

# ***Business Issues Committee***

## **September 21, 2005 Meeting**

### **Motion - Agenda #08**

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The Business Issues Committee (BIC) hereby approves revisions to the NYISO Voltage Support Service Program, as noted below, and recommends that the Management Committee support a tariff filing to implement these changes:

- 1) To move to Net Lagging at the point of interconnection compensation measurement;
- 2) To provide clarification of testing requirements, as presented to the BIC at the August 24<sup>th</sup> meeting;
- 3) To the extent that a supplier does not have access to data from a net MVar meter, to require the NYISO to calculate a value based upon a gross MVar reading at the unit at issue and an established power flow calculation;
- 4) To revise the 2006 revenue requirement as follows: (i) update the 2001 revenue requirement to reflect new additions and retirements as of October 31, 2005; and (ii) add a 3% annual inflation component compounded from 2002 and applied each year on a going forward basis;
- 5) To revise payments made by loads under Rate Schedule 2 from the current load weighted share methodology to a two part methodology as follows:
  - (i) assignment of costs for existing units that were on the system in 1999 to the Transmission Owners that previously owned these units; and
  - (ii) assignment of costs for existing units that have been added to the system since 1999 to Transmission Owners in proportion to load growth or reductions since the inception of the NYISO's markets.

Tariff modifications would include allocation rates for each of the six transmission districts, and one for wheel-throughs and exports. This allocation methodology is subject to further review of the feasibility of deployment, and required timeframe for implementation. The BIC requests the NYISO to provide its assessment for considerations by the MC.

In addition, the BIC recommends that the Management Committee act to delete, as presented to the BIC on September 21st, the section from Rate Schedule 2 that requires Voltage Service payments to Non-Utility Generators ("NUGs") operating under existing power purchase agreements to be provided to the entity purchasing the NUG's Energy or Capacity, unless otherwise stipulated by that entity.