
NYISO President's Report

Management Committee Meeting

March 7, 2002

Bill Museler, NYISO President and CEO

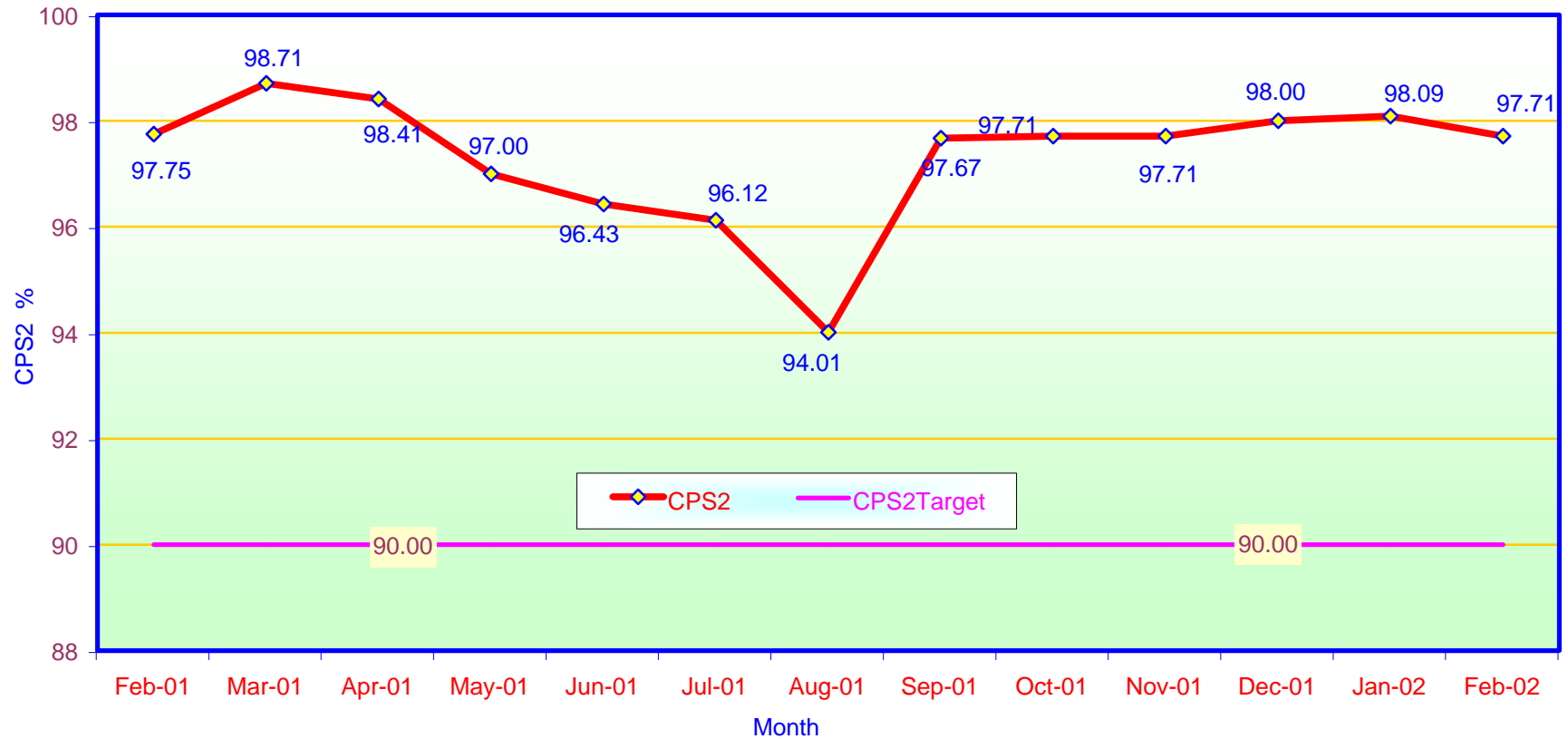
President's Report Items

- 1) Reliability Indicators
 - *NERC Criteria (CPS-2 Curve)*
- 2) Market Performance Highlights
- 3) Out-of-Merit Reporting
- 4) Summer Project Schedule Information
- 5) April Joint MC/NYISO Board Meeting/Sector Meetings
- 6) RTO Developments

NERC Control Performance Standard

NYISO Compliance

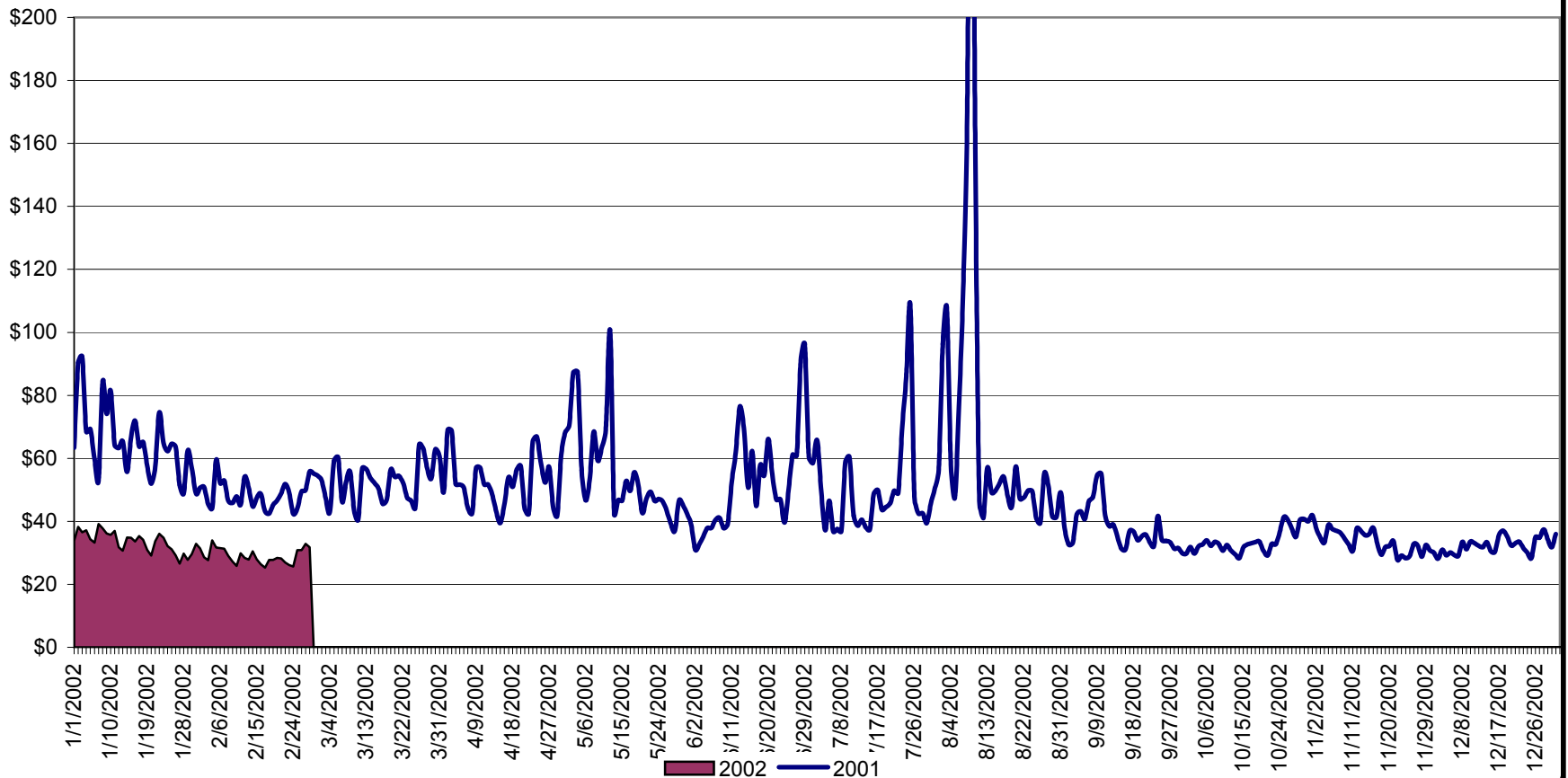
Year 2001/2002



CPS2 for Feb. =97.71% Compliance Threshold=90%
CPS2 measures excessive unscheduled power flow resulting from large
Area Control Error(ACE)

Average Daily NYISO - Administered Total Price (Energy & Ancillary Services)
2001 Annual Average \$51.39/MWH
January to February 2001 Average \$57.88/MWH
January to February 2002 Average \$31.55/MWH

August 9, 2001 Daily Average 337.84



NYISO Markets 2002 Energy Statistics

| | January | February | March | April | May | June | July | August | September | October | November | December |
|--|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|
| <u>DAY AHEAD LBMP</u> | | | | | | | | | | | | |
| Unweighted Price | \$28.39 | \$25.02 | | | | | | | | | | |
| Standard Deviation | \$7.26 | \$4.58 | | | | | | | | | | |
| Load Wtg.Price | \$29.25 | \$25.58 | | | | | | | | | | |
| <u>BME * LBMP</u> | | | | | | | | | | | | |
| Unweighted Price | \$30.66 | \$27.29 | | | | | | | | | | |
| Standard Deviation | \$11.22 | \$7.94 | | | | | | | | | | |
| Load Wtg.Price | \$31.67 | \$27.94 | | | | | | | | | | |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | | |
| Unweighted Price | \$25.36 | \$23.66 | | | | | | | | | | |
| Standard Deviation | \$8.27 | \$6.39 | | | | | | | | | | |
| Load Wtg.Price | \$26.17 | \$24.24 | | | | | | | | | | |
| Average Daily Energy Sendout/Month GWh | 427 | 418 | | | | | | | | | | |

NYISO Markets 2001 Energy Statistics

| | January | February | March | April | May | June | July | August | September | October | November | December |
|--|---------|----------|---------|---------|------------|----------|------------|------------|-----------|---------|----------|----------|
| <u>DAY AHEAD LBMP</u> | | | | | | | | | | | | |
| Unweighted Price | \$56.41 | \$42.09 | \$46.94 | \$45.53 | \$46.19 | \$42.47 | \$40.99 | \$57.96 | \$32.27 | \$29.90 | \$29.00 | \$27.06 |
| Standard Deviation | \$17.87 | \$9.65 | \$11.93 | \$14.27 | \$15.77 | \$21.07 | \$14.15 | \$64.21 | \$8.58 | \$6.23 | \$6.80 | \$6.73 |
| Load Wtg.Price | \$58.34 | \$43.25 | \$48.23 | \$47.48 | \$48.57 | \$46.48 | \$43.26 | \$64.71 | \$33.67 | \$30.65 | \$29.85 | \$23.88 |
| <u>BME * LBMP</u> | | | | | | | | | | | | |
| Unweighted Price | \$54.40 | \$47.43 | \$53.87 | \$56.37 | \$199.56 | \$63.91 | \$277.09 | \$183.30 | \$62.80 | \$32.31 | \$28.54 | \$28.80 |
| Standard Deviation | \$16.85 | \$15.62 | \$52.54 | \$39.25 | \$3,150.85 | \$125.01 | \$2,893.71 | \$1,232.69 | \$464.41 | \$9.27 | \$10.46 | \$10.99 |
| Load Wtg.Price | \$55.95 | \$48.86 | \$55.98 | \$59.22 | \$218.73 | \$71.44 | \$356.20 | \$238.34 | \$71.23 | \$33.31 | \$29.50 | \$25.27 |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | | |
| Unweighted Price | \$50.15 | \$41.84 | \$48.43 | \$41.94 | \$47.81 | \$39.23 | \$41.42 | \$58.77 | \$34.18 | \$30.10 | \$27.01 | \$26.84 |
| Standard Deviation | \$19.32 | \$22.21 | \$35.68 | \$28.52 | \$51.99 | \$38.69 | \$39.51 | \$67.56 | \$26.68 | \$9.93 | \$18.11 | \$13.82 |
| Load Wtg.Price | \$51.66 | \$42.94 | \$50.27 | \$44.44 | \$51.16 | \$43.61 | \$45.98 | \$65.48 | \$36.54 | \$31.00 | \$28.28 | \$24.37 |
| Average Daily Energy Sendout/Month GWh | 443 | 434 | 423 | 388 | 397 | 460 | 460 | 512 | 421 | 400 | 399 | 414 |

