

Business Issues Committee
June 14, 2006 Meeting
Motion - Agenda #06

The Business Issues Committee approves payment for Non-Generator Suppliers of Voltage Support Services on a comparable basis to Generators and recommends that the MC approve corresponding tariff language modifying Rate Schedule 2 of the OATT and Market Services Tariff as appropriate for these purposes. Implementation details concerning VSS compensation for Non-Generator Suppliers will be incorporated into the Ancillary Services manual.

This approach provides for comparable treatment under the NYISO tariffs for all Non-Generator Suppliers of VSS and, with respect to the CSC, allows for immediate compensation for its VSS capability upon FERC approval of the relevant tariff provisions. With respect to other Non-Generator Suppliers of VSS, the Business Issues Committee understands that further implementation details may need to be developed by the NYISO prior to a specific supplier becoming eligible for payments under Rate Schedule 2.

With respect to the CSC, implementation details that would be included in the Ancillary Services manual include the following:

1. **Payment to CSC:** Prorated VSS payment for energized hours for VAR capability measured at full real power flow.
2. **Lost Opportunity Costs:** No lost opportunity cost payments provided that CSC is not required to change real power schedules for purposes of voltage support.

Nothing in this motion shall be construed to change existing protocols between

the New England ISO and the New York ISO to maintain the reliability of the system.

3. **Metering/Testing:** CSC to be subject to comparable metering and testing procedures including, interim testing procedures that allow facilities that are not currently reactive power suppliers receiving compensation to test out of period as necessary to qualify for payment.
4. **Cost of Energy Consumed:** Payment for facility energy consumption at minimum loading if the NYISO were to request that the CSC be energized to provide reactive capability to the NYCA.