

Business Issues Committee

August 9, 2006 Meeting

Motion - Agenda #05

Motion:

The Business Issues Committee ("BIC") hereby approves the capacity market monitoring and mitigation measures presented at its August 9, 2006 meeting. The BIC hereby recommends that the MC adopt, at its August 30, 2006 meeting, the capacity market monitoring and mitigation measures approved today.

The capacity market monitoring and mitigation measures establish a conduct and impact test that compares the capacity bid of an In-City generator, in the demand curve spot auction, with that of its reference price to determine if the bid of such generator is inconsistent with competitive market design. The proposal provides standards to be used to develop individualized reference prices for each generator in the In-City market. The proposal contains an interim plan, which applies the conduct and impact test to the In-city generation specified in Section 4.5B of Attachment H of the Market Services Tariff, as well as a longer-term plan, which applies the conduct and impact test to all generation owners in New York City.