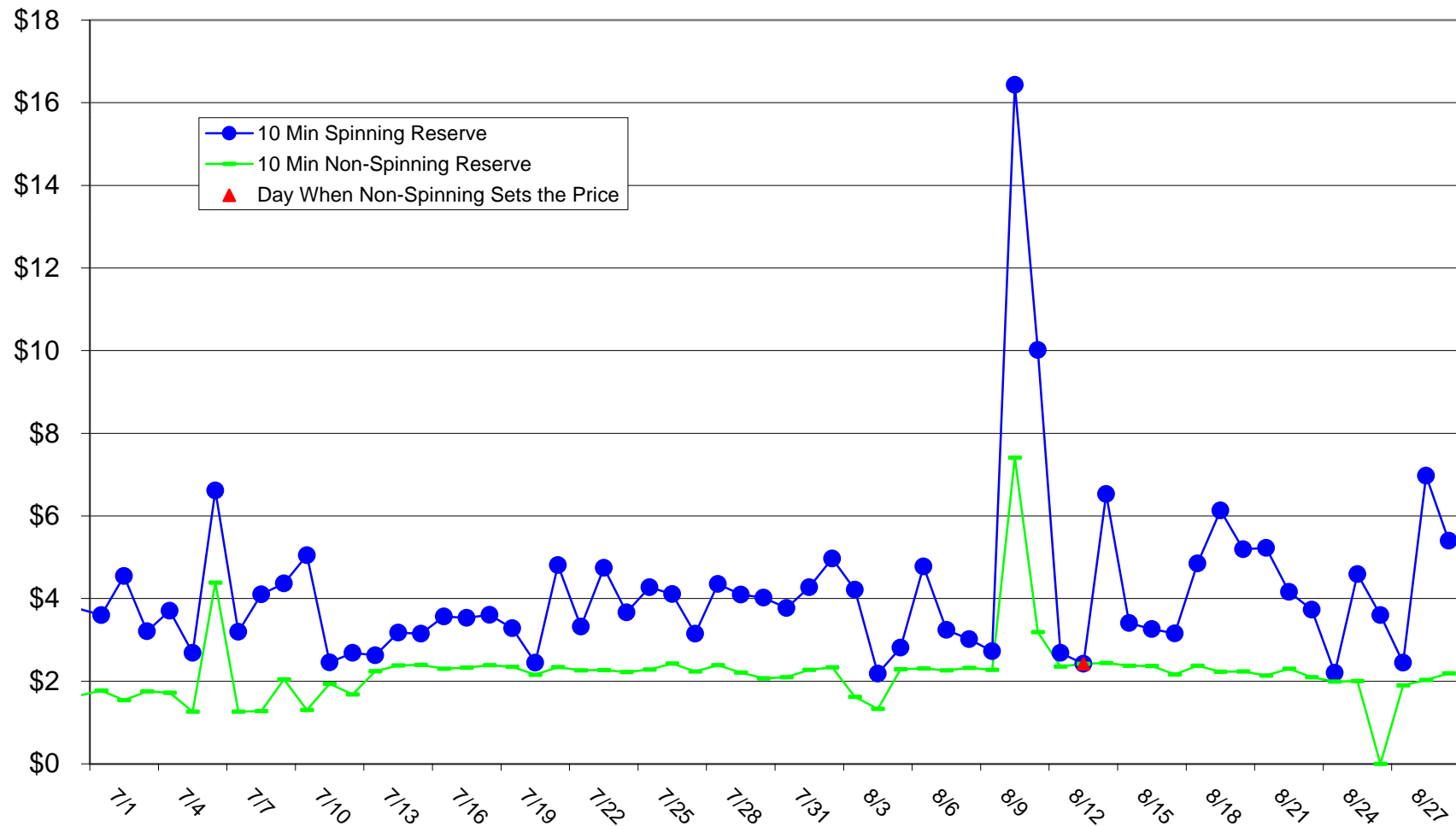
% of Total Market Transacted in Real-Time 7/1/00 - 8/26/00



