

---

# **NYISO President's Report**

*Management Committee Meeting  
June 4, 2004*

*Agenda #3*

# Report Items

---

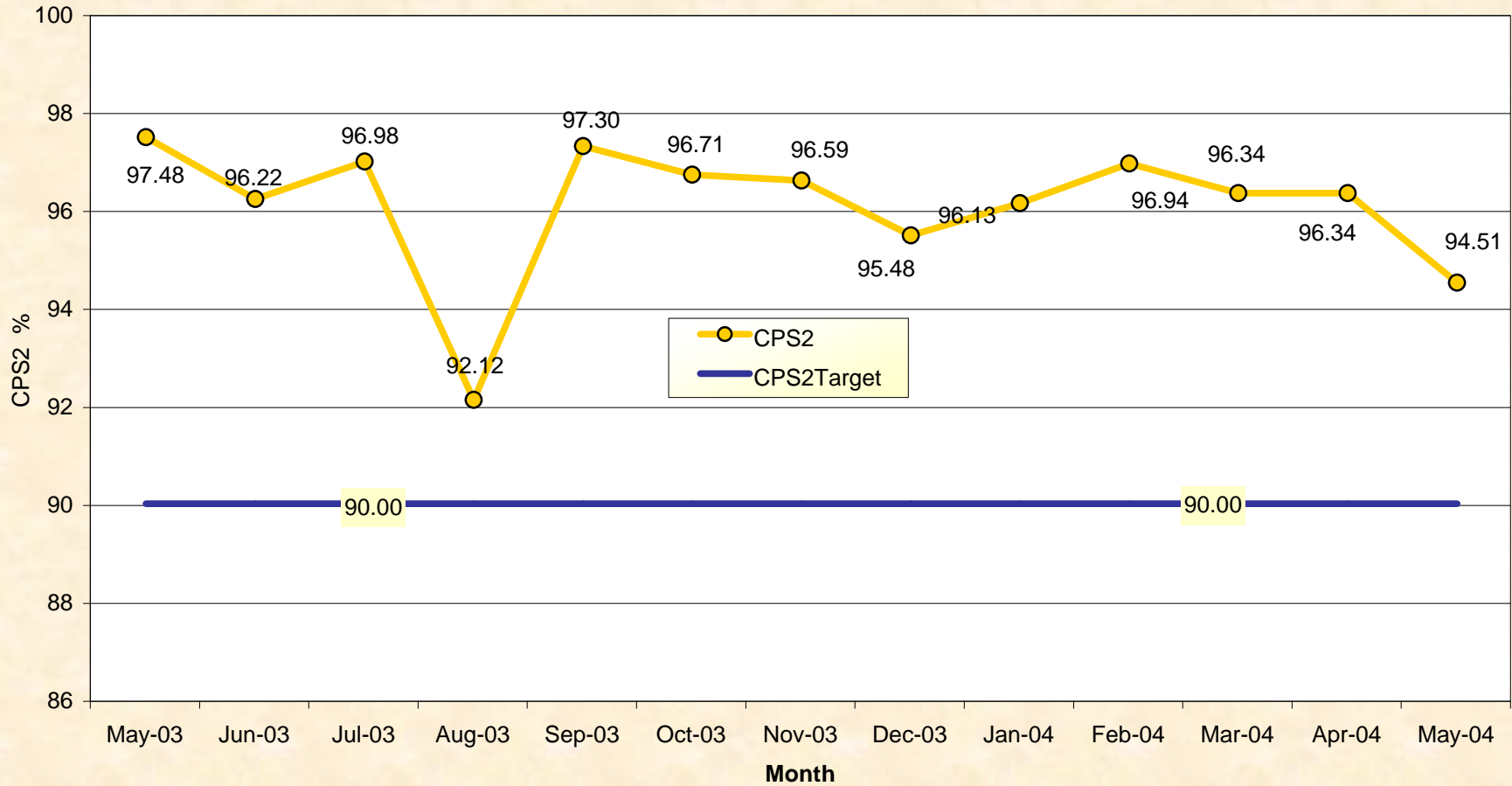
- Market Performance Highlights
- SMD 2.0 Update
- Presentation on Extraordinary Costs
- NYISO Facilities Consolidation

# Market Performance Highlights for May, 2004

- Higher LBMP's have led to an increase in the NYISO Average Cost from \$55.14/MWh in April to \$69.94/MWh in May. This is due to primarily to higher loads and high fuel prices.
- The Average Monthly Prices of all fuels are up relative to last month and up relative to last year. For example, natural gas is \$6.81/mmBTU this month, up 9% from last month and 10% from May 2003.
- A DAM Mitigation software change was deployed May 1<sup>st</sup>. This has led to a decrease in the percent of DAM committed unit hours mitigated in NYC from 43% last month, to 8% this month(66% in May 2003).
- Sporadic difficulties with the legacy system have resulted in an increase in price reservations for May. The level of price corrections has remained stable.

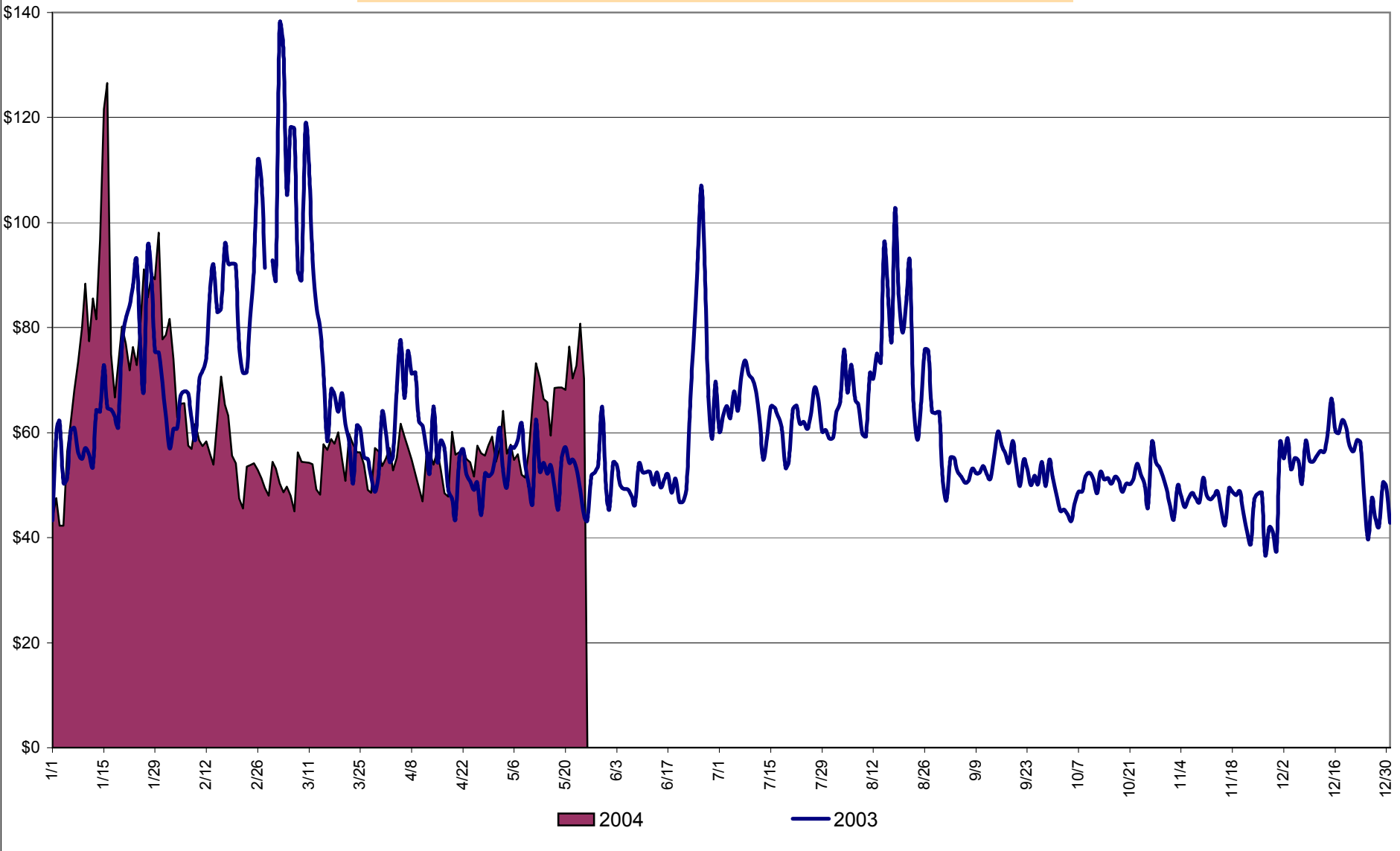
# NERC Control Performance Standard

NYISO Compliance  
Year 2003/2004



**CPS2 for May = 94.51% Compliance Threshold = 90%**  
**CPS2 measures excessive unscheduled power flow resulting from large Area Control Error (ACE)**

**Daily NYISO Average Cost/MWH (Energy & Ancillary Services)\***  
**2003 Annual Average \$62.35/MWH**  
**May 2003 YTD Average \$68.83/MWH**  
**May 2004 YTD Average \$63.33/MWH**



4-A  
Preliminary thru 5/25/04

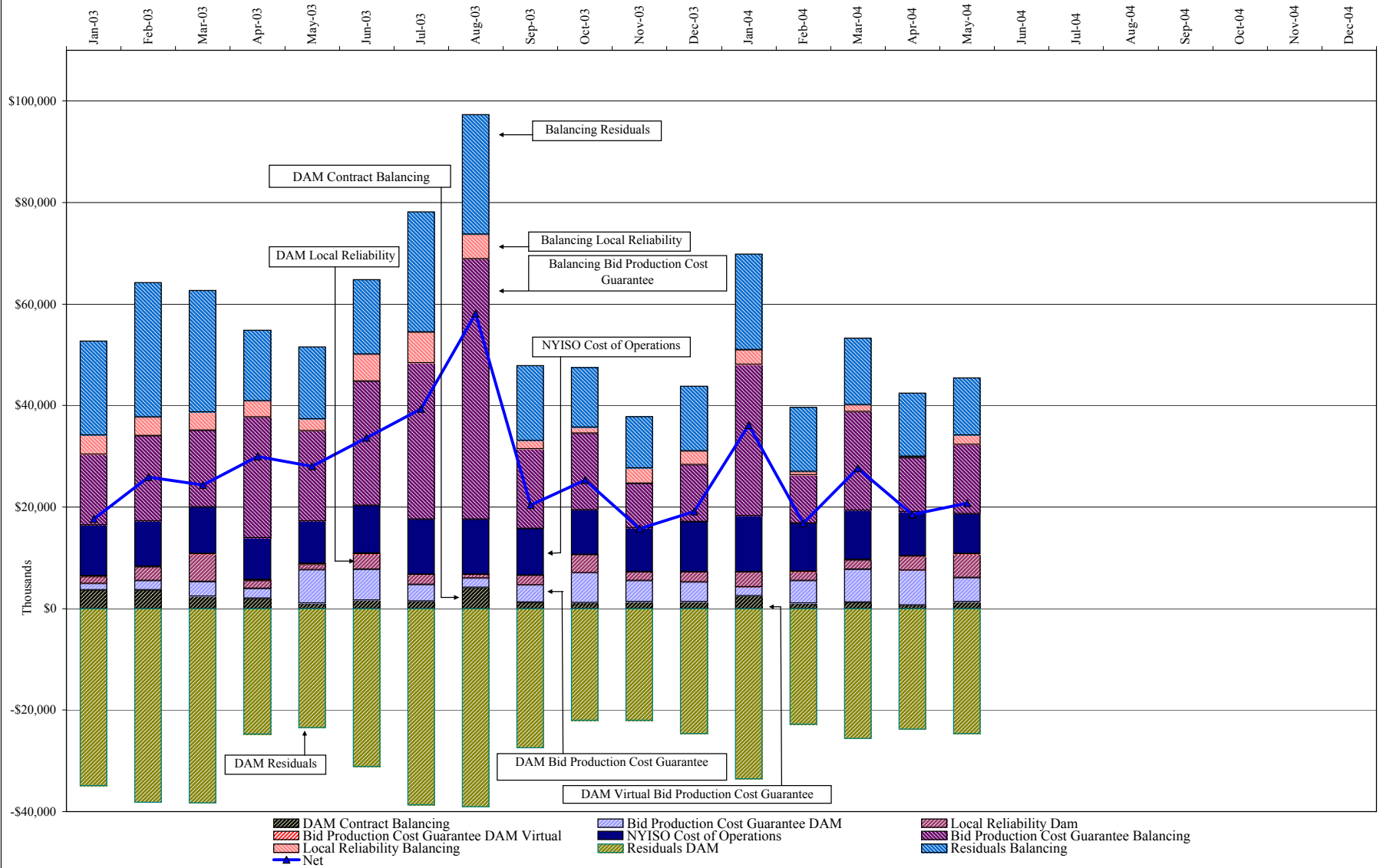
**NYISO Average Cost/MWH (Energy and Ancillary Services)\*  
from the LBMP Customer point of view**

<b>2004</b>		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	76.13	57.11	50.60	52.49	62.13							
	NTAC	0.47	0.42	0.55	0.51	0.42							
	Reserve	0.27	0.14	0.20	0.17	0.15							
	Regulation	0.18	0.31	0.25	0.13	0.12							
	NYISO Cost of Operations	0.73	0.73	0.73	0.73	0.73							
	Uplift	1.57	0.47	1.25	0.76	1.03							
	Voltage Support and Black Start	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>	<u>0.36</u>							
	<b>Avg Monthly Cost</b>	79.72	59.54	53.94	55.14	64.94							
	 Avg YTD Cost	79.72	70.68	65.28	63.02	63.33							

<b>2003</b>		January	February	March	April	May	June	July	August	September	October	November	December
	LBMP	66.34	76.59	78.31	54.28	49.77	57.37	60.10	68.14	50.82	47.05	43.37	52.19
	NTAC	0.42	0.36	0.67	0.46	0.45	0.40	0.54	0.37	0.25	0.29	0.52	0.37
	Reserve	0.47	0.35	0.45	0.40	0.47	0.25	0.15	0.22	0.13	0.10	0.18	0.16
	Regulation	0.27	0.28	0.39	0.32	0.65	0.32	0.19	0.18	0.33	0.51	0.46	0.25
	NYISO Cost of Operations	0.70	0.69	0.69	0.69	0.69	0.70	0.70	0.70	0.70	0.70	0.69	0.70
	Uplift	0.30	1.09	0.95	1.69	1.51	1.70	1.79	2.73	0.77	1.21	0.45	0.57
	Voltage Support and Black Start	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>	<u>0.34</u>
	<b>Avg Monthly Cost</b>	68.83	79.71	81.81	58.18	53.89	61.08	63.82	72.68	53.35	50.20	46.01	54.58
	 Avg YTD Cost	68.83	74.02	76.58	72.21	68.83	67.45	66.80	67.72	66.19	64.70	63.14	62.39

\* Excludes ICAP payments

## NYISO Dollar Flows - Uplift - OATT Schedule 1 components



DAM Contract Balancing amounts are for payments made to generating units to make them whole for being dispatched below their Day-Ahead schedule, as a result of out-of-merit dispatches.

DAM Bid Production Cost Guarantees for Virtual Transactions are included in the chart and are shown from the inception of Virtual Transactions. These values are small and cannot be identified on the chart.

DAM residuals are revenue charged or returned to customers due to the under or over collection of funds. On this chart, negative values represent funds returned to Transmission Customers (through Transmission Owners' Transmission Service Charges).