* Commonly referred as Hour Ahead Market (HAM)

4-B
Preliminary

NYISO Markets 2002 Transactions

| | January | February | March | April | May | June | July | August | September | October | November | December |
|--|-------------------|-------------------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|
| Transactions by Market | | | | | | | | | | | | |
| DAM LSE Internal LBMP Energy Sales | 44% | 42% | | | | | | | | | | |
| DAM External TC LBMP Energy Sales | 0% | 1% | | | | | | | | | | |
| DAM Bilateral - Internal Bilaterals | 51% | 52% | | | | | | | | | | |
| DAM Bilateral - Import/Non-LBMP Market Bilaterals | 1% | 1% | | | | | | | | | | |
| DAM Bilateral - Export/Non-LBMP Market Bilaterals | 1% | 1% | | | | | | | | | | |
| DAM Bilateral - Wheel Through Bilaterals | 3% | 3% | | | | | | | | | | |
| Day Ahead Market | 100% | 100% | | | | | | | | | | |
| Balancing Energy LSE Internal LBMP Energy Sales | -17% | 409% | | | | | | | | | | |
| Balancing Energy External TC LBMP Energy Sales | 5% | 39% | | | | | | | | | | |
| Balancing Energy Bilateral - Internal Bilaterals | 1% | -51% | | | | | | | | | | |
| Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals | 13% | 27% | | | | | | | | | | |
| Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals | 0% | 0% | | | | | | | | | | |
| Balancing Energy Bilateral - Wheel Through Bilaterals | -103% | -524% | | | | | | | | | | |
| Balancing Energy | 100% | 100% | | | | | | | | | | |
| Transactions Summary | | | | | | | | | | | | |
| LBMP | 45% | 44% | | | | | | | | | | |
| Internal Bilaterals | 52% | 52% | | | | | | | | | | |
| Import Bilaterals | 1% | 1% | | | | | | | | | | |
| Export Bilaterals | 1% | 1% | | | | | | | | | | |
| Wheels Through | 1% | 2% | | | | | | | | | | |
| Market Share of Total Load | | | | | | | | | | | | |
| Day Ahead Market | 101.60% | 100.25% | | | | | | | | | | |
| Balancing Energy | -1.60%* | -0.25%* | | | | | | | | | | |
| Total MWH | 13,366,052 | 11,986,209 | | | | | | | | | | |

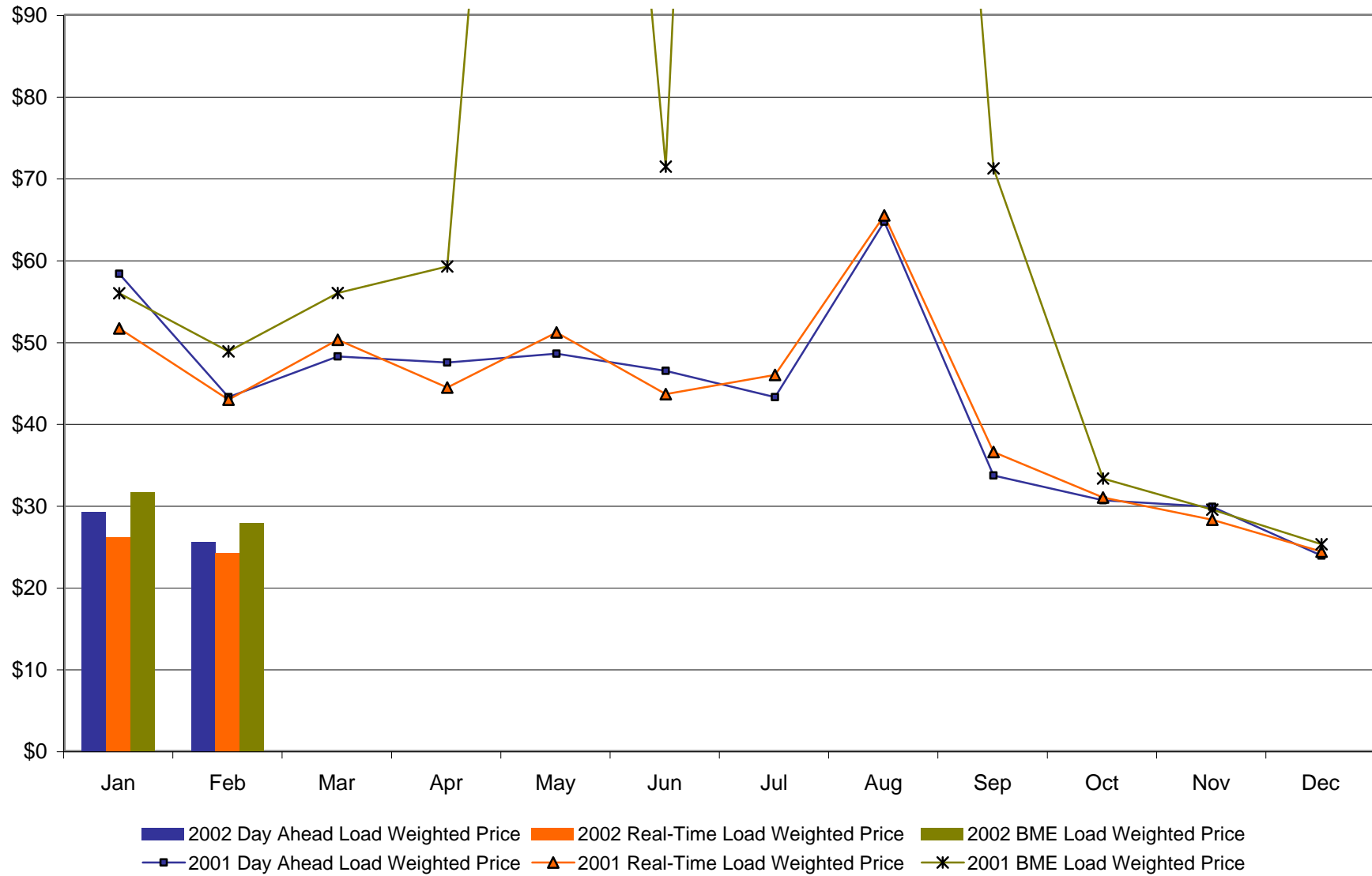
NYISO Markets 2001 Transactions

| | January | February | March | April | May | June | July | August | September | October | November | December |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Transactions by Market | | | | | | | | | | | | |
| DAM LSE Internal LBMP Energy Sales | 41% | 39% | 37% | 36% | 38% | 43% | 52% | 53% | 48% | 49% | 44% | 44% |
| DAM External TC LBMP Energy Sales | 3% | 2% | 1% | 2% | 1% | 2% | 1% | 2% | 2% | 3% | 1% | 0% |
| DAM Bilateral - Internal Bilaterals | 50% | 51% | 55% | 55% | 54% | 51% | 44% | 41% | 46% | 45% | 49% | 52% |
| DAM Bilateral - Import/Non-LBMP Market Bilaterals | 1% | 1% | 0% | 0% | 0% | 0% | 0% | 1% | 0% | 0% | 0% | 0% |
| DAM Bilateral - Export/Non-LBMP Market Bilaterals | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| DAM Bilateral - Wheel Through Bilaterals | 4% | 6% | 5% | 5% | 4% | 3% | 2% | 2% | 2% | 2% | 3% | 2% |
| Day Ahead Market | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Balancing Energy LSE Internal LBMP Energy Sales | 63% | 13% | 97% | -1% | 65% | -4% | 74% | 85% | 79% | 132% | 15% | 8236% |
| Balancing Energy External TC LBMP Energy Sales | 56% | 81% | 26% | 39% | 59% | 93% | 20% | 11% | 20% | -4% | 7% | -663% |
| Balancing Energy Bilateral - Internal Bilaterals | -8% | -1% | -7% | 138% | -2% | 19% | 8% | 0% | 8% | -1% | 5% | -736% |
| Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals | 2% | 23% | 11% | 6% | 2% | 14% | 6% | 15% | 3% | 5% | 13% | 1012% |
| Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals | 0% | 0% | 0% | 0% | 0% | 2% | 1% | 1% | 0% | 0% | 0% | -3% |
| Balancing Energy Bilateral - Wheel Through Bilaterals | -13% | -17% | -27% | -82% | -24% | -24% | -8% | -11% | -10% | -31% | -140% | -7746% |
| Balancing Energy | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Transactions Summary | | | | | | | | | | | | |
| LBMP | 45% | 42% | 40% | 38% | 41% | 45% | 54% | 56% | 53% | 54% | 46% | 45% |
| Internal Bilaterals | 49% | 51% | 54% | 57% | 54% | 51% | 43% | 41% | 45% | 44% | 51% | 52% |
| Import Bilaterals | 1% | 1% | 1% | 0% | 0% | 1% | 0% | 1% | 0% | 0% | 1% | 1% |
| Export Bilaterals | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |
| Wheels Through | 4% | 5% | 4% | 4% | 4% | 2% | 1% | 1% | 1% | 1% | 2% | 1% |
| Market Share of Total Load | | | | | | | | | | | | |
| Day Ahead Market | 97.71% | 98.07% | 98.03% | 98.65% | 98.20% | 98.66% | 97.35% | 97.47% | 95.95% | 97.24% | 101.25% | 99.98% |
| Balancing Energy | 2.29% | 1.93% | 1.97% | 1.35% | 1.80% | 1.34% | 2.65% | 2.53% | 4.05% | 2.76% | -1.25%* | 0.02% |
| Total MWH | 14,684,835 | 13,195,754 | 13,898,304 | 11,960,273 | 13,211,577 | 14,536,199 | 14,749,317 | 16,502,710 | 13,269,422 | 12,855,350 | 12,385,201 | 13,074,178 |

*The sign convention has changed for the detail of Balancing Energy when that total monthly Balancing Energy is negative. The signs for the detail section more intuitively reflect the direction of power flow eliminating the use of double negatives. This affects the Nov. 2001, Jan. 2002 and Feb 2002

Balancing Energy: Load(MW) purchased at Real Time LBMP.

