

Subject: Reference Level Consultation Processes

Section 23.3.1.4 of the NYISO's Market Services Tariff ("Market Mitigation Measures") describes the composition of Supplier reference levels used in the application of the market mitigation measures. This Technical Bulletin describes the process by which the NYISO and its MMU process requests by Suppliers to update its reference levels, whether prior to or in response to market mitigation as well as initiates updates to a Supplier's reference levels.

I. Reference Level Consultations

Suppliers may submit for approval through the Reference Level Software (RLS) updates to cost data for generating facilities currently available in the RLS. Suppliers should refer to the Reference Level User's Guide (http://www.nyiso.com/public/markets_operations/documents/manuals_guides/index.jsp) for instructions on how to make RLS submissions.

In reference level consultations the NYISO and its Market Monitoring Unit (MMU) will focus on changes from current cost-based data in RLS, require documentation for all requested updates and may request additional documentation to support maintaining values currently in RLS.

Upon being noticed of a RLS submittal, NYISO will initiate its review in consultation with its external Market Monitoring Unit ("MMU"). NYISO staff and the MMU are alerted simultaneously when a new submittal is received. The review will occur as follows:

- (1) Establish the urgency and level of effort associated with the submission to determine the appropriate response standard.**
 - a. *Extremely time-sensitive (Urgent)***
 - i. Fuel price or availability-related**
 - b. *Incremental updates to static data (Normal-Low)***
 - i. Low level of effort required for approvers**
 - ii. Updates to individual cost families (e.g., change in RS1 rate for Suppliers)**
 - iii. Fully documented**
 - c. *Major changes to static data (Normal-High)***
 - i. High level of effort required for approvers**
 - ii. Complex updates to multiple cost-families**
- (2) The response standards indicate the time within which the NYISO will approve or reject the submission within the RLS (resulting in an automated e-mail to the Supplier). The targets for the three categories of submittals are as follows:**

- a. *Urgent : 16 hours*
- b. *Normal-Low: 2-5 business days*
- c. *Normal High: 1-3 months*

- (3) For “Urgent” submittals, the NYISO will promptly contact the MMU to review the request and, following the discussion with the MMU, promptly contact the Supplier by phone (conducting a conference call, if necessary). The discussions will identify the nature of the submittal and the basis for an immediate update. The NYISO will also communicate any concerns with the submittal and identify additional documentation required for approval. Any additional details discussed verbally will be documented in an e-mail from the NYISO and confirmed by the Supplier. If necessary, the Supplier will have the opportunity to provide additional information/detail by adding an attachment to its original RLS submittal. Based on the data documented in the RLS and/or e-mail exchange, the NYISO and its MMU will approve or deny the urgent request within 16 hours of the submittal. The NYISO will provide the basis for any denial in its comments in the RLS (viewable by the Supplier).
- (4) For “Normal-Low” submittals, the NYISO will contact the MMU within one business day to review the request and, following that discussion, contact the Supplier by phone within one additional business day. The intent of this call would be to discuss the nature of the RLS submittal and to identify any initial concerns. Any specific comments or questions would be documented in the RLS and routed automatically to the Supplier for review and response. There may be a need for subsequent conversations to resolve open issues with the submittal. To the extent not documented in RLS, substantive discussions would be documented by the NYISO in an e-mail to the Supplier with a reply confirmation from the Supplier. Based on the data documented in the RLS and/or or e-mail exchange, the NYISO and its MMU will approve or deny the update within 5 business days of the submittal. The NYISO will provide the basis for any denial in its comments in the RLS (viewable by the Supplier).
- (5) For “Normal-High” submittals, the NYISO will contact the MMU within two business days to review the request, and following that discussion schedule a conference call with the Supplier and the MMU, to occur no later than five business days following receipt of the submittal. As part of the initial discussion, the NYISO and the Supplier will discuss and agree upon a communication plan, specifying the nature and timing of regularly scheduled touch-points. Within ten business days following receipt of the request, the NYISO will insert comments into the RLS indicating either that a determination has been made that all necessary supporting documentation has been provided or that additional data is required, including a detailed description of the additional data. The NYISO anticipates that such requests

for additional data would be the focus of the regular touch points or ad hoc discussions. To the extent not documented in RLS, substantive discussions would be documented by the NYISO in an e-mail to the Supplier with a reply confirmation from the Supplier. The NYISO will regularly communicate with the MMU on pending reference consultations to review open issues and to identify additional concerns. The NYISO and the MMU will log the status of internal discussions using the Comments functionality within the RLS. Based on the data documented in the RLS and/ ore-mail exchange, the NYISO and its MMU will approve or deny the update within 3 months of the submittal. The NYISO will provide the basis for any denial in its comments in the RLS (viewable by the Supplier).

