

New External Proxies Update

Prepared for
Market Issues Working Group
April 23, 2007

New External proxies Update

- ◆ Four new external proxies will be deployed over the next few months
 - *Cedars – Dennison*
 - *1385 (Northport – Norwalk)*
 - *Neptune*
 - *HQ Netting*

New External proxies Update

- ◆ Cedars – Dennison
 - *Existing facility currently scheduled as a generator.*
 - *Will be controlled via generation at Cedars and a Variable Frequency Transformer (VFT) at Langlois under the new configuration.*
 - *Planned May 1 implementation postponed to June*
 - HQ TransEnergie regulatory issues require that HQT postpone the May 1 implementation.

New External proxies Update

- ◆ 1385 (Northport – Norwalk)
 - *PAR controlled line currently modeled as part of the total NY/NE AC interface.*
 - *External proxy bus configuration scheduled for implementation on June 27, 2007.*
 - *Technical Bulletin addressing bidding details and additional implementation details and notifications will be distributed in June.*

New External proxies Update

- ◆ Neptune

- *Neptune is a new HVDC tie between New Jersey and Long Island.*
- *LIPA owns the full capacity (import) rights to the Neptune Line.*
- *PJM Tariff provisions allow only import (to NY) transactions on the Neptune Line.*
- *Scheduled to start commercial operation on July 1, 2007.*
- *Facility testing begins April 23 with test energy transfers scheduled to begin on May 7.*
- *Technical Bulletin addressing bidding details and additional implementation details and notifications will be distributed in June.*

New External proxies Update

- ◆ HQ Netting
 - *Creation of a second external proxy bus at the NY-HQ interface at Chateauguay.*
 - One proxy bus dedicated to Import and Export transactions
 - One proxy bus dedicated to Wheels-through transactions
 - *Import/Export proxy bus will be limited to net 1200 MW into NY and will have a ramp limit of 500 MW.*
 - *Wheels-through proxy bus will have a ramp limit of 200 MW.*
 - *Overall interface will be limited to 1500 MW (1800 in RT under certain conditions).*

New External proxies Update

- ◆ HQ Netting
 - *Scheduled for implementation on June 6, 2007.*
 - *Implementation plan details and Technical Bulletin will be distributed in May.*