



Enhanced Interregional Transaction Coordination: Proposed Tariff Changes

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*NYISO – Krey Corporate Center
October 21, 2010*

Agenda

- ◆ Project Scope and Objective
- ◆ Approach
 - *Multiple Phases*
- ◆ Benefits
- ◆ Proposed Tariff Amendments
 - *MST and OATT Definitions*
 - *MST Body & MST Attachments B, C and J*
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- ◆ Next Steps

Project Scope and Objective

◆ Project Definition

- *Provide a market-based scheduling mechanism to allow for real-time scheduling of intra-hour dispatchable energy transactions between the New York Control Area and the neighboring Control Areas*

◆ Objective

- *Allow Market Participants to provide dispatchable external energy transaction bids in the Real-Time Market, where the Real-Time Commitment and Dispatch will evaluate these external dispatchable transactions on a intra-hour basis*

Approach – Multiple Phases

- ◆ Phase 1 – Begin with scheduling intra-hour dispatchable energy transactions between the NY and HQ control areas
- ◆ Phase 2 – Continue to evaluate the appropriateness of expanding the Interregional Transaction Coordination Concept by scheduling operating reserves and/or regulation service with the HQ control area
- ◆ Phase 3 (concurrently with Phases 1 and 2) – Continue with scheduling intra-hour dispatchable energy transactions between the NY and PJM control areas
 - *Sequencing in one controllable tie line at a time and subsequently adding the feature to the 'AC' interface between NY and PJM*
- ◆ Phase 4 – Continue with scheduling intra-hour dispatchable energy transactions between the NY and NE control areas
- ◆ Phase 5 – Continue with scheduling intra-hour dispatchable energy transactions between the NY and IESO control areas
- ◆ Continue to evaluate the appropriateness of scheduling operating reserves and/or regulation service with the PJM, NE and IESO control areas

Benefits

- ◆ The additional scheduling flexibility is intended to:
 - *Allow Market Participants to minimize buy-through of congestion exposure*
 - *Lower total system operating costs through improved consistency of external transaction schedules with market-to-market price patterns*
 - *Expand the pool of flexible assets to balance intermittent power resources output*
 - *Improve price consistency and transmission utilization between markets*
 - *Address uncertainty in forward looking scheduling horizons*
- ◆ Potential Production Cost Savings of \$175M* Annually

*http://www.nyiso.com/public/webdocs/committees/bic_miwg/meeting_materials/2010-09-27/BRM_Analysis_Presentation_to_RTOs_9-27-10.pdf

Proposed Tariff Amendments

- ◆ The actual tariff amendments are provided separately
- ◆ EITC Tariff changes are added to the tariff sheets that reflect the Strategic Tariff Review LBMP and Energy/Bilaterals revisions
- ◆ This presentation will highlight the modifications to:
 - *Market Services Tariff*
 - *Market Services Tariff – Attachments B, C and J*
 - *Open Access Transmission Tariff*
 - *Open Access Transmission Tariff – Attachment J*

MST and OATT Definitions

- ◆ MST § 2.4, OATT § 1.4 –
 - DNI – minor change to allow for more frequent external transaction scheduling
 - Dynamically Scheduled Proxy Generator Bus – *New Term, Defines 5 minute scheduled Proxy Generator Buses*
- ◆ MST § 2.5, OATT § 1.5 – Energy Profile MW – *New Term, Defines the maximum desired schedule of a Transaction Bid*
- ◆ MST § 2.18, OATT § 1.18 –
 - RTC – *minor change to allow for more frequent transaction scheduling*
 - RTD – *minor change to allow for more frequent transaction scheduling*
 - Rolling RTC – *New Term, Defines the RTC runs that schedule 15 minute transactions*
- ◆ MST § 2.19, OATT § 1.19 – Sink Price Cap Bid – *Changed to allow for bid curves on export transactions*
- ◆ MST § 2.22, OATT § 1.22 - Variably Scheduled Proxy Generator Bus – *New Term, Defines 15 minute scheduled Proxy Generator Buses*

MST Body

- ◆ § 4.4.1 – Included provisions for RTC scheduling hourly and 15 minute External Transactions, included refinements to External Transaction bidding requirements
- ◆ § 4.4.2 – Included provisions for RTD scheduling 5 minute transactions
- ◆ § 4.4.3 – Included provisions for RTD-CAM scheduling 5 minute transactions
- ◆ § 4.5 – Included provisions for changes to Import Curtailment Guarantees and Financial Impact Charges based on more frequent scheduling of transactions

MST Attachments B, C and J

- ◆ § 17.1.6 – *All changes for calculating Real-Time LBMPs for Proxy Generator Buses*
- ◆ § 18.6.1 – *Updated RT BPCG eligibility for imports*
- ◆ § 25.6 – *Updated eligibility and calculation for Import Curtailment Guarantee Payments*

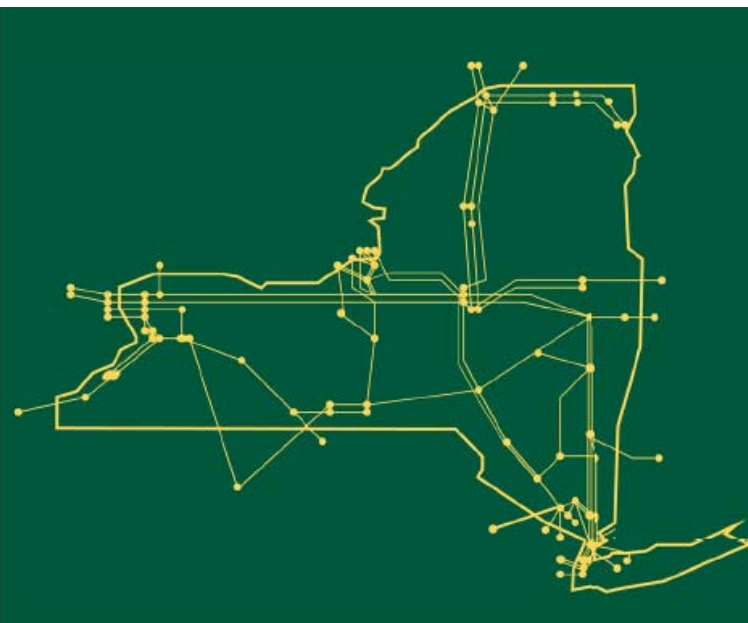
OATT Body and Attachment J

- ◆ § 3.1.8 – *Included changes for allowing Firm Transmission Service requests to be scheduled more frequently than once per hour in the Real-Time Market*
- ◆ § 16.3 – *Included changes for allowing External Bilateral Transactions to be scheduled more frequently than once per hour*

Next Steps

- ◆ October 21, 2010 – Seek approval of the proposed tariff language at the MC
- ◆ November 2010 – Seek BoD approval of tariff amendments
- ◆ December 2010 – File tariff amendments with FERC
- ◆ March 1, 2011 – EITC software becomes effective
 - Scheduling more frequently with HQ to begin later that month upon two weeks advance notice by the NYISO

The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and conducts comprehensive planning for the state's bulk electricity system.



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