

Summary of MP comments submitted to the NYISO on LTFTRs

by
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Summary of MP Comments

- Commenters expressed support for the NYISO's request for rehearing and clarification.
- In particular they noted the following
 - *Agree with the NYISO's procedural position regarding FERC's interpretation of Section 217 and argument that the 180 day deadline is unreasonable given the complexity of the market and the issues to be addressed.*
 - *That a LSEs' entitlement to receive new LTFTRs should take into account grandfathered transmission rights that they already hold.*
 - *That ISOs may consider both the need to support State retail access programs and the desire of market participants to have access to shorter-term transmission rights when deciding what constitutes a "reasonable" amount of existing transmission capacity to set aside for LTFTRs.*
 - *That LSEs can be expected to pay for their allocation of LTFTRs.*

Summary of MP Comments

➤ Support for existing TCC market

- *Expressed the notion that existing grandfathered rights and TCCs comply with many aspects of the Section 217 of the FPA.*
- *Claim that the NYISO's TCC markets are arguably already compliant with Order 681 requirements citing that Grandfathered TCCs and Grandfathered Rights fall within the "reasonable amount" requirement therefore no additional preferences need to be awarded.*
- *Note that the 'End State TCC Auction' will fulfill most of the remaining requirements and is the best vehicle for meeting the needs of entities that desire longer term rights as it would permit entities to secure rights of appropriate terms and would avoid the administrative burden and economic inefficiencies of an allocation mechanism.*
- *Need to continue full funding of TCCs, both short and long term.*

Summary of MP Comments

➤ Other Considerations

- *If NYISO must make available long-term rights through an allocation, then should do so through the use of ARR's rather than TCC's.*
- *With regard to renewals, should review the "pricetaker" basis that is applied in PJM's auction process.*
- *A suggested approach to comply with Guideline 7 requirement by allowing LSEs to participate as price takers, and fund their auction price exposure with their share of the auction revenues.*
- *Avoid adversely affecting auction revenue and congestion shortfall/excess allocations. This was a carefully developed process that provides proper incentives for operation and maintenance of transmission facilities.*
- *Consider the TOs' current TSC recovery mechanisms in the implementation timeline.*

Summary of MP Comments

➤ Other Considerations Cont...

- *Do not adversely affect existing retail access programs in NYS with changes that would inhibit access to shorter-term rights desired by current providers.*
- *Seek to strike a balance between short and long term rights as excessive long term rights could diminish auction revenues resulting in higher TSC rates.*
- *Allocations should consider uncertainties in the planning horizon of information beyond 5 years.*
- *Need to provide End-use consumers with access to long-term transmission rights.*
- *Need to fully develop the expansion TCC awards process.*
- *Should account for changes required by LTFTRs in the TCC automation project.*