## NYISO Markets Transactions

Transactions by Market 2004	January	February	March	April	May	June	July	August	September	October	November	December
<b>Day Ahead Market MWH</b>	14,614,304	12,806,346	12,836,889	11,818,317	10,549,525							
DAM LSE Internal LBMP Energy Sales	52%	50%	51%	51%	47%							
DAM External TC LBMP Energy Sales	4%	2%	3%	3%	4%							
DAM Bilateral - Internal Bilaterals	41%	45%	44%	44%	46%							
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	0%	0%							
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	1%	1%	1%							
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	1%	1%							
<b>Balancing Energy Market MWH</b>	367,460	269,220	508,837	238,876	315,685							
Balancing Energy LSE Internal LBMP Energy Sales	66%	31%	61%	84%	31%							
Balancing Energy External TC LBMP Energy Sales	57%	78%	41%	38%	74%							
Balancing Energy Bilateral - Internal Bilaterals	-20%	0%	0%	-9%	4%							
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	0%	1%	0%	0%	0%							
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	0%	1%	1%							
Balancing Energy Bilateral - Wheel Through Bilaterals	-4%	-11%	-3%	-14%	-11%							
<b>Transactions Summary</b>												
LBMP	58%	54%	56%	55%	53%							
Internal Bilaterals	40%	44%	42%	43%	45%							
Import Bilaterals	1%	1%	1%	0%	0%							
Export Bilaterals	1%	1%	1%	1%	1%							
Wheels Through	1%	0%	1%	0%	1%							
<b>Market Share of Total Load</b>												
Day Ahead Market	97.5%	97.9%	96.2%	98.0%	97.1%							
Balancing Energy †	2.5%	2.1%	3.8%	2.0%	2.9%							
Total MWH	14,981,764	13,075,566	13,345,726	12,057,193	10,865,210							
Average Daily Energy Sendout/Month GWh	464	440	416	393	414							

## Transactions by Market 2003

<b>Day Ahead Market MWH</b>	14,187,752	12,695,868	13,126,563	11,997,655	12,029,453	13,341,831	15,444,857	15,759,082	13,003,309	12,507,780	12,332,456	13,973,266
DAM LSE Internal LBMP Energy Sales	46%	48%	46%	49%	46%	48%	55%	57%	49%	48%	47%	48%
DAM External TC LBMP Energy Sales	1%	1%	1%	1%	2%	2%	1%	0%	1%	2%	2%	2%
DAM Bilateral - Internal Bilaterals	50%	49%	50%	46%	49%	46%	43%	40%	48%	47%	48%	46%
DAM Bilateral - Import/Non-LBMP Market Bilaterals	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
DAM Bilateral - Export/Non-LBMP Market Bilaterals	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%
DAM Bilateral - Wheel Through Bilaterals	1%	1%	1%	2%	2%	2%	1%	1%	1%	1%	1%	2%
<b>Balancing Energy Market MWH</b>	347,539	285,381	376,222	235,800	278,939	291,519	208,142	-55,913	394,363	338,562	319,065	385,707
Balancing Energy LSE Internal LBMP Energy Sales	58%	35%	52%	72%	48%	39%	53%	-146%	65%	53%	26%	43%
Balancing Energy External TC LBMP Energy Sales	58%	80%	95%	73%	69%	78%	79%	242%	44%	61%	77%	68%
Balancing Energy Bilateral - Internal Bilaterals	-6%	-10%	-2%	0%	-5%	5%	-2%	-75%	1%	3%	0%	-2%
Balancing Energy Bilateral - Import/Non-LBMP Market Bilaterals	4%	1%	1%	1%	1%	0%	0%	2%	0%	0%	0%	0%
Balancing Energy Bilateral - Export/Non-LBMP Market Bilaterals	0%	0%	-38%	0%	0%	0%	0%	-14%	0%	0%	0%	0%
Balancing Energy Bilateral - Wheel Through Bilaterals	-14%	-7%	-8%	-46%	-14%	-23%	-31%	-109%	-10%	-16%	-3%	-9%
<b>Transactions Summary</b>												
LBMP	49%	50%	49%	52%	49%	52%	56%	58%	51%	52%	51%	52%
Internal Bilaterals	48%	47%	48%	45%	48%	46%	42%	40%	46%	46%	47%	45%
Import Bilaterals	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Export Bilaterals	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Wheels Through	1%	1%	1%	1%	1%	1%	1%	1%	0%	1%	1%	2%
<b>Market Share of Total Load</b>												
Day Ahead Market	97.6%	97.8%	97.2%	98.1%	97.7%	97.9%	98.7%	100.4%	97.1%	97.4%	97.5%	97.3%
Balancing Energy †	2.4%	2.2%	2.8%	1.9%	2.3%	2.1%	1.3%	-0.4% *	2.9%	2.6%	2.5%	2.7%
Total MWH	14,535,291	12,981,249	13,502,785	12,233,455	12,308,392	13,633,350	15,652,999	15,703,169	13,397,672	12,846,342	12,651,521	14,358,973
Average Daily Energy Sendout/Month GWh	458	450	418	393	382	432	497	498	433	397	402	435

† Balancing Energy: Load(MW) purchased at Real Time LBMP.

\* The signs for the detail section intuitively reflect the direction of power flow eliminating the use of double negatives when Balancing Energy is negative.

Notes: Percent totals may not equal 100% due to rounding.

Virtual Transactions are not reflected in this chart.



### NYISO Markets 2004 Energy Statistics

	January	February	March	April	May	June	July	August	September	October	November	December
<b><u>DAY AHEAD LBMP</u></b>												
Price *	\$72.12	\$55.31	\$49.08	\$51.01	\$57.25							
Standard Deviation	\$25.99	\$14.40	\$10.90	\$11.42	\$16.72							
Load Wtg.Price **	\$75.01	\$56.90	\$50.44	\$52.50	\$59.89							
<b><u>BME *** LBMP</u></b>												
Price *	\$77.51	\$54.41	\$53.01	\$56.94	\$60.98							
Standard Deviation	\$37.54	\$15.73	\$16.25	\$18.41	\$23.58							
Load Wtg.Price **	\$80.51	\$55.89	\$54.71	\$58.89	\$64.14							
<b><u>REAL TIME LBMP</u></b>												
Price *	\$73.72	\$52.95	\$49.56	\$50.83	\$56.40							
Standard Deviation	\$32.61	\$15.04	\$17.75	\$14.15	\$26.91							
Load Wtg.Price **	\$76.85	\$54.33	\$51.27	\$52.36	\$59.84							
Average Daily Energy Sendout/Month GWh	464	440	416	393	408							

### NYISO Markets 2003 Energy Statistics

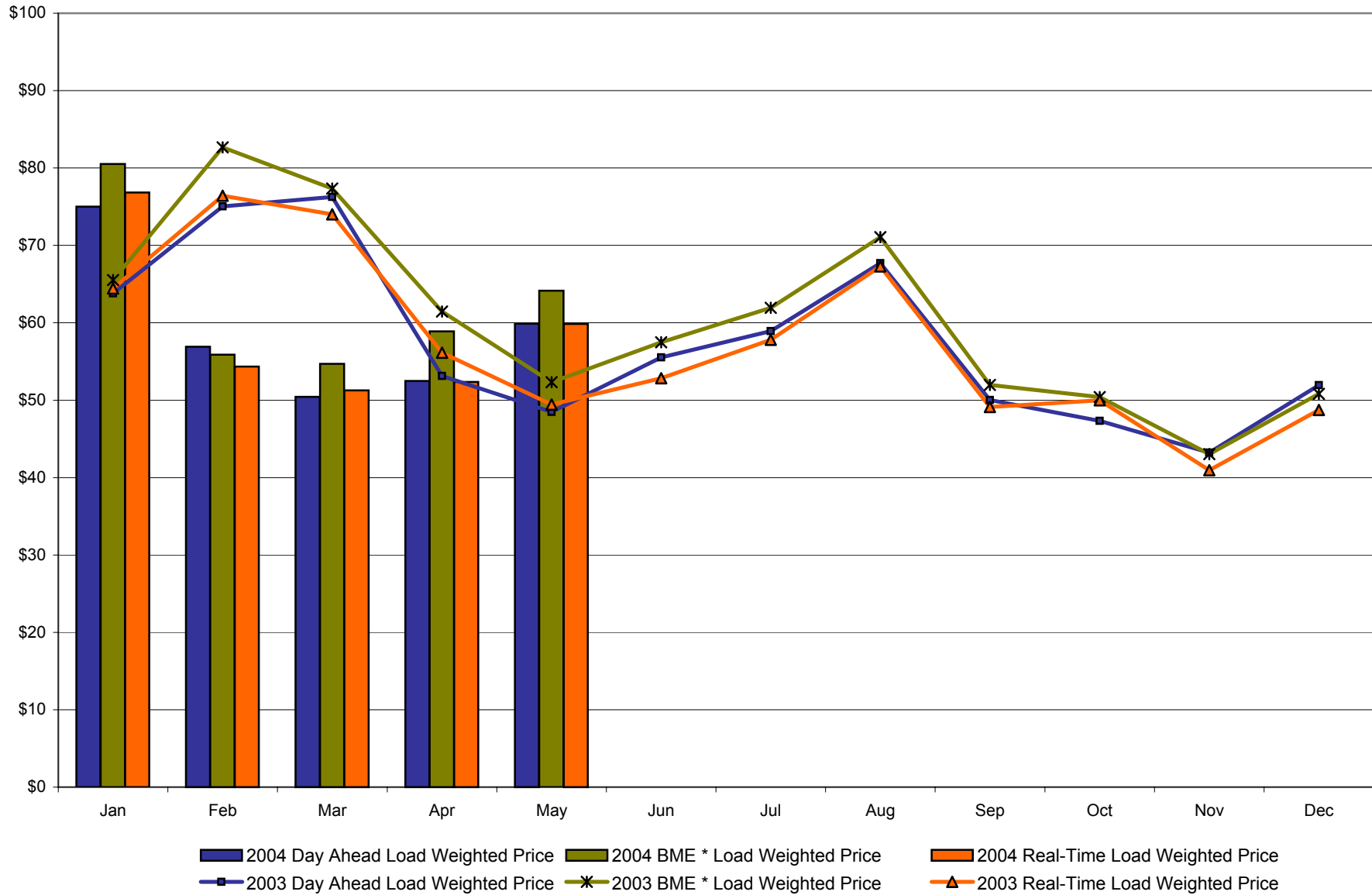
	January	February	March	April	May	June	July	August	September	October	November	December
<b><u>DAY AHEAD LBMP</u></b>												
Price *	\$61.33	\$72.81	\$73.18	\$51.58	\$46.43	\$51.45	\$57.10	\$64.94	\$48.29	\$45.81	\$41.58	\$50.07
Standard Deviation	\$20.09	\$21.12	\$29.70	\$12.47	\$14.03	\$21.27	\$11.88	\$18.06	\$11.04	\$10.91	\$12.06	\$14.92
Load Wtg.Price **	\$63.81	\$75.03	\$76.25	\$53.14	\$48.47	\$55.52	\$58.93	\$67.71	\$50.02	\$47.34	\$43.21	\$51.95
<b><u>BME *** LBMP</u></b>												
Price *	\$63.19	\$80.25	\$74.27	\$59.22	\$50.27	\$53.84	\$59.99	\$67.63	\$50.34	\$48.74	\$41.01	\$48.73
Standard Deviation	\$25.43	\$41.53	\$32.77	\$25.00	\$16.37	\$22.27	\$14.82	\$72.20	\$14.01	\$15.35	\$18.51	\$18.89
Load Wtg.Price **	\$65.54	\$82.65	\$77.33	\$61.45	\$52.31	\$57.49	\$61.94	\$71.07	\$51.96	\$50.39	\$43.05	\$50.81
<b><u>REAL TIME LBMP</u></b>												
Price *	\$61.53	\$74.03	\$70.54	\$53.94	\$46.74	\$48.96	\$55.94	\$64.32	\$47.24	\$48.57	\$38.72	\$46.45
Standard Deviation	\$30.16	\$37.46	\$37.97	\$28.70	\$23.03	\$21.57	\$13.68	\$34.91	\$15.52	\$25.74	\$22.35	\$20.55
Load Wtg.Price **	\$64.43	\$76.41	\$74.02	\$56.14	\$49.44	\$52.82	\$57.79	\$67.27	\$49.12	\$49.98	\$40.96	\$48.73
Average Daily Energy Sendout/Month GWh	458	450	418	393	382	432	497	498	433	397	402	435

\* Average zonal load weighted prices

\*\* Average zonal load weighted prices, load weighted in each hour

\*\*\* Commonly referred to as Hour Ahead Market (HAM)

**NYISO Monthly Average Internal LBMPs  
2003 - 2004**



\* Commonly referred to as Hour Ahead Market (HAM)