NYISO Monthly Average Internal LBMPs 2001 - 2002



4-D
Preliminary

NYISO Markets 2002 Ancillary Services Statistics

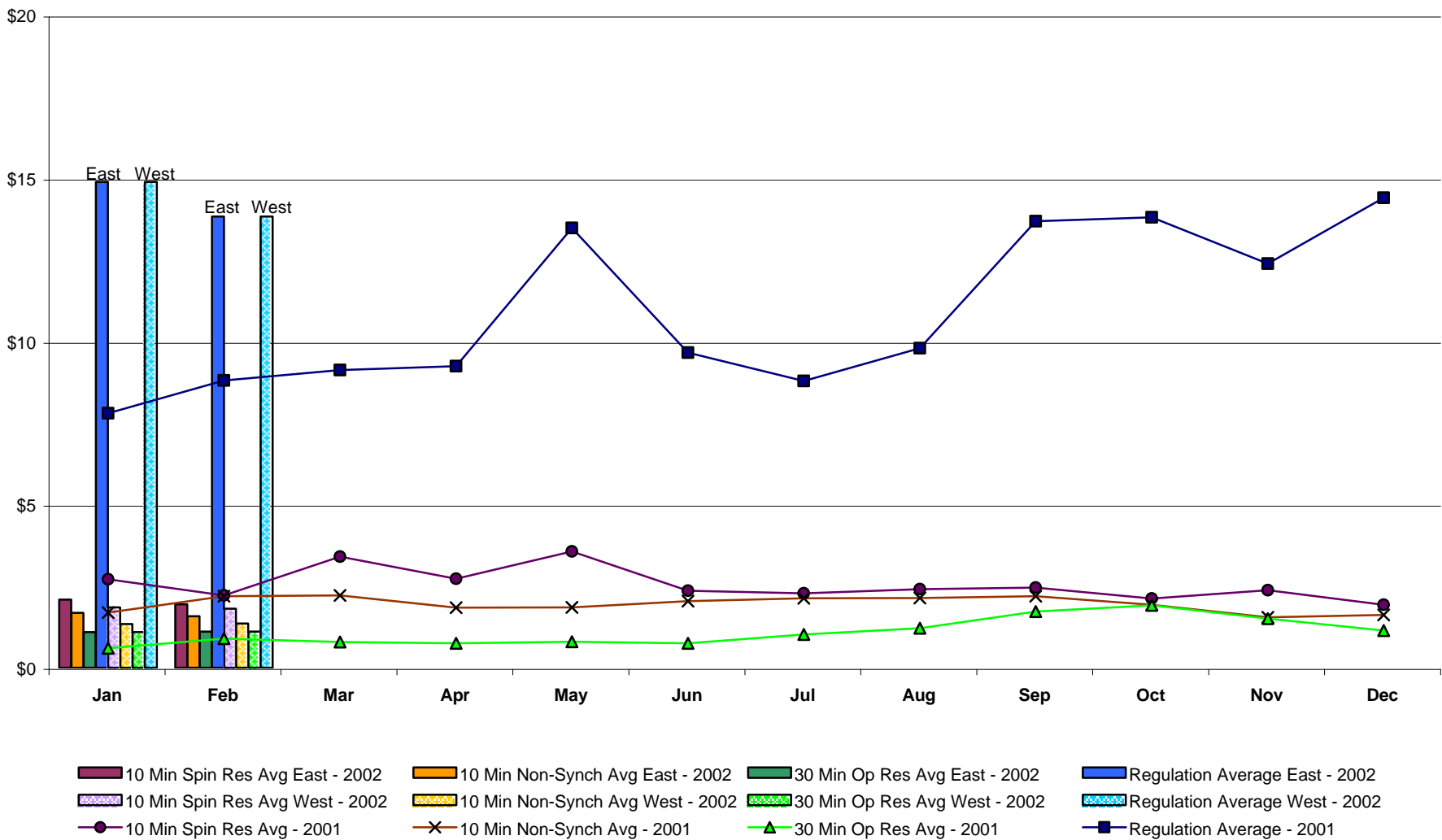
| <u>ANCILLARY SERVICES Unweighted Price (Amts in dollars)</u> | January | February | March | April | May | June | July | August | September | October | November | December |
|--|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|
| <u>Day Ahead Market</u> | | | | | | | | | | | | |
| 10 Min Spin East | 2.09 | 1.95 | | | | | | | | | | |
| 10 Min Spin West | 1.85 | 1.81 | | | | | | | | | | |
| 10 Min Non Synch East | 1.68 | 1.58 | | | | | | | | | | |
| 10 Min Non Synch West | 1.34 | 1.36 | | | | | | | | | | |
| 30 Min East | 1.09 | 1.11 | | | | | | | | | | |
| 30 Min West | 1.09 | 1.11 | | | | | | | | | | |
| 30 Min Regulation East | 14.90 | 13.83 | | | | | | | | | | |
| 30 Min Regulation West | 14.90 | 13.83 | | | | | | | | | | |
| <u>BME* Market</u> | | | | | | | | | | | | |
| 10 Min Spin East | 1.93 | 0.99 | | | | | | | | | | |
| 10 Min Spin West | 1.73 | 0.94 | | | | | | | | | | |
| 10 Min Non Synch East | 0.65 | 0.56 | | | | | | | | | | |
| 10 Min Non Synch West | 0.56 | 0.51 | | | | | | | | | | |
| 30 Min East | 0.52 | 0.47 | | | | | | | | | | |
| 30 Min West | 0.52 | 0.47 | | | | | | | | | | |
| 30 Min Regulation East | 0.52 | 0.74 | | | | | | | | | | |
| 30 Min Regulation West | 0.55 | 0.74 | | | | | | | | | | |
| <u>ANCILLARY SERVICES Standard Deviation</u> | | | | | | | | | | | | |
| <u>Day Ahead Market</u> | | | | | | | | | | | | |
| 10 Min Spin East | 0.64 | 0.49 | | | | | | | | | | |
| 10 Min Spin West | 0.61 | 0.29 | | | | | | | | | | |
| 10 Min Non Synch East | 0.60 | 0.51 | | | | | | | | | | |
| 10 Min Non Synch West | 0.38 | 0.36 | | | | | | | | | | |
| 30 Min East | 0.14 | 0.17 | | | | | | | | | | |
| 30 Min West | 0.14 | 0.17 | | | | | | | | | | |
| 30 Min Regulation East | 12.10 | 10.38 | | | | | | | | | | |
| 30 Min Regulation West | 12.10 | 10.38 | | | | | | | | | | |
| <u>BME* Market</u> | | | | | | | | | | | | |
| 10 Min Spin East | 7.17 | 3.36 | | | | | | | | | | |
| 10 Min Spin West | 6.83 | 3.35 | | | | | | | | | | |
| 10 Min Non Synch East | 0.73 | 0.73 | | | | | | | | | | |
| 10 Min Non Synch West | 0.64 | 0.66 | | | | | | | | | | |
| 30 Min East | 0.58 | 0.58 | | | | | | | | | | |
| 30 Min West | 0.59 | 0.58 | | | | | | | | | | |
| 30 Min Regulation East | 2.05 | 1.99 | | | | | | | | | | |
| 30 Min Regulation West | 2.08 | 1.99 | | | | | | | | | | |

* Commonly Referred to as Hour Ahead Market (HAM)

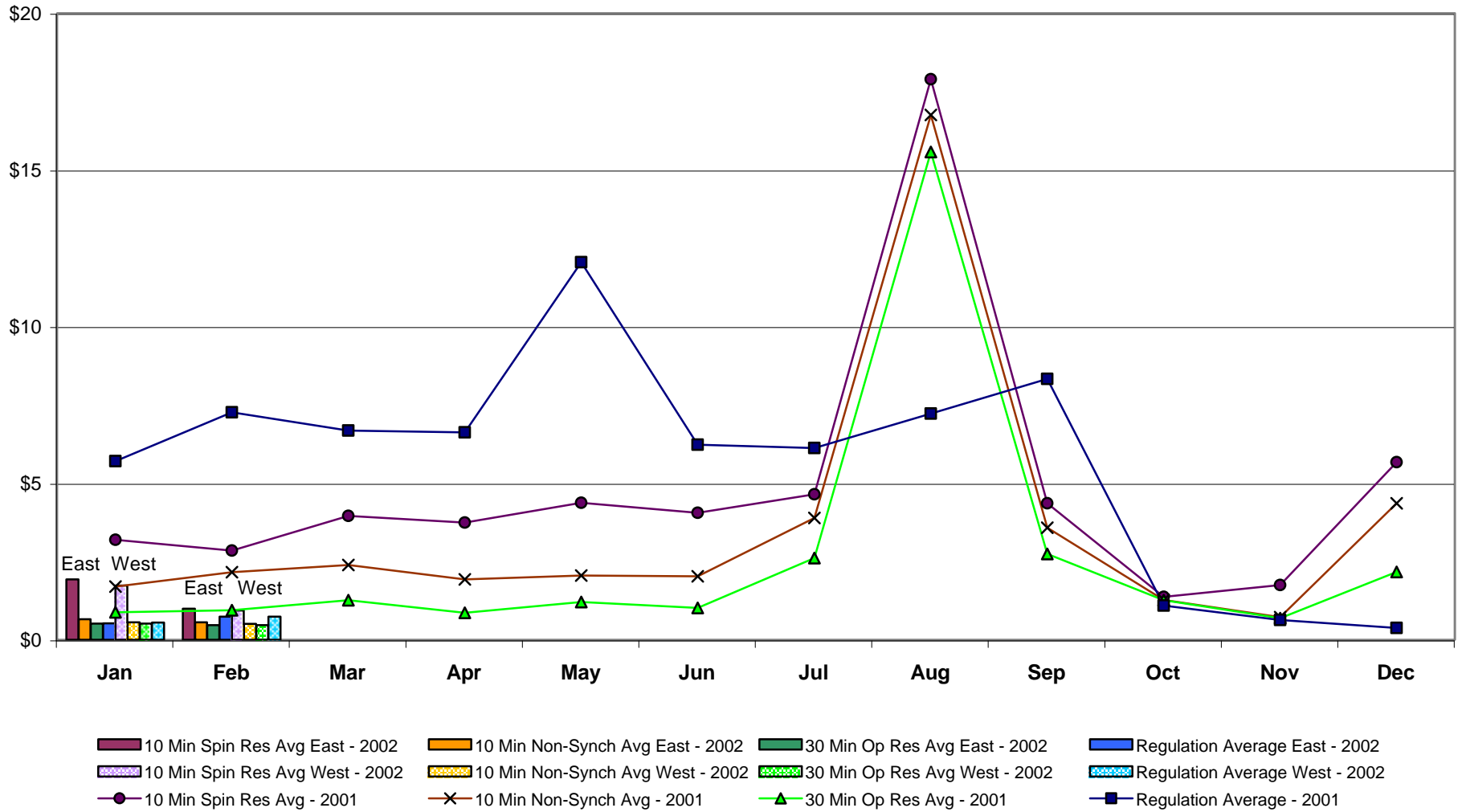
NYISO Markets 2001 Ancillary Services Statistics

