

TCCs With POIs and / or POWs in the LIPA Service Territory

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Business Issues Committee

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Background

- ◆ **Several provisions of the OATT indicate that neither the NYISO nor LIPA are required to provide Transmission Service to any Eligible Customer if the provision of such service would result in the loss of tax-exempt status of any of LIPA’s Tax-Exempt Bonds or impair LIPA’s ability to issue future tax-exempt obligations.**
 - *See, for instance: OATT Section 2.5.5 and 19.1.1*
- ◆ **Historically, for locations on Long Island, LIPA has authorized Day-Ahead and Real-Time Energy sales and sales of TCCs with 30 day durations. These are sold only in the Reconfiguration Auctions.**

LIPA Request

- ◆ **LIPA now indicates TCCs with durations of three years or less may be made available in NYISO Centralized TCC Auctions.**
- ◆ **LIPA has advised the NYISO in writing that selling TCCs with durations of three years or less will not adversely affect the tax-exempt status of any of LIPA's Tax Exempt Bonds or impair LIPA's ability to issue future tax-exempt obligations.**
- ◆ **To effectuate this adjustment, one small change in Section 19.8.3.4 of the OATT is required.**

Proposed Tariff Revision

19.8.3 . . . In each Centralized TCC Auction, the following transmission Capacity not required to support already outstanding TCCs or Grandfathered Rights shall be available to support TCCs that can be purchased in that Centralized TCC Auction:

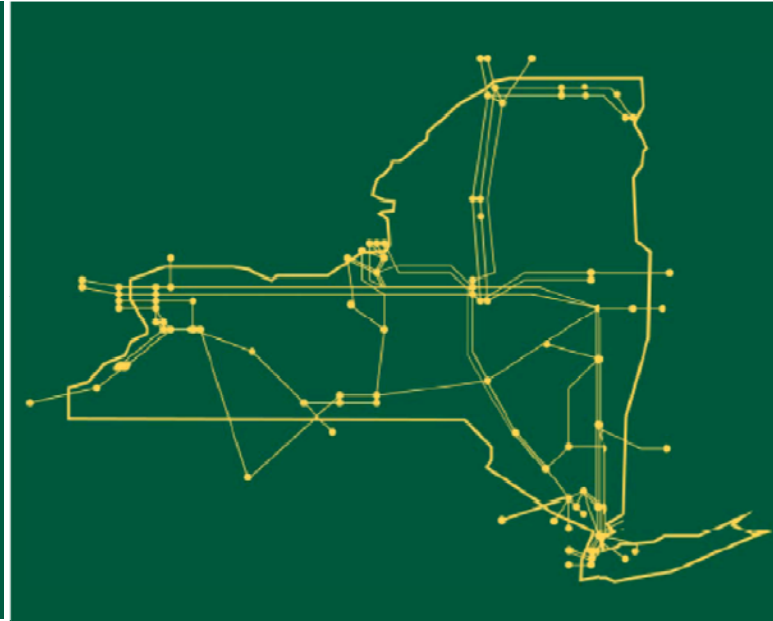
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19.8.3.4 any Residual Transmission Capacity, provided however that LIPA shall not be required to release available transmission Capacity into the Centralized TCC Auction ~~and~~ but shall release available transmission Capacity not released in the Centralized TCC Auction into the Reconfiguration Auction

Next Steps

- ◆ May MC
- ◆ June Board meeting
- ◆ Implementation for Autumn 2012
Centralized TCC Auction

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.



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