



FOR IMMEDIATE RELEASE

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At the June 5 meeting of the New York Independent System Operator (NYISO) Management Committee, a motion concerning bid caps made by the New York State Public Service Commission, and sponsored by The New York State Energy Research and Development Authority and the Consumer Protection Board was approved. The motion to impose a bid cap of \$1,000 per megawatt hour (MW/hr) on energy and ancillary services (to begin on a date approved by the NYISO Board through October 31, 2000) was approved by 63 % of the vote. The NYISO Management Committee requires that 58% be in favor of a motion in order to pass. If approved by the NYISO Board, the NYISO would file for authority to impose the bid caps with the Federal Energy Regulatory Commission (FERC) under Section 205 of the Federal Power Act.

According to the Bid Cap Proposal, generator bids in the Day-Ahead and Real-Time energy markets would be capped at \$1,000 per MW/hr. Combined payments for availability and lost opportunity costs (in total) for 10-min and 30-min reserves would also be capped at \$1,000 per MW/hr. Combined payments for regulation would be capped at \$1,100. Both internal and external bids are subject to the cap. Emergency external purchases will not be subject to the bid caps, but payments for those purchases would not set market clearing prices.

Bid Production Cost Guarantees (BPCGs) will be suspended for a supplier who bids minimum generation levels, start-up costs, or minimum run times when LBMP at the supplier's bus averages \$200 per MW/hr or more per day. Total payments, including BPCGs may not exceed \$24,000/MW per day.

The proposal also directs the NYISO develop a work plan that would allow for increased price sensitive load. This is intended to support the development of a demand-side response in the market, further enhancing competitive forces. Such a plan would be targeted for implementation in June of next year.

