

Comments to the NYISO Board of Directors Concerning NYISO Billing Cycles

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Transmission Owners Committee

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NYISO Wholesale Energy Accounting

- Original Design Principles
- Initial Problems
- Current Status
- Suggestions

Original (1998) Energy Accounting Design Principles

- Zones & Subzones that “map” physical transmission constraints and franchise areas, not state lines or billing quality metering points.
- Invoices & payments to be once a month.
- Diminishing returns on retail meter corrections after 24 months.
- LSE wholesale balancing services to be purchased from the NYISO.
- Cost effective for retail delivery customers
 - TO’s responsible for unaccounted energy.
 - TO’s responsible for cost effective metering.
 - Flexibility for interval metering for large retail customers, load shapes for smaller customers.
- Create proper price visibility for physical price responsive load opportunities. Balance actual physical usage at actual real time balancing. (Balancing at average monthly LBMP or estimated LSE values dilutes price signal effect).
 - Tremendous opportunities for utility hourly pricing rate designs
 - Tremendous opportunities for ESCOs to sell price signal value.

Initial Problems

1. Subzone definition & telemetry
2. Data visibility & editing
3. Measurement equipment accuracy
4. Retail data reporting problems

1. Subzone Definition & Telemetry

Statement

Prior to November 17, 1999, NYPP Billing Reconstruction was based on the existing eight utility control areas. Beginning November 18, 1999, NYISO LSE billing is based on twenty four hourly subzone loads (which is based on generation and subzone tie logging).

Status

Subzone definition and transmittal of data problems were corrected by Summer 2000. Rebills stopped in Spring 2000 and True Ups began in March 2001.

2. Data Visibility & Editing

Statement

Prior to November 17, 1999, NYPP Billing Reconstruction was based on the existing eight utility control areas. Beginning November 18, 1999, NYISO LSE billing is based on twenty four hourly subzone loads (which is based on generation and subzone tie logging). The NYPP coordinated Actual Net Interchange “checks” every eight hours. This was a coordinated review of all control area tie logging. Beginning November 18, 1999, NYISO wholesale LSE billing is based on twenty four subzone loads (which is based on

Status

Web Based Database was commissioned August 12, 2003. This should help tremendously.

3. Measurement Accuracy

Statement

- A. Subzone ties that were previously control area ties have hourly billing quality meters.
- B. Subzone ties that were not previously control area ties that cross franchise territories had monthly billing quality meters but not hourly interval meters.
- C. Subzone ties that were not previously control area ties and do not cross franchise territories have hourly meters or integrated instantaneous but not necessarily billing quality.
- D. The great majority of generators defined to the NYISO (non-load modifiers) have billing quality interval meters.
- E. Control Room Center Requirements Manual does not require hourly billing quality metering. Appendix A describes the Current Transformer and Potential Transformer requirements. Appendix A only applies to new substations. TO's are currently in compliance with the asset requirements of the Control Room Center Requirements Manual.

3. Measurement Accuracy Problems

Status

- A. For subzone ties that were previously control area ties, no action required.
- B. For subzone ties that were not previously control area ties that cross franchise territories, the TO's have installed billing quality interval meters.
- C. For subzone ties that were not previously control area ties and do not cross franchise territories,
 - A. Niagara Mohawk is in the process of installing interval metering
 - B. Con Edison uses the state estimator – no action required
 - C. NYSEG has installed interval meters – no action required
- D. For the very few non-load modifier generators without interval metering, the TO's are installing billing quality interval metering.
- E. Proposals to modifying Control Room Center Requirements Manual Appendix A so as to apply to all existing facilities is being debated by market participants.

4. Retail Data Reporting

Statement

The majority of the “money” movement between 12 and 24 month true ups has been billing code corrections, not changes in retail reporting. Market Participants are in general agreement to eliminate the 24 month true ups.

There is still data and “money” movement between Version 1, Version 2, 4 month, and 12 month true ups. This is the combination result of billing code corrections, wholesale data corrections, and retail data.

Status

Believe the market is scheduled to eliminate the 24 month true up in October 2003.

Suggestions

1. Continue to stay with the 4 & 12 month true ups.
2. For consideration on eliminating the 12 month true up, Developing some additional experience with the Web Based centralized database, consider modifications to review and editing procedures.

Perform an analysis of retail load changes between the 4 and 12 month true ups (only the TO's have the data to do that).

Need NYISO billing code to “catch up” with OATT changes and then a powerful commitment from the NYISO that the code is perfect with in four months.

Suggestions

3. Absolutely stay with wholesale monthly invoices & payments.
4. Do not consider other LSE balancing schemes.
Utilities do not have the wholesale supplies Do not want to dilute price incentives to physical loads.
5. Consider modifications to the Control Room Requirements Manual to mandate interval metering. That is different than mandating Appendix A apply to all existing facilities.