| | January | February | March | April | May | June | July | August | September | October** | | November | | December | |
|---|---------|----------|--------|---------|---------|--------|---------|----------|-----------|-----------|---------|----------|---------|----------|---------|
| | | | | | | | | | | East | West | East | West | East | West |
| <u>ANCILLARY SERVICES Day Ahead Market</u> | | | | | | | | | | | | | | | |
| 10 Min Spin | | | | | | | | | | | | | | | |
| Unweighted Price | \$2.71 | \$2.22 | \$3.41 | \$2.73 | \$3.57 | \$2.36 | \$2.28 | \$2.41 | \$2.46 | \$2.14 | \$2.10 | \$2.43 | \$2.32 | \$2.11 | \$1.76 |
| Standard Deviation | \$1.67 | \$0.56 | \$5.48 | \$3.79 | \$4.92 | \$2.06 | \$1.32 | \$1.46 | \$0.81 | \$0.61 | \$0.59 | \$2.33 | \$1.82 | \$0.48 | \$0.36 |
| 10 Min Non Synch | | | | | | | | | | | | | | | |
| Unweighted Price | \$1.69 | \$2.19 | \$2.22 | \$1.84 | \$1.85 | \$2.04 | \$2.13 | \$2.14 | \$2.19 | \$1.94 | \$1.91 | \$1.56 | \$1.54 | \$1.84 | \$1.40 |
| Standard Deviation | \$0.78 | \$0.60 | \$0.63 | \$0.79 | \$0.81 | \$0.80 | \$0.80 | \$0.90 | \$0.63 | \$0.42 | \$0.39 | \$0.48 | \$0.46 | \$0.58 | \$0.36 |
| 30 Min | | | | | | | | | | | | | | | |
| Unweighted Price | \$0.60 | \$0.89 | \$0.79 | \$0.75 | \$0.80 | \$0.75 | \$1.02 | \$1.21 | \$1.72 | \$1.91 | \$1.91 | \$1.50 | \$1.50 | \$1.14 | \$1.14 |
| Standard Deviation | \$0.40 | \$0.76 | \$0.33 | \$0.30 | \$0.63 | \$0.86 | \$0.99 | \$1.09 | \$0.76 | \$0.39 | \$0.39 | \$0.45 | \$0.45 | \$0.12 | \$0.12 |
| Regulation | | | | | | | | | | | | | | | |
| Unweighted Price | \$7.80 | \$8.81 | \$9.13 | \$9.25 | \$13.48 | \$9.66 | \$8.79 | \$9.80 | \$13.69 | \$13.81 | \$13.81 | \$12.39 | \$12.39 | \$14.41 | \$14.41 |
| Standard Deviation | \$5.50 | \$8.56 | \$9.57 | \$13.27 | \$15.19 | \$9.81 | \$7.48 | \$7.77 | \$11.30 | \$9.71 | \$9.71 | \$8.94 | \$8.94 | \$10.70 | \$10.70 |
| <u>ANCILLARY SERVICES BME *</u> | | | | | | | | | | | | | | | |
| 10 Min Spin | | | | | | | | | | | | | | | |
| Unweighted Price | \$3.19 | \$2.85 | \$3.95 | \$3.74 | \$4.37 | \$4.05 | \$4.64 | \$17.89 | \$4.36 | \$1.37 | \$1.36 | \$1.76 | \$1.74 | \$5.70 | \$5.63 |
| Standard Deviation | \$3.95 | \$4.04 | \$7.67 | \$6.36 | \$6.95 | \$7.10 | \$26.66 | \$103.83 | \$26.79 | \$1.10 | \$1.10 | \$6.58 | \$6.58 | \$52.77 | \$52.78 |
| 10 Min Non Synch | | | | | | | | | | | | | | | |
| Unweighted Price | \$1.70 | \$2.16 | \$2.39 | \$1.93 | \$2.05 | \$2.03 | \$3.89 | \$16.75 | \$3.58 | \$1.28 | \$1.27 | \$0.73 | \$0.71 | \$4.39 | \$4.32 |
| Standard Deviation | \$0.92 | \$0.74 | \$4.40 | \$0.96 | \$1.08 | \$1.14 | \$26.43 | \$103.96 | \$26.53 | \$1.06 | \$1.06 | \$0.94 | \$0.92 | \$49.32 | \$49.32 |
| 30 Min | | | | | | | | | | | | | | | |
| Unweighted Price | \$0.88 | \$0.94 | \$1.26 | \$0.86 | \$1.21 | \$1.02 | \$2.61 | \$15.57 | \$2.74 | \$1.27 | \$1.27 | \$0.69 | \$0.69 | \$2.16 | \$2.16 |
| Standard Deviation | \$0.84 | \$0.86 | \$4.46 | \$0.89 | \$1.15 | \$1.26 | \$26.52 | \$104.05 | \$26.59 | \$1.06 | \$1.06 | \$0.90 | \$0.90 | \$29.68 | \$29.68 |
| Regulation | | | | | | | | | | | | | | | |
| Unweighted Price | \$5.70 | \$7.26 | \$6.68 | \$6.62 | \$12.05 | \$6.23 | \$6.12 | \$7.22 | \$8.33 | \$1.09 | \$1.09 | \$0.63 | \$0.63 | \$0.37 | \$0.37 |
| Standard Deviation | \$5.97 | \$7.83 | \$6.69 | \$3.73 | \$15.56 | \$6.49 | \$5.51 | \$6.77 | \$9.56 | \$3.62 | \$3.62 | \$2.02 | \$2.02 | \$1.36 | \$1.36 |

NYISO Monthly Average Ancillary Service Prices Day Ahead Market 2001 - 2002



NYISO Monthly Average Ancillary Service Prices BME * 2001 - 2002

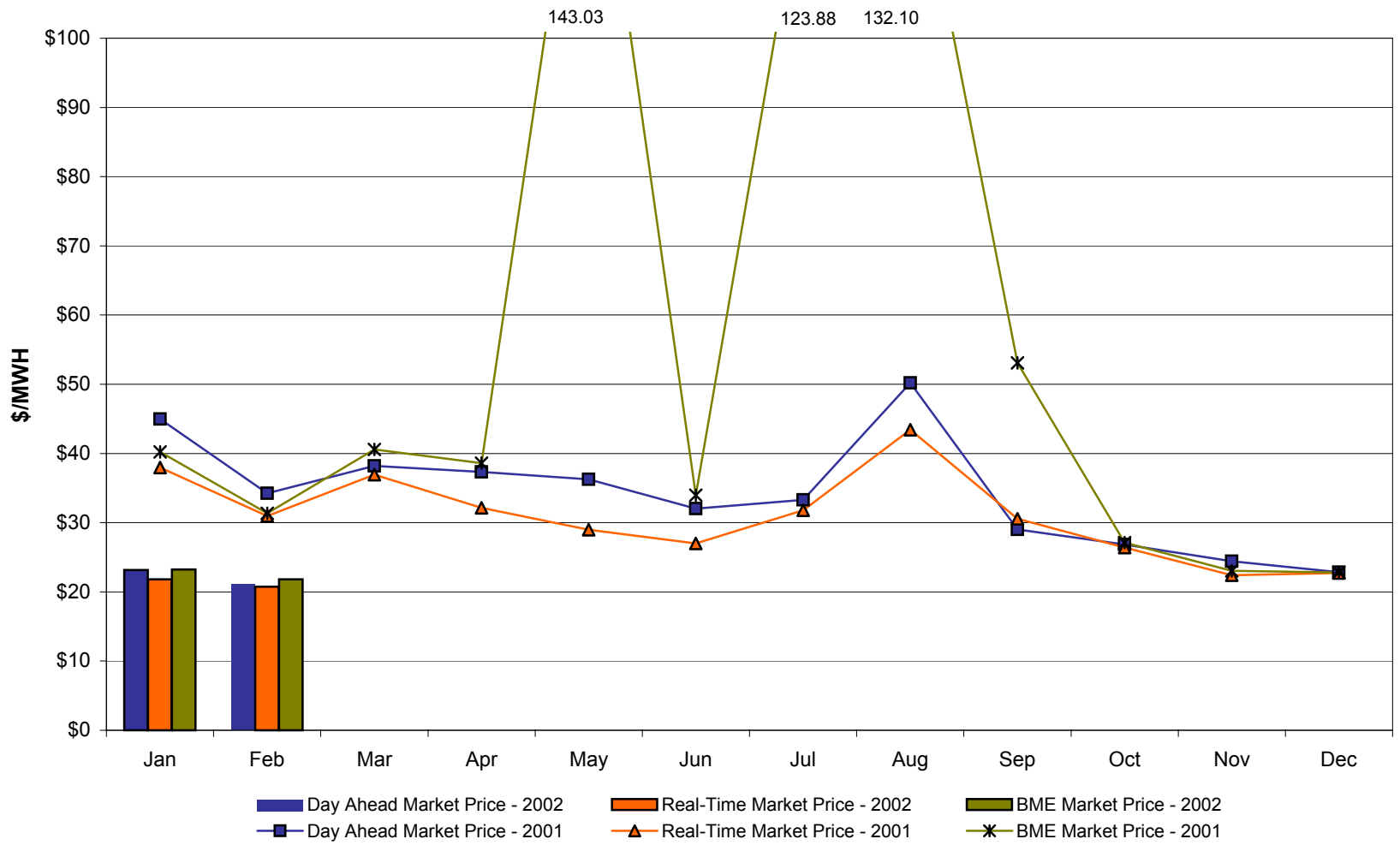


* Commonly referred as Hour Ahead Market (HAM)

February, 2002 Zonal Statistics for NYISO

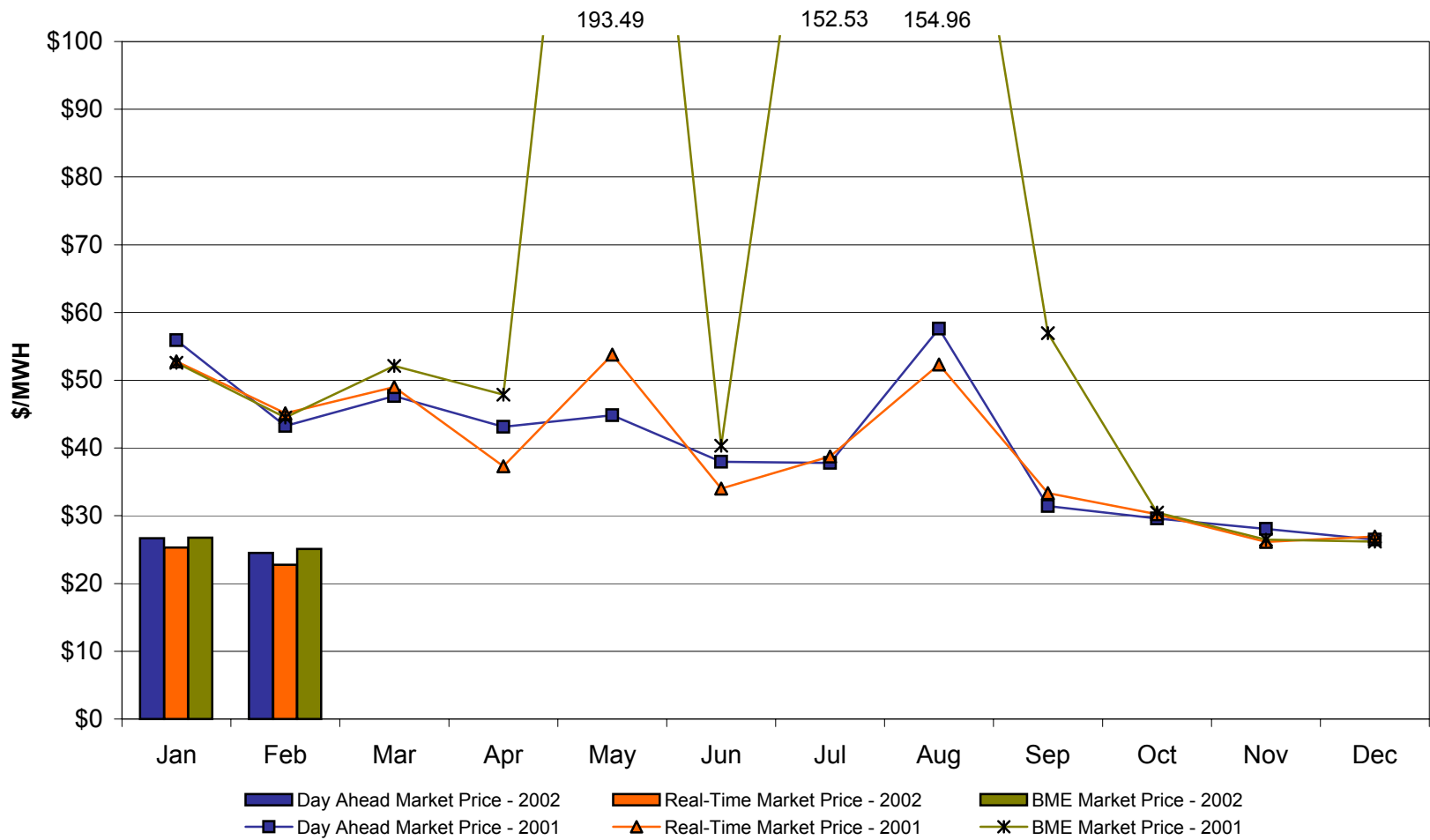
| | WEST Zone A | CENTRAL Zone C | MOHAWK VALLEY Zone E | CAPITAL Zone F | HUDSON VALLEY Zone G | GENESEE Zone B | LONG ISLAND Zone K | NORTH Zone D | NEW YORK CITY Zone J | MILLWOOD Zone H | DUNWOODIE Zone I |
|------------------------------|------------------------------------|-----------------------------------|-------------------------------------|---------------------------|-------------------------------------|---------------------------|-----------------------------------|-------------------------|-------------------------------------|----------------------------|-----------------------------|
| <u>DAY AHEAD LBMP</u> | | | | | | | | | | | |
| Unweighted Price | \$21.16 | \$22.16 | \$22.94 | \$24.51 | \$25.15 | \$21.64 | \$30.41 | \$22.47 | \$26.14 | \$25.07 | \$25.38 |
| Standard Deviation | \$3.42 | \$3.81 | \$3.87 | \$4.77 | \$4.84 | \$3.70 | \$9.37 | \$3.64 | \$5.00 | \$4.88 | \$4.95 |
| <u>BME * LBMP</u> | | | | | | | | | | | |
| Unweighted Price | \$21.81 | \$23.30 | \$24.22 | \$25.11 | \$25.87 | \$22.31 | \$31.33 | \$23.44 | \$30.39 | \$25.78 | \$26.10 |
| Standard Deviation | \$6.17 | \$6.57 | \$6.78 | \$7.02 | \$7.24 | \$6.52 | \$10.37 | \$6.41 | \$10.83 | \$7.22 | \$7.31 |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | |
| Unweighted Price | \$20.73 | \$21.40 | \$22.06 | \$22.78 | \$23.27 | \$21.13 | \$28.76 | \$21.44 | \$24.94 | \$23.36 | \$23.70 |
| Standard Deviation | \$7.72 | \$8.07 | \$8.27 | \$8.49 | \$8.95 | \$7.91 | \$12.62 | \$7.96 | \$10.33 | \$9.02 | \$9.15 |
| | | | | | | | | | | | |
| | HYDRO QUEBEC Zone M | NEW ENGLAND Zone N | ONTARIO HYDRO Zone O | PJM Zone P | | | | | | | |
| <u>DAY AHEAD LBMP</u> | | | | | | | | | | | |
| Unweighted Price | \$22.26 | \$24.74 | \$20.86 | \$21.51 | | | | | | | |
| Standard Deviation | \$3.51 | \$4.90 | \$3.47 | \$4.24 | | | | | | | |
| <u>BME * LBMP</u> | | | | | | | | | | | |
| Unweighted Price | \$22.67 | \$24.90 | \$19.34 | \$22.26 | | | | | | | |
| Standard Deviation | \$5.68 | \$6.76 | \$39.80 | \$6.50 | | | | | | | |
| <u>REAL TIME LBMP</u> | | | | | | | | | | | |
| Unweighted Price | \$21.37 | \$22.83 | \$19.05 | \$21.00 | | | | | | | |
| Standard Deviation | \$7.49 | \$8.76 | \$40.16 | \$8.22 | | | | | | | |

