



**To:** Market Participants  
**From:** ISO New England Inc.  
**Date:** October 17, 2005  
**Subject:** Market Rule 1, Appendix H Implementation

As part of the “Appendix H – Operations During Cold Weather Conditions” requirements (subject to approval by the FERC), Participants will be able to submit updated Start-Up and No-Load Fees for their Resources during a declared Cold Weather Event. Subsequent re-declaration of those values will be permitted in the bid period for the Operating Day following the declaration of a Cold Weather Event. A generating resource may also re-declare its manual response rate to reflect limitations resulting from gas pipeline restrictions, but not for a period exceeding the pertinent Operating Day to which the limits apply. This document is intended to provide guidance and instructions for re-declaring these values. Appendix H is scheduled to be in effect from November 15, 2005 through April 15, 2006. The re-declarations will only occur during Cold Weather Events. These instructions are subject to change depending upon the order issued by FERC on this subject and the outcome of the “Preparing for Reliable Winter Operations” proposal that is currently being reviewed by stakeholders. ISO New England Inc. will issue a Notice for any changes to these requirements if required.

**Start-Up and No-Load**

The ISO will declare a Cold Weather Event no later than 11:00 am 2 days prior to the Cold Weather Event Operating Day. On the day prior to the Operating Day, the market will close at 9 am. Prior to the market close, generating Resources will be able to alter their Start-Up and No-Load Fees for each day of the event to reflect the change in fuel costs during Cold Weather Event(s). The Participants will use eMkt/XML upload to re-declare these costs for the Cold Weather Event. The procedure for changing these values for different times of the month are described in different scenarios below.

Participants enter their Start-Up and No-Load costs into fields in eMkt or XML upload that are called:

<b>eMKT</b>	<b>XML Upload</b>
Per. 1 Hot Startup Cost	NoLoadCost1
Per. 1 Inter Startup Cost	HotStartupCost1
Per. 1 Cold Startup Cost	InterStartupCost1
Per. 1 No Load Cost	ColdStartupCost1
Per. 2 Hot Startup Cost	NoLoadCost2
Per. 2 Inter Startup Cost	HotStartupCost2
Per. 2 Cold Startup Cost	InterStartupCost2
Per. 2 No Load Cost	ColdStartupCost2

**Note: Period 1 is currently the 1<sup>st</sup> –15<sup>th</sup> of a month and Period 2 is the 16<sup>th</sup> through the end of the month.**

**Scenario 1: Event is a single day that falls within the same bimonthly period as the current date.**

Once the Cold Weather Event has been declared, the Participant will enter their re-declared Start-Up and No-Load costs into the next bimonthly period. On the day of the Cold Weather Event, the Participant will be able to alter the current period's cost. For example, if today is the 5<sup>th</sup> of the month, and the 6<sup>th</sup> has been declared a Cold Weather Event day, the Participant will enter their Cold Weather Event costs into the Period 2 fields to be effective for the 6<sup>th</sup>. On the 6<sup>th</sup> of the month, the day of the event, the Period 1 values can be modified and would be valid from the 7<sup>th</sup> – 15<sup>th</sup>. On the day after the event (7<sup>th</sup>) thru the end of the period (15<sup>th</sup>), Period 2 values can be modified by the Participant as is allowed under normal Supply Offer functionality.

<i>Description: Event is for one day in the middle of Period 1</i>				
		<b>Actual Date</b>	<b>Setting Costs for this Date</b>	<b>Changeable Period</b>
Scenario 1A	Event - 1 day	5	6	2
	Date of Event	6	7 thru rest of period	1
	Event + 1 day	7 thru end of period	Next bimonthly period	2

<i>Description: Event is for one day in the middle of Period 2</i>				
		<b>Actual Date</b>	<b>Setting Costs for this Date</b>	<b>Changeable Period</b>
Scenario 1B	Event - 1 day	25	26	1
	Date of Event	26	27 thru rest of period	2
	Event + 1 day	27 thru end of period	Next bimonthly period	1

**Scenario 2: Event lasts two or more consecutive days that are all within the same bimonthly period.**

For each day of a Cold Weather Event that has been declared for two or more consecutive days, Participants are allowed to re-declare their Start-Up and No-Load costs. The Participants will follow the same procedure in Scenario 1 for the days prior to the event. On the 1<sup>st</sup> day of the event, the Participant will enter their Start-Up and No-Load offers for the second day of the Cold Weather Event in the alternate costs field that they did for the 1<sup>st</sup> day. The Participants will continue to alternate the days until the Cold Weather Event has completed. After the conclusion of the event, the Participants will alternate the periods they bid until they are properly reset. That is, if it is the first half (1<sup>st</sup>-15<sup>th</sup>) of the month, Period 2 values can be modified and if it is the second half (16<sup>th</sup>-end) of the month, Period 1 values can be modified.

For example, assume the event is declared for the 21<sup>st</sup> thru the 23<sup>rd</sup> of a month. On or before the 20<sup>th</sup>, the Participant will enter costs into the Period 1 fields for the 21<sup>st</sup>. On the 21<sup>st</sup>, the Participant will enter costs into the Period 2 fields for the 22<sup>nd</sup>. On the 22<sup>nd</sup>, the Participant will enter costs into the Period 1 fields for the 23<sup>rd</sup>. On the 23<sup>rd</sup>, the Participant will enter costs into the Period 2 fields, which will be their costs for the remainder of the month. On the 24<sup>th</sup> thru the end of the month, the Participant will be able to enter their bids for Period 1 of the next month.

