


NYISO NEW YORK
INDEPENDENT
SYSTEM OPERATOR



NYISO 2001-Forward Progress

presented by
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President & CEO

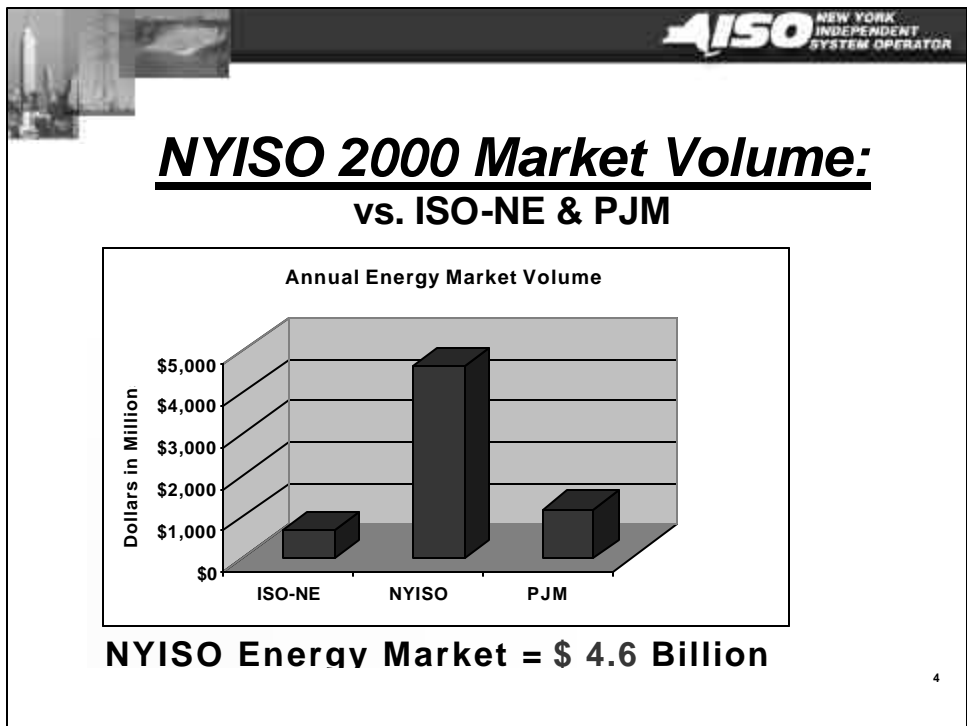
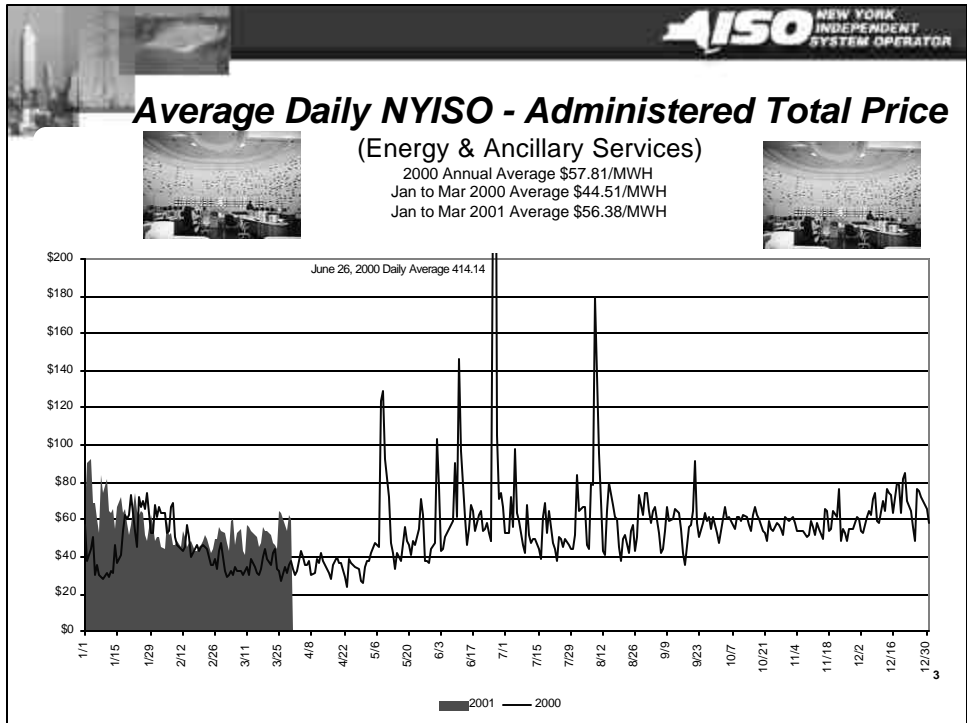
Report to the Joint NYISO Board of Directors and Management Committee
Meeting - April 17, 2001