West Zone A Monthly Average LBMP Prices 2001 - 2002



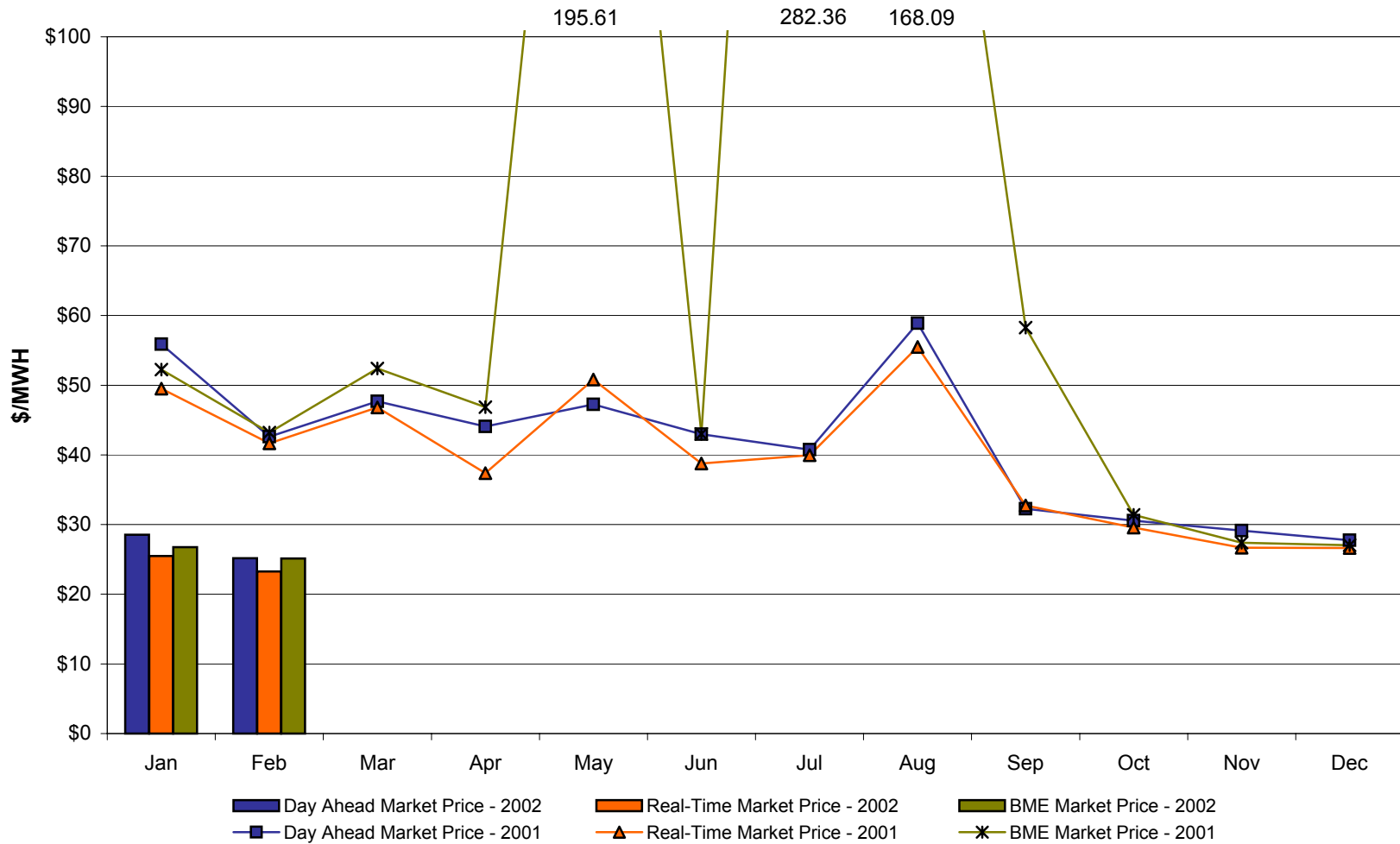
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preliminary

