

Elimination of Pancaking Charges on Exports from the NYCA Status Update

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Albany

Progress with New England

- Discussions were held with ISO-NE and New England TOs in late 2003
- FERC brought state regulators from NY, NE and PJM regions together to discuss this issue in January
- State regulators have had several meetings during early 2004
- Agreement in principle achieved at a meeting on April 21st between NYISO, ISO-NE, NY and NE state regulators to an elimination of export fees between the regions consistent with FERC's RTO-NE Order

NYISO/NYTOs' "Principles": Key Elements

- **Current export fees (TSC & NTAC) will be eliminated from the NYISO OATT immediately, subject to reciprocity**
- **No transition adjustment mechanism providing payments to NY TOs from importing regions will be required, subject to reciprocity.**
- **While a single mechanism for all neighboring control areas is preferable, there may be different agreements on each border**

Key Elements (Cont'd)

- The existing NYISO export charge rates will continue to apply absent a reciprocity agreement with any control area
- NYPSC will allow recovery of these export fees through retail rates
 - *Any savings realized by a TO from the elimination of export charges imposed by neighboring control areas will flow through to consumers in accordance with existing rate plans*
- The NYISO wholesale TSC will account for the elimination of these export fees
- This proposal does not contemplate a benefit sharing mechanism with other jurisdictions

Historical Export Charges*

➤ Total NYISO Export Charges

- *3-Year Average: \$ 25.7 million (2000-2002)*
- *2-Year Average: \$ 26.6 million (2001-2002)*

➤ NYISO/New England Export Charges (2-Year Avg)

- *NYISO to ISO-NE: \$ 10.0 million*
- *ISO-NE to NYISO: \$ 11.9 million*

* *NOTE: Figures based on NYISO data*

NYISO Tariff Filing

- NYISO is in the process of developing tariff modifications for filing with FERC
- Tariff provisions will be consistent with NYISO and NYTO “Principles” presented to the MC last June
- Seek MC approval on May 5th
- Seek Board approval on May 18th
- File with FERC by end of May