

Real-Time Guarantee Payment Mitigation Finance / Energy Products - Product Area

PPT – February 13, 2006

Presentation Outline

- ◆ Deliverable Summary
- ◆ Value Proposition
- ◆ Benefits
 - *Customer benefits*
 - *Business benefits*
- ◆ Estimated Cost / Timeline

Deliverable Summary

- ◆ Determine appropriate set of RT GP conduct failing bids.
- ◆ Substitute set of conduct failing bids and perform RT GP impact test.
- ◆ Apply the appropriate bid mitigation based on RT GP impact.
- ◆ Develop parallel process to determine and apply historical RT GP mitigation from period February '05 forward until production deployment.

Value Proposition

- ◆ Tariff Compliance – NYISO tariff requires that real-time guaranteed payments to units be evaluated for possible conduct and impact mitigation.

Benefits

◆ Customer

- *NYISO will be able to programmatically test guarantee payments to generators for conduct and impact and, having detected conduct and impact failures, adjust guarantee payments in the settlement system.*
- *Whenever conditions are detected that result in RT GP mitigation, uplift costs to loads will be reduced.*

◆ Business

- *Ensures Tariff compliance by 2nd quarter 2006.*
- *Minimizes impact on Settlement System Replacement : Phase II (SSR Phase II)*

Estimated cost / timeline

- ◆ Phased delivery –
 - *Process external to the production billing system*
 - *Production code – 1st quarter 2007*
- ◆ Estimated Cost –

NYISO

\$300,000