Capital Zone F Monthly Average LBMP Prices 2001 - 2002



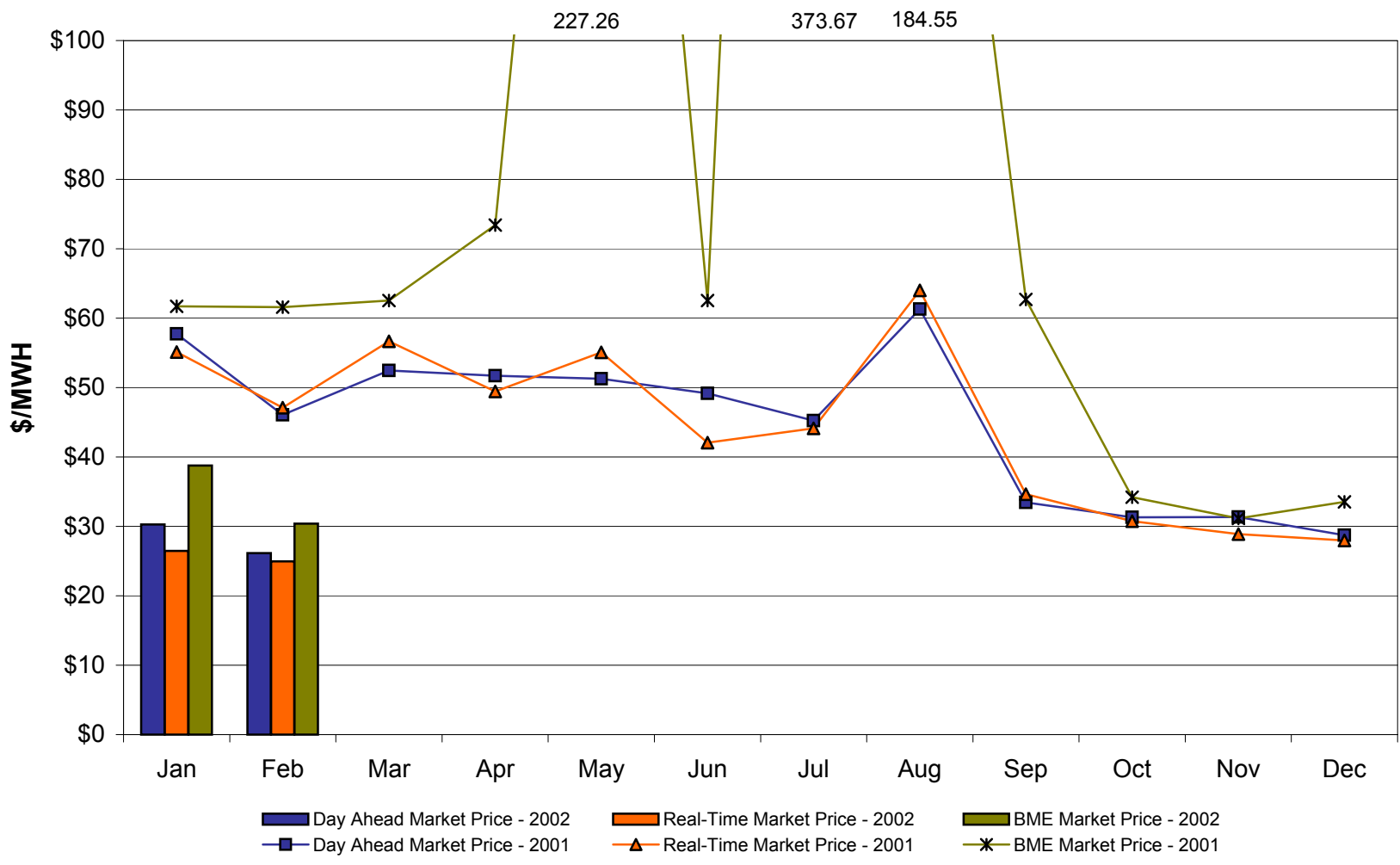
4-N
preliminary

Hudson Valley Zone G Monthly Average LBMP Prices 2001 - 2002



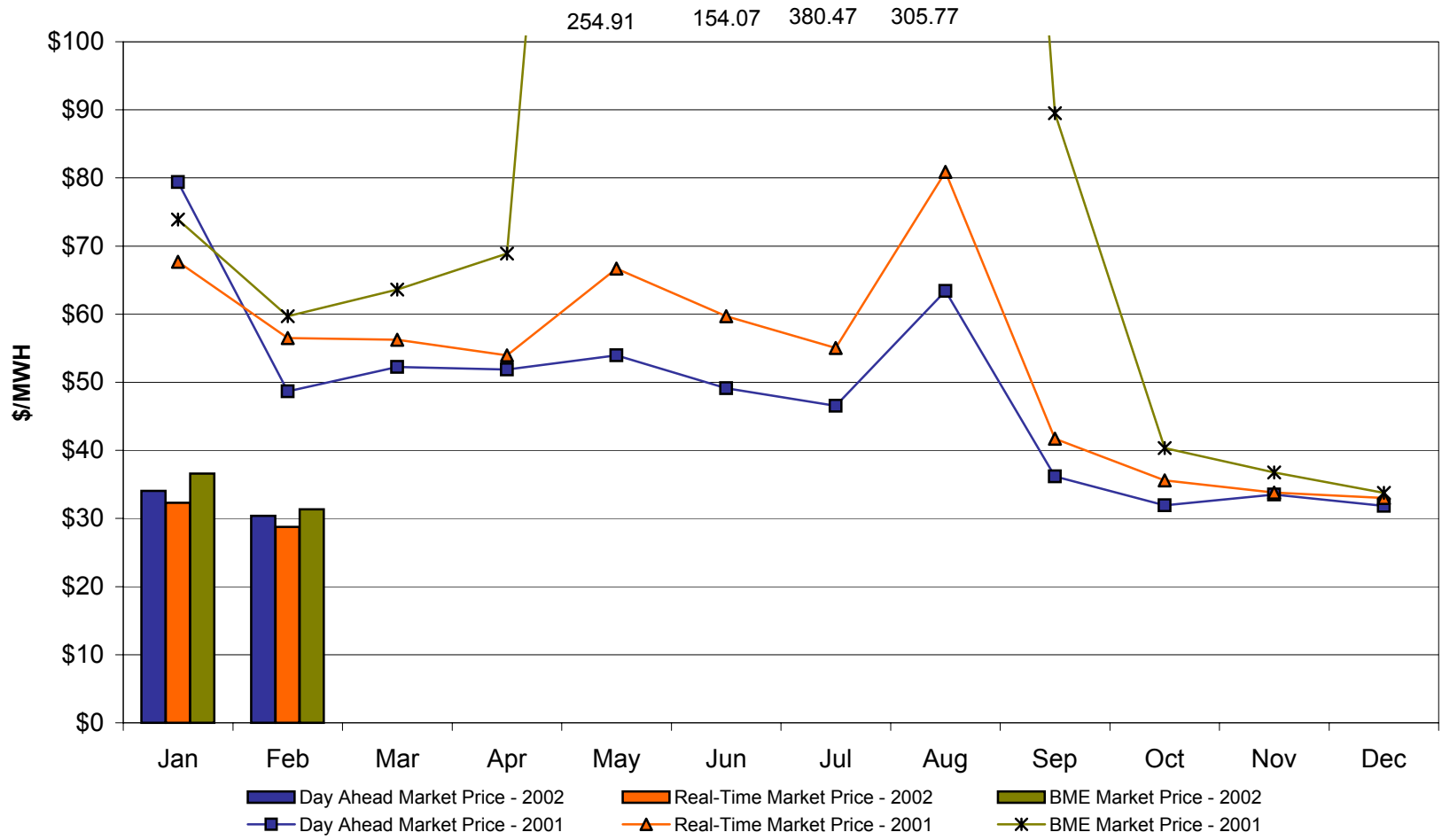
4-J
preliminary

NYC Zone J Monthly Average LBMP Prices 2001 - 2002



4-K
preliminary

Long Island Zone K Monthly Average LBMP Prices 2001 - 2002



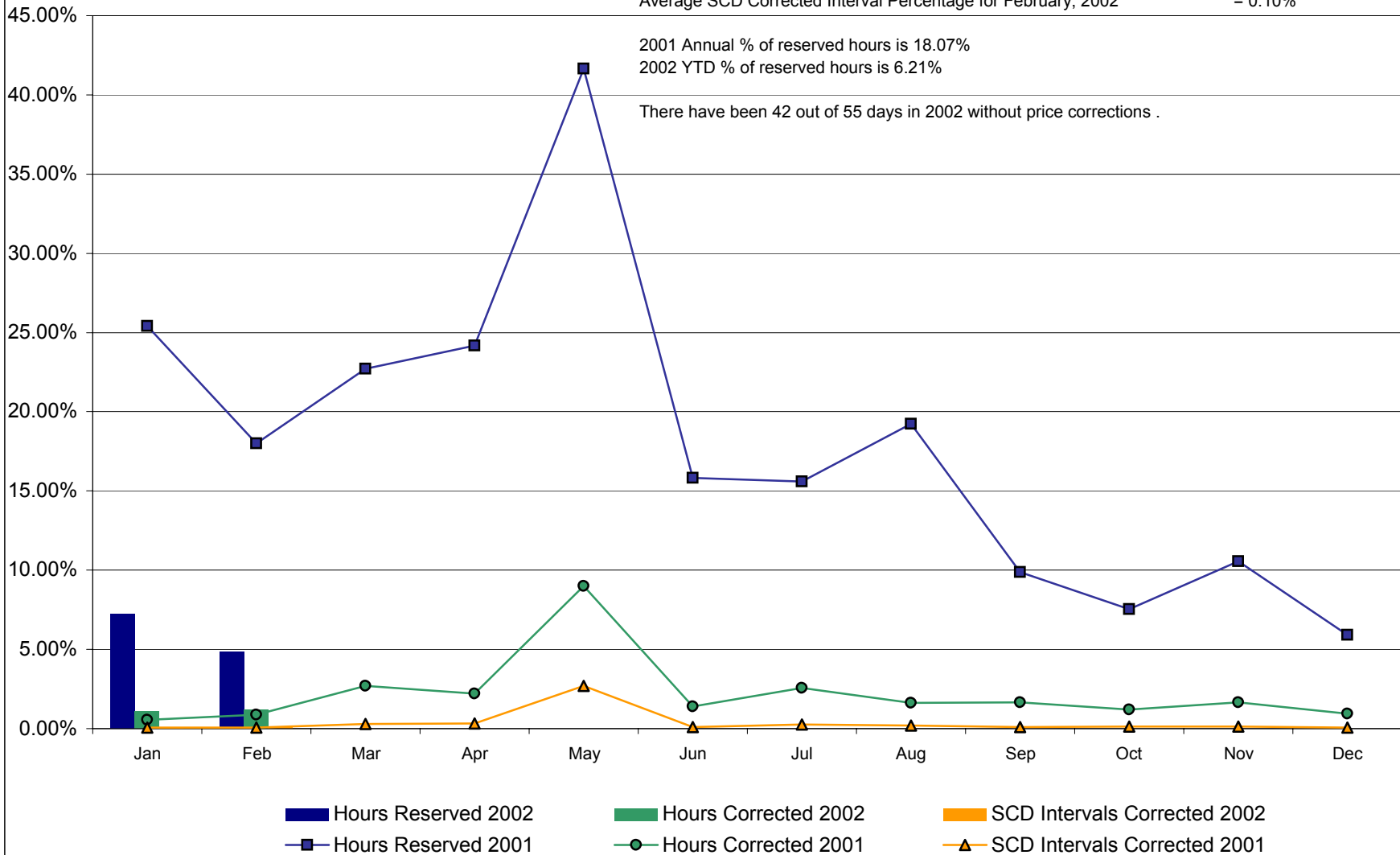
4-M
preliminary

Percentage of Real-Time Corrections through February 24, 2002

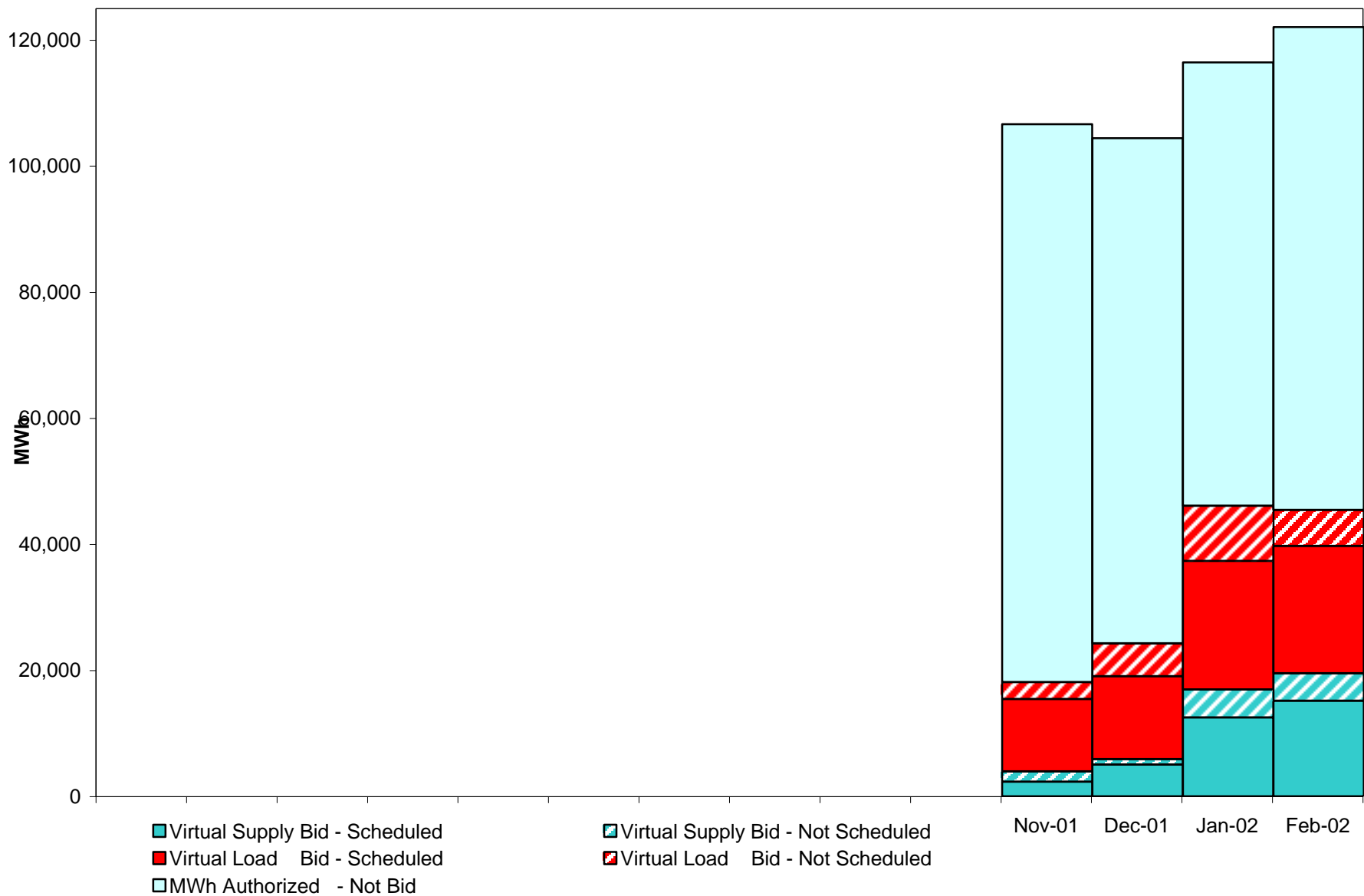
2001 Annual SCD Corrected Interval Percentage = 0.37%
 2002 Year-to-Date (YTD) SCD Corrected Interval Percentage = 0.10%
 Average SCD Corrected Interval Percentage for February, 2002 = 0.10%

