

Wind Rules and Forecasting Project Update

Market Issues Working Group
1/8/2008

Background

- **Over the past 4 MIWG meetings, NYISO proposed a methodology for forecasting wind generation in the NYCA as well as a set of market rules for scheduling and settlement of wind generators.**
 - **Proposal included:**
 - Implementation of a centralized statewide forecast
 - Removal of 1,000MW cap/exemption in market services tariff
 - Recovery of forecast fees
 - Follow-up studies on impacts of higher levels of wind power penetration
 - **Update to proposal for discussion today:**
 - Sanctions for failure to provide meteorological data to the NYISO Forecast vendor.
 - Increase market services cap/exemption to 3,300MW instead of removing it.

Meteorological Data Requirements

- **Wind generators are required to send meteorological data from their site to the NYISO forecaster according to NYISO procedures.**
- **Wind generators shall maintain in good working order equipment necessary to:**
 - **collect meteorological data at its site and**
 - **transmit to NYISO, or its agent, this data in time intervals identified by the ISO.**
- **Each wind generator shall be responsible for the cost of installing and maintaining such equipment at its site.**
- **Poor performance process**
 - **If a wind generator consistently fails to comply with the above requirement, NYISO shall take the following actions:**
 - The ISO shall notify the wind generator by written notice of its determination of consistent failure to provide meteorological data and that it may impose financial sanctions if the consistent failure is not corrected.
 - The ISO shall offer a reasonable opportunity to correct the failure
 - If, following such reasonable opportunity to cure, such failure is not cured, NYISO may impose daily sanctions of the greater of \$500 or \$20/MW of nameplate capacity until such failure is cured. In egregious cases, the ISO may refer the violating party to the Commission.
 - The NYISO shall offer the wind generator an opportunity to be heard by senior officers of ISO prior to imposing sanctions.

Increase 1,000MW cap/exemption

- **Tariff currently contains a 1,000MW limit on wind generation eligible for:**
 - the exemption from under-generation penalties and;
 - full compensation for over-generation

- **In 2005, a comprehensive study by GE/NYSERDA concluded that NYISO could reliably integrate up to 3,300MW of wind generation without significant security impacts. Impacts beyond 3,300 MW were not evaluated.**

- **In 2008, NYISO will embark on an updated study to determine the steps needed to securely integrate wind generation beyond 3,300MW across all zones in NYS.**

- **Until the 2008 study provides clear direction, NYISO will increase the tariff limit from 1,000MW to 3,300MW, as an interim rules change.**

- **Current interconnection queue indicates that 3,300MW of wind generation will not be approached until sometime in 2010, by which time NYISO expects to have already re-addressed the tariff limit.**

Next Steps

- Present proposal at BIC (January 2008)
- Present proposal at MC (February 2008)
- Present to BOD (February 2008)
- Tariff Filing – February 2008
- FERC approval – May 2008
- Integrate live forecast into market runs (May 2008)