

Business Issues Committee

June 10, 2003

Agenda Item #10

Motion:

The Business Issues Committee (BIC) hereby requests that the Management Committee approve changes to Sections 5.14.1-5.15 of the ISO Services Tariff necessary to implement a revised supplemental supply fee for the ICAP Demand Curve. These changes clarify that:

- 1) The supplemental supply fee shall be equal to the applicable Market-Clearing Price of Unforced Capacity determined in the ICAP Spot Market Auction;
- 2) If there is a deficiency after the ICAP Spot Market Auction, the ISO shall use the supplemental supply fee to procure Unforced Capacity from new Suppliers and Suppliers who offered Unforced Capacity above the Market-Clearing Price at a price that shall not exceed the applicable Market-Clearing Price; and
- 3) The ISO will rebate excess funds to the Locality or Rest of State or both, as applicable, where the excess was created.

This motion supersedes Motion #3 which passed at the April 2, 2003 BIC meeting and Motion #5 which passed at the April 14, 2003 Management Committee meeting.