4-F  
Preliminary thru 5/31/04

**May 2004 Zonal Statistics for NYISO (\$/MWH)**

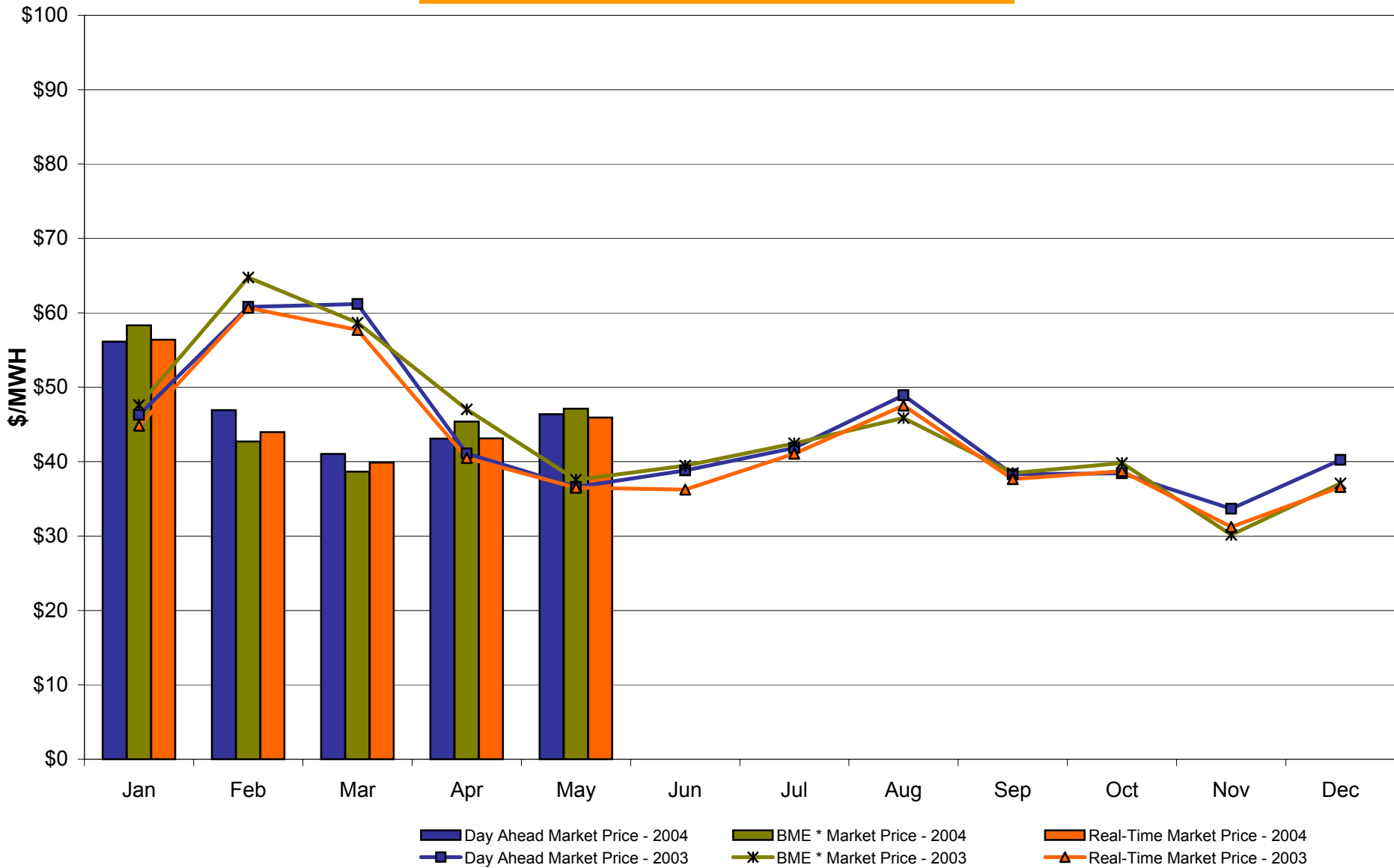
	<b>WEST Zone A</b>	<b>GENESEE Zone B</b>	<b>NORTH Zone D</b>	<b>CENTRAL Zone C</b>	<b>MOHAWK VALLEY Zone E</b>	<b>CAPITAL Zone F</b>	<b>HUDSON VALLEY Zone G</b>	<b>MILLWOOD Zone H</b>	<b>DUNWOODIE Zone I</b>	<b>NEW YORK CITY Zone J</b>	<b>LONG ISLAND Zone K</b>
<b><u>DAY AHEAD LBMP</u></b>											
Unweighted Price *	46.38	48.95	50.61	50.37	51.81	55.22	55.55	55.74	56.51	63.77	69.73
Standard Deviation	13.35	13.95	14.04	14.44	14.71	15.10	16.02	16.39	16.69	21.44	15.52
<b><u>BME ** LBMP</u></b>											
Unweighted Price *	47.12	48.49	52.78	52.51	53.72	55.22	56.38	56.43	57.21	71.92	81.42
Standard Deviation	16.37	16.76	17.45	17.91	18.17	18.63	19.28	20.50	20.81	30.50	49.10
<b><u>REAL TIME LBMP</u></b>											
Unweighted Price *	45.93	48.47	49.45	49.01	50.72	50.72	53.20	54.93	55.74	65.20	71.85
Standard Deviation	20.85	21.63	22.06	22.05	22.74	23.96	25.01	29.09	29.54	30.88	30.47
	<b>ONTARIO IMO Zone O</b>	<b>HYDRO QUEBEC Zone M</b>	<b>PJM Zone P</b>	<b>NEW ENGLAND Zone N</b>							
<b><u>DAY AHEAD LBMP</u></b>											
Unweighted Price *	45.49	51.04	49.04	55.28							
Standard Deviation	12.98	14.55	14.98	15.47							
<b><u>BME ** LBMP</u></b>											
Unweighted Price *	45.90	75.42	52.01	56.08							
Standard Deviation	15.75	141.06	18.54	18.19							
<b><u>REAL TIME LBMP</u></b>											
Unweighted Price *	46.11	49.39	47.90	52.97							
Standard Deviation	20.81	19.29	21.69	23.08							

\* Straight zonal LBMP averages

\*\* Commonly referred to as Hour Ahead Market (HAM)

4-G  
Preliminary thru 5/26/04

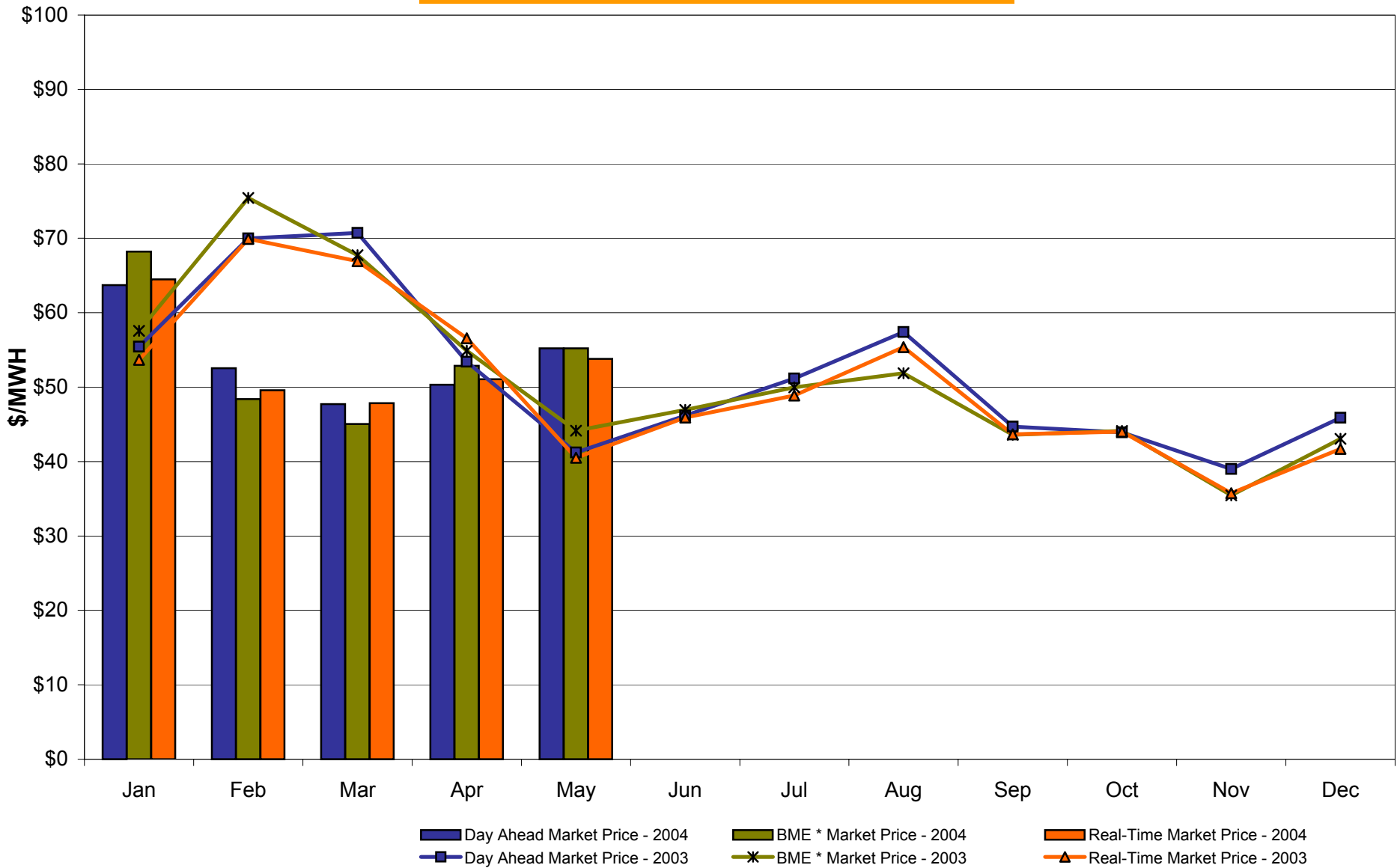
## West Zone A Monthly Average LBMP Prices 2003 - 2004



\* Commonly referred to as Hour Ahead Market (HAM)

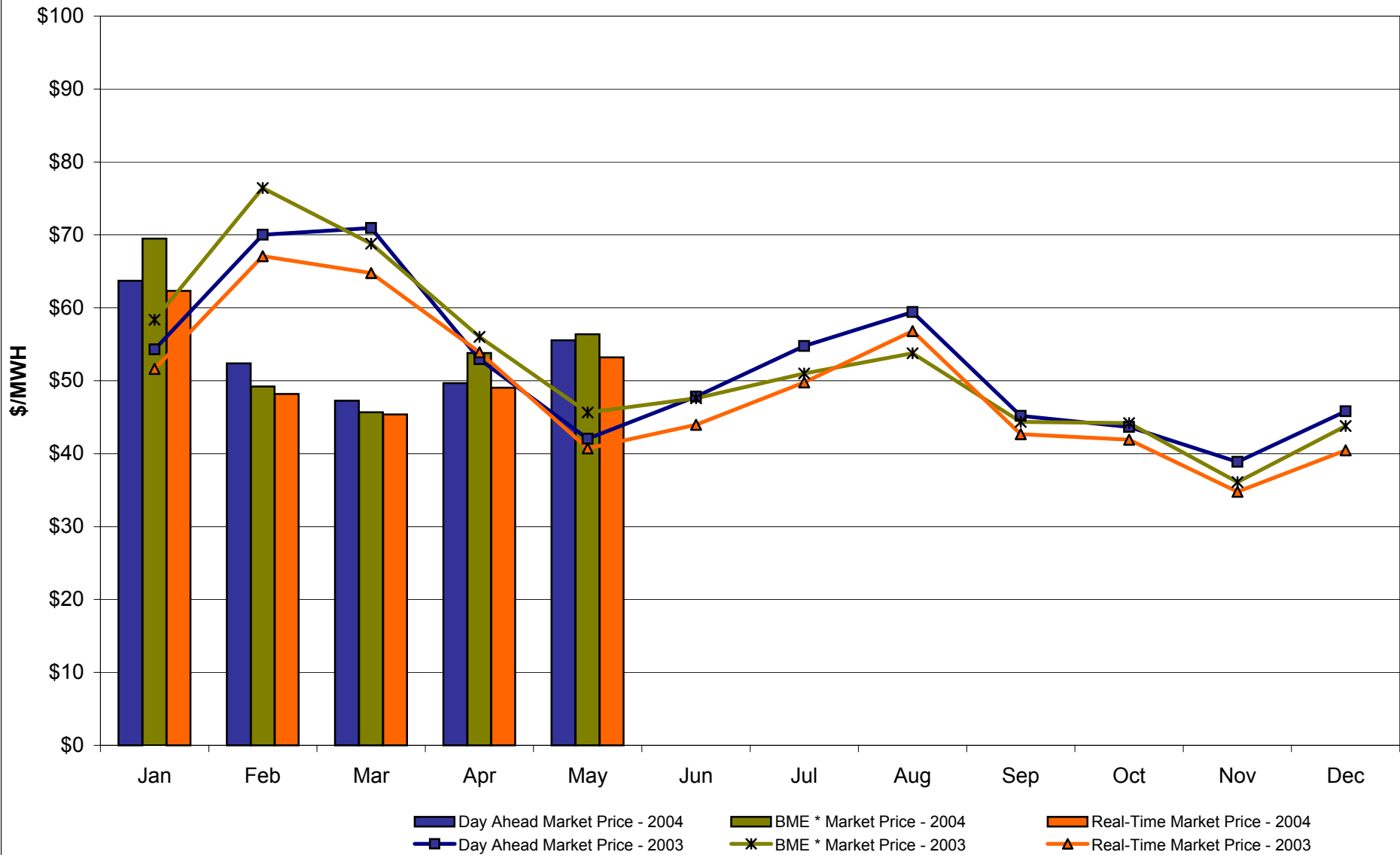
4-H  
Preliminary thru 5/26/04

## Capital Zone F Monthly Average LBMP Prices 2003 - 2004



\* Commonly referred to as Hour Ahead Market (HAM)

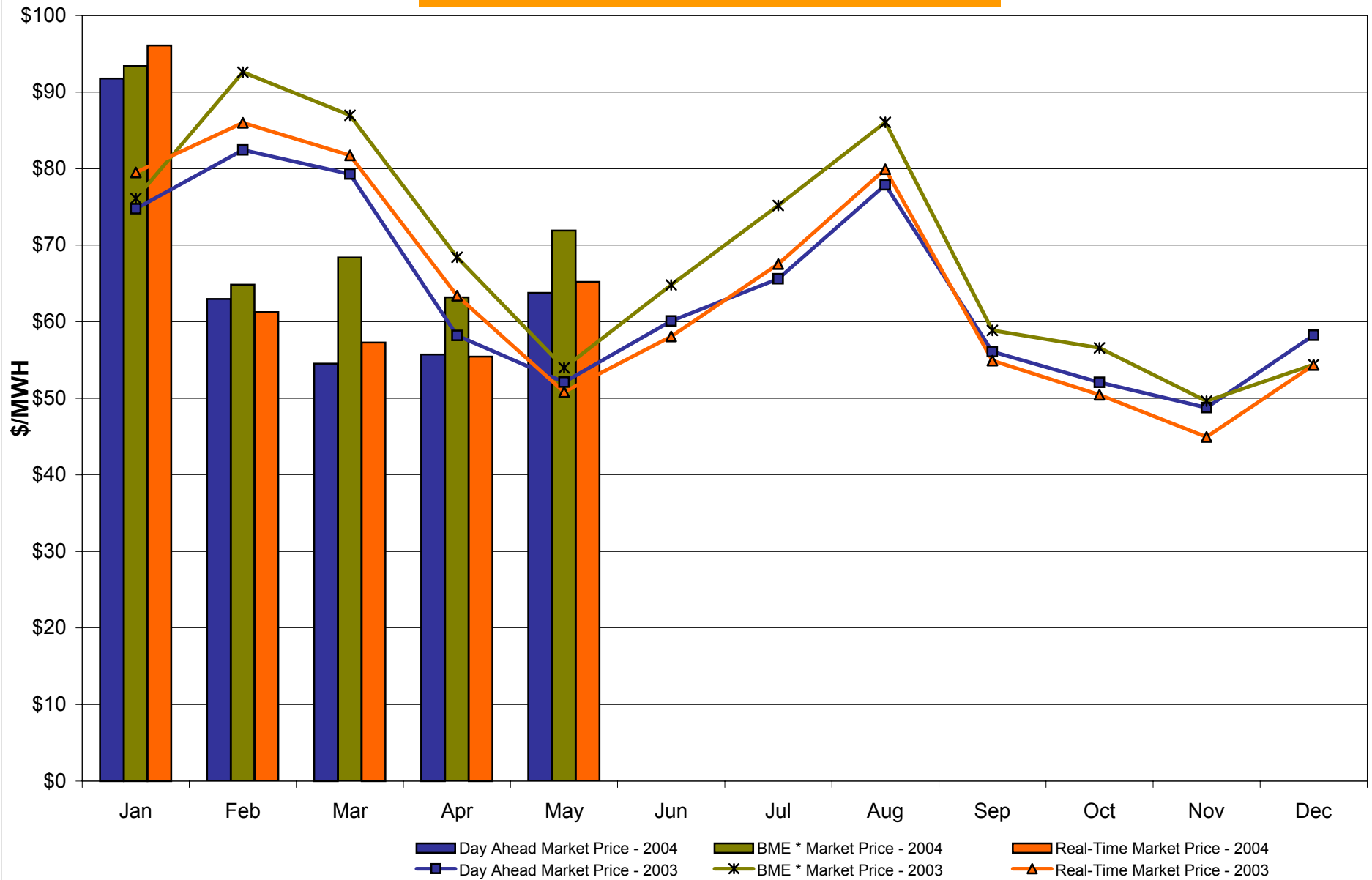
## Hudson Valley Zone G Monthly Average LBMP Prices 2003 - 2004



\* Commonly referred to as Hour Ahead Market (HAM)

