

Subject: February 10, 2011 MIWG Talking Points Regarding Technical Bulletin 152 Revisions

Review of the change to the Technical Bulletin

- The ISO is proposing to modify Technical Bulletin 152 to allow for adjustments to the day-ahead scheduling of Ramapo 500kV intertie flows to better reflect expected Real-Time Operations.
- Currently, 40% of the Day-Ahead Market (DAM) PJM-NYISO hourly interchange is scheduled on the Branchburg-Ramapo interconnection. The Branchburg-Ramapo 500kV Operating agreement allows for the assumption that up to 62% of PJM-NY transaction schedules flow over the 5018 interconnection.
- The modifications made to the Technical Bulletin recognize that the NYISO will, on an ad-hoc as needed basis, adjust the desired flow scheduled over the Branchburg-Ramapo interconnection by an offset MW value in the Day-Ahead market to better reflect expected operational conditions.

Background on the need for the change to the Technical Bulletin

- In January 2011 ISO Operations worked to understand the market impacts of increased clockwise Lake Erie loop flows along with a coincident outage of the J line (WALDWICK-SMAHWAH__345_J3410 scheduled out from 1/5/2011 through 4/30/2011) and the RP1 line (ROCHESTR-PANNELL__345_RP1 scheduled out from 1/17/2011 – 1/30/2011).
- During this period of time reduced flows from PJM were observed across the Branchburg Ramapo interconnection which aggravated real-time constraints in Western NY leading to a significant portion in Balancing Market Congestion Residuals incurred during this time.
- In January 2011, it became apparent that there is a need for ISO Operations to apply an offset to the desired flow scheduled over Branchburg-Ramapo interconnection under certain circumstances. Applying an offset will better align day-ahead flows across the Branchburg Ramapo interconnection with real-time flows in order to minimize the potential for Balancing Market Congestion Residuals. It is anticipated that adjustments may be based on anticipated differences between schedule and actual flows on Branchburg-Ramapo and may range from fifty MW to several hundred MW.
- The real-time market software uses actual telemetered flows for the Branchburg-Ramapo interconnection and, therefore, no adjustment is required for Real-Time market operation.

Communication with the Marketplace

- In advance of applying an offset MW value across the Branchburg Ramapo interconnection for the DAM, the ISO intends to communicate any ad-hoc adjustment to Market Participants.
- If an ad-hoc adjustment is necessary and the timing is aligned, the ISO proposes including the offset value through the tie list in the same message that is provided each Monday to communicate the circulation values modeled in the DAM for the upcoming week. If a mid-week adjustment is required, a separate tie list announcement will be provided. This approach would need to be revisited if frequent adjustments are required, although this is not anticipated to be the case.