2001 Annual % of reserved hours is 18.07%
 2002 YTD % of reserved hours is 6.21%

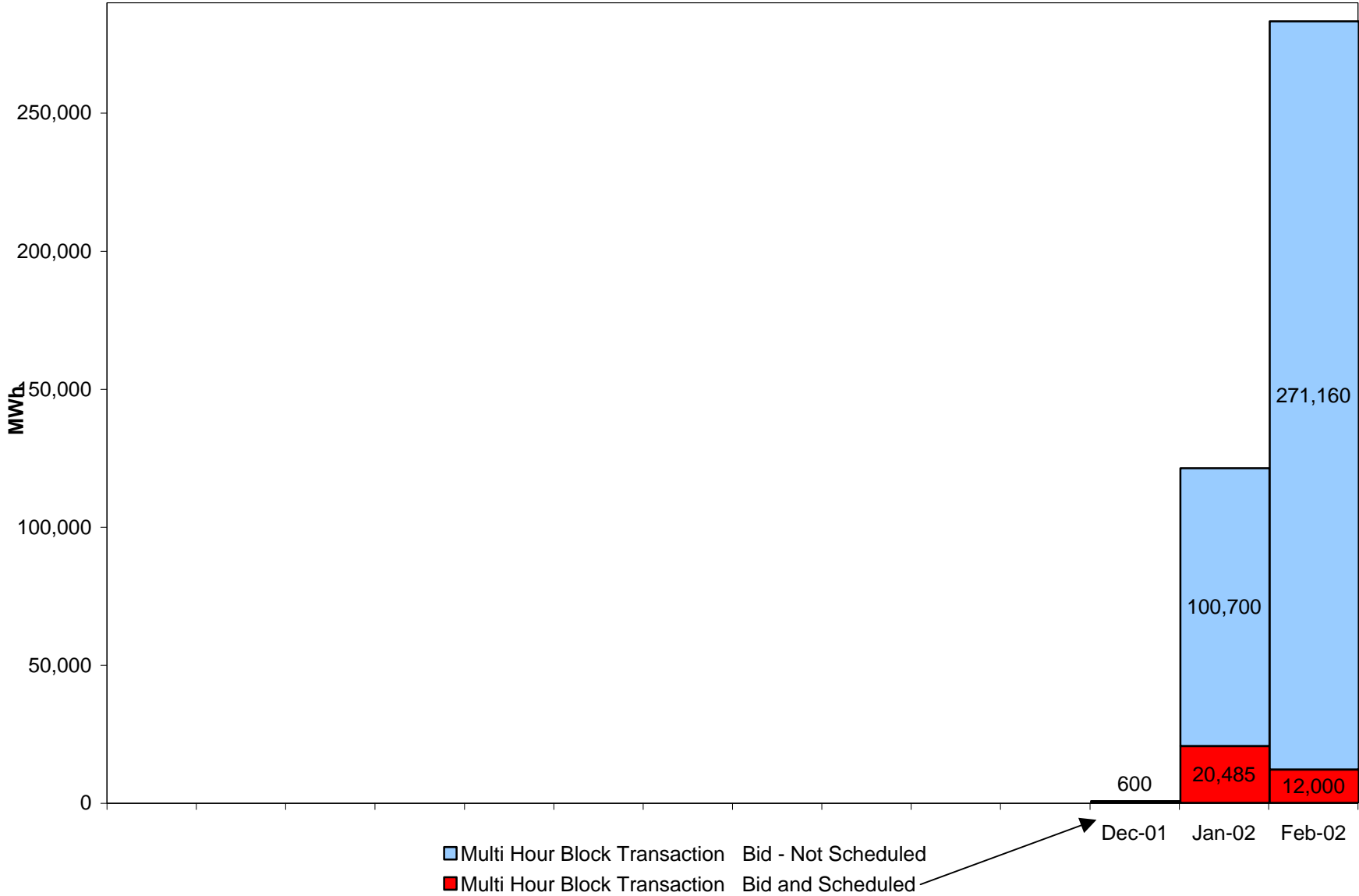
There have been 42 out of 55 days in 2002 without price corrections .



NYISO Virtual Trading Average MWh per day



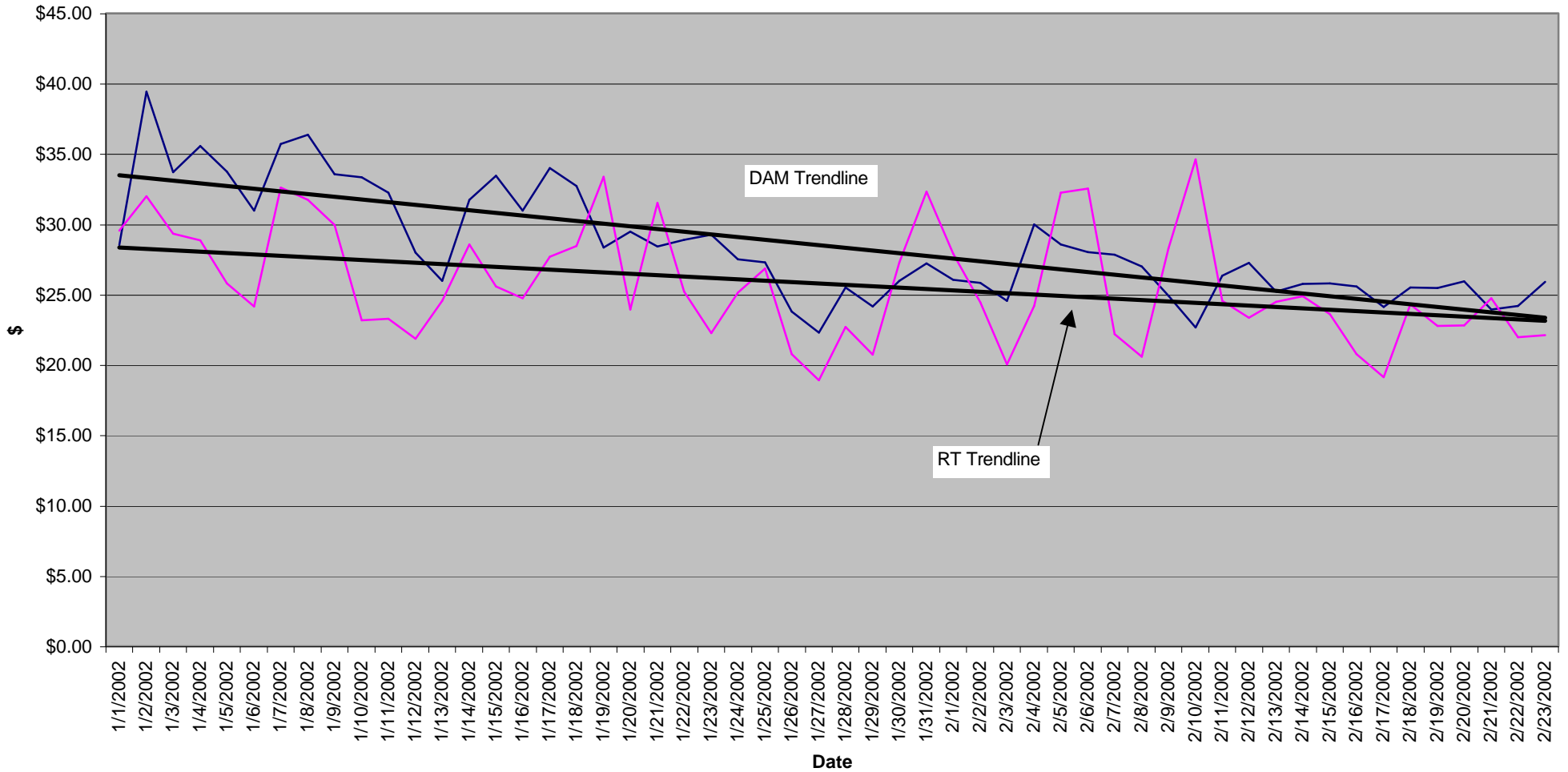
NYISO Multi Hour Block Transactions Monthly Total MWh



CONFIDENTIAL

Zone N.Y.C. Hour (All)

DAM & RT Unweighted Average LBMPs January 1, 2002 through February 23, 2002 New York City Zone Average of all Hours throughout the day



Data
— Average of DAM LBMP — Average of RT LBMP — Linear (Average of DAM LBMP) — Linear (Average of RT LBMP)

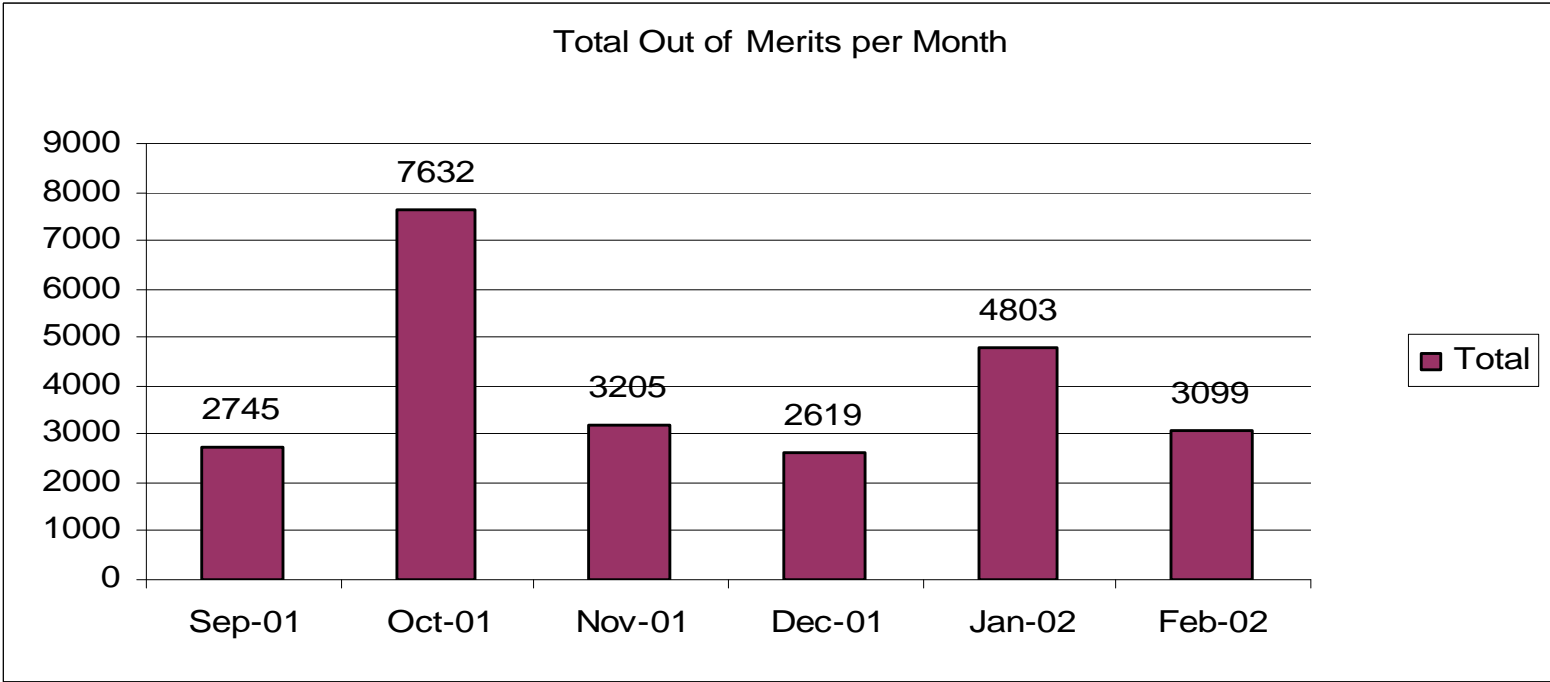
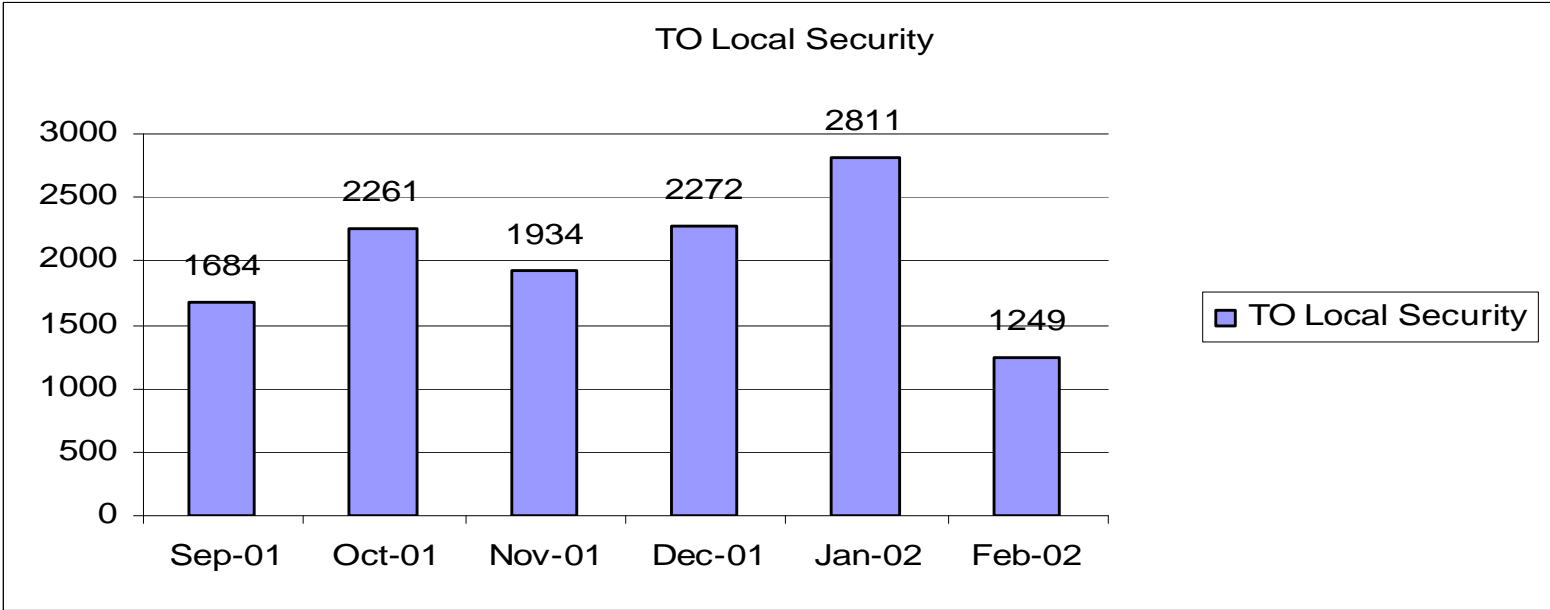
Date



