

***NYISO Market Monitoring &
Performance Unit***

***An Organizational & Process
Summary***

Presentation Overview:

- ▶ **Organizational Overview**
- ▶ **MMU Staff Responsibilities**
- ▶ **Analytical Processes**
- ▶ **Decision Process**

Current MMU Organization:

Jim Savitt - Manager

Michael Isimbabi - *Economist*
Market Competition & Bidding

William Golemboski - *Economist*
Market Efficiency & Performance

Lisa Travalay - *Senior Analyst*
Model Simulation & Performance

Kalyani Sahoo - *Assoc. Analyst*
Information Systems & Analysis

Kim Cushing - *Assoc. Analyst*
Data Reporting & Analysis

MMU Consulting Support:

Navigant Consulting
Cambridge, MA

Scott Harvey,

Andrew Hartshorn

*Market Performance
Assessment*

Capital Economics
Washington, D.C.

David Patton

Market Advisor

NY Independent System Operator

Future Organization Chart:

Steven Balser - Manager of Market
Monitoring & Performance

Jim Savitt
Manager -
Market Monitoring

Lisa Travaly
Market Performance
Supervisor

Michael Isimbabi
Economist

*Competitive Market
Performance Assessment:*

Analyst
(Vacant)

Analyst
(Vacant)

William Golemboski
Economist

*Market Efficiency
Performance Assessment:*

Analyst
(Vacant)

Analyst
(Vacant)

*Market Data Mgmt./
Report Generation/
Model Simulation/
Special Projects.*

Kalyani Sahoo
Associate Analyst

Kim Cushing
Associate Analyst

*Capital Economics
Consulting*

*Navigant
Consulting*

Definitions:

Competitive Market:

- The presence of many buyers and sellers, none of which can influence market prices, thereby driving LBMP towards the marginal cost of supply.

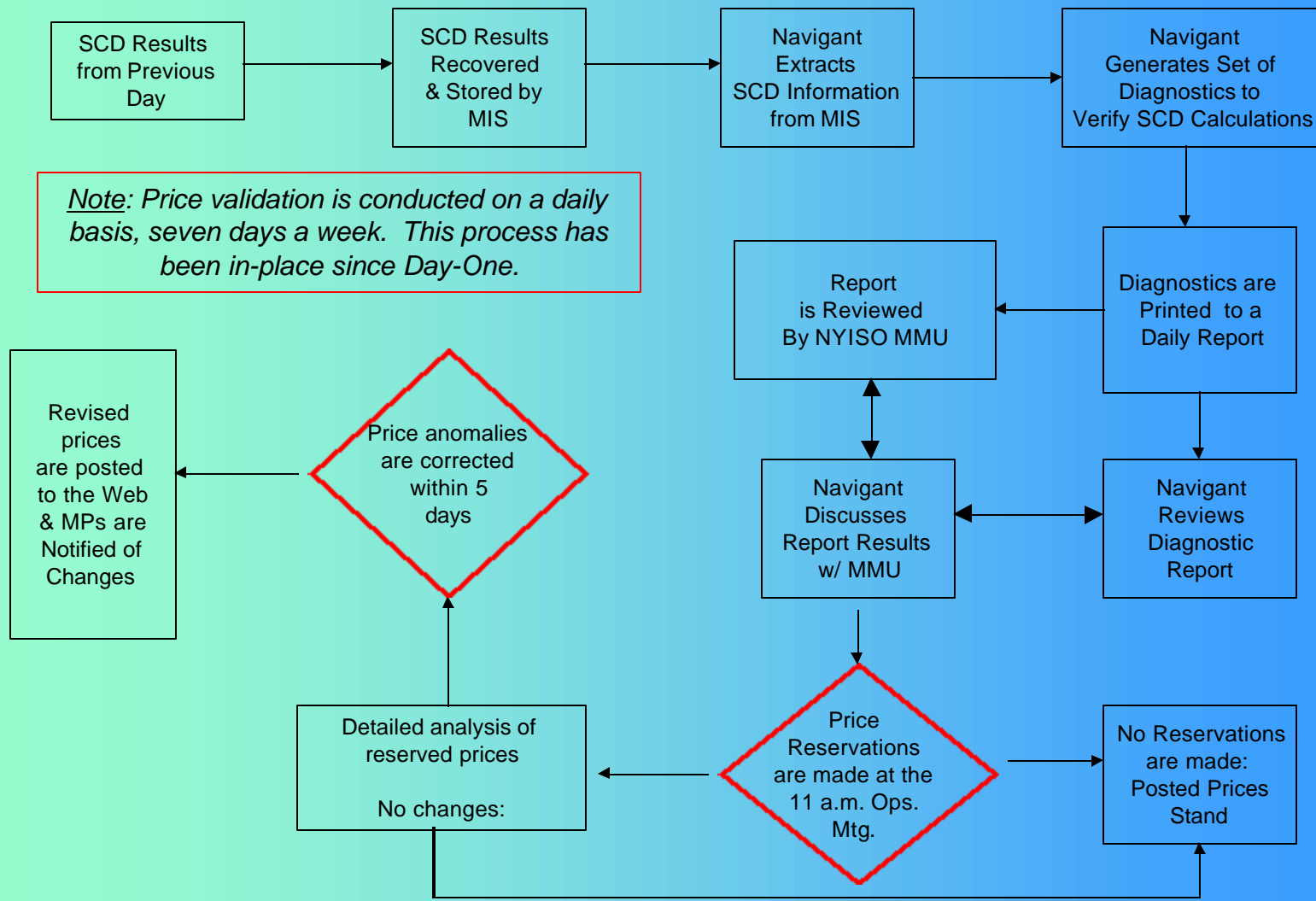
Efficient Market:

- Market prices that correctly reflect the economic costs of production, based on the data furnished by buyers and sellers, determined by the models and information systems used by the NYISO.

