

Background for BAWG concerning Black Start manual adjustment

- LSEs that serve load in the Con Edison and O&R transmission district saw a manual adjustment on the April invoice.
- The adjustment reflects the resolution of a long-standing dispute concerning local black start services that were supplied by generators in those TDs from NYISO start-up through September 2005.
- The dispute was reported in the Billing Issues Report posted on the NYISO web site, “Section I. Business rule modifications and data corrections pending resolution” as: “Local Black Start Collection of Fees” with reference number 58.
- The NYISO was, and is, obligated to make payments to generators that are designated local black start providers. The transmission owners (who have the right to designate local black start providers) and the designated providers could not reach agreement on an implementation approach to the tariff provisions in effect during the relevant time period.
- In January 2005 NYISO legal staff advised the other parties to this dispute that the NYISO would resolve this issue pursuant to the alternative dispute resolution process of the Services Tariff if the implementation approach was not settled among the parties by the end of February 2005.
- The NYISO considered a number of factors, including, but not limited to: cost-based data for the black start equipment at issue; lengthy discussions among and between the designated suppliers and transmission owners and determined the total compensation for each generator that would be paid out in order to resolve this outstanding financial obligation.
- These payments are being made, and billed, over a four month period commencing with the April 2006 invoice.
- Interest (at the FERC refund rate) is being applied to balances carried forward until payment is complete.
- The total amounts being billed are \$5 MM in the Con Ed TD and \$1.35 MM in the O&R TD. LSEs are being charged a portion of those amounts on a load-ratio share basis.