- (6) The NYISO, in consultation with the MMU and the Supplier, will determine the appropriate period for which the approved updates should remain in effect.
- (7) A Supplier may request that its units be exempted from LBMP- or bid-based references because such references do not accurately reflect a generator's marginal costs. These requests need to be submitted through NYISO Customer Relations Department with a specific justification. The NYISO in consultation with its MMU and the Supplier will determine an appropriate period for which the approved exemptions will remain effect.
- (8) Each Supplier remains responsible for maintaining accurate cost information in the RLS, including timely reflecting cost decreases. Suppliers are expected to submit updated cost data in the event of material changes.

II. Mitigation Consultations

Suppliers whose bids are mitigated may seek to consult on their generators' reference levels after the mitigation has occurred. These requests need to be submitted and documented by opening a Service Center ticket. The Supplier is required to attach a Consultation Request form (see Appendix A to this Technical Bulletin) to the Service Center ticket. An electronic version of form is posted on the NYISO website at http://www.nyiso.com/public/markets_operations/services/market_monitoring/index.jsp.

Upon being noticed of the consultation request, NYISO will initiate its review jointly with its MMU. The review will occur as follows:

- (1) The NYISO will contact the Supplier within five business days to review consultations opened within the preceding five business days. This initial review will be to:

- a. confirm receipt of request;
 - b. review Consultation Request Form and data submittal;
 - c. ask any clarifying questions;
 - d. identify any documentation concerns; and/or
 - e. discuss root causes of mitigation and resolutions.
- (2) At the time of the initial review, the NYISO and the Supplier will also determine whether and when subsequent touchpoints may be required to address the consultations. Such touchpoints would be to:
 - a. discuss status of open consultation tickets and tickets ready for closure;
 - b. alert Supplier as to expected resolution and resettlement date (if any); and/or
 - c. resolve open questions (if any).
- (3) The NYISO will review each mitigation consultation to identify a root cause and collaborate with the Supplier and the MMU to design and implement a plan to reduce future occurrences.

III. Operational Metrics/Scorecard

- (1) The NYISO will monitor the timeliness of mitigation and reference level consultation resolution against the following targets and report to MIWG on a quarterly basis. Targets will be reviewed annually as part of the goal setting process.
 - a. Reference Level Consultations
 - i. Urgent : 16 hours
 - ii. Normal-Low: 2-5 business days
 - iii. Normal High: 1-3 months
 - b. Mitigation Consultations
 - i. 75% of fully documented, consultation requests resolved within 20 business days
 - ii. 100% within 50 business days
- (2) The NYISO will monitor and report on the results of its root cause analyses to MIWG on a quarterly basis.

IV. NYISO-initiated Consultations

The NYISO, in consultation with its MMU, performs periodic reviews of RLS cost data in order to ensure its completeness and accuracy. This may result in the need to re-verify or revise previously-approved RLS data. Reviews of existing reference level information will be implemented as follows:

- (1) Upon determining that an update may be required, the NYISO will provide the Supplier with notice of:

- a. the revision that the NYISO is considering;
 - b. the amounts and or categories that the NYISO proposes to revise;
 - c. the specific reason(s) for revision, including any documentation, justification or other information that supports the need for a revision
 - d. the date on which notice is being provided; and
 - e. the last date on which a Supplier may submit explanatory information.
- (2) A Supplier will have no less than ten business days after the day on which it receives notice to provide the NYISO with any documents, justifications, and other information that supports inclusion of the cost in question. Dependent upon the complexity of the information requested, the NYISO may provide additional time for the Supplier to respond.
- (3) After the last day a Supplier can submit explanatory information, the NYISO will ordinarily require 5 business days to determine whether to proceed with the revision.
- (4) The NYISO will inform the Supplier whether or not it will be implementing the revised cost data at least three business days prior to implementing the change, unless the NYISO, in consultation with the MMU, determines that the inaccurate reference level is having a significant impact on market clearing prices or guarantee payments, and needs to be modified sooner.

Consultation Request Form	
Organization:	<input type="text"/>
Units(s):	<input type="text"/>
Dates and Hours Mitigated:	<input type="text"/>
Type of Mitigation:	DA AMP
Component Mitigated:	Start-Up
Specific nature of consultation request (i.e., how is the calculated reference level incorrect or why was it inappropriate to apply mitigation)	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
<input type="text"/>	
Back-Up documentation (e.g., fuel invoices and burns)	
<input type="text"/>	

File will be an xls file with drop-downs for “Type of Mitigation” and “Component Mitigated”.