

EXTERNAL SCHEDULED LINES

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Overview of Presentation

- Outline of NYISO's External Scheduled Line Project
- Focus on tariff revisions needed for implementation
 - To address “generic” application
 - Special provisions for Cross Sound Scheduled Line (“CSC”)

Business Overview

The External Scheduled Lines project will enable the NYISO to implement multiple External Proxy Buses representing its interface(s) with a neighboring Control Area.

This project is generic in nature and is capable of accommodating some limited variation in the rules applicable to each Scheduled Line

- As each proposed Scheduled Line is considered, a detailed Systems Design Specification document may be developed.
- If a proposed Scheduled Line can be accommodated via the generic design, it will ordinarily be considered a baseline support task and should not require a new IT “project” to implement.

The generic software provides the following capabilities:

- To model an additional Scheduled Line (external proxy generator bus).
- Gives MPs the ability to schedule transactions in the DAM and in real-time.
- Gives NYISO operators the ability to monitor the Scheduled Line and curtail transactions on the line (if and to the extent necessary).

Implementation for CSC will also validate Transmission Reservations by confirming the existence of an Advance Reservation

Tariff Revisions

- **Add a new Attachment M to Services Tariff**
- **Add Special Pricing Rules that will apply to the Cross Sound Scheduled Line**
- **Add provisions for sharing market monitoring information with ISO-NE**
- **Modify/add definitions in both OATT & Services Tariff**
- **Minor modifications to other provisions of the OATT & Services Tariff**
- **Please refer to separate handouts for OATT & Services Tariff revisions**

Scheduling Provisions

- “Generic” External Controllable lines will follow the same scheduling protocols as existing External Proxy Buses.
 - However, pre-scheduled transactions will not be permitted on Scheduled Lines
- For the CSC schedules will be limited:
 - To the hourly TTC posted for the CSC
 - To a maximum of 330MW in each direction

CSC Specific Scheduling Provisions

- **For the CSC Scheduled Line, an Advance Transmission Reservation is required**
 - Advance Reservations are posted on the CSC node of the NEPOOL OASIS
 - By 4:50 AM of the day before the dispatch day, MPs desiring to submit external transaction requests in the NY DAM will be required to have: (i) an Advance Reservation on the CSC, (ii) a valid NERC E-Tag, and (iii) a bid submitted to the NYISO
 - By 85 minutes prior to the dispatch hour, MPs desiring to submit external transaction requests in the NY Real Time Market will be required to have: (i) an Advance Reservation on the CSC, (ii) a valid NERC E-Tag, and (iii) a bid submitted to the NYISO
- **In addition to an Advance Reservation, customers must also schedule a corresponding transaction with ISO-NE**
 - The scheduling a transaction with ISO-NE is not a prerequisite to NYISO bid evaluation

CSC Specific Scheduling Provisions (cont'd)

- **“Validation Passed” bid designation**
 - A “Validation Passed” designation in the ISO’s MIS following the submission of a CSC bid should not be relied on as an indication that, either (a) the NERC E-Tag supporting the reservation is valid, or (b) the Advance Reservation on the ISO-NE OASIS is sufficient to support the bid.

“Generic” Pricing Rules

- An external proxy bus associated with a Scheduled Line will be subject to the same pricing rules that apply to transactions at existing NYISO external proxy buses
- ECA-a and ECA-b will apply to Scheduled Lines
 - ECA- a: A penalty is imposed if transactions fail for reasons within the control of the Market Participant.
 - ECA- b: Addresses inconsistencies between the constraints modeled by the hourly Market and the real time price.

Scheduled Line Special Pricing Rules (apply to CSC)

- The NYISO proposes to implement Special Pricing Rules that will apply when the proxy generator bus associated with the Cross Sound Controllable Line is subject to a transfer limit (TTC) constraint. The Special Pricing Rules may apply at other Proxy Generator Buses that are associated with Scheduled Lines.
- The Special Pricing Rules will mirror the Non-Competitive Proxy Generator Bus rules, with one important difference:
 - The Special Pricing Rules are not triggered by a NYCA ramp (DNI) constraint or a CA ramp constraint if there are multiple Proxy Generator Buses representing the interfaces between the two CAs and at least one of the proxy buses is competitive.

Curtailment Provisions

- “Generic” Scheduled Lines
 - Follow same curtailment rules as other NYISO scheduled transactions
- Cross Sound Scheduled Line
 - To the extent possible, in-hour curtailments are to be based upon NERC priority of the associated Advance Reservations

MMP Provisions

- Establishment of multiple proxy buses representing the interfaces between two Control Areas may present gaming opportunities
- Therefore, NYISO MMP is seeking authority to share information with ISO-NE MMP regarding transactions at all NE proxy buses
- The NYISO has identified certain protections that should be in place before the two market monitoring units begin sharing Confidential or Protected Information

Project Schedule/Milestones

- Design
 - Started: May 2004
 - Completion: December 2004
- Development
 - Start: October 2004
 - Completion: January 2005
- QA Testing
 - Start: December 2004
 - Completion: May 2005
- Deployment (for CSC)
 - June 2005

Regulatory Schedule

- December 2004—Proposed tariff revisions provided to S&PWG or MSWG for comment
- December 2004—BIC review and approval of proposed tariff revisions
- January 2005—MC review and approval of proposed tariff revisions
- Late January 2005—BOD review and approval of proposed tariff revisions;
- February 2005—file with FERC;
- April 2005--FERC action/order addressing tariff revisions;
- May 2005--compliance filing responding to FERC order (if necessary);
- June 2005--Effective date of tariff revisions (for implementation of CSC).