<i>Description: Event is for 3 consecutive days in the middle of Period 2</i>				
		<b>Actual Date</b>	<b>Setting Costs for this Date</b>	<b>Changeable Period</b>
Scenario 2A	Event - 1 day	20	21	1
	Date of Event	21	22	2
	Date of Event	22	23	1
	Date of Event	23	24 thru rest of period	2
	Event + 1 day	24 thru end of period	Next bimonthly period	1

<i>Description: Event is for 2 consecutive days in the middle of Period 2</i>				
		<b>Actual Date</b>	<b>Setting Costs for this Date</b>	<b>Changeable Period</b>
Scenario 2B	Event - 1 day	20	21	1
	Date of Event	21	22	2
	Date of Event	22	23	1
	Event + 1 day	23	24 thru rest of period	2
	Event + 2 day	24 thru end of period	Next bimonthly period	1

<i>Description: Event is for 3 consecutive days in the middle of Period 1</i>				
		<b>Actual Date</b>	<b>Setting Costs for this Date</b>	<b>Changeable Period</b>
Scenario 2C	Event - 1 day	5	6	2
	Date of Event	6	7	1
	Date of Event	7	8	2
	Date of Event	8	9 thru rest of period	1
	Event + 1 day	9 thru end of period	Next bimonthly period	2

<i>Description: Event is for 2 consecutive days in the middle of Period 1</i>				
		<b>Actual Date</b>	<b>Setting Costs for this Date</b>	<b>Changeable Period</b>
Scenario 2D	Event - 1 day	5	6	2

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	Date of Event	6	7	1
	Date of Event	7	8	2
	Event + 1 day	8	9 thru rest of period	1
	Event + 2 day	9 thru end of period	Next bimonthly period	2

**Scenario 3: Event occurs on the first or last day of a bi-monthly period, i.e. the 1<sup>st</sup>, 15<sup>th</sup>, 16<sup>th</sup> or last day of the month.**

If the Cold Weather Event is declared for either the 1<sup>st</sup>, 15<sup>th</sup>, 16<sup>th</sup>, or last day of the month, the Participant will follow the same procedure in Scenario 1 for the days prior to the event. On the day of the event, the Participant will enter their Start-Up and No-Load costs for the next day. To properly reset the periods, the Participant will enter their costs for the rest of the current period on the day following the event. Two days after the event thru the end of the period, the Participant will be able to enter their costs for the next period like normal.

For example, assume that the event is declared for the 16<sup>th</sup> of the month. On or before the 15<sup>th</sup>, the Participant will enter their Start-Up and No-Load costs into the Period 2 fields for the 16<sup>th</sup>. On the 16<sup>th</sup>, the Participant will enter their costs into the Period 1 fields for the 17<sup>th</sup>. On the 17<sup>th</sup>, the Participant will enter their costs into the Period 2 fields for the 18<sup>th</sup> thru the rest of the month. On the 18<sup>th</sup> thru the end of the month, the Participant will be able to enter their bids for Period 1 of the next month.

<i>Description: Event occurs on the first day of Period 2</i>				
		<b>Actual Date</b>	<b>Setting Costs for this Date</b>	<b>Changeable Period</b>
Scenario 3A	Event - 1 day	15	16	2
	Date of Event	16	17	1
	Event + 1 day	17	18 thru rest of period	2
	Event + 2 day	18 thru end of period	Next bimonthly period	1

<i>Description: Event occurs on the last day of Period 2</i>				
		<b>Actual Date</b>	<b>Setting Costs for this Date</b>	<b>Changeable Period</b>
Scenario 3B	Event - 1 day	30	31	1
	Date of Event	31	1	2
	Event + 1 day	1	2 thru rest of period	1
	Event + 2 day	2 thru end of period	Next bimonthly period	2

<i>Description: Event occurs on the first day of Period 1</i>				
		<b>Actual Date</b>	<b>Setting Costs for this Date</b>	<b>Changeable Period</b>
Scenario 3C	Event - 1 day	31	1	1
	Date of Event	1	2	2
	Event + 1 day	2	3 thru rest of period	1
	Event + 2 day	3 thru end of period	Next bimonthly period	2

<i>Description: Event occurs on the last day of Period 1</i>				
		<b>Actual Date</b>	<b>Setting Costs for this Date</b>	<b>Changeable Period</b>
Scenario 3D	Event - 1 day	14	15	2
	Date of Event	15	16	1
	Event + 1 day	16	17 thru rest of period	2
	Event + 2 day	17 thru end of period	Next bimonthly period	1

## **Manual Response Rate**

Once the declaration of a Cold Weather Event is made, gas fired generators may request to modify their manual response rates (MRR).

Request requirements are as follows:

- Only email requests submitted to [custserv@iso-ne.com](mailto:custserv@iso-ne.com) will be accepted
- The emailed request must be received at the above address by 08:00:00 AM, the day before the operating day to be considered for the day ahead run
- Additional updates to the MRR will be accepted during the re-offer period and must be received by 01:00:00 PM.
- Request must come from the Lead Participant of the resource
- The submitter of the request must be an authorized eMKT user with Generation Read/Write access and have a valid digital certificate

The request must include:

- Effective Date(s)
- Unit ID number
- Manual Response Rate (MW / Minute) effective for the Cold Weather Event days

The modified MRR will only be effective for the days identified in the Cold Weather Event declaration notice. If necessary, subsequent modification requests may be made to override