

Comparison Of NY ISO, ISO NE And PJM

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Comparison Of NYISO/ISO NE And PJM

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Comparison Of NYISO/ISO NE And PJM

With FERC approval of filed NY tariff revisions, a common UCAP product can be traded across the Northeast today.

Requested approval date is July 1, 2002.

Comparison Of NYISO/ISO NE And PJM Summary

- ISO NE is adopting most of NYISO capacity model
- NY/NE and PJM all have a capacity requirement allocated to load
- All use ICAP
- All use 12 month rolling EFORd for Unforced Capacity determinations
- External energy sales from committed ICAP resources are recallable (callable by sink jurisdiction in a resource short situation)
- All require deliverability to sink control area
- Capacity resources are governed by the rules of the sink control area.

Comparison Of NYISO/ISO NE And PJM

Minor Differences

- Capability Year/Planning Period/Power Year
 - NY: May 1 - Apr 30
 - NE & PJM: Jun 1 - May 31
 - Common dates would be desirable
- Intervals
 - NY: two 6 month
 - NE: 4 mos and 8 mos
 - PJM: 4 mos, 3 mos and 5 mos

Comparison Of NYISO/ISO NE And PJM

Minor Differences Continued

- Minimum Commitment Period: NY/NE monthly; PJM daily
 - Does not impact common market
- Verification Testing: all require summer and winter tests
 - NY: 4 hr test for steam and hydro; 1 hr for CTs
 - NE: 8 hr for steam; 2 hr for CTs and hydro
 - PJM: 2 hr for steam; 1 hr for hydro and CTs
 - Currently, testing time differences are being accepted
 - Recommend a group be formed to standardize testing procedures

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Minor Differences Continued

- Unit capabilities used to establish ICAP value:
 - NE and NY use summer and winter capability
 - PJM use summer capability only
 - Summer and winter test requirement allows units to crossover control areas

Comparison Of NYISO/ISO NE And PJM

Major Differences

- PJM requires firm transmission to receive capacity value.
 - NY has filed tariff changes with FERC to meet this PJM requirement which should resolve this issue
- NE, NY and PJM have DSM programs, but they are vastly different in both structure, value measurement and use
- Customer Switching:
 - NY: switching monthly prospectively and retroactively
 - (obligations are set for month-ahead and tried up after-the-fact for daily in-month switching)
 - PJM: switching daily prospectively
 - NE: similar to NY

Comparison Of NYISO/ISO NE And PJM

Major Differences Continued

- Slice-Of-System Capacity:
 - NY & NE accept
 - PJM does not accept
- Wind & solar:
 - NY & NE: UCAP based on availability
 - PJM: no UCAP value
- Capacity deficiency charge:
 - NY: 2-3 times the cost of a CT
 - PJM: \$176/MW-day (1 times the cost of a CT)
 - Could affect market prices and liquidity during times of shortage

Comparison Of NYISO/ISO NE And PJM Common Market Structure Terms

- The product would be UCAP based on 12 month rolling EFORd
- Installed Capacity equivalent of UCAP must be deliverable to the sink control area
- Monthly market due to NY's monthly capacity commitment and capacity procurement period (vs. PJM's daily)
- If planning year was the same, any multi-month period up to a year could be developed

Comparison Of NYISO/ISO NE And PJM Common Market Structure Terms

- At the start, the common market will not include wind, solar, DSM or slice-of-system. Remain local products until common practices are developed.
- **OBSERVATION:** During times of shortage, significant capacity deficiency charge differences will tend to have capacity flee to area with highest penalty/price.

Comparison Of NYISO/ISO NE And PJM Near-Term Enhancements To Improve Market

- Common Planning/Capability/Power Year
 - Recommend: June 1 - May 31
- Develop common unit summer maintenance period from June 1 to Sept 30
- Standardize the UCAP product to be based on the summer capability for uniform market design and eliminate seems issue

Comparison Of NYISO/ISO NE And PJM Long-Term Enhancements To Improve Market

- Common set of unit testing criteria should be developed and a working group established to address this issue
- Differences in wind and solar UCAP valuation should be standardized and a working group established
- A working group should be formed to determine if common market rules and operating and scheduling procedures can be developed for DSM
- Develop uniform deficiency charges for all of the control areas