4-J  
Preliminary thru 5/26/04

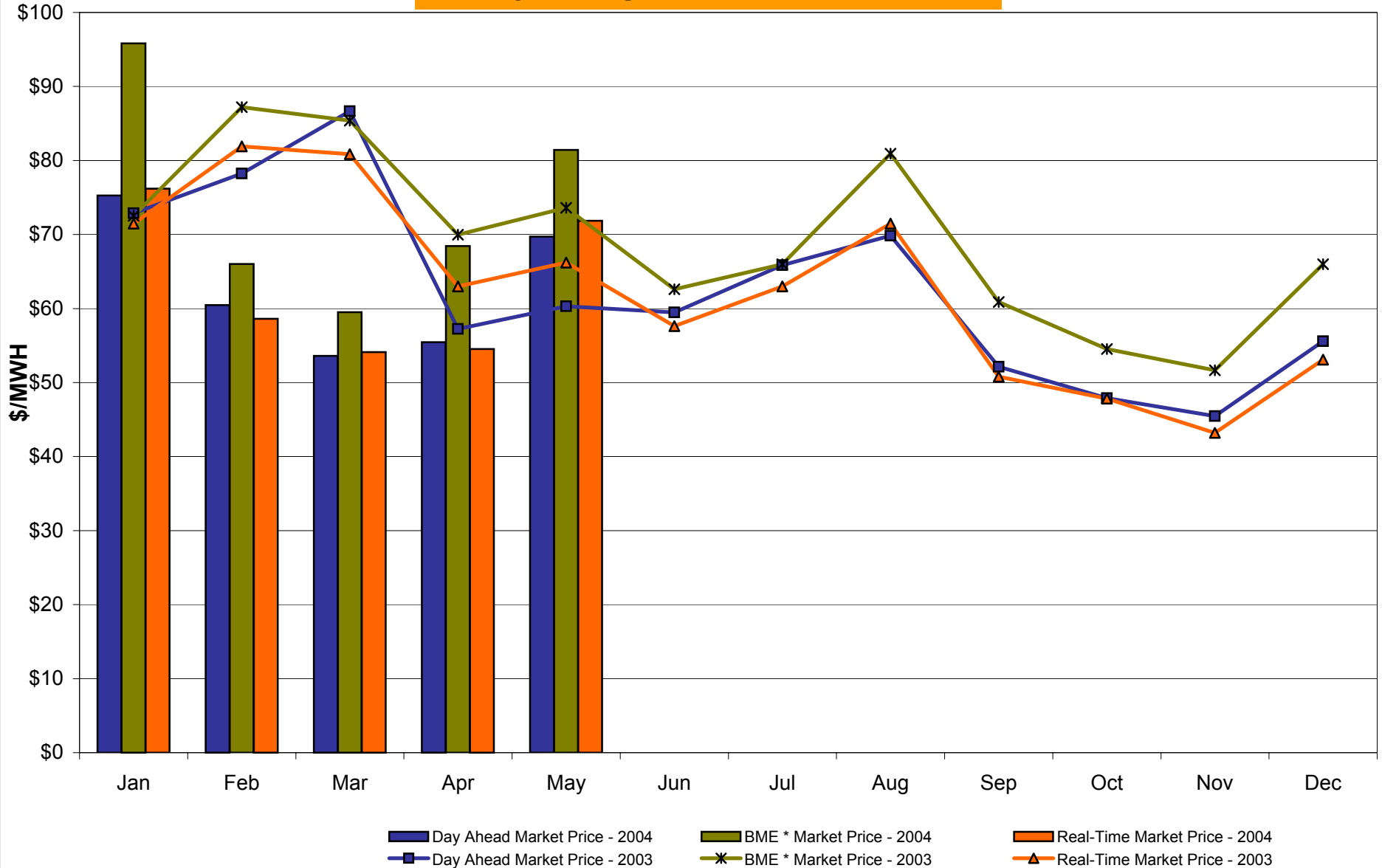
## NYC Zone J Monthly Average LBMP Prices 2003 - 2004



\* Commonly referred to as Hour Ahead Market (HAM)

4-K  
Preliminary thru 5/26/04

## Long Island Zone K Monthly Average LBMP Prices 2003 - 2004

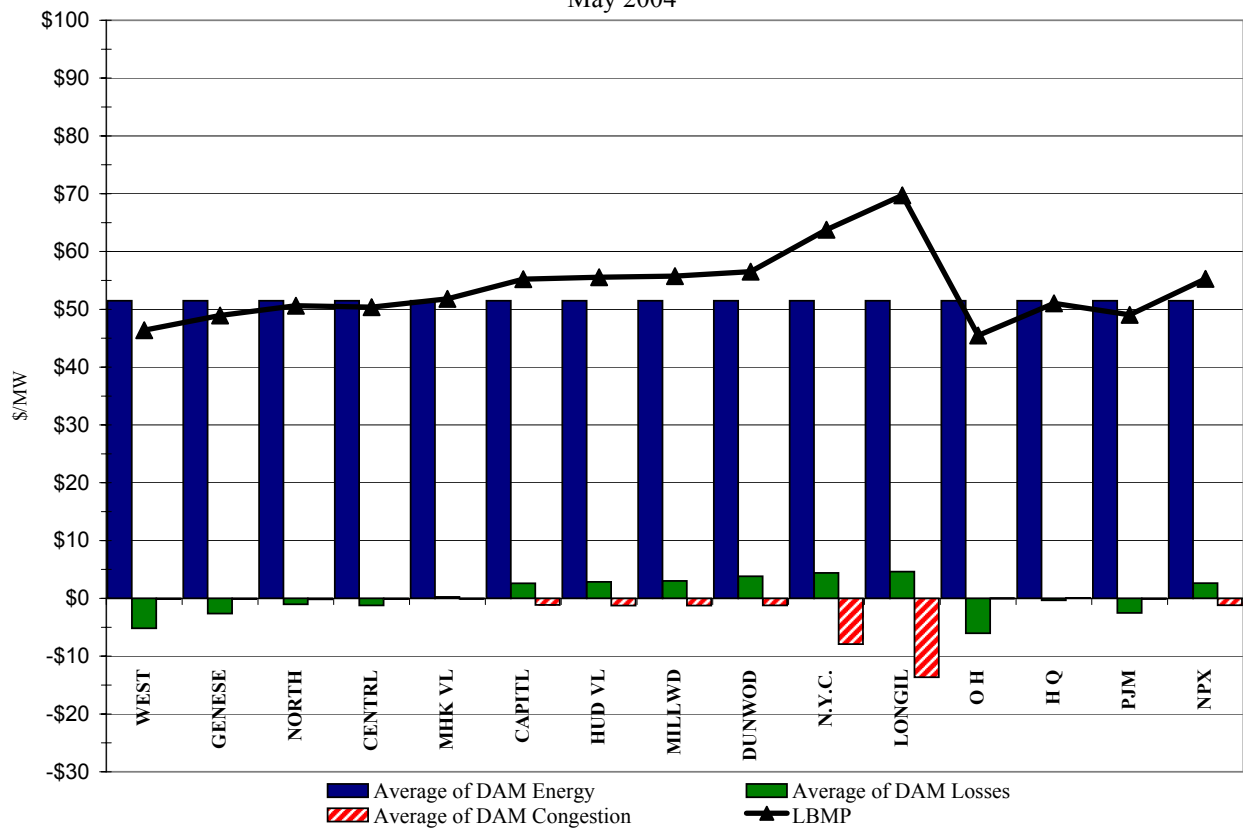


4-L  
Preliminary thru 5/26/04

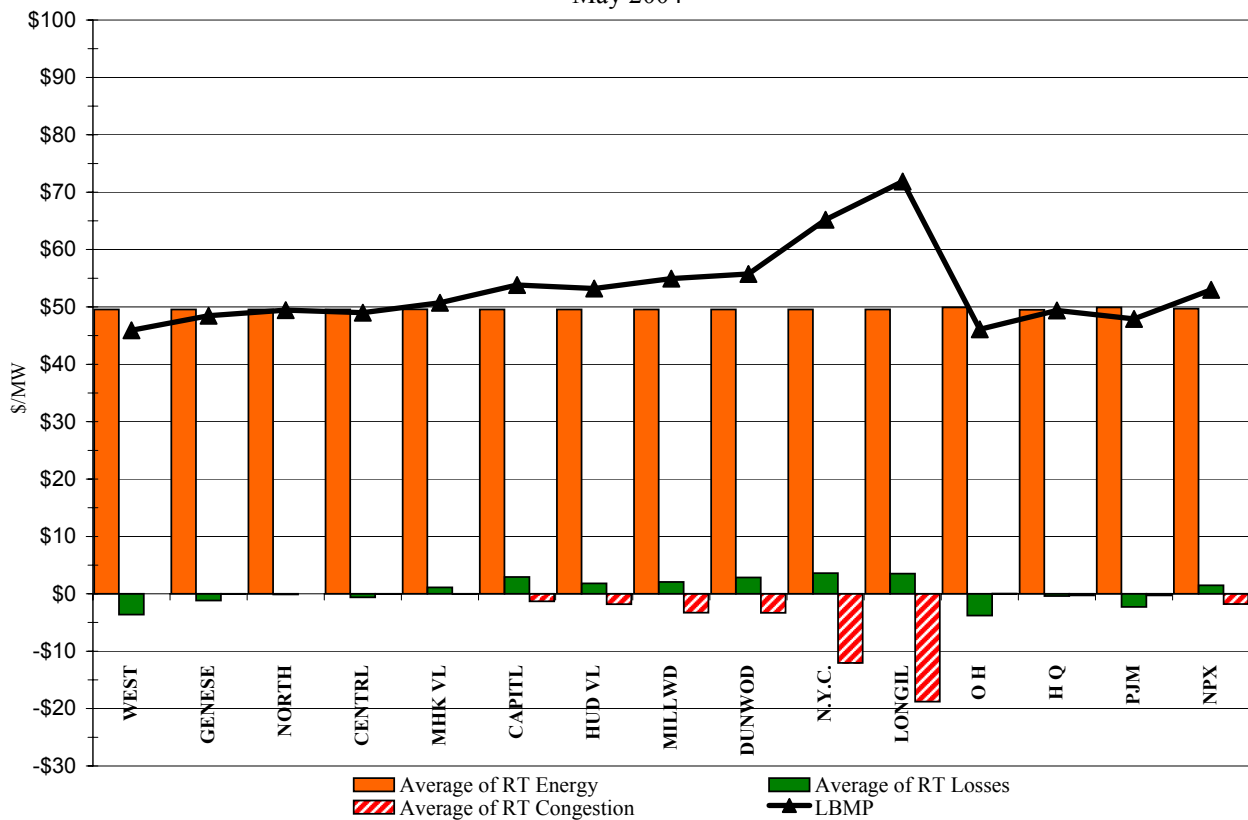
\* Commonly referred to as Hour Ahead Market (HAM)



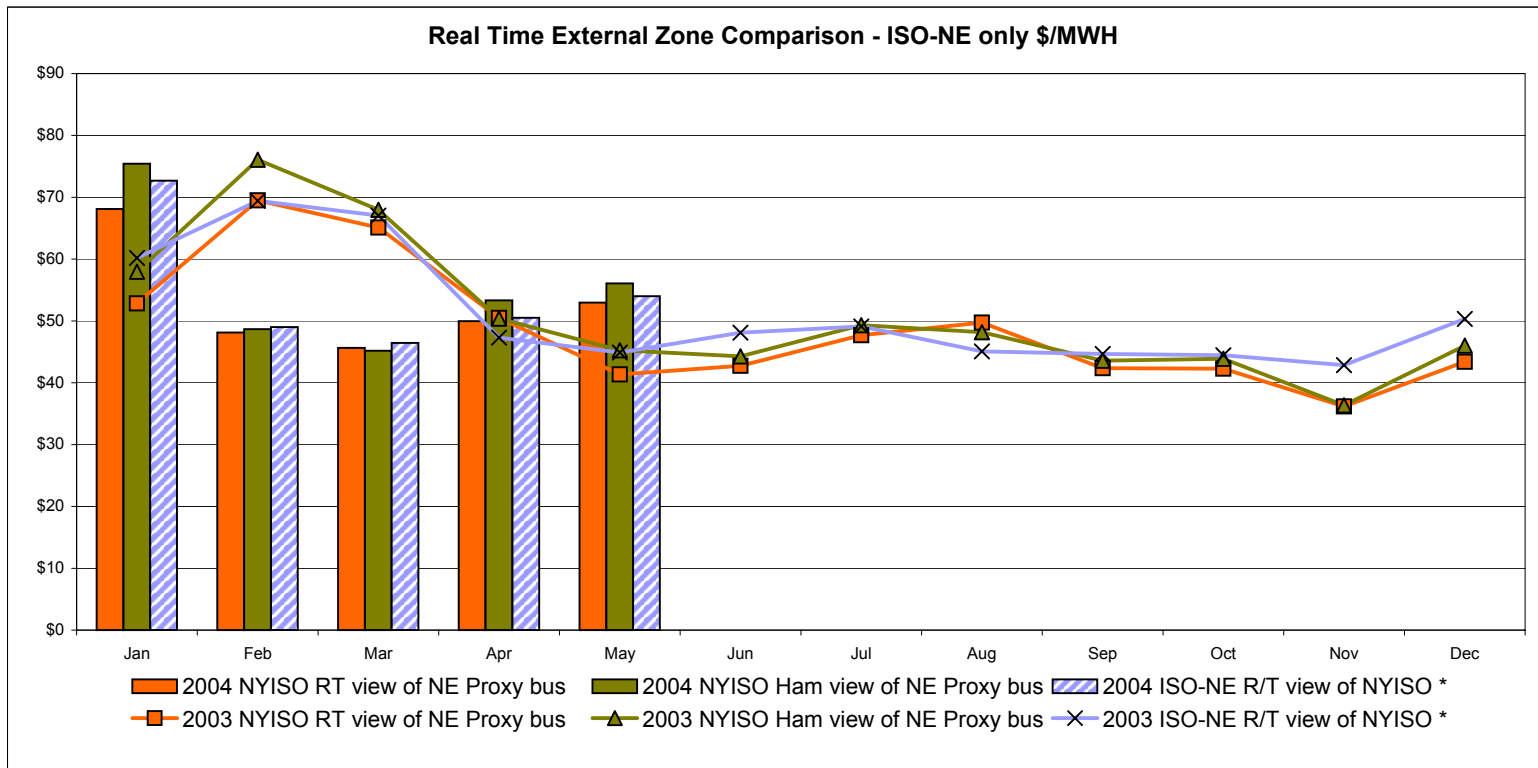
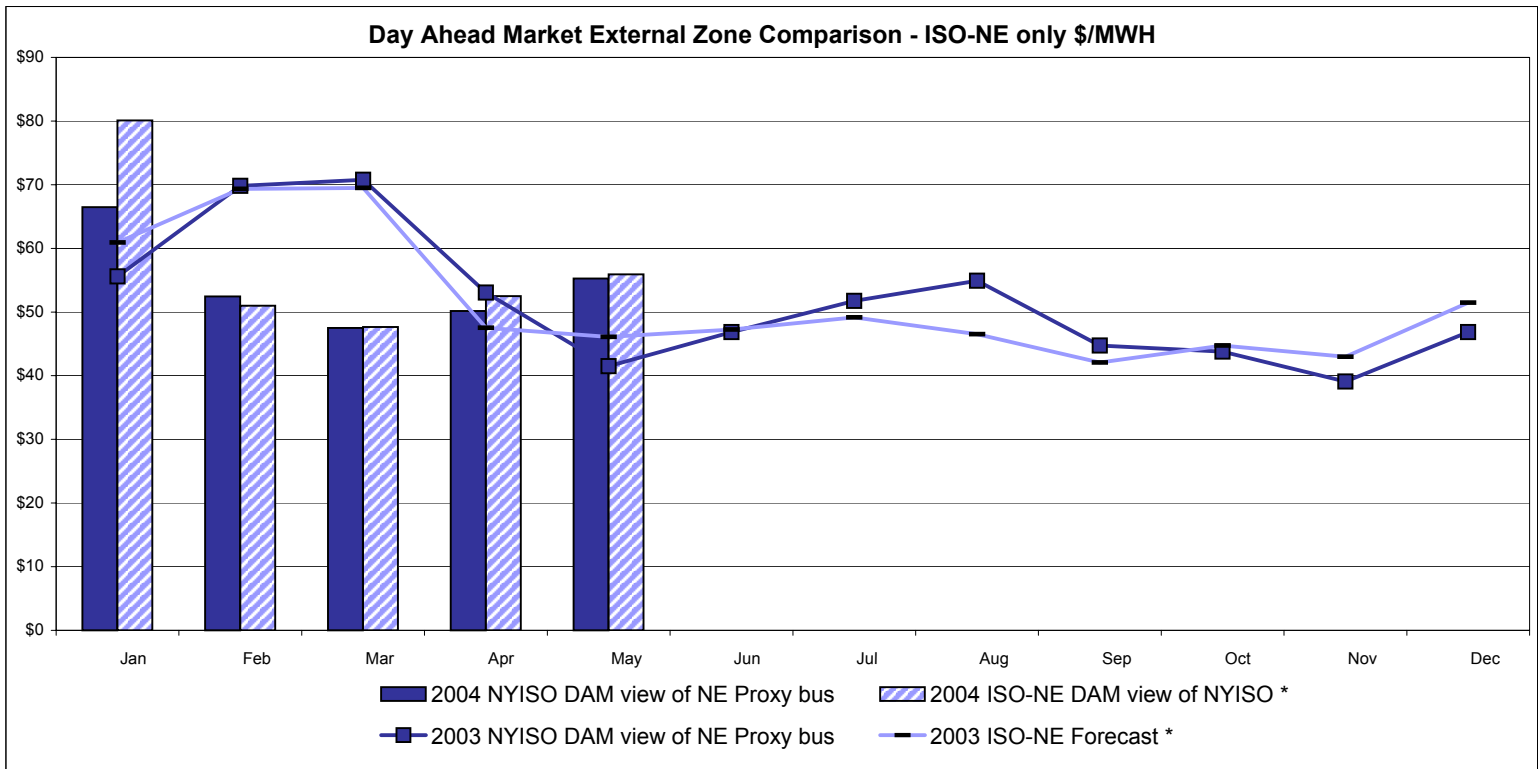
DAM Zonal Unweighted Monthly Average LBMP Components  
May 2004



