



Strategic Tariff Review

Network Integration Service

Deleting Unnecessary and Unused Sections of the
OATT & Services Tariffs

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Overview

- ◆ The Strategic Tariff Review is identifying inconsistencies, ambiguities, and out-dated material in the NYISO's Tariffs and proposing amendments to resolve them. The FERC is very supportive of this effort.
- ◆ This presentation is the second in a series of reviews of outdated or unnecessary sections of the OATT. In June, 2009, FERC approved the first proposal, the elimination of Capacity reassignment provisions in the NYISO OATT.
- ◆ This presentation describes those sections of the OATT dealing with Network Integration Service and why these sections are unnecessary to the scheduling of transmission service in the NYCA. Conforming changes to the Services tariff are also being proposed.

Overview

- ◆ Network Integration Service is a vestige of a requirement in the Commission's early NYISO orders that all *pro forma* Tariff provisions be included in ISO OATTs. As a result, the NYISO's bid-based financial transmission services were designed as point-to-point and network service.

Part III of the OATT

- ◆ Part III of the OATT provides a service known as Network Integration Service.
- ◆ It is a type of Transmission Service, separate from Point to Point service, in which customers designate loads and generators among which they want transmission service.
- ◆ Part III provides the following:
 - *Scope and nature of service*
 - *TO responsibilities*
 - *Application for Service*
 - *Customer responsibilities*
 - Designation of facilities and loads

Draft for Discussion Purposes Only

Transactions Under the OATT

- ◆ All NYISO Customers can pursue Internal Transactions through point to point service by designating a Point of Injection and a Point of Withdrawal.
- ◆ Existing transaction scheduling opportunities allow multiple sources to serve a single load and single generation units to serve multiple loads.

Part III of the OATT

- ◆ Having two financially-based transmission services has proven to be unnecessary in NY. No customer has ever requested Network Integration Service. Eliminating Network Integration Service is appropriate both for simplicity's sake and to avoid potentially burdensome NAESB requirements related to Network Service that are likely in the future.
 - *Eliminating Network Integration Service does not impact recoveries of TSCs, TUCs or any other service or cost recovery mechanism currently being used in NYISO markets.*

- ◆ The NYISO therefore proposes to remove Network Integration Service provisions from its OATT.
 - *Conforming changes to its Services Tariff are also necessary*

- ◆ These proposed changes require no software revision and will not impact any services currently being used by any customer of the NYISO.

Retention of a single provision from Part III of the OATT

- ◆ Section 33.1, a provision dealing with Load Shedding, is proposed to be amended to deal with service under Part II of the OATT and moved to Section 13.6.
 - *“The NYISO will implement Load Shedding and Curtailment procedures when the ISO determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The ISO will notify all affected Transmission Owners in a timely manner of any scheduled Curtailment.”*
 - Load Shedding as a remedial action is described in the Emergency Operations Manual

Conforming Changes

- ◆ Tariff definitions that dealt with the provision of Network Integration Service will be deleted; Tariff definitions that included references to Network Integration Service will be amended.
- ◆ The following will also be deleted:
 - *Attachment I of the OATT: Index of Network Integration Transmission Service Customers;*
 - *Attachment O: Service Agreement for Network Integration Transmission Service; and*
 - *Schedule 9: Network Integration Transmission Service, will be deleted.*
- ◆ References to Part III of the OATT, Network Integration Customers, and Network Integration Transmission Service will be deleted throughout the OATT.
- ◆ Conforming changes will be made to the Services Tariff.

Next Steps

- ◆ Schedule a vote at the September MC
- ◆ Take to the Board for filing as a Section 205 at the FERC



The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and provides comprehensive reliability planning for the state's bulk electricity system.

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