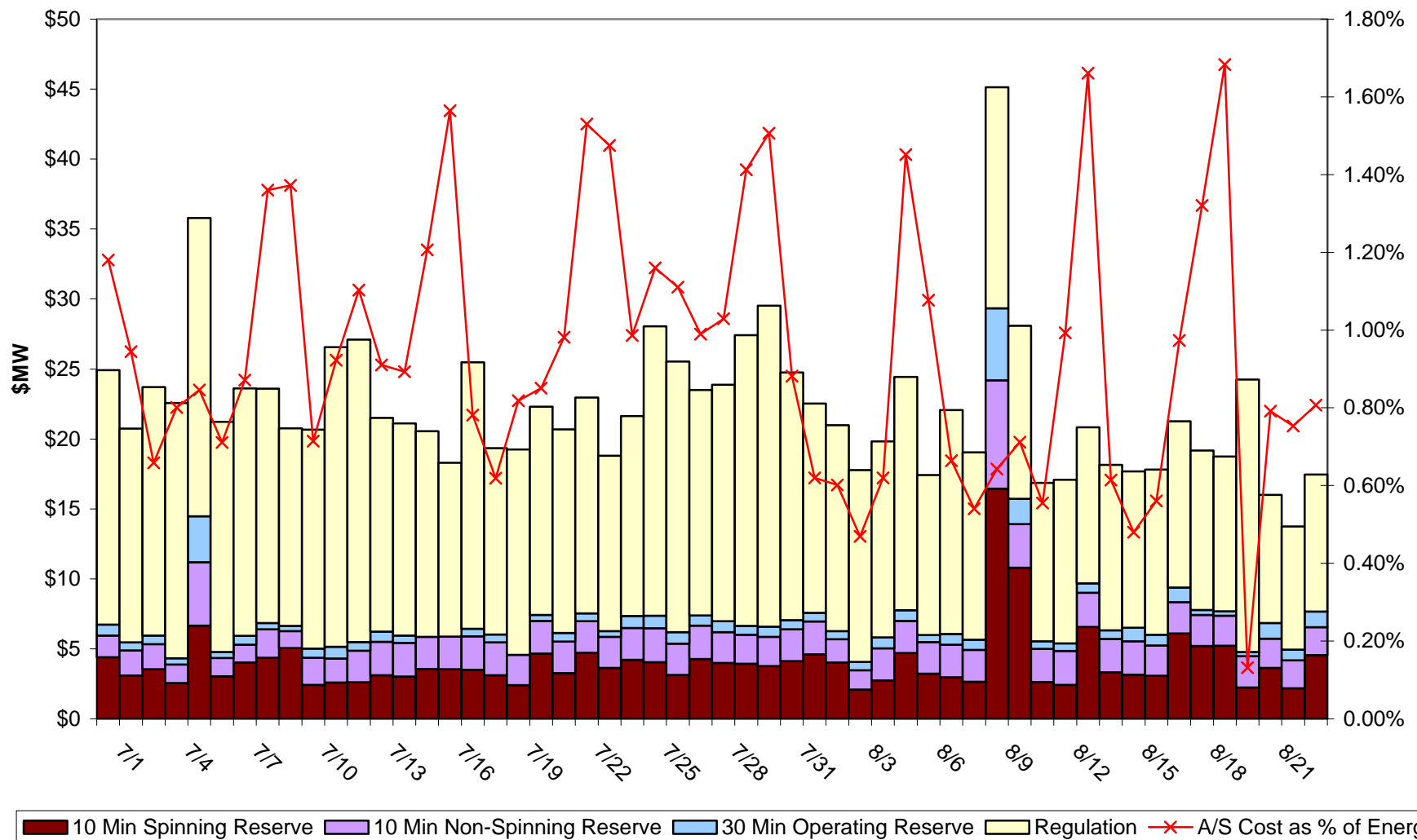
Avg. Daily Prices for Regulation (7/1/00 - 8/27/00)



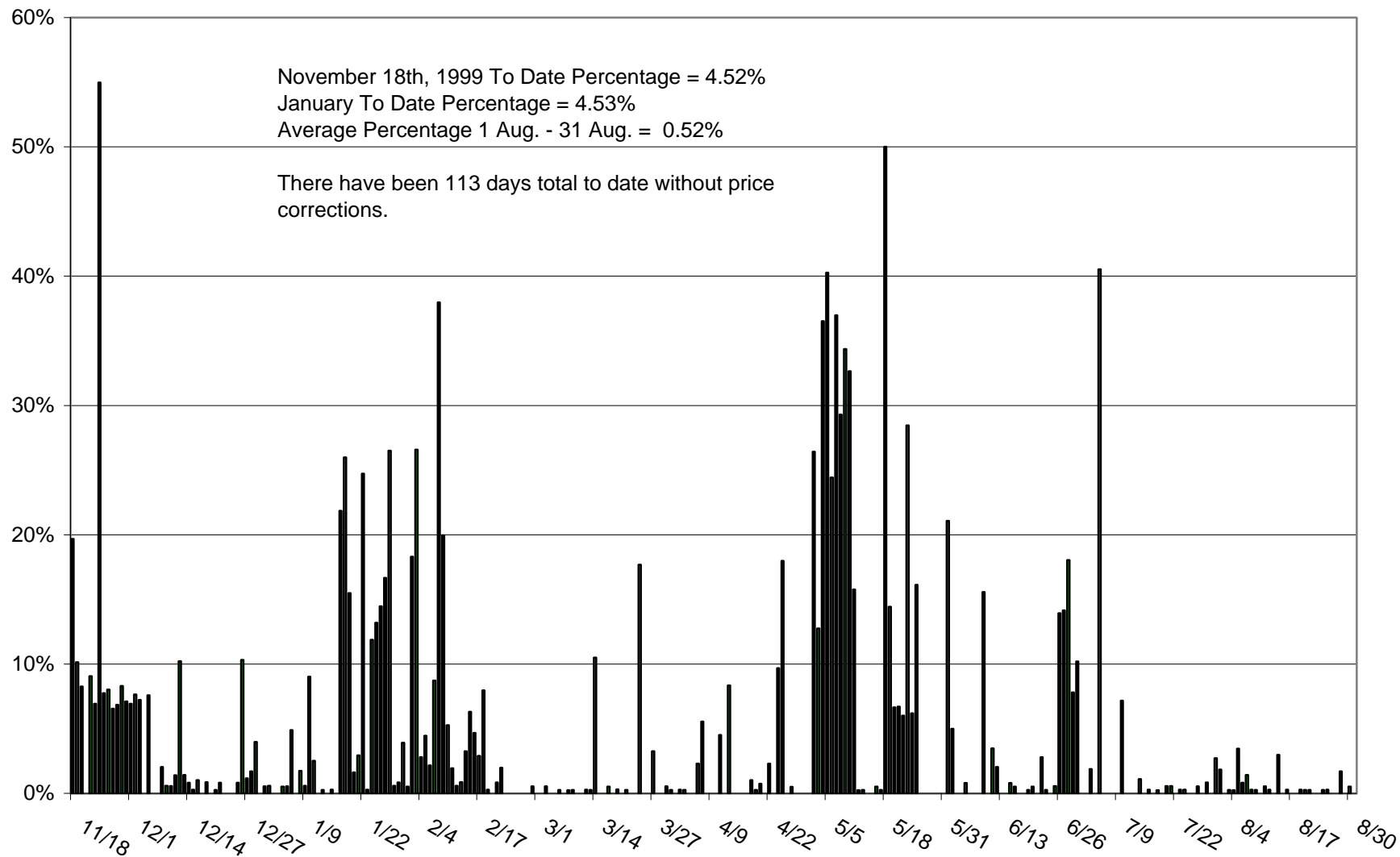
Average 10 Minute Reserves: Day-Ahead Market 7/1/00 - 8/29/00



Ancillary Services for Day-Ahead Market: Prices and Impacts (7/1/00 - 8/23/00)



Percentage of SCD Intervals Needing Correction (11/18/99 - 8/31/00)



***NYCA Net Schedules
For 2000 vs. 1998/98***

NEW YORK CONTROL AREA	IMPORT SCHEDULES (% OF TIME)				EXPORT SCHEDULES (% OF TIME)			
	>1000MW		>2000MW		>500MW		>1000MW	
	2000	1998/99	2000	1998/99	2000	1998/99	2000	1998/99
	85%	12%	37%	1%	1%	38%	0%	18%

***NYCA to External CA Schedules
For 2000 vs. 1998/98***

	IMPORT SCHEDULES FROM EXTERNAL CA'S (% OF TIME)				EXPORT SCHEDULES TO EXTERNAL CA'S (% OF TIME)			
	>500MW		>1000MW		>500MW		>1000MW	
	2000	1998/99	2000	1998/99	2000	1998/99	2000	1998/99
HYDRO QUEBEC	85%	30%	49%	12%	0%	14%	0%	2%
ONTARIO IMO	12%	5%	2%	0%	0%	4%	0%	0%
PJM ISO	73%	42%	49%	17%	9%	23%	4%	13%
NEW ENGLAND ISO	1%	0%	0%	0%	37%	52%	4%	25%

Order 2000 - RTO Schedule

Date	Milestone
17-Aug-00	RTO WG - kick-off meeting
14-Sep-00	RTO WG meeting
3-Oct-00	MC initial presentation
12-Oct-00	RTO WG meeting (tent.)
2-Nov-00	MC 2nd presentation
9-Nov-00	RTO WG meeting (tent.)
7-Dec-00	RTO WG meeting (tent.)
8-Dec-00	NYISO Filing drafted
21-Dec-00	MP comments due back
5-Jan-01	NYISO Filing finalized
15-Jan-01	Filing due to FERC



Report on ICAP Compliance Study Results

**Status Summary as of:
9/6/00**

Study Objective:

- **Are unit offers consistent w/ ICAP Contracted MWs?**
- **Possible problems:**
 - **Data collection and reporting**
 - **Rule interpretation and/or compliance**
 - **Fractional MWs excluded from the Bid Box**
 - **Physical withholding from the DAM**

Findings through Monday 9/5/00:

- **About 32% or 437 ICAP MWs that were not bid into the DAM that week result from:**
 - **Exclusion of fractional MWs from bidding in the DAM (i.e. Bid Box Format)**
 - **Data reporting problems**
- **Other explanations reported for the remaining 928 MWs not offered-in include the following:**
 - **Misinterpretation of procedures for reporting outages**
 - **Deratings on so-called Energy Limited Resources (ELRs) including Hydro facilities**
 - **Lack of communication between TOs and the NYISO**
- **Analysis will be completed upon receipt of responses from remaining owners/generators.**

NYISO Action Plan:

- **Telephone calls to Market Participants (already completed by Market Services)**
- **Follow-up letters to Gen. Owners describing ICAP contract obligations (completed)**
- **Complete analysis of unexplained deviations (near completion)**
- **Review of sanctions for non-compliance by Legal (underway)**
- **Impose sanctions for non-compliance (if physical withholding is substantiated).**

Reliability Gateway

	On Target	Behind Target	Achieved Target	Missed Target	Status	Comments
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Maintain NYCA service appropriately

☒
☐
☐
☐

Operations and Reliability Goals

Accurate day-ahead load forecasts

☒
☐
☐
☐

NERC/NAERO Operating Standards

☐
☐
☒
☐

Implement End-State AGC Process

☒
☐
☐
☐

Customer Care Goals

Real-time price accuracy

☒
☐
☐
☐

Pay MPs on time

☒
☐
☐
☐

Stay within approved Budget

☒
☐
☐
☐

Market Innovations

Stage I ICAP auction process

☐
☐
☒
☐

Achieved at "Target" level.

Stage II ICAP reliability study

☐
☐
☒
☐

Achieved at "Superior Performance" level.

Unbundle TCCs for market liquidity

☐
☐
☒
☐

Preliminary

Preliminary

Preliminary

Budget, Standards & Performance Subcommittee
Recommended Year 2001
NYISO Goals and Objectives

Category 1

- I. Reliability Gateway
 - 1. Maintain service to NYCA load
- II. Operations and Reliability Goals
 - 1. Prepare accurate day-ahead load forecasts
 - 2. Comply with NERC/NAERO Operating Standards
 - 3. Eliminate software restrictions that prevent capacity from bidding their full capability into the NYISO
- III.A. Customer Service – Market Settlement
 - 1. Bills should be issued on time
 - 2. Pay Market Participants on time
 - 3. True-up of LSE bills
 - 4. Billing Error Correction
 - 5. Interest on errors and rebills
 - 6. Establish an operational audit plan to evaluate efficiency of NYISO system operations and business processes. The objective of the audit will be to identify areas for improving efficiency of NYISO commitment and dispatch and develop measurable goals and objectives for improving operations.
- III.B. Customer Service – Support of Committees
- III.C. Customer Service – Direct Customer Support
 - 1. Twenty-four hour coverage of Market Relations hot line
 - 2. Response to market participant voicemail and e-mail
 - 3. A market participant question tracking system should be implemented by the NYISO that allows market participants to check on the status of their outstanding questions
 - 4. Resolution of questions
 - 5. Improvement in customer satisfaction levels measured by a survey
- IV. Market Performance
 - 1. Maintain accuracy of real-time prices
 - 2. Maintain accuracy of day-ahead process
 - 3. MIS system should be available to market participants
 - 4. Posting of unit commitment on or before required time

- V. Budgetary
 - 1. NYISO operations should remain within budget
 - 2. Business plan development
- VI. Project Management
 - 1. NYISO should maintain an active issue list for each committee and working group and an active project status list
 - 2. Projects that reach implementation stage should be completed on schedule

Category 2

- III.B. Customer Service – Support of Committees
 - 1. Sufficient staff should be available to support committees, subcommittees and working groups
- IV. Market Performance
 - 1. Improve convergence of BME and RT prices
 - 2. Implementation of demand responsive bidding programs
 - 3. Improve coordination with neighboring ISOs.

Category 3

- I. Reliability Gateway
 - 1. Maintain service to NYCA load
- II. Operations and Reliability Goals
 - 1. Reduce the number of occurrences that the NYISO is placed in Alert State
 - 2. Reserve activations
- III.A. Customer Service – Market Settlement
- III.B. Customer Service – Support of Committees
- III.C. Customer Service – Direct Customer Support
- IV. Market Performance
- V. Budgetary
- VI. Project Management