RT Zonal Unweighted Monthly Average LBMP Components  
May 2004



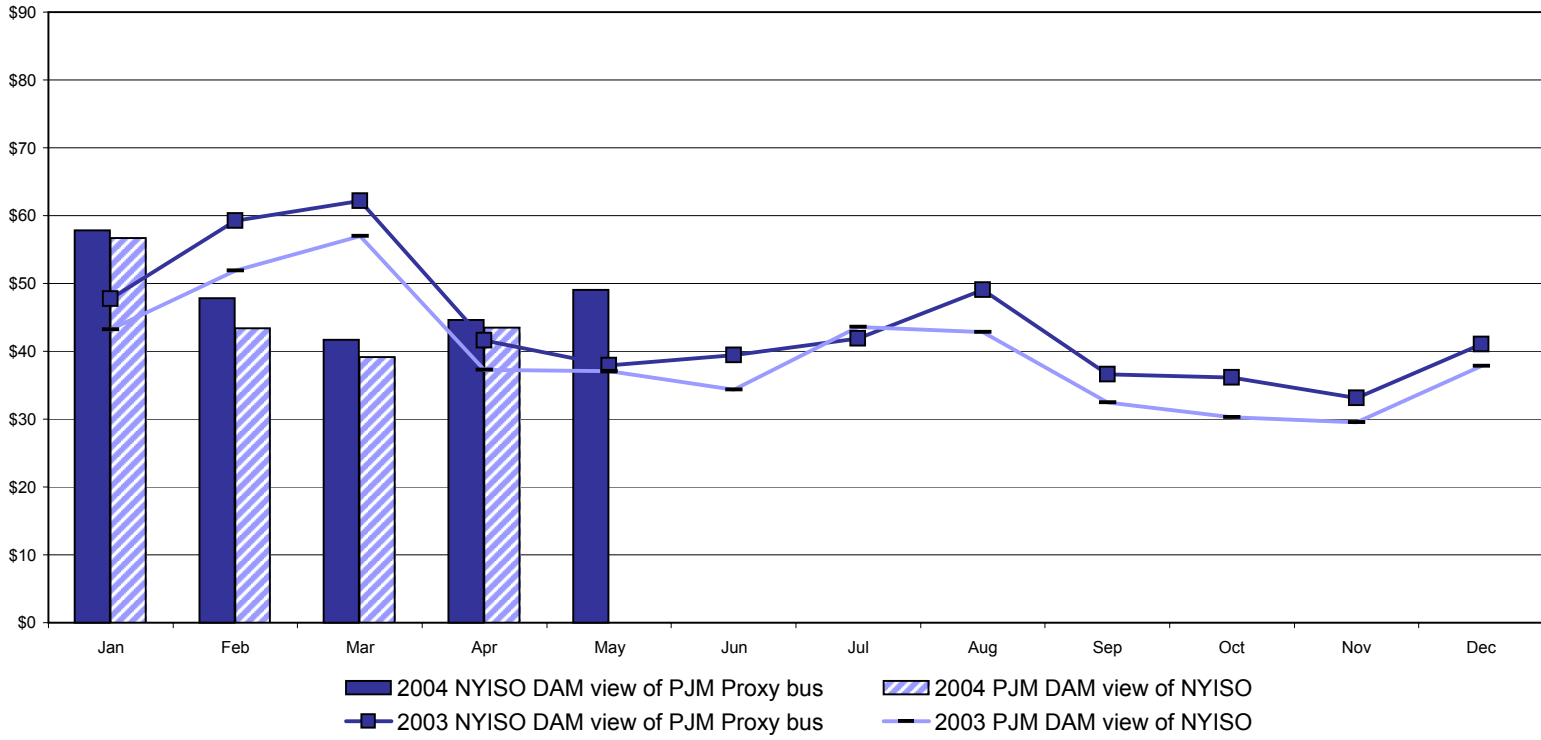
# External Comparison ISO-NE



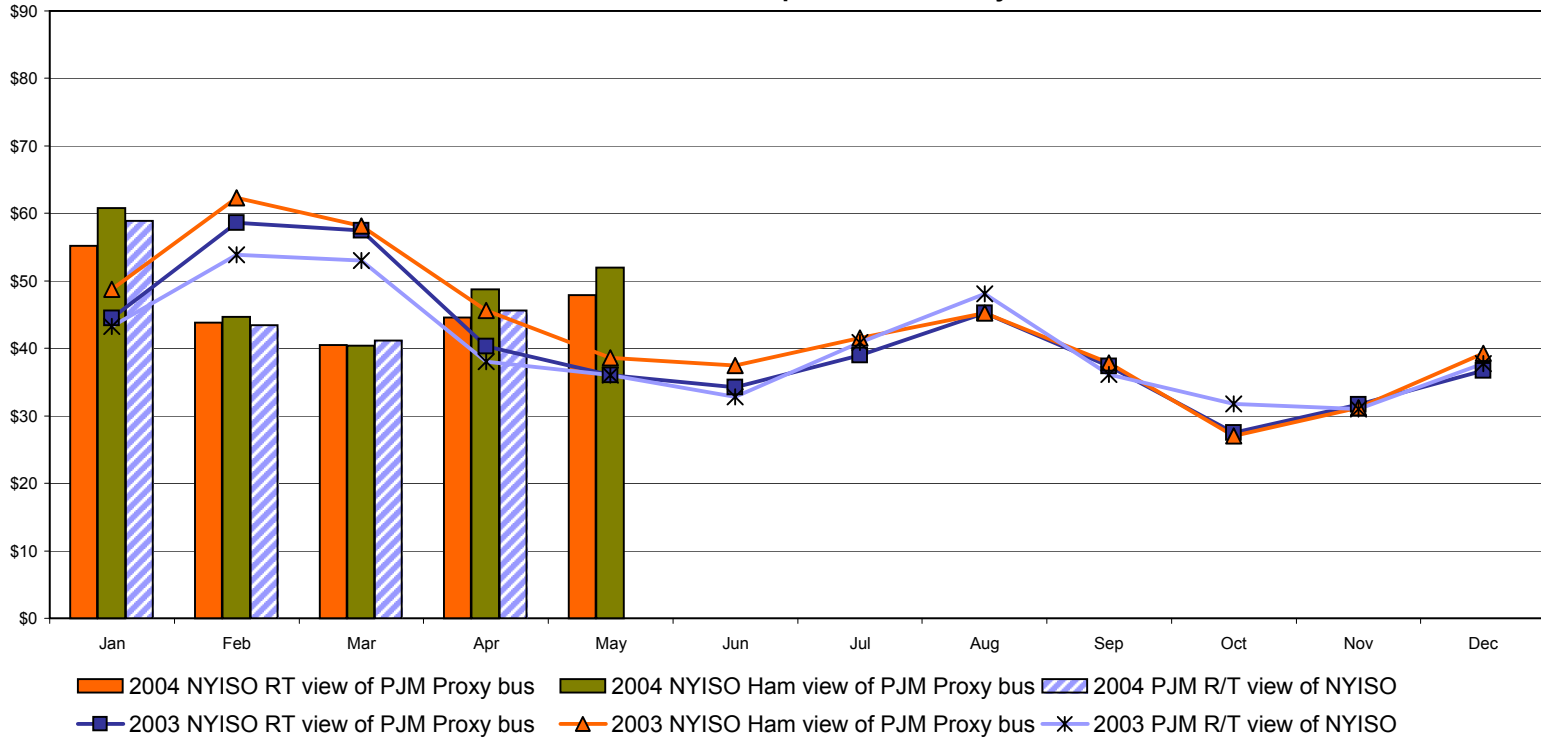
Note:  
 ISO-NE Forecast is an advisory posting @ 18:00 day before  
 \* Effective 3/1/2003 SMD implemented by ISO-NE. The DAM and R/T prices at the Roseton interface are now used.

# External Comparison PJM

## Day Ahead Market External Zone Comparison - PJM only \$/MWH

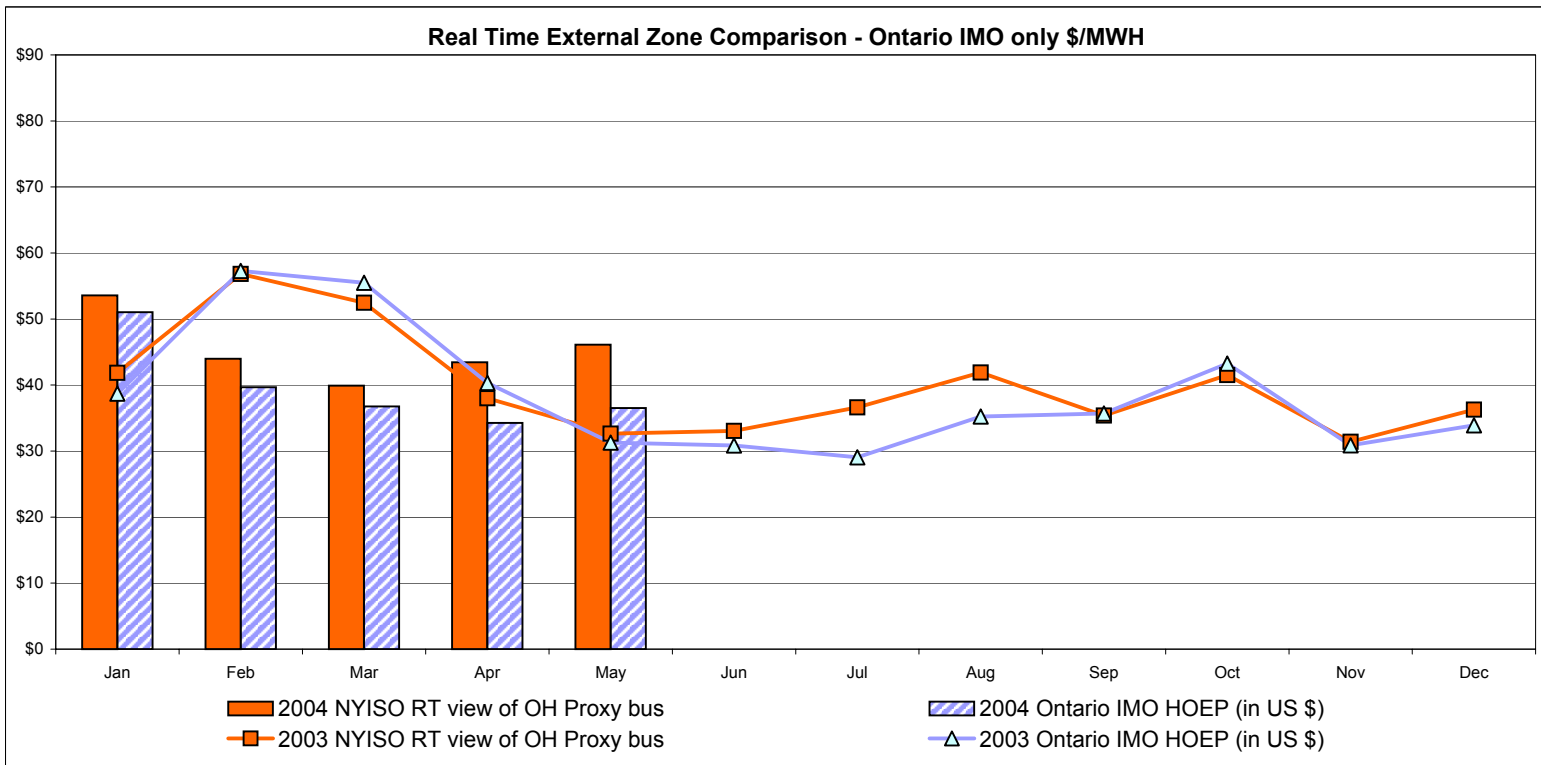
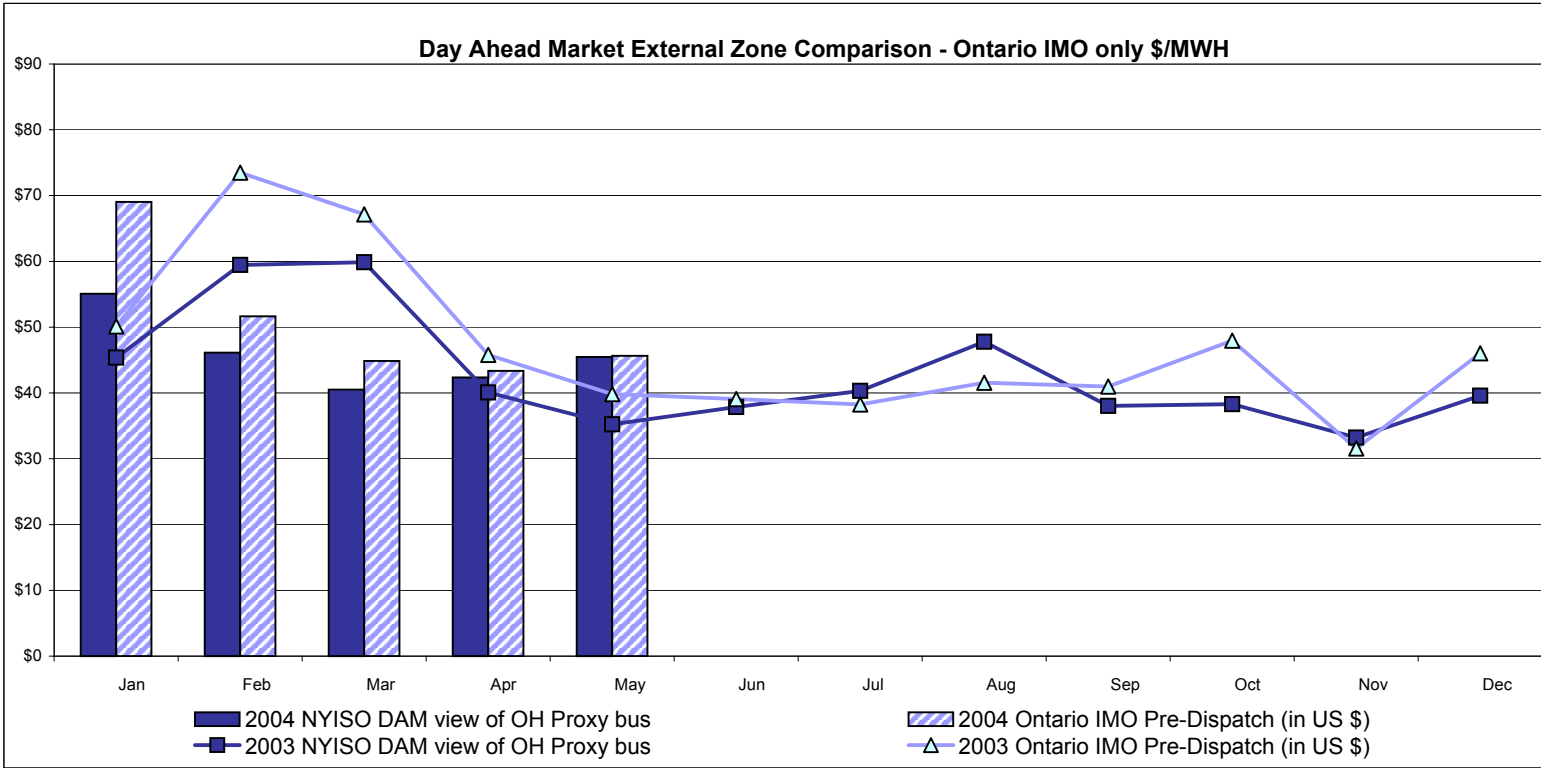


