

Motion for BIC on Emergency Purchases and Sales

Whereas the ISO wants to put in place Interconnection Agreements (“IAs”) with adjacent Control Areas to allow for the Purchase and Sale of Emergency Energy,

Whereas the Stage 1 ICAP filing established the use of Recall Bids to determine payment for energy to ICAP suppliers when (i) they are not selected in the day-ahead market (“DAM”), (ii) they subsequently sell energy out of NY into other CA’s, and (iii) their energy is needed in real time by the NYISO,

Whereas for two of the three IAs, the price for emergency sales to other CAs would be set at 150% of the prevailing energy market clearing price of the selling CA,

Whereas ISONE, in determining the price for its emergency sales, does NOT allow such sales to impact the Energy Clearing Price in NE,

Whereas PJM simply cuts energy sales from it’s ICAP suppliers if such energy is being sold outside PJM and PJM needs that energy,

Whereas the NYISO has not documented in any clear fashion the timing of when Recall Bids or Emergency Purchases would be made relative to other such actions,

Whereas demand in NY is essentially inflexible and such inflexibility is in large part due to the NYISO’s inability to accommodate Interruptible Loads, even though allowed for in the Tariff, for either the provision of Operating Reserves or the reduction of NYCA energy requirements,

Whereas the use of Interruptible Loads creates a more predictable outcome for prices and resources for the NYISO, since the Interruptible Load bids would be considered simultaneously with energy bids,

Whereas there is no effective means or mechanisms to allow load or those serving them, to be notified of impending Emergency Purchases such that they might respond to the circumstance and avoid costly External Emergency Purchases or even costlier use of Recall Bids,

It is moved that:

- 1) The provision of energy to an adjacent CA under Emergency Energy Sale provisions by the NYISO not be allowed to change or otherwise affect the LBMP in NY,
- 2) While it is believed to be infeasible at the present time, any emergency purchase by the NYISO not set the LBMP in NY, and
- 3) That the analysis of the Recall Bids from ICAP suppliers and External Emergency Purchases from external CAs be done simultaneously such that LSEs are provided with the least cost option.