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NYISO MARKET PERFORMANCE

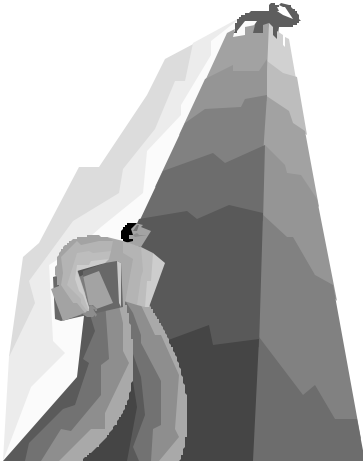






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Major Achievements



- RTO filing with FERC
- Resolution of major gaming issues – October/November
- Improved inter-ISO coordination
- Successful Project Priority Process Established



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Summer 2001 Preparations

NYS & Locality Load and Capacity Outlook For Summer 2001

Statewide

Forecast Demand		30,620 MW
Reserve Requirement		<u>5,512 MW</u>
Total Requirement		36,132 MW



New York City

Forecast Demand		10,535 MW
In-City Requirements (80%)		8,428 MW
Available Supply (as of 2/1/01)		<u>8,031 MW</u>
In-City Deficiency		397 MW


Long Island

Forecast Demand		4,733 MW
On-Island Requirements (98%)		4,639 MW
Available Supply (as of 2/1/01)		<u>4,507 MW</u>
On-Island Deficiency		132 MW

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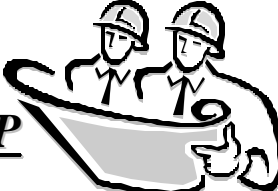



Proposed NYPA Turbines For Summer 2001



Location	Owner	MW	Interconnection Pt	TO	In-Service Date
Harlem River Yards	NYPA	79.9	Hell Gate Substation	CONED	June 2001
Hell Gate	NYPA	79.9	Hell Gate Substation	CONED	June 2001
Vernon Blvd	NYPA	79.9	Vernon Substation	CONED	June 2001
N First St and Grand Ave	NYPA	44	Vernon-Greenwood Line	CONED	June 2001
23 rd St and 3 rd Ave	NYPA	79.9	Gowanus Substation	CONED	June 2001
Fox Hills	NYPA	44	Fox Hills Substation	CONED	June 2001
TOTAL		407.6			

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Status of In-City ICAP


(With & Without NYPA Units)

In-City Capacity Status	MW
Current Deficiency	397
Less Astoria 2* @ 175 MW	222
Less Hudson Avenue @ 60 MW	162
Less Orion GTs @ 30 MW	132
Potential surplus if all of the NYPA GTs are in service	275.6
Potential surplus less Vernon Blvd @ 79.9 MW	195.7

Note: The above analysis does not include any special case resources


* - Still requires switchyard modifications

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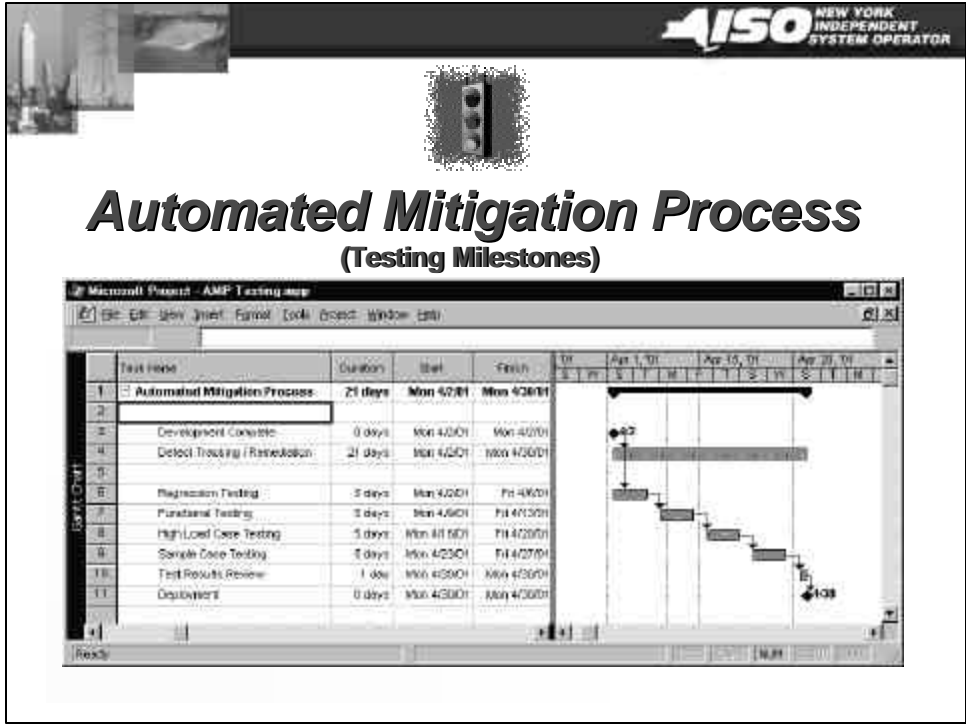