## Real Time External Zone Comparison - PJM only \$/MWH



Note:  
 After 5/1/02 PJM lists only one interface as NYIS  
 May 2004 data not yet posted by PJM

# External Comparison Ontario IMO



Notes: Exchange factor used for May 2004 was .72 to US \$  
 HOEP: Hourly Ontario Energy Price  
 Pre-Dispatch: Projected Energy Price  
 Pre-Dispatch data from 8/14/03 Hr 15 thru 8/21/03 not included

## NYISO Price Correction Statistics

### NYISO Price Corrections 2004

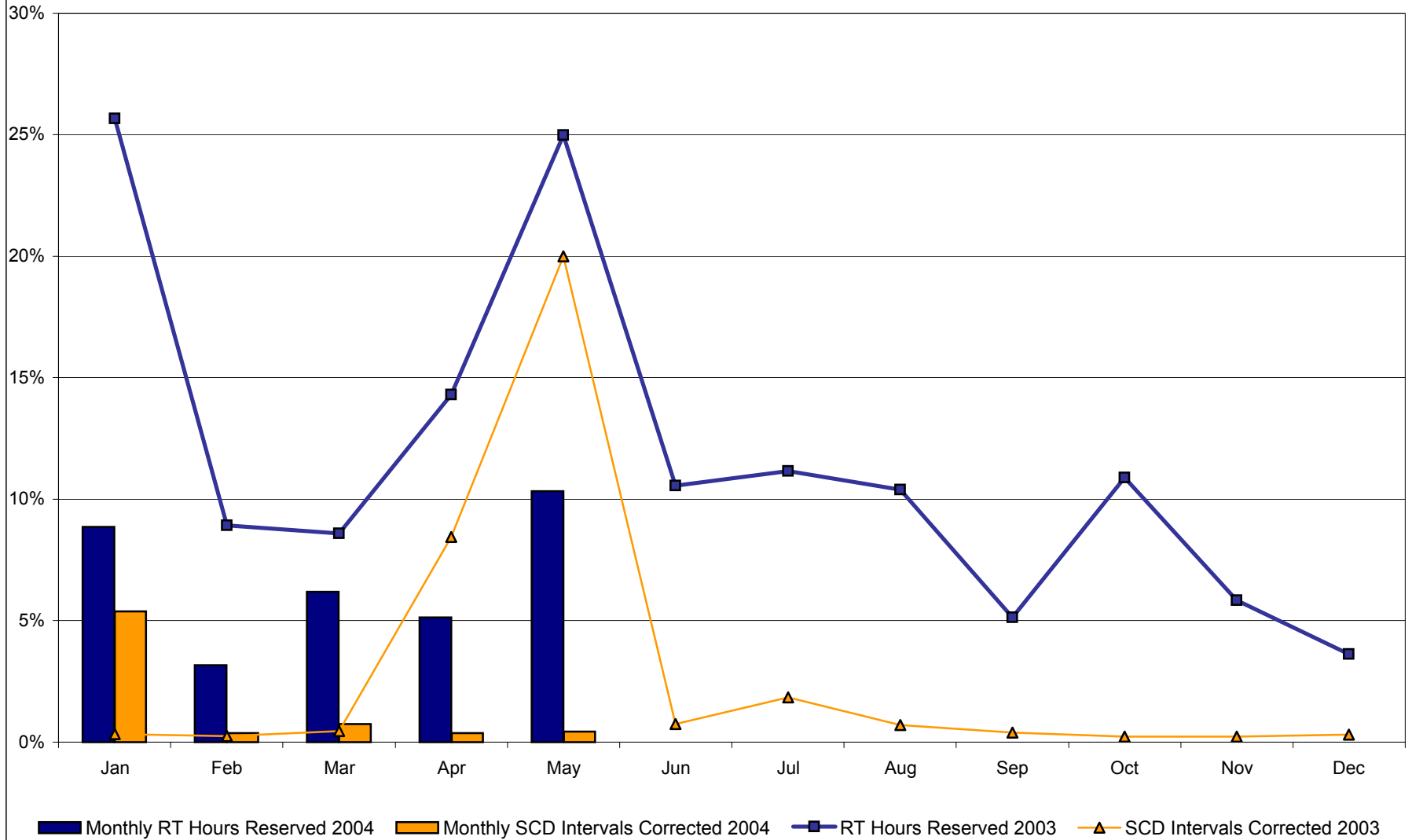
<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	597	40	83	40	37							
Number of Intervals in the month	11,089	10,495	11,085	10,805	8,627							
Percentage of intervals corrected in the month	5.38%	0.38%	0.75%	0.37%	0.43%							
Number of Intervals corrected Year-to-date	597	637	720	760	797							
Number of Intervals Year-to-date	11,089	21,584	32,669	43,474	52,101							
Percentage of intervals corrected Year-to-date	5.38%	2.95%	2.20%	1.75%	1.53%							
<u>Hours Reserved</u>												
Number of hours reserved in the month	66	22	46	37	57							
Number of hours in the month	744	696	744	720	552							
Percentage of hours reserved in the month	8.87%	3.16%	6.18%	5.14%	10.33%							
Number of hours reserved Year-to-date	66	88	134	171	228							
Number of hours Year-to-date	744	1,440	2,184	2,904	3,456							
Percentage of hours reserved Year-to-date	8.87%	6.11%	6.14%	5.89%	6.60%							
<u>Days Without Corrections</u>												
Days without price corrections in the month	14	20	11	9	8							
Days without price corrections Year-to-date	14	34	45	54	62							

### NYISO Price Corrections 2003

<u>Interval Corrections</u>	January	February	March	April	May	June	July	August	September	October	November	December
Number of Intervals corrected in the month	36	25	49	891	2,254	79	202	71	41	25	25	34
Number of Intervals in the month	10,986	10,197	10,918	10,554	11,274	10,729	10,998	9,973	10,620	11,248	10,629	11,175
Percentage of intervals corrected in the month	0.32%	0.25%	0.45%	8.44%	19.99%	0.74%	1.84%	0.71%	0.39%	0.22%	0.24%	0.30%
Number of Intervals corrected Year-to-date	36	61	110	1,001	3,255	3,334	3,536	3,607	3,648	3,673	3,698	3,732
Number of Intervals Year-to-date	10,986	21,183	32,101	42,655	53,929	64,658	75,656	85,629	96,249	107,497	118,126	129,301
Percentage of intervals corrected Year-to-date	0.32%	0.28%	0.34%	2.35%	6.04%	5.16%	4.67%	4.21%	3.79%	3.42%	3.13%	2.89%
<u>Hours Reserved</u>												
Number of hours reserved in the month	191	60	64	103	186	76	83	69	37	81	42	27
Number of hours in the month	744	672	744	720	744	720	744	664 *	720	744	720	744
Percentage of hours reserved in the month	25.67%	8.93%	8.60%	14.31%	25.00%	10.56%	11.16%	10.39%	5.14%	10.89%	5.83%	3.63%
Number of hours reserved Year-to-date	191	251	315	418	604	680	763	832	869	950	992	1,019
Number of hours Year-to-date	744	1,416	2,160	2,880	3,624	4,344	5,088	5,752	6,472	7,216	7,936	8,680
Percentage of hours reserved Year-to-date	25.67%	17.73%	14.58%	14.51%	16.67%	15.65%	15.00%	14.46%	13.43%	13.17%	12.50%	11.74%
<u>Days Without Corrections</u>												
Days without price corrections in the month	17	15	14	9	8	8	7	5	9	17	15	14
Days without price corrections Year-to-date	17	32	46	55	63	71	78	83	92	109	124	138

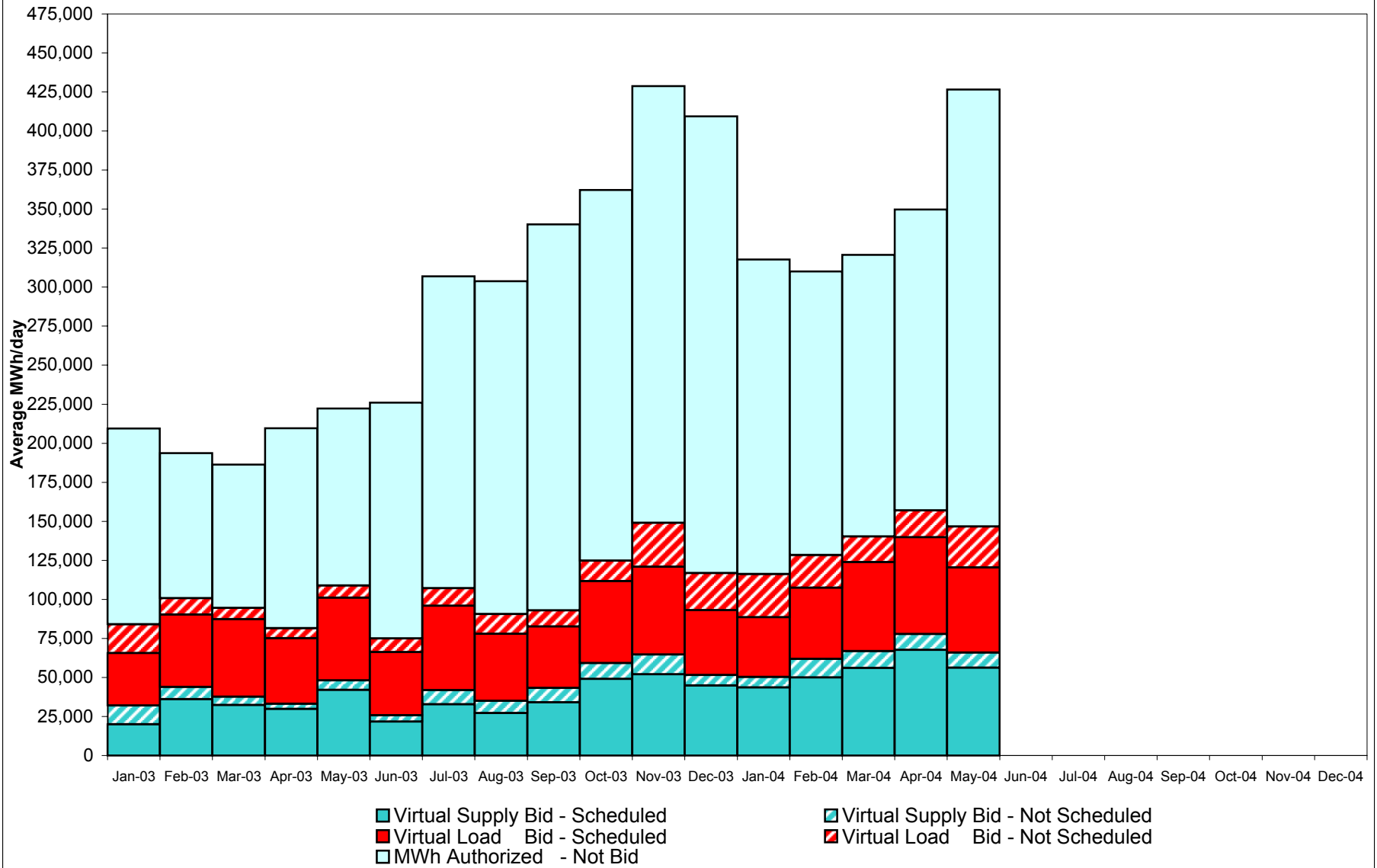
\* 80 hours not included due to suspended market during system disruption

