

Minutes of April 11, 2000  
ICAP WG Meeting

The ICAP Working Group convened at approximately 9:30 at the Best Western in Rotterdam with approximately 30 people in attendance or participating via phone.

**Administrative Matters:** WG members were reminded of the need to execute the appropriate ICAP purchase and sales agreements (Attachments J and K to the ICAP Manual) if they planned to participate in the monthly ICAP auctions. Also, an updated ICAP Timeline (Attachment A to Manual) was distributed.

**FERC Compliance Filing:** A discussion ensued regarding the ISO's plans for making a compliance filing to FERC in response to FERC's decision approving the Stage 1 ICAP tariff which asked for certain clarifications from the ISO. ISO staff indicated that their intent to follow what they had said in their response to the NYSEG protest. ISO Counsel will provide a draft of the compliance filing to BIC members by Monday, April 17. This would allow the BIC to consider the filing at its April 29th meeting.

**Recall Bids:** During a discussion concerning recall bids, ISO staff clarified that sellers would get paid the higher of the recall bid or the LBMP at the proxy bus. Questions were raised regarding the circumstances when recall bids would be exercised, but no conclusion was reached. HQ inquired whether grandfathered ICAP contracts are exempt from ICAP requirements, and ISO staff indicated that this issue was being researched by Counsel. Other parties pointed out that such an exemption had not been provided for in the Manual. AES raised a concern about whether it was acceptable for NY ICAP providers to schedule a bilateral to an external load and still meet their ICAP requirements. After much discussion, it was agreed that this was permissible, that the ICAP provider would have to submit a recall bid as part of the DAM bid, and that the ISO has the ability to not let the externals go if it threatens NYCA reliability (i.e., not enough energy bid into DAM). It was further clarified that the generator would still need to bid his energy into the DAM if he intended to run his plant, since the energy and bilateral markets are really independent of each other.

**DMNC Testing Flexibility:** Questions were raised about whether the testing flexibility provided for the Summer 2000 capability period should be made permanent. This led to a discussion about whether there should be one DMNC number during the year, two capability period numbers as is currently provided for in the Tariff, or monthly numbers. No consensus on this issue was reached.

**EFORD Calculations:** After considerable discussion about many of the basic assumptions that would be used to calculate EFORD, the parties recommended that a workshop be organized to allow a representative from PJM to come in and explain how EFORD is calculated and administered in their control area. A date of Wednesday, April 26, was chosen for the workshop. A number of parties also suggested that the ISO staff be requested to provide the Working Group with an analysis of how the Summer 2000 ICAP auction numbers would have changed if UCAP and EFORD had been in place. It was requested that the analysis be available for the workshop. The WG Chair agreed to meet after the

meeting with a handful of parties to develop a list of specific calculations that ISO Staff would be requested to perform. [Note: The list was developed and communicated the next day to ISO Staff. However, ISO staff was unable to commit resources to conduct the analysis in time for the April 26 workshop.] Finally, parties requested that a presentation on NERC GADS data requirements and calculations be scheduled for the day prior to the PJM workshop. The WG Chairman agreed to try and schedule this event for April 25th. [Note: NERC was unable to make a presentation that day. An alternative date will be scheduled by the Chair.]

Adjournment: The meeting adjourned approximately 4 p.m.