

Motion for BIC: Review of TCC Auction Result Invalidation Process

Whereas the NYISO has to date invalidated TCC auctions on three occasions with the most recent occurrence (Spring 2002) at COB the day before the next auction round was to commence.

Whereas Market Participants may be materially affected by auction invalidations and other aspects of the TCC Auction Rules, Procedures and Guidelines by the NYISO.

Whereas there are inconsistent rules for Participants and the NYISO in terms of accepting auction results.

It is hereby moved that the Business Issues Committee (BIC) direct the appropriate Working Group to review the conditions for and timing of any auction invalidations by the NYISO to insure that the NYISO is held to the same requirements as the Participants in the auctions. Such review should consider (1) whether the NYISO should approach current auction Participants to see if a resolution to the circumstance can be made without auction invalidation and (2) if it is appropriate to let the auction results stand even if it would result in revenue inadequacy.

It is further moved that the assigned Working Group make recommendations to the BIC regarding appropriate financial protections to Participants, who through unilateral NYISO action(s) in the TCC auction process i.e. the Participants doing nothing in error, are materially harmed either directly or for lost opportunity.

It is also moved that the assigned Working Group develop and make recommendations to the BIC regarding other aspects of the TCC Auction process as they feel necessary.

Finally, that BIC direct NYISO Staff to review any need to make a Tariff filing to support these changes and if it is deemed necessary to prepare a draft filing for review.