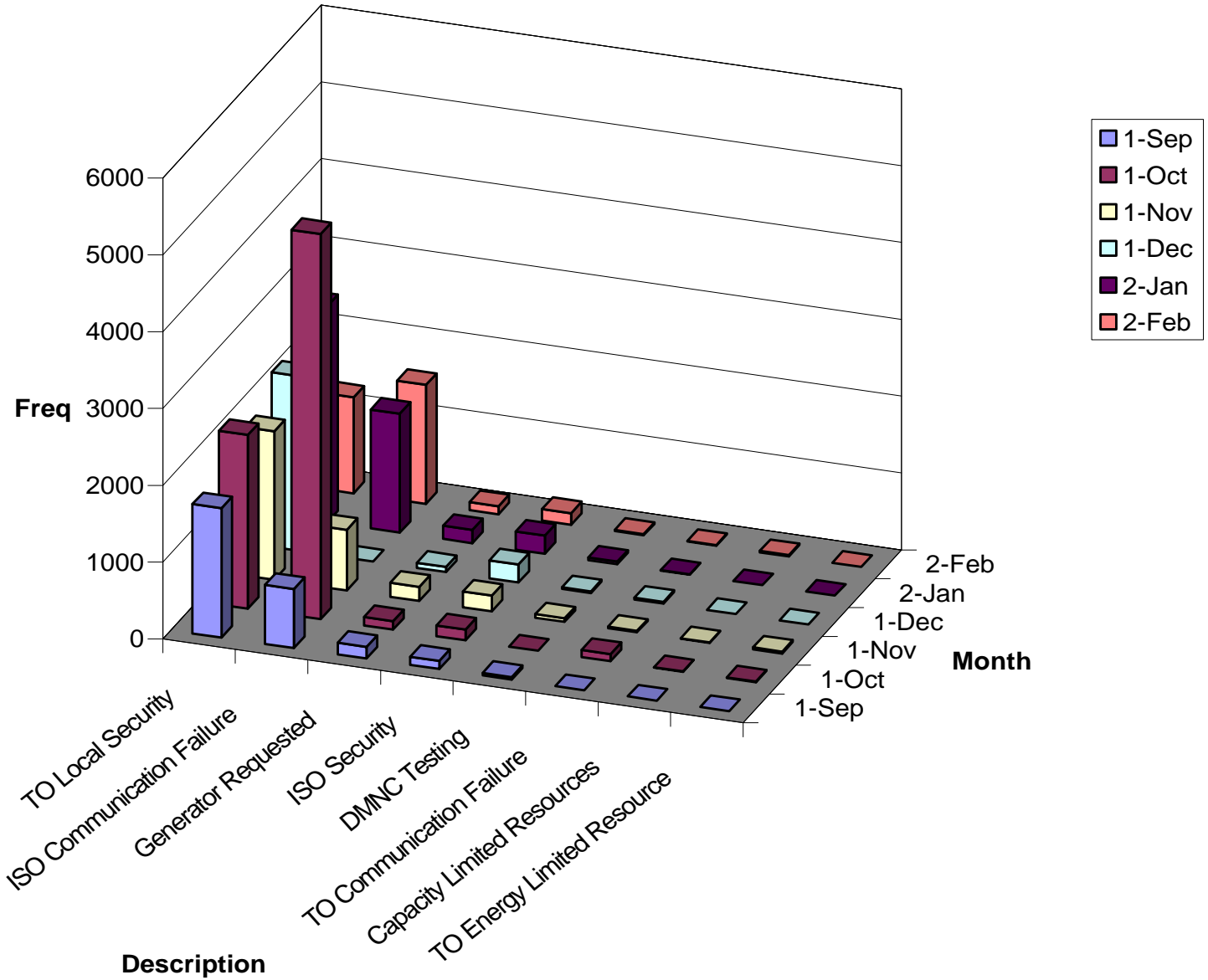




| NYISO Generator Out Of Merit Review | | | | | | |
|---|-------|-------|-------|-------|-------|-------|
| OOM occurrences from Sep 2001 through Feb 2002 | | | | | | |
| | | | | | | |
| | | | | | | |
| | 1-Sep | 1-Oct | 1-Nov | 1-Dec | 2-Jan | 2-Feb |
| TO Local Security | 1684 | 2261 | 1934 | 2272 | 2811 | 1249 |
| ISO Communication Failure | 769 | 5014 | 788 | 1 | 1548 | 1548 |
| Generator Requested | 152 | 111 | 182 | 66 | 172 | 105 |
| ISO Security | 106 | 138 | 205 | 236 | 235 | 152 |
| DMNC Testing | 33 | 0 | 46 | 21 | 33 | 18 |
| TO Communication Failure | 0 | 94 | 20 | 22 | 4 | 11 |
| Capacity Limited Resources | 1 | 5 | 6 | 1 | 0 | 16 |
| TO Energy Limited Resource | 0 | 9 | 24 | 0 | 0 | 0 |
| | | | | | | |
| Total | 2745 | 7632 | 3205 | 2619 | 4803 | 3099 |
| | | | | | | |
| Note: - The numbers listed in the review reflect the hourly occurrences of a single generator taken OOM | | | | | | |
| - Additional ISO Com Failures in October 2001 were due to UPS Failure resulting in 10 hours of BDS with appx. 386 Generators per hour, totaling 3860 occurrences of OOM | | | | | | |
| - ISO Comm. Fail. are BDS events (actual or test) consisting of appx. 360 units per hour of event | | | | | | |



NYISO OOM Review



Out-of-Merit Reporting

February 2002

| <u>Out of Merit Type</u> | <u>MWh</u> | <u>Associated Costs</u> |
|---------------------------|------------|-------------------------|
| ISO SECURITY | 4,905 | \$280,213 |
| TO LOCAL SECURITY* | 97,866 | \$8,645,069 |
| GENERATOR REQUEST | 5,351 | \$141,638 |
| CAPACITY LIMITED RESOURCE | (2,740) | (\$47,356) |
| DMNC TESTING | 793 | \$20,320 |
| ISO COM FAILURE | 3,872 | \$137,547 |
| TO COM FAILURE | 1,008 | \$30,828 |

| | | | |
|---|--------|------------|-------------|
| * | Zone G | 96 MWh | \$66,250 |
| | Zone J | 92,820 MWh | \$8,326,264 |
| | Zone K | 3,723 MWh | \$233,829 |
| | Zone A | 1,138 MWh | \$17,752 |
| | Zone D | 58 MWh | \$754 |
| | Zone E | 31 MWh | \$221 |

DEFINITIONS:

ISO SECURITY – Initiated by the ISO. The generator is considered out of merit for billing. Collected through state wide uplift.

TO LOCAL SECURITY – Initiated by the transmission owner. The generator is considered out of merit for billing. Collected through local reliability uplift.

GEN REQUEST – Initiated by the generator. The generator is considered out of merit for billing.

CAPACITY LIMITED RESOURCE - Bids for these generators are allowed to be dispatched up to the last point on their dispatch curve unconstrained by the bids upper operating limit. This **is not** a billing out of merit.

ENERGY LIMITED RESOURCE - A subset of CLR's with unique settlement rules. A new upper operating limit will be provided which must be within the dispatch curve provided and above the min block. This is a billing out of merit. Collected through local reliability uplift.

DEPENDABLE NET MAXIMUM CAPABILITY (DNMC) - When a generator does DNMC testing the unit is in an out of merit state.

ISO COM FAILURE - Communication problems due to complications at ISO site.

TO COM FAILURE - Communication problems due to complications at TO's site.

BACKUP DISPATCH SYSTEM (BDS) - This is an out of merit for the whole state.

Status of Anchor Projects

With Summer Deliverables

➤ **A616 – Pre-scheduling/OASIS**

- ❖ Interim deliverables of the larger OSS scope
- ❖ Will enable pre-scheduling transactions
- ❖ Will provide posting future ATC/TTC values
- ❖ Will not allow posting current day's ATC/TTC
- ❖ Targeted deployment March 26 (very tight)

Status of Anchor Projects

With Summer Deliverables

- **A545 – Open Scheduling System**
 - ❖ Development currently on hold
 - ❖ Pending redefinition of business requirements
 - ❖ New schedule to be developed
 - ❖ Targeted deployment end of July (at earliest)

Status of Anchor Projects

With Summer Deliverables

- **A609 – Real Time Mitigation and OOM**
 - ❖ Requirements have not yet been finalized
 - ❖ Not clear if staged deliverables will be possible
 - ❖ Interim implementation – 6/1/02
 - ❖ Final implementation – 8/02
 - ❖ IT Requirements 80% complete as of 3/5/02

Status of Anchor Projects

With Summer Deliverables

- **A598 – BME/SCD Price Convergence**
 - ❖ Requirements are complete
 - ❖ Deliverables will likely be staged over time
 - ❖ Targeted deployment June 1st or earlier

Status of Anchor Projects

With Summer Deliverables

- **A593 – Rockland Electric to PJM**
 - ❖ Initial deployment occurred March 1
 - ❖ Awaiting hardware delivery for added data points
 - ❖ Final configuration to be completed in April

Status of Anchor Projects

With Summer Deliverables

➤ **A535 - AMP II**

Staged deployment targets:

- | | |
|------------------------------------|-------------|
| ❖ 300 Point Reference Curve | May 28 |
| ❖ 50 MW Exclusion | May 28 |
| ❖ DAM Adjustments | May 28 |
| ❖ Spacial and Temporal Selectivity | May 28 (1) |
| ❖ Start-up and Min Gen | Post Summer |

(1) ABB is a constraining resource for this item, date may slip.

**NY ISO
ISO NE
Northeast RTO Project
Draft 3/4/02
Confidential**

VISTA

Project - A580
NERTO Evaluation & Planning
Run Date - 03/04/02

PM -
Data Date - 02/24/02