### Percentage of Real-Time Corrections



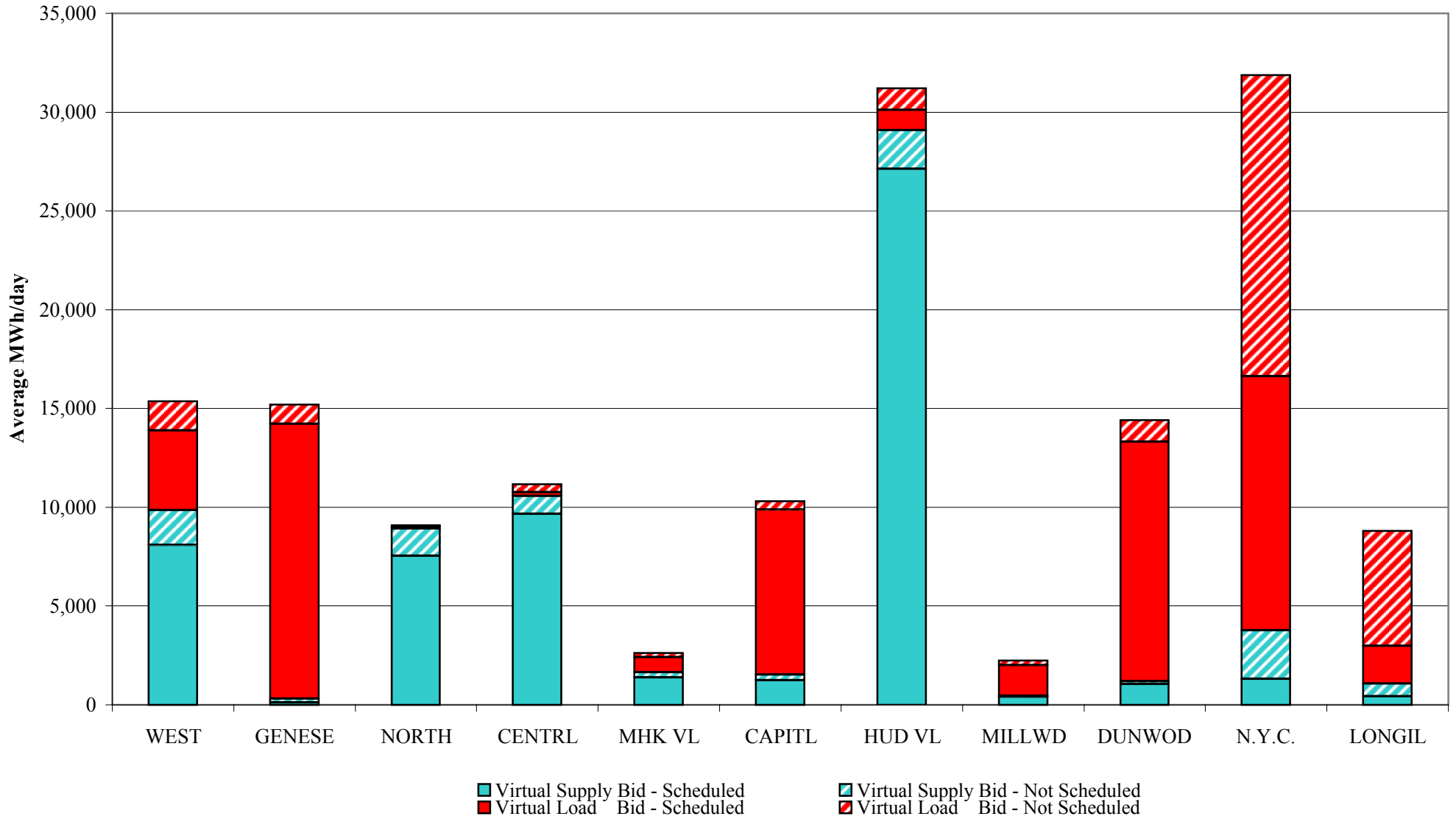
4-R  
 Preliminary thru 5/23/04

## NYISO Virtual Trading Average MWh per day



4-S  
Preliminary thru 5/26/04

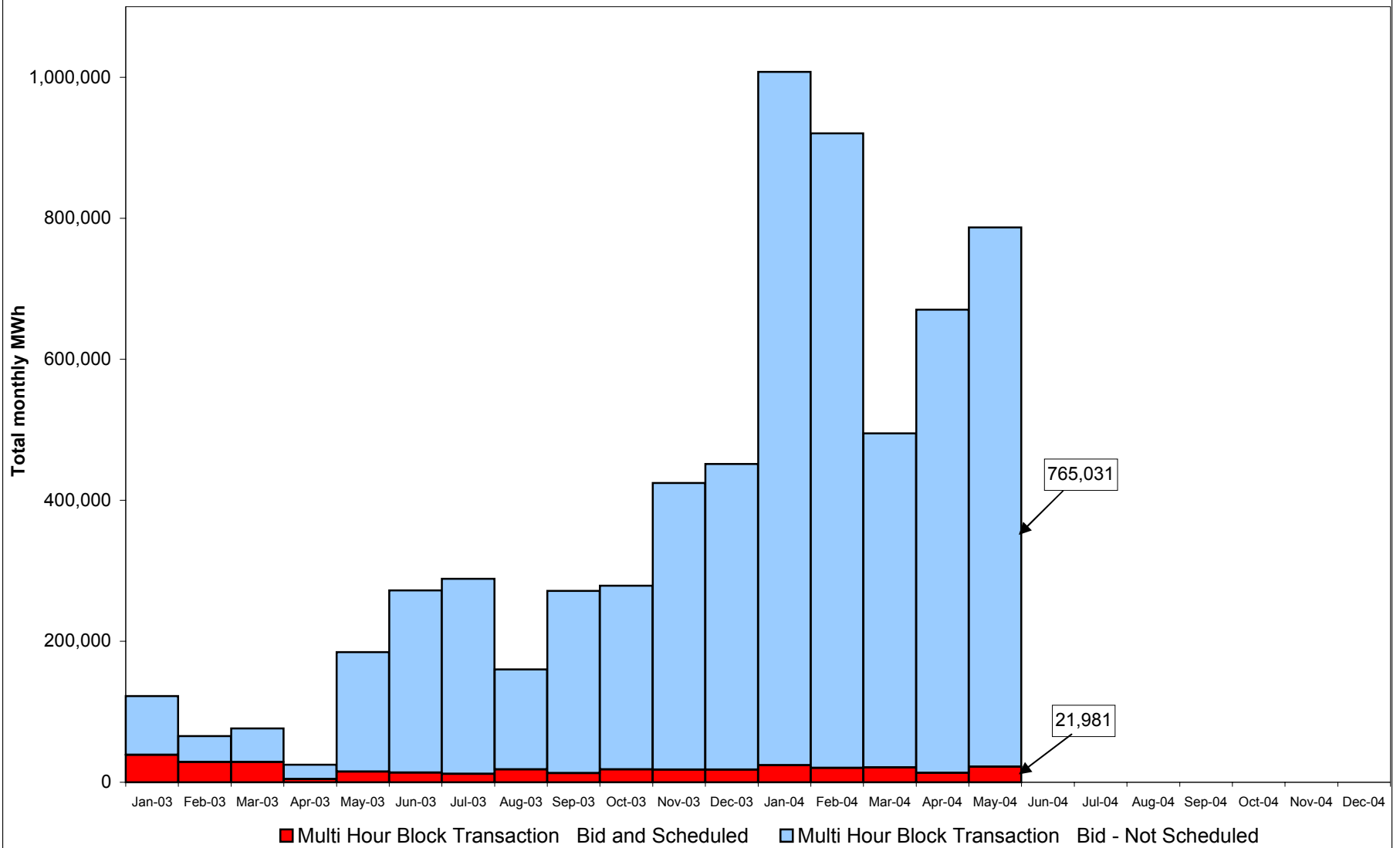
## Virtual Load and Supply Zonal Statistics May 2004



4-T  
Preliminary thru 5/26/04

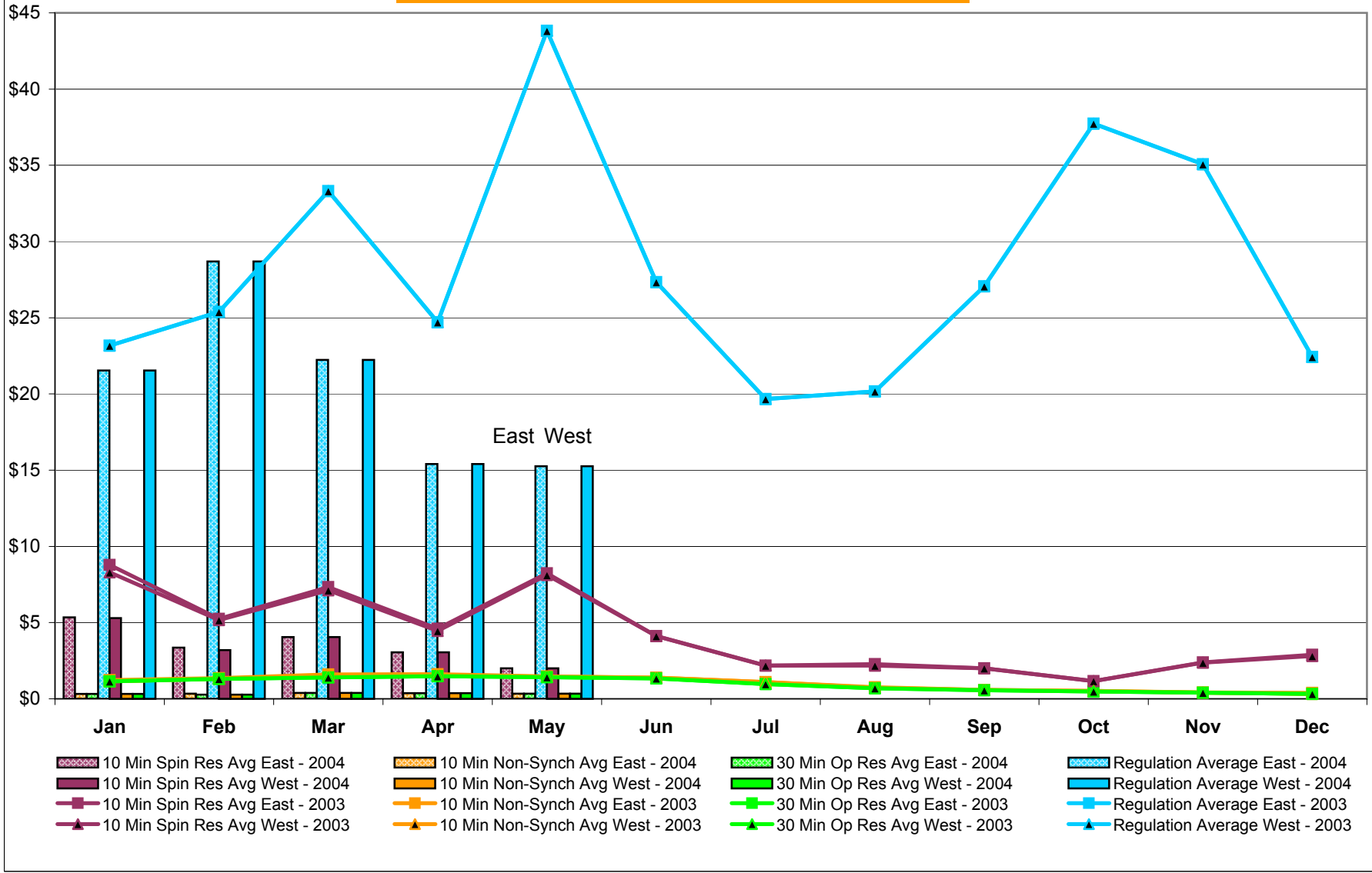


## NYISO Multi Hour Block Transactions Monthly Total MWh



4-U  
Preliminary thru 5/26/04

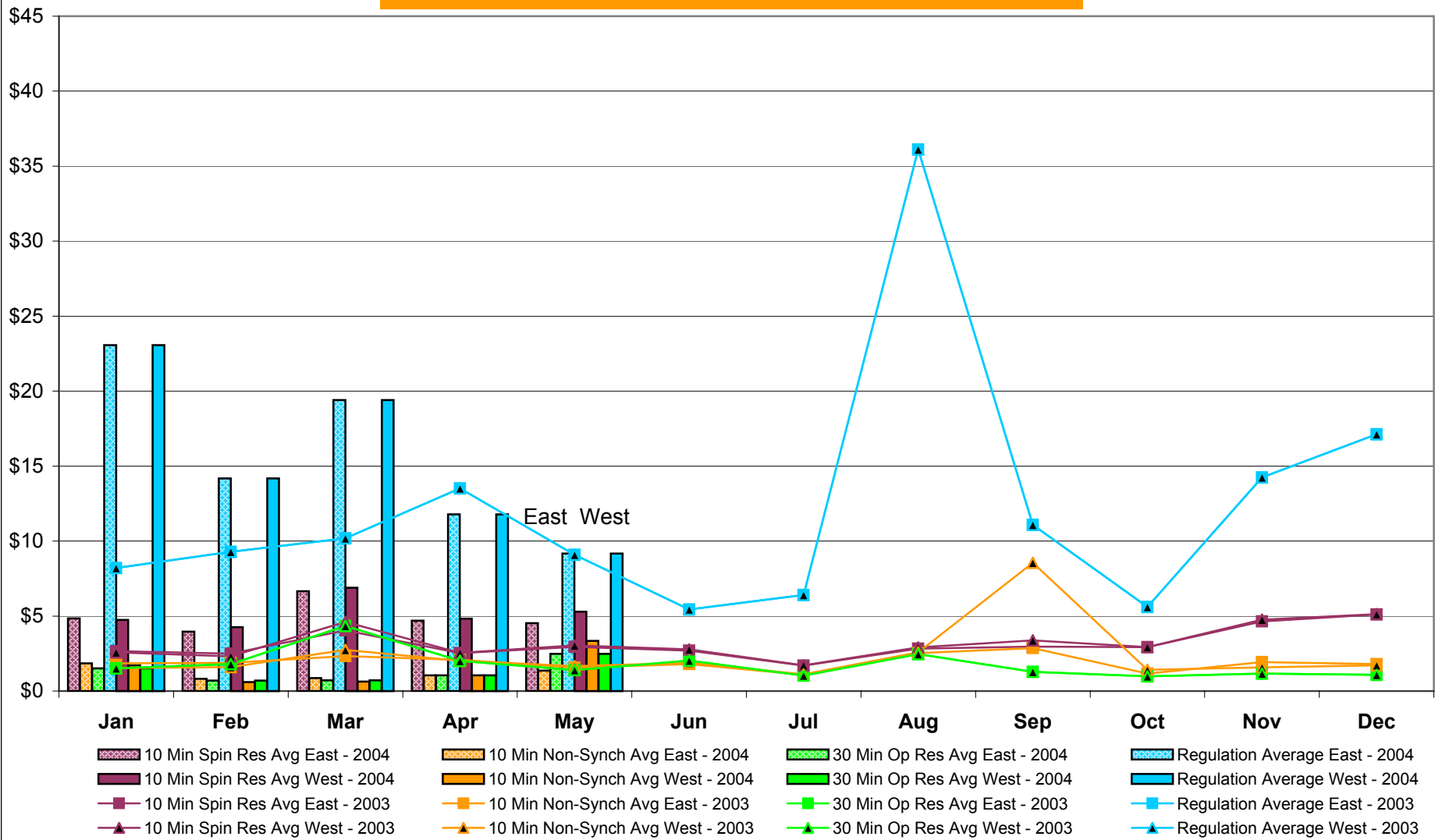
### NYISO Monthly Average Ancillary Service Prices Day Ahead Market 2003 - 2004



4-V

Preliminary thru 5/25/04

## NYISO Monthly Average Ancillary Service Prices BME \* 2003 - 2004



\* Commonly referred to as Hour Ahead Market (HAM)

4-W

## NYISO Markets Ancillary Services Statistics

January    February    March    April    May    June    July    August    September    October    November    December

### ANCILLARY SERVICES Unweighted Price (\$/MWH) 2004

#### Day Ahead Market

10 Min Spin East	5.35	3.36	4.05	3.04	2.01
10 Min Spin West	5.29	3.20	4.05	3.04	2.01
10 Min Non Synch East	0.33	0.33	0.39	0.38	0.34
10 Min Non Synch West	0.32	0.27	0.39	0.38	0.34
30 Min East	0.32	0.27	0.39	0.38	0.34
30 Min West	0.32	0.27	0.39	0.38	0.34
Regulation East	21.54	28.69	22.23	15.41	15.26
Regulation West	21.54	28.69	22.23	15.41	15.26

#### BME\* Market

10 Min Spin East	4.84	3.96	6.65	4.69	4.52
10 Min Spin West	4.75	4.27	6.89	4.82	5.29
10 Min Non Synch East	1.85	0.81	0.87	1.05	1.37
10 Min Non Synch West	1.71	0.60	0.64	1.06	3.34
30 Min East	1.51	0.70	0.72	1.06	2.48
30 Min West	1.51	0.70	0.72	1.06	2.48
Regulation East	23.07	14.18	19.41	11.78	9.18
Regulation West	23.07	14.18	19.41	11.78	9.18

### ANCILLARY SERVICES Unweighted Price (\$/MWH) 2003

#### Day Ahead Market

10 Min Spin East	8.78	5.24	7.33	4.60	8.24	4.12	2.18	2.28	2.01	1.17	2.39	2.89
10 Min Spin West	8.30	5.17	7.12	4.45	8.12	4.11	2.18	2.18	2.00	1.17	2.37	2.81
10 Min Non Synch East	1.22	1.36	1.60	1.61	1.48	1.40	1.09	0.76	0.58	0.52	0.41	0.38
10 Min Non Synch West	1.15	1.32	1.45	1.54	1.45	1.39	1.09	0.72	0.58	0.52	0.40	0.32
30 Min East	1.14	1.30	1.41	1.48	1.42	1.35	0.97	0.69	0.56	0.48	0.40	0.32
30 Min West	1.14	1.30	1.41	1.48	1.42	1.35	0.97	0.69	0.56	0.48	0.40	0.32
Regulation East	23.17	25.39	33.31	24.70	43.82	27.33	19.67	20.17	27.06	37.74	35.07	22.43
Regulation West	23.17	25.39	33.31	24.70	43.82	27.33	19.67	20.17	27.06	37.74	35.07	22.43

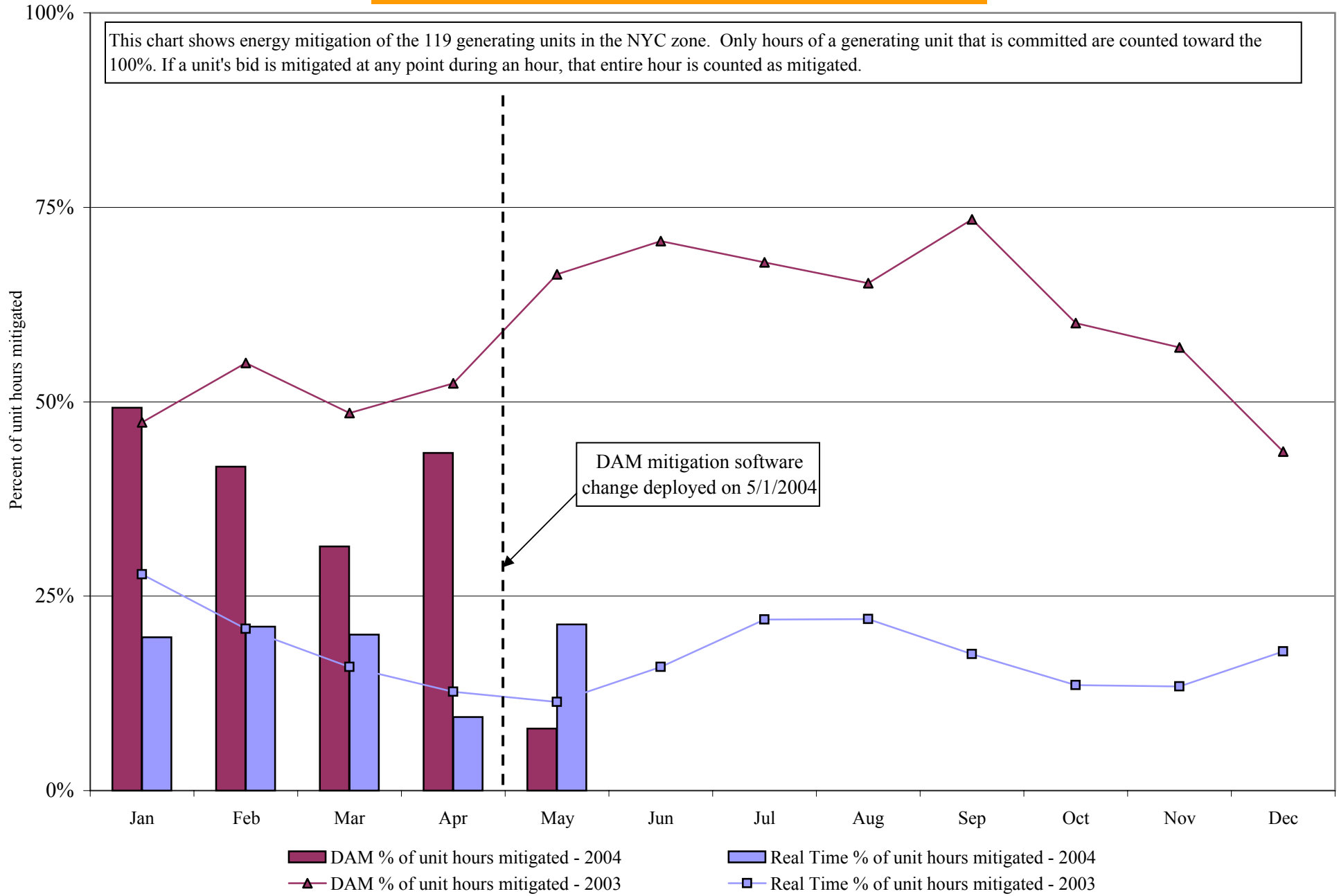
#### BME\* Market

10 Min Spin East	2.67	2.50	4.05	2.54	2.95	2.69	1.69	2.82	2.96	2.92	4.65	5.11
10 Min Spin West	2.59	2.32	4.61	2.55	3.04	2.78	1.72	2.91	3.38	2.94	4.76	5.13
10 Min Non Synch East	1.85	1.89	2.34	2.07	1.57	1.80	1.09	2.53	2.87	1.17	1.92	1.80
10 Min Non Synch West	1.53	1.59	2.75	2.02	1.67	1.88	1.11	2.58	8.55	1.41	1.57	1.71
30 Min East	1.52	1.80	4.34	2.02	1.40	2.03	1.04	2.46	1.28	0.97	1.17	1.07
30 Min West	1.52	1.80	4.34	2.02	1.40	2.03	1.04	2.46	1.28	0.97	1.17	1.07
Regulation East	8.21	9.28	10.19	13.52	9.08	5.44	6.41	36.11	11.09	5.60	14.24	17.12
Regulation West	8.21	9.28	10.19	13.52	9.08	5.44	6.41	36.11	11.09	5.60	14.24	17.12

\* Commonly Referred to as Hour Ahead Market (HAM)

4-X

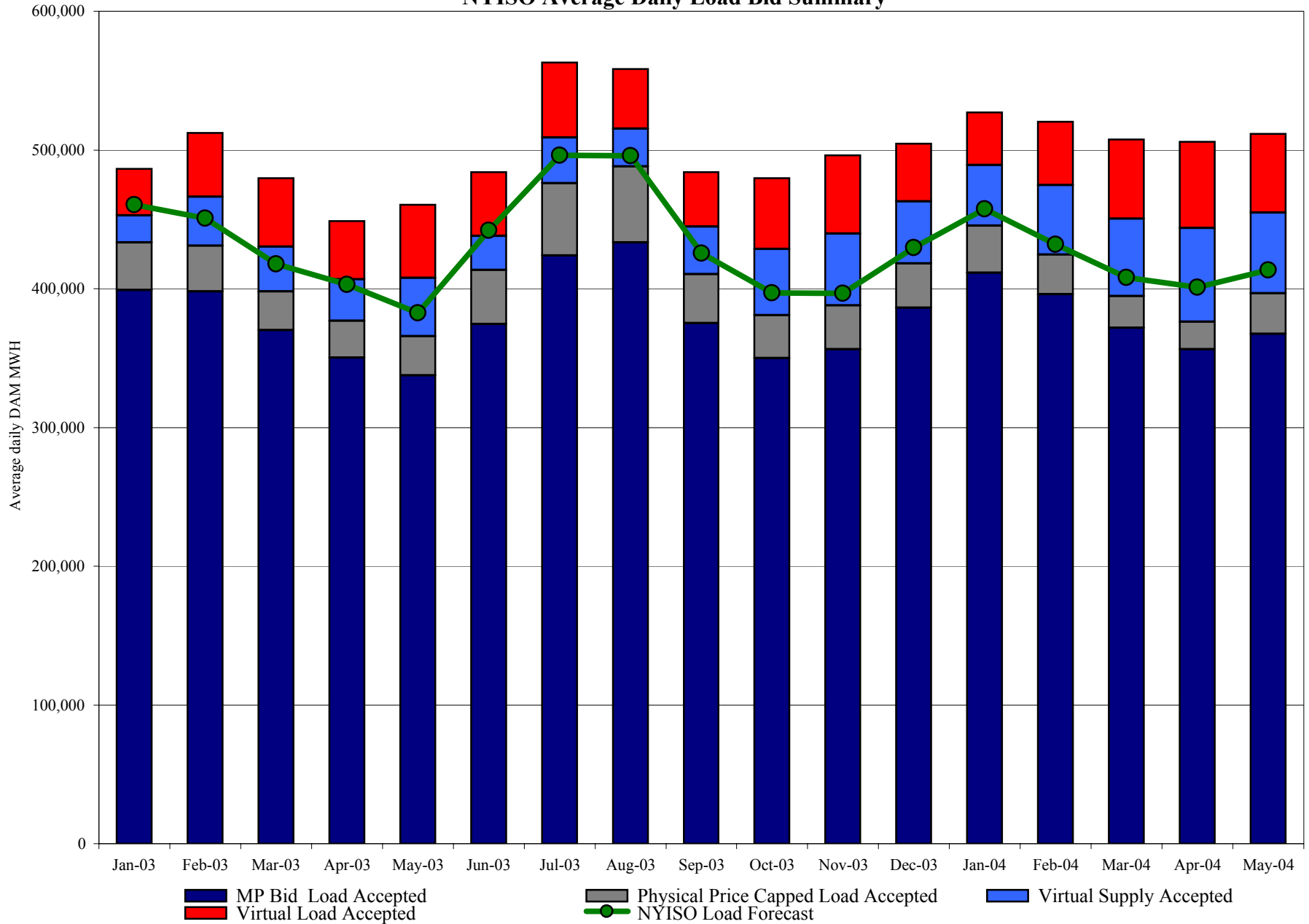
## NYISO In City Energy Mitigation (NYC Zone) 2003-2004 Percentage of committed unit-hours mitigated



4-Y

Preliminary thru 5/31/04

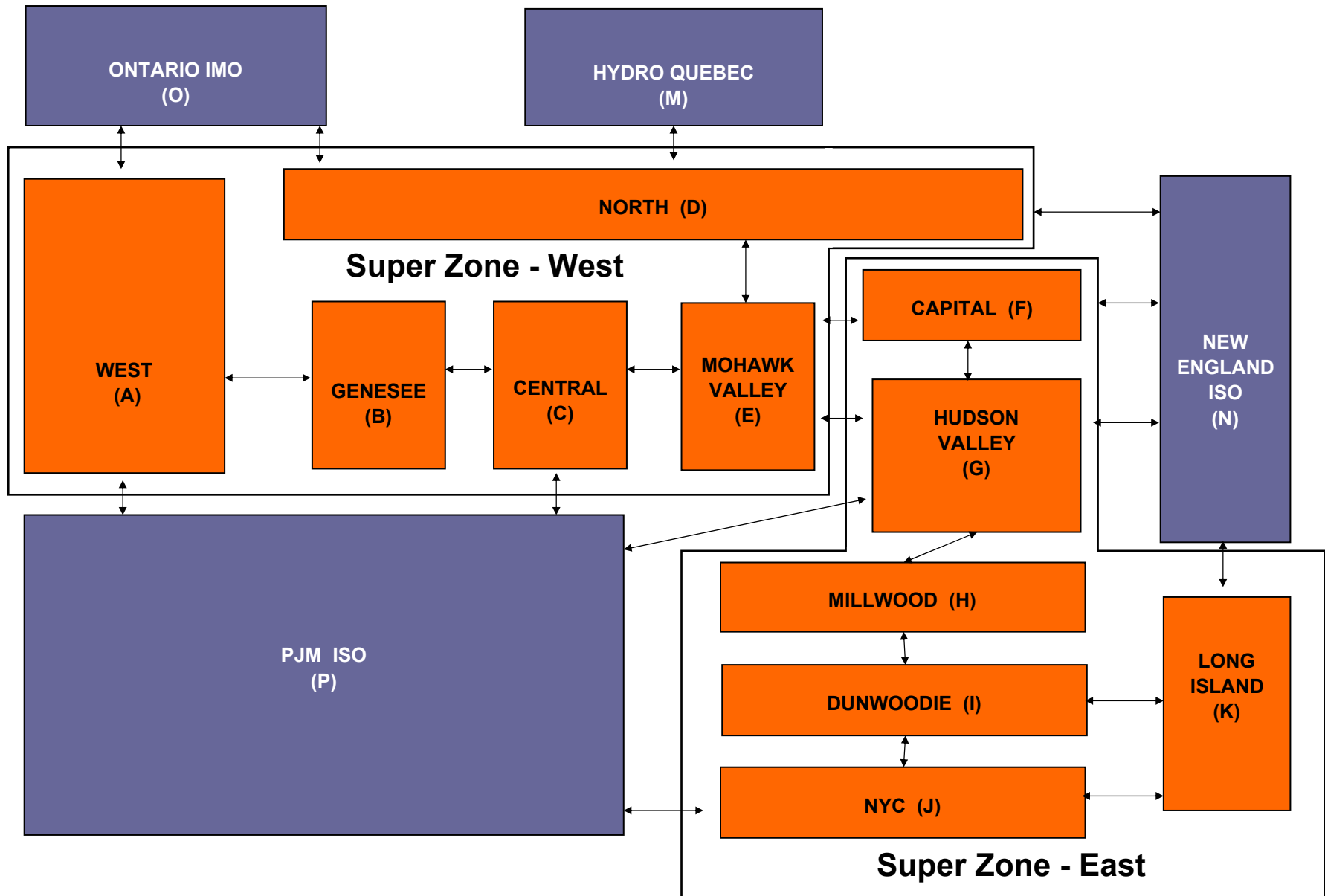
### NYISO Average Daily Load Bid Summary



4 - Z

Preliminary thru 5/26/04

# NYISO LBMP ZONES



## **SMD2 Project Status**

June 1, 2004

### Factory Acceptance Testing:

- The ABB Factory Acceptance Testing (FAT) for Phase 2a software (functional components) was completed on May 28<sup>th</sup>. This milestone represents that the NYISO has successfully executed the application functional test procedures for features as specified in the project Technical Specification.
- By completing the “Phase 2a FAT Complete” milestone before the end of May, ABB has achieved a significant contract incentive payment of \$1M.
- The number of defects discovered during the Phase 2a FAT, and the severity of those defects, are significantly lower than those found during the Phase 1 exercises. ABB has supplied fixes, or acceptable schedules for fixes, for all identified software defects.
- The next round of acceptance tests started on June 1<sup>st</sup> and includes integration tests designed to validate system performance, recovery, and stability.

### Market Trials:

- Market Participant sandbox testing has been successfully proceeding for Upload / Download and Web Interfaces since late April.
- A significant number of MPs have participated in the sandbox testing. Customer Relations has been monitoring test activities and training records for all MPs. Customers not participating at targeted levels have been contacted.
- Internal NYISO integration testing has been continuing for several months. These tests include an extensive battery of tests to validate integration between the ABB and NYISO system software.
- The next phase of Market Trial exercises will include a simulated Day Ahead Market starting during the third week of June. These tests will be the first iteration of interactive market simulation with MPs.
- Interactive Market Trial activities will continue through mid-August with exercises of continually increased scope and intensity.

### Department Readiness:

- Dispatcher training cycles have been formally initiated. All required Operations staff will participate in a structured training program to meet readiness criteria.
- Internal NYISO department representatives have been meeting to ensure that departmental processes and procedures are revised to meet the SMD market changes, and that staff training requirements are fulfilled.



# Extraordinary costs

Update

June 4, 2004

# Payments Already Made

• Energy/Ancillary Services	16.8%
• Fuel/Water/labor/ consummables for expedited restart	40%
• Repair of equipment damaged during expedited restart	.2%
• Gas Balancing Penalties	43%
• TOTAL PAID OUT	\$1,207,444.08
• TOTAL DENIED	\$1,639,349.35

# Payments Under Review

- Energy/Ancillary Services .2%
- Fuel/Water/labor/  
consummables for  
expedited restart 60%
- Repair of equipment damaged  
during expedited restart 30%
- Gas Balancing Penalties 10%
- TOTAL being considered \$3,465,256