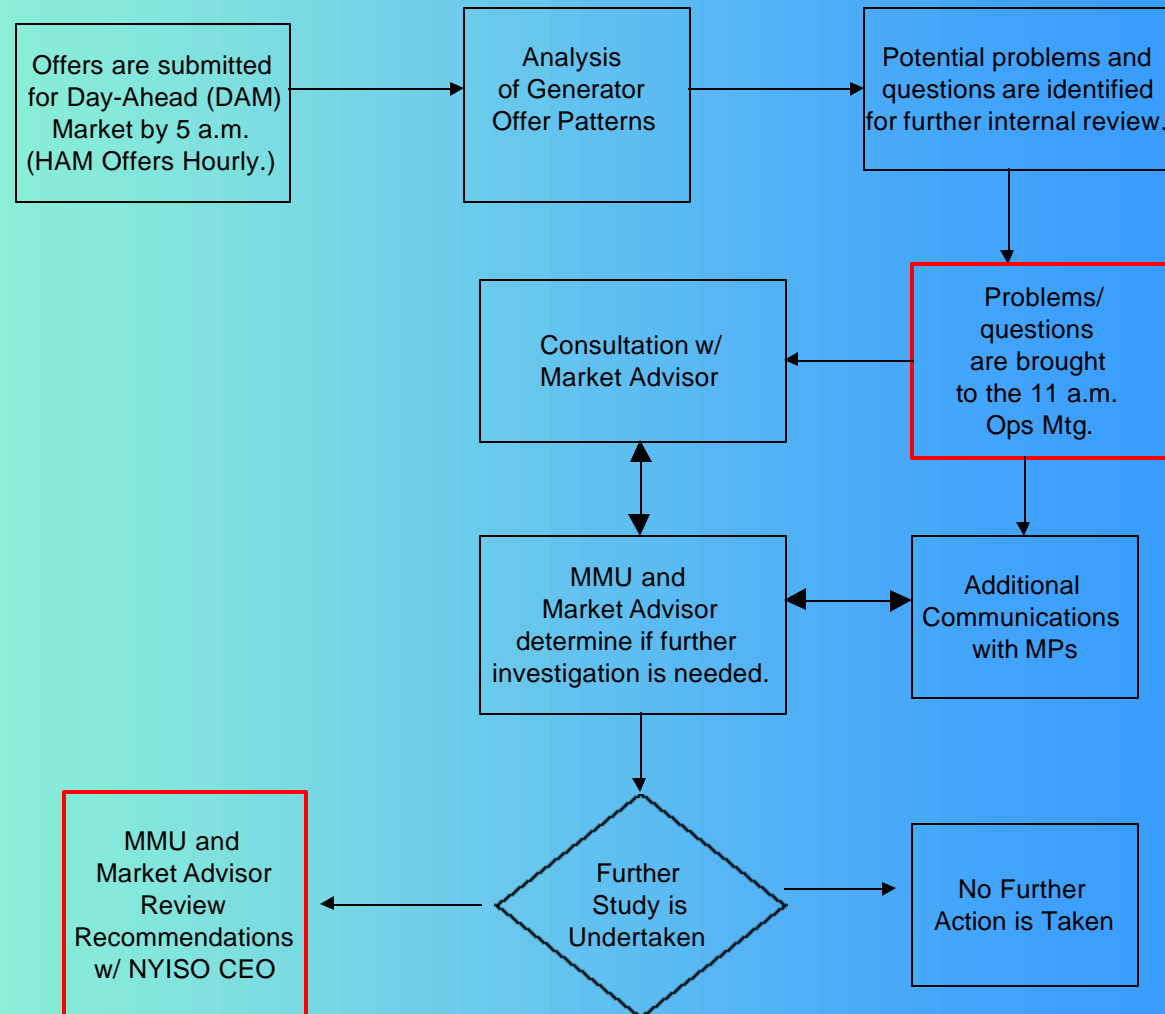
Core MMU Responsibilities:

1. Monitor Market Performance:
 - *Market Competition*
 - *Market Efficiency*
2. Recommend Corrective Actions:
 - *Price Adjustments*
 - *Model Changes (SCUC/SCD)*
 - *ECA's*
3. Recommend Market Power Mitigation
 - In-City Mitigation
 - FERC Filing (12/23/99)
 - Specific Thresholds
 - Specific Mitigation Measures

Process Map for Real-Time Price Validation:



Process Map for Analysis of MP Behavior - DAM/HAM:



NY Independent System Operator

Recommend Market Power Mitigation:

Conduct ↓ Effects ↓ Response	Market Participants:	Physical Withholding Economic Withholding Uneconomic Production Market Rules/Design	<i>Specific Thresholds for each.</i>
	Market Prices:	Sensitivity Analysis SCUC/SCD Modeling	<i>Specific Thresholds - Mitigation</i> <i>Specific Thresholds - 205 Filing</i>
	Specific Mitigation Measures:	Default Bids (Prospective) Sanctions Load Bid Restrictions	<i>Limited to 6 Months</i>

Market Mitigation Decision Process:

