



2011 State of the Market Report for the NYISO Markets

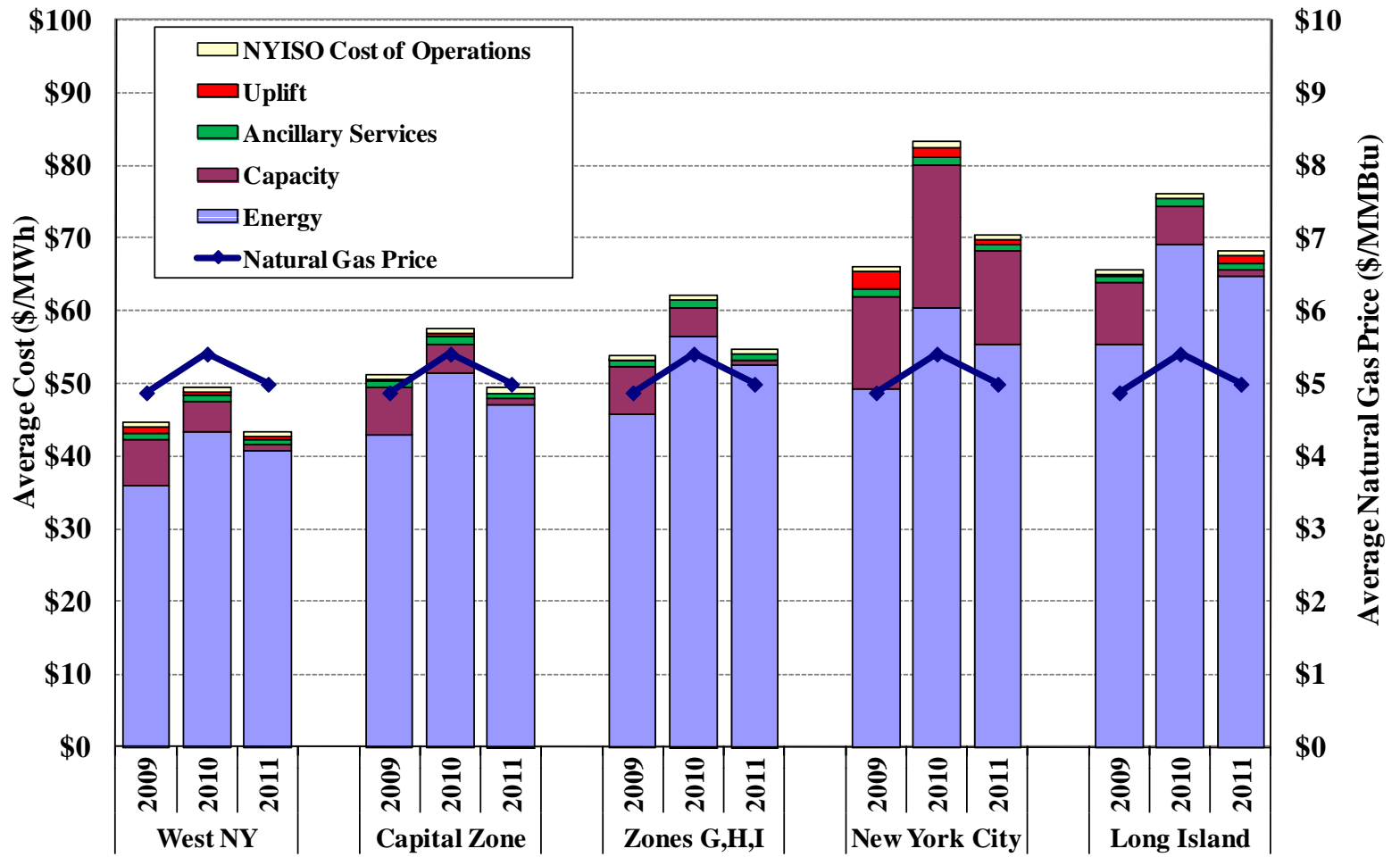
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April 16, 2012



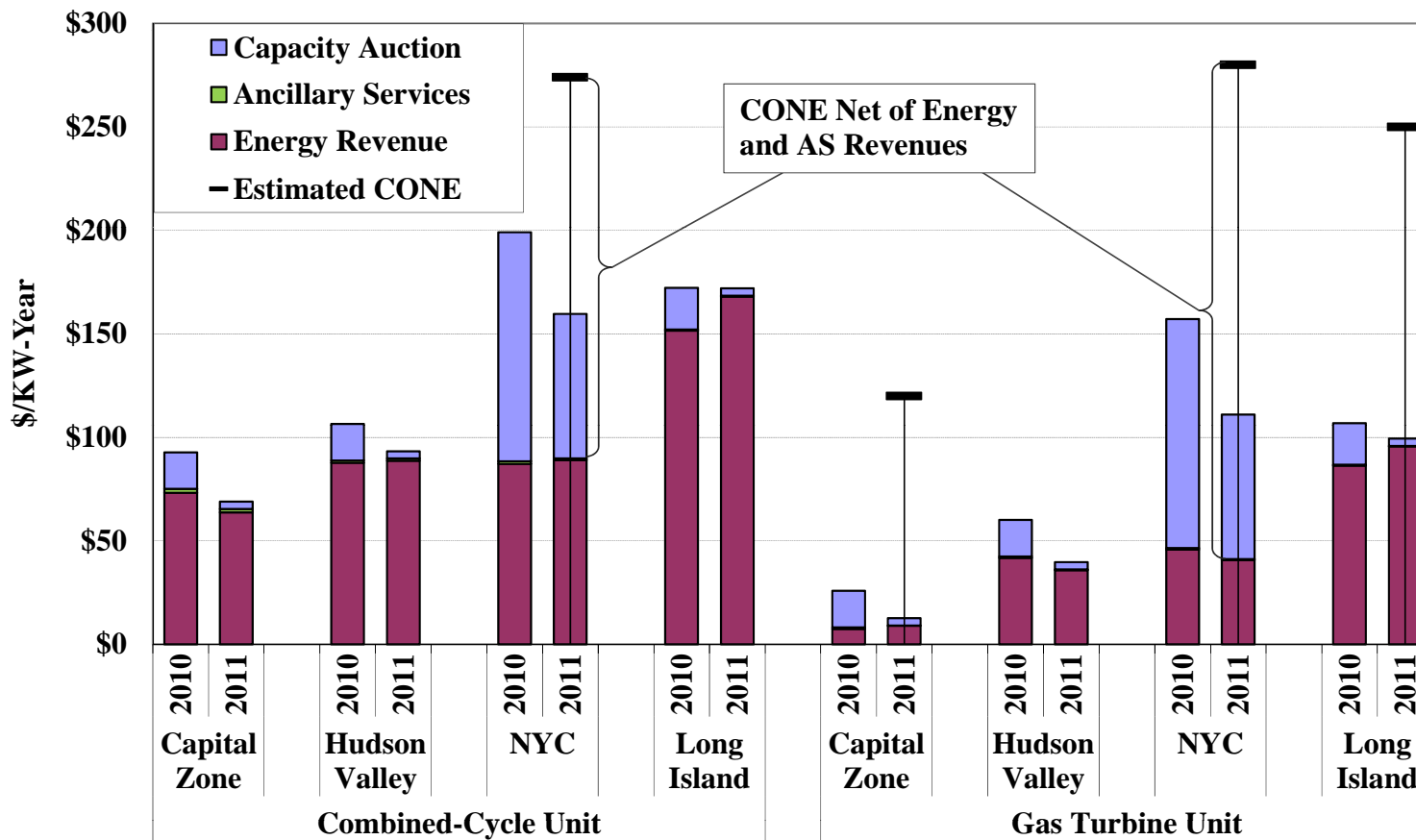
Average All-In Price by Region



See Section II.A.



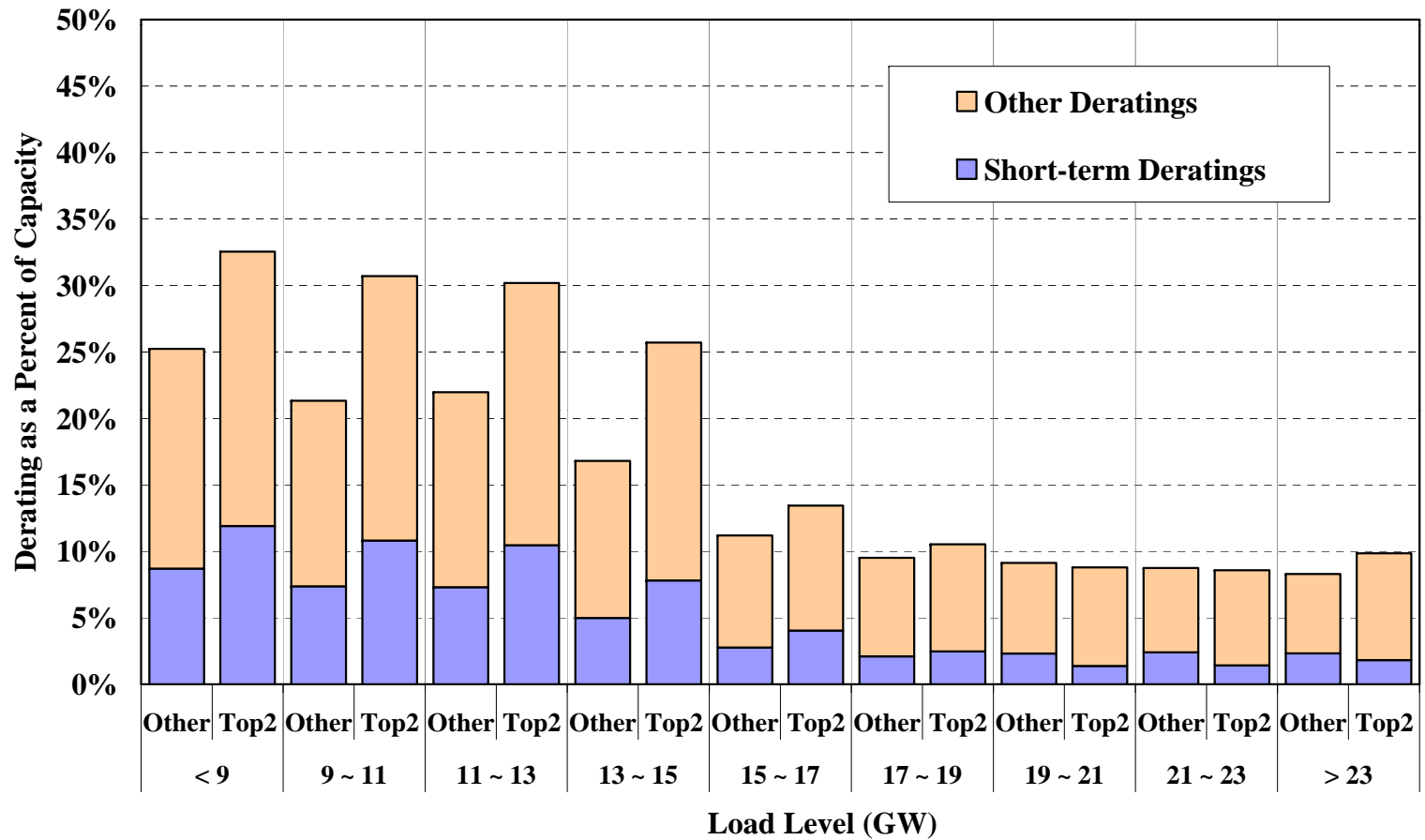
Estimated Net Revenue and Cost of New Entry



See Sections II.F, VII.B, & VII.C
Recommendations 1 & 2



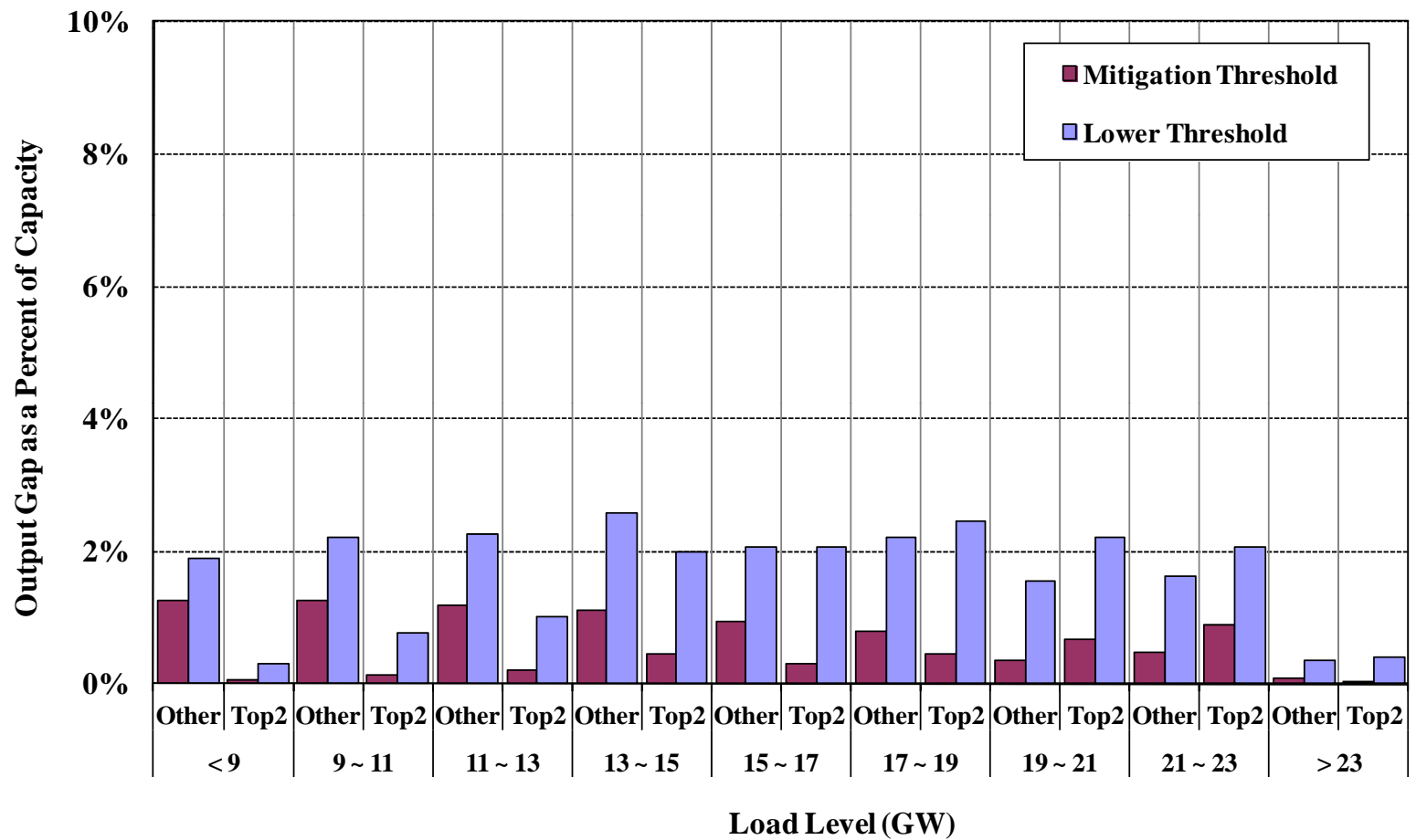
Deratings by Supplier by Load Level East New York



See Section 3.A



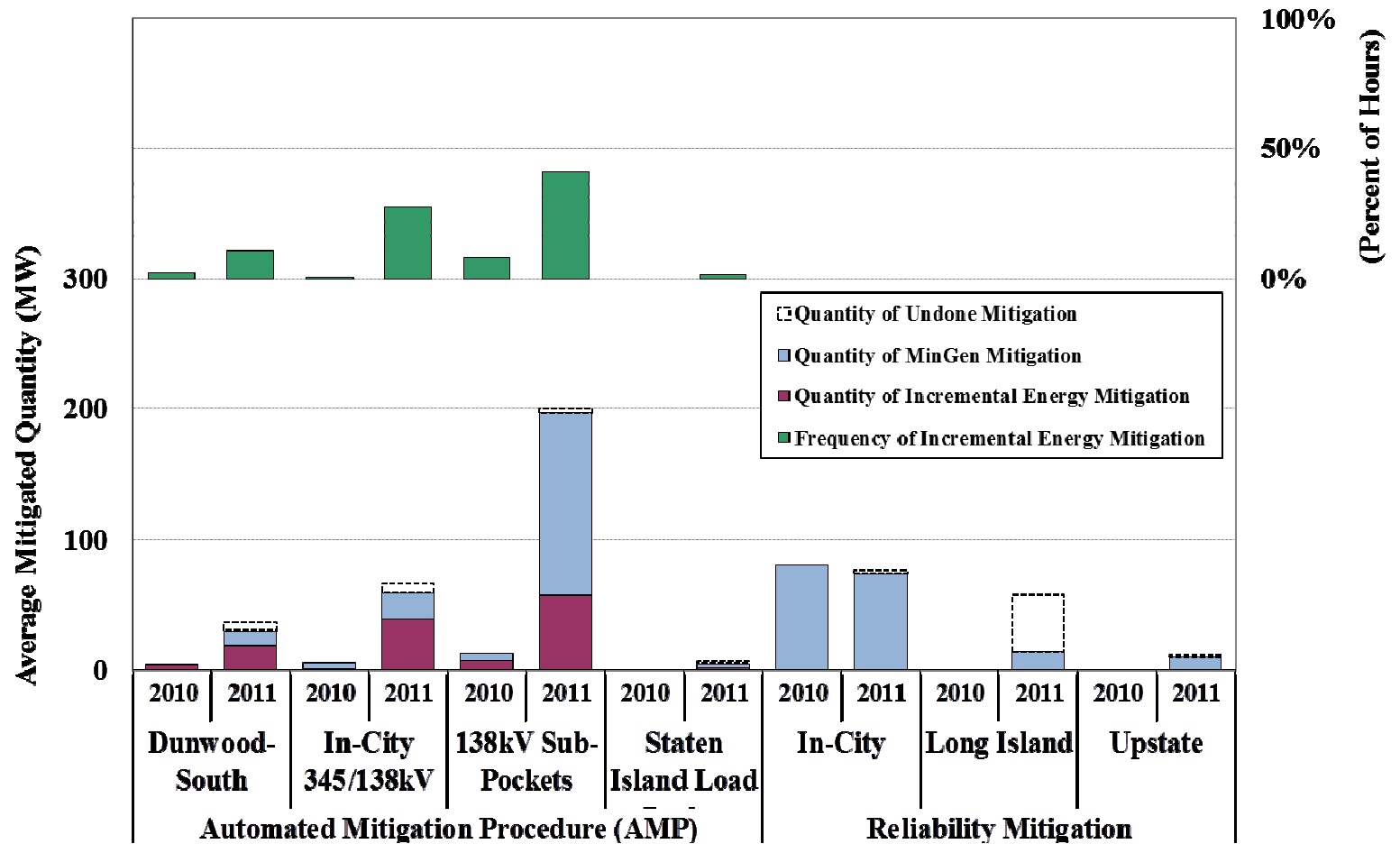
Output Gap by Supplier by Load Level East New York