Progress On Seams Issues


- NYISO-ISO-NE Reserve Sharing
- ISO-NE Transaction Reservation/ Scheduling Procedure Enhancements
- Improved Coordination for Transaction Management and Hourly Scheduling Changes (Ramp) Between NYISO and PJM
- NYISO-IMO Scheduling Coordination



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Project Title	Requirements Complete (Orig. Date)	Requirements Complete (Act. Date)	Project Complete (Orig. Date)	Project Complete (Act. Date)
Generation Issues	1/31/01	4/1/01	6/27/01	6/27/01
ECA End State	1/31/01	4/1/01	5/30/01	To Be Scheduled
In-Hour Curtailment Prioritization	1/31/01	3/15/01	5/30/01	5/30/01
Zonal Day Ahead Price Cap Load Bidding	2/15/01	3/15/01	5/15/01	5/30/01
Price Responsive Load	2/15/01	4/1/01	5/15/01	5/30/01
Automated Mitigation Process	1/31/01	3/15/01	5/15/01	5/1/01



Summer Initiatives Status (Continued)

Project Title	Requirements Complete (Orig. Date)	Requirements Complete (Act. Date)	Project Complete (Orig. Date)	Project Complete (Act. Date)
Out of Merit Scheduler	1/15/01	3/1/01	4/24/01	4/24/01
Common Interface Tool (Seams Issue)	New Project	In Progress	6/1/01	To Be Scheduled
BIC Posting Initiative	12/31/00	2/15/01	6/30/01	6/30/01 11/30/01
Billing and Settlements	12/31/00	In Progress	4/1/01	9/1/01
Direct Generator Communications	12/31/00	2/15/01	7/31/01	7/31/01
Fixed Block Pricing (Hybrid Pricing)	1/31/01	3/1/01	4/24/01	4/24/01



Strategic Initiatives



NYISO Strategic Plan

Eight Areas

- ✓ Culture Reinvention
- ✓ IT Strategy
- ✓ Center for Market Excellence
- ✓ Employer of Choice
- ✓ Communications
- ✓ Operational Excellence
- ✓ Advocacy
- ✓ Strategic Planning



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Long-Range Planning

- Project Priority Team;
- Liquidity Enhancements (Virtual bidding, multi-hour block transactions);
- SCD Replacement;
- Billing System Replacement
- IT Strategic Enhancements



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ISO Convergence

- Seams Issues;
- Northeast Day Ahead Market Study; and
- ISO-NE / PJM / NYISO Rules Convergence.
 - Drive Industry Best Practices
 - Standardized Transmission Products
 - RTO Size and Scope Issues



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Summary

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We Are Making Good Progress

- *The ISO Governance and Communication processes are continuing to improve;*
- *Market improvements are working;*
- *Summer 2001 preparations are on-track;*
- *Improved Market Monitoring capability;*
- *ISO-MOU is showing real progress in many areas; and*
- *Strategic planning is taking shape.*

Now, the NYISO needs to...



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NYISO Priorities Going Forward

- *Streamline and codify business practices;*
- *Increase NYISO Spot Market liquidity and enable a more robust forward market;*
- *Finish the job of determining and implementing MOU "Best Practices;"*
- *Implement strategic plan;*
- *Lead the effort to determine the preferred "end state" for the four Northeast markets.*



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