

Short and Long term Tariff proposals for Wind

MSWG

August 7, 2006

Michael Martin

Manager Energy Products

In the Short Term

- **Seek tariff change to:**
 - **Increase the 500 MW exemption in Section 4.5 and RS 3 to 1000 MWs until Long Term Changes become effective (see discussion on next slide) ;**
 - **244.3 MWs of operating wind resources will grow to 256.3 MWs in July;**
 - **NYISO expects another 169.5 MWs in operation by the end of 2006 (425.8 total). The queue shows over 1500 MW by end of 2007;**
 - **In the event of an operator-requested derate, energy payment not to exceed derated capability;**
 - **Require timely notification to the TO of on-line capability;**
 - **Use “persistence” as the forecast in the RT scheduling process; basepoints will be set to actual;**
 - **Initiate development of long-term forecasting methodology.**

In the Long Term

- **Pay for all Energy delivered in Real-Time by all Intermittent Resources (except for MWs derated by operator);**
- **Exempt all Intermittent Resources from Undergeneration Charges;**
- **Consider wind forecasts in the RT and DA markets**
 - **Charge wind generators for wind forecasting services;**
- **Consider spreading the costs of regulation service across all wind output and all load;**

Next Steps

- Develop tariff language for short term changes and seek consideration from the market participants in the governance process;
- Develop straw proposals for long term solutions and continue MSWG conversations.