See Section 3.A



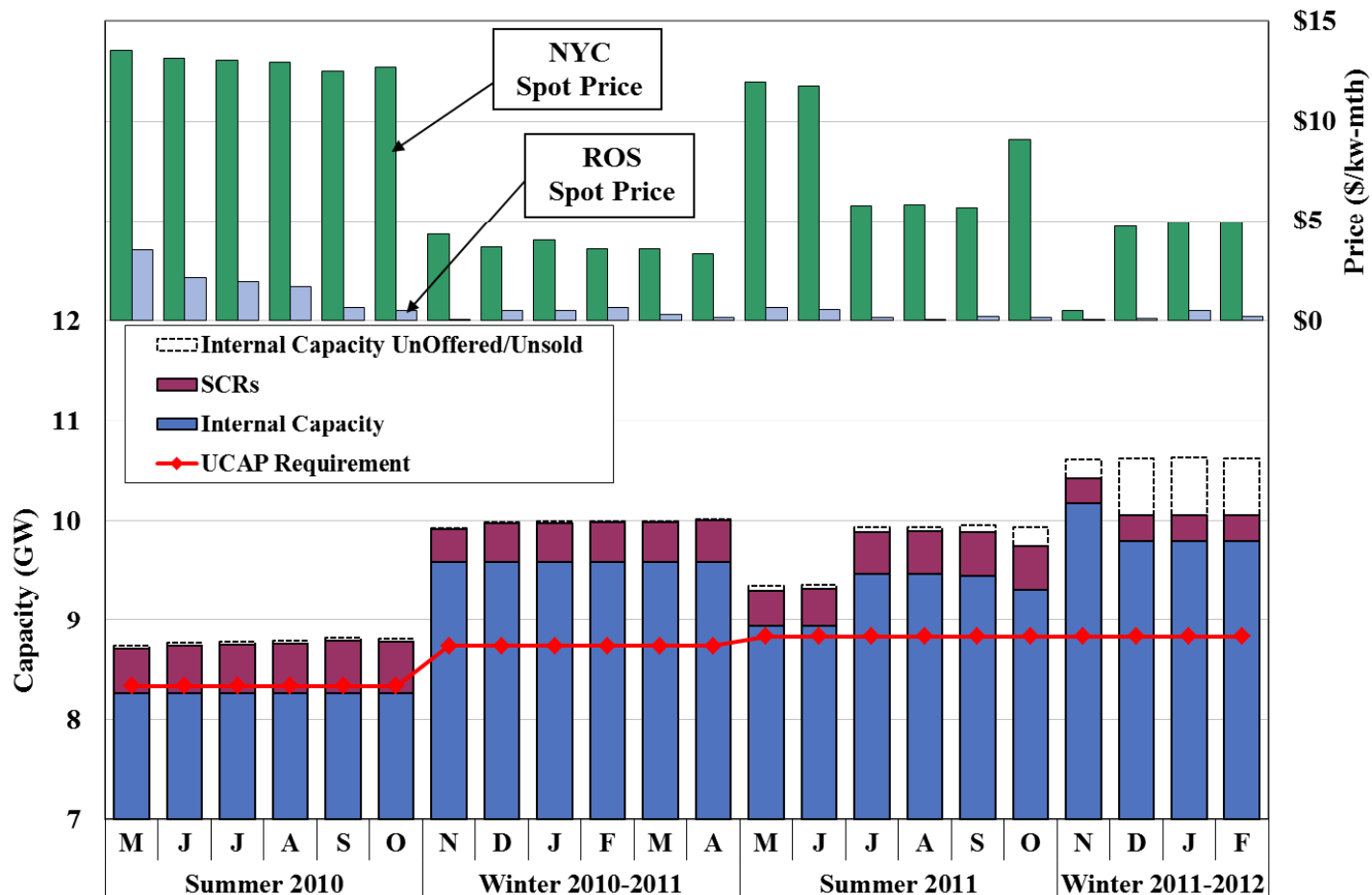
Summary of Day-Ahead Mitigation



See Section III.B



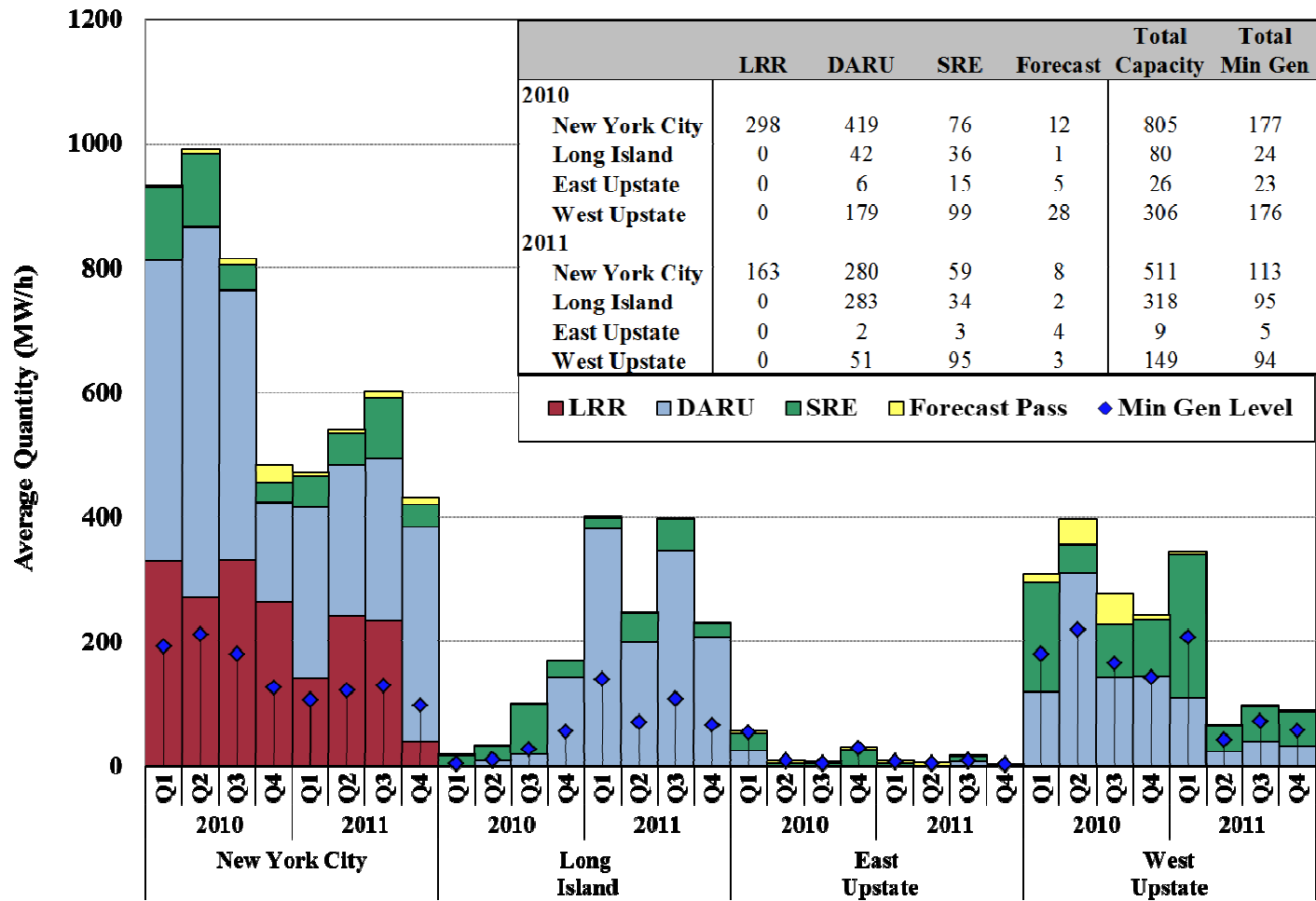
Capacity Sales and Prices in New York City



See Section III.C
 Recommendation 3



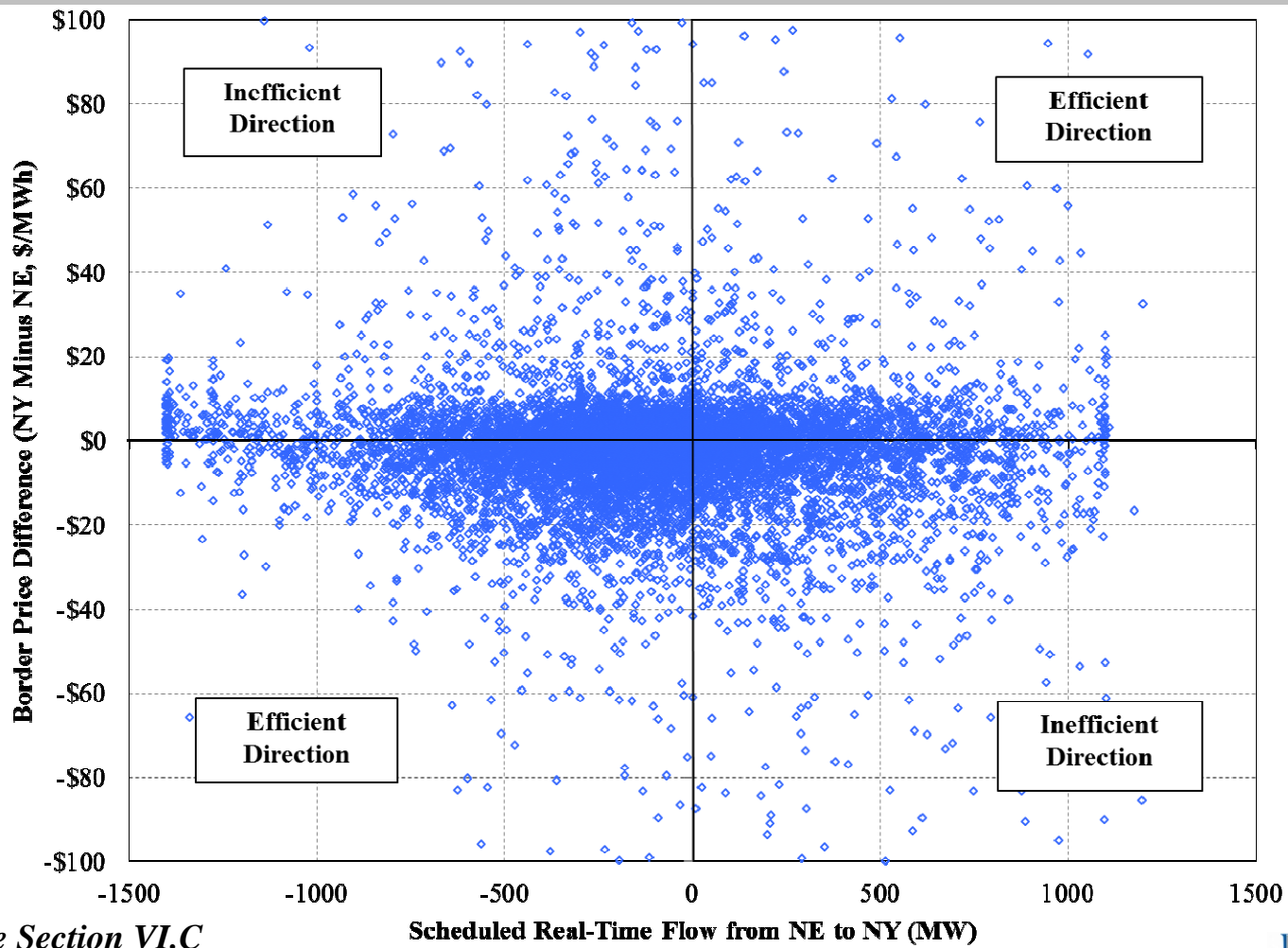
Supplemental Commitment for Reliability



See Section VIII.E



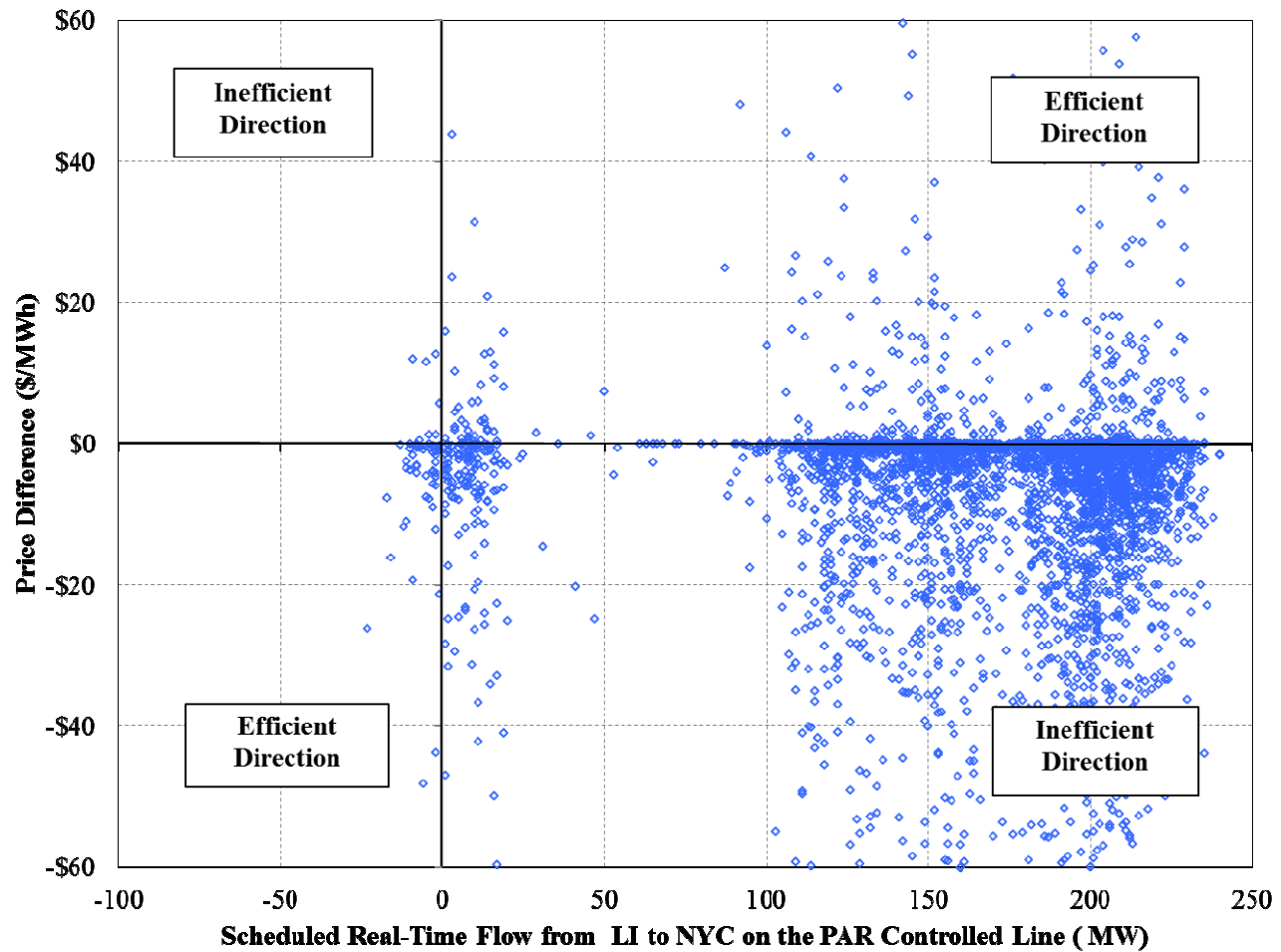
Efficiency of Inter-Market Scheduling New England



See Section VI.C
Recommendation 4



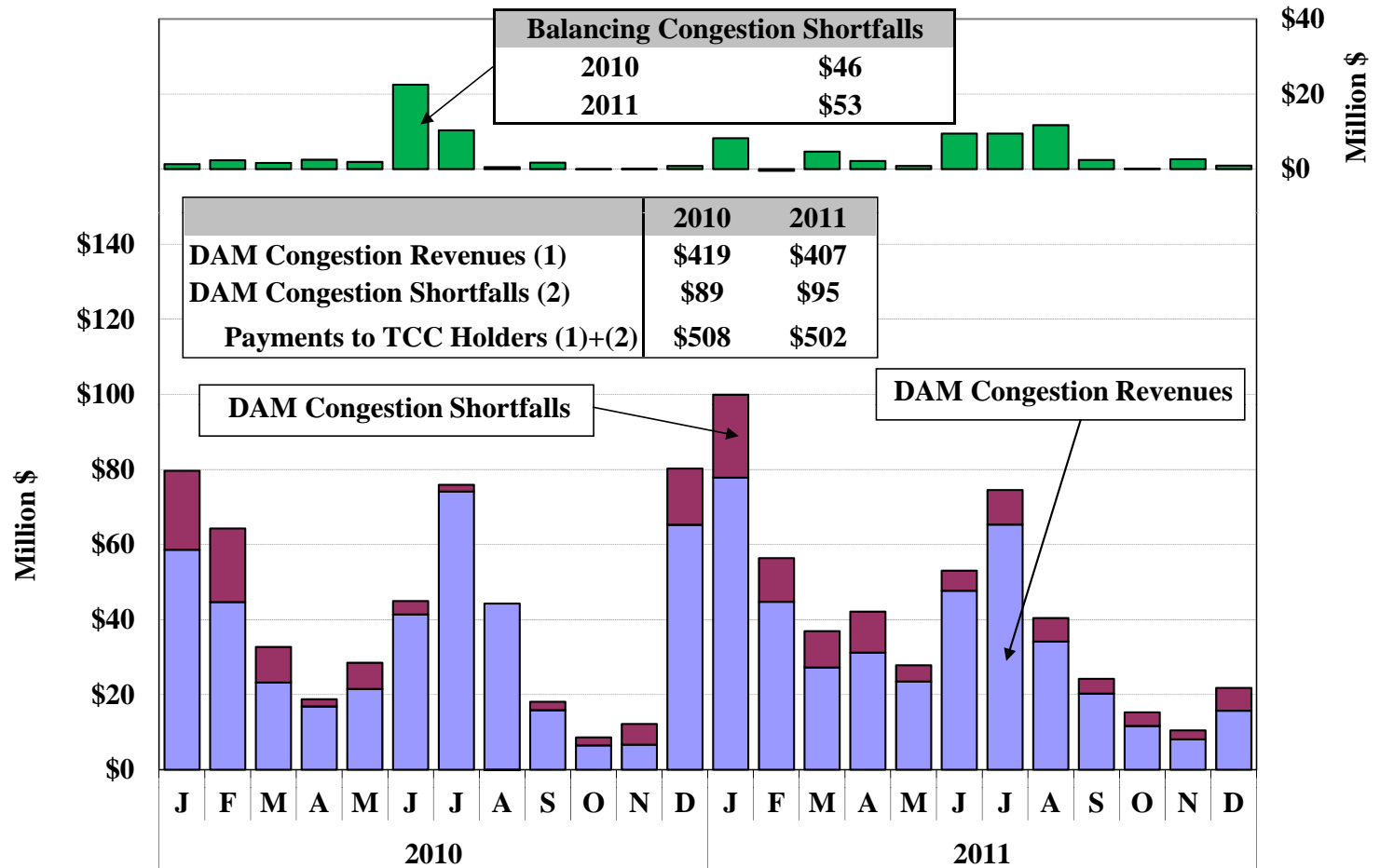
Efficiency of Scheduling on PAR Controlled Lines Long Island to NYC Line



See Section VIII.B
Recommendation 5



Transmission Congestion



See Section V.A.



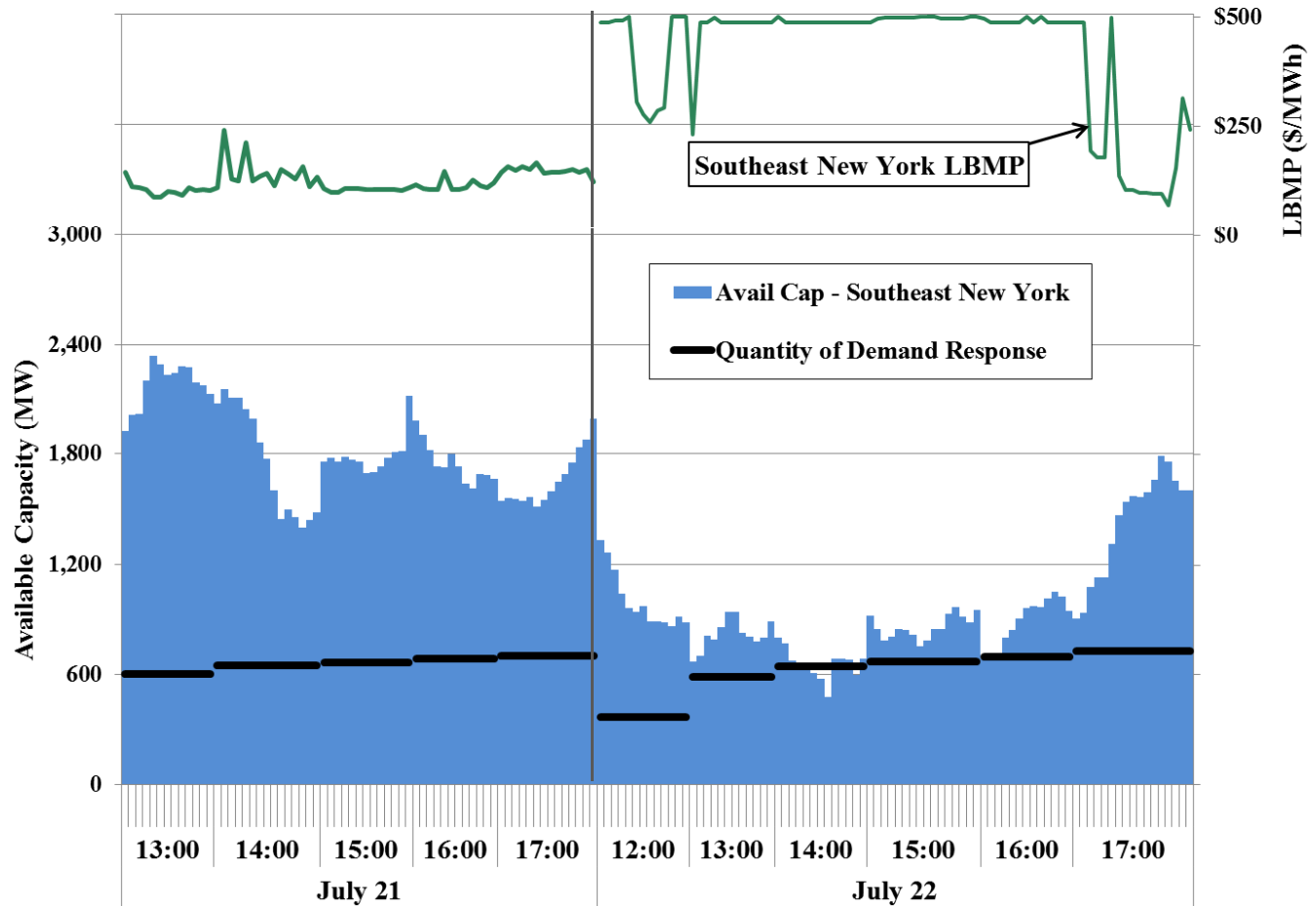
Real-Time Prices During Transmission Shortages



See Section VIII.D.2
Recommendation 7



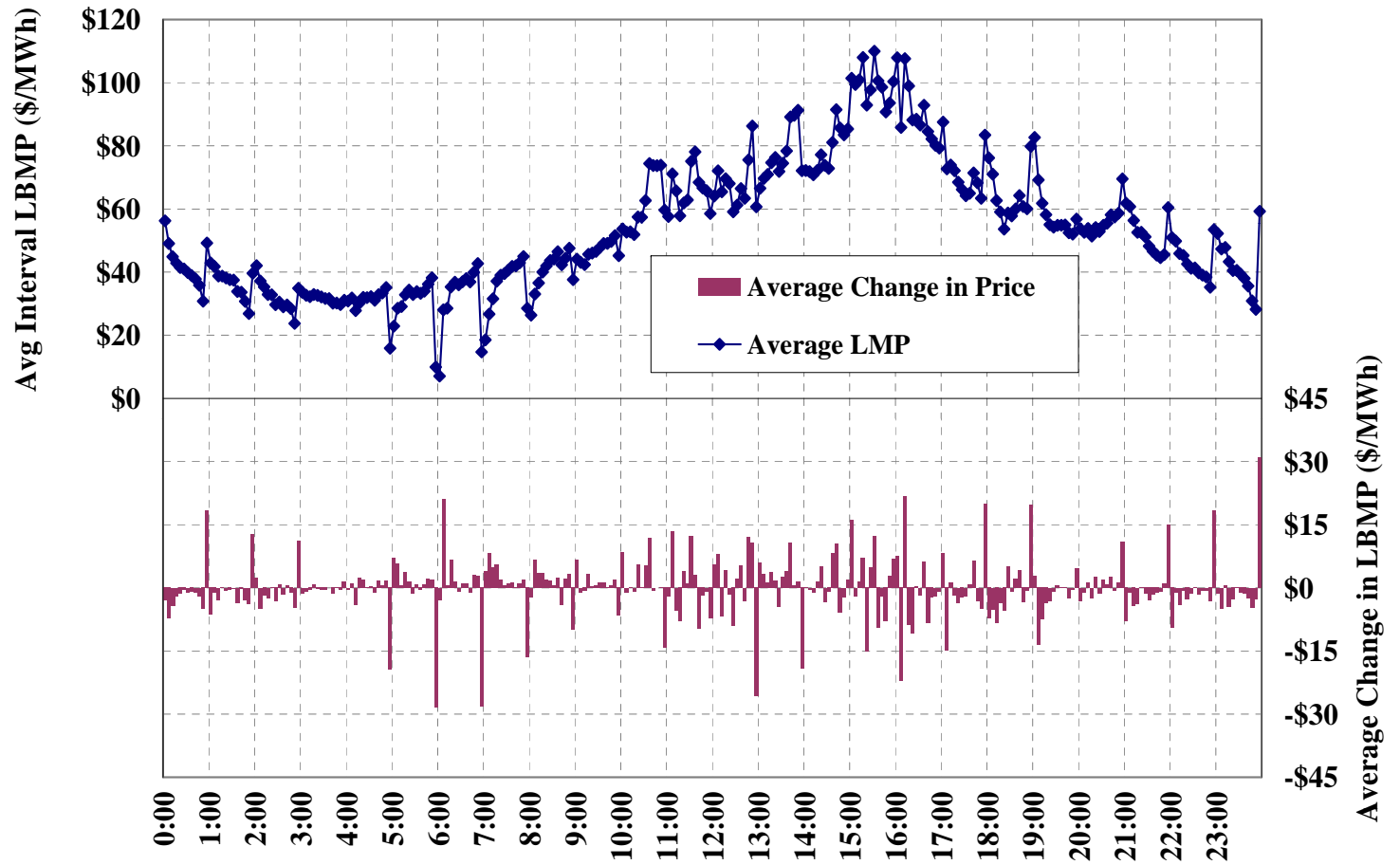
Prices & Available Supply During Emergency DR Activations July 21 & 22, 2011



See Section VIII.D.3
Recommendation 8



Statewide Average Five-Minute Prices by Time of Day June to August 2011



See Section VIII.C
Recommendation 9



List of Recommendations

RECOMMENDATION	IN 2012 PROJECT PLAN	HIGH PRIORITY/ BENEFIT
Capacity Market		
1. Better align the local capacity requirements with the Class Year Deliverability Test to allow the market to produce efficient price signals.		✓
2. Use the most economic new generating technology to establish the capacity demand curves.		✓
3. Clarify and improve the ICAP qualification requirements and supply-side mitigation measures.		✓
Real-Time Market		
4. Improve coordination of interface scheduling with neighboring markets.	✓	✓
5. Explore improvements in the operation certain PAR-controlled lines.		✓
6. Evaluate criteria for gas turbines to set LBMPs in the real-time market.		
7. Consider using graduated Transmission Shortage Cost (i.e., demand curve).	✓	
8. Modify the real-time market to allow DR to set prices when appropriate.	✓	
9. Identify and address causes of unnecessary real-time price volatility.		
Day-Ahead Market		
10. Modify mitigation rules for 10-minute reserves in day-ahead market.	✓	
11. Enable virtual trading at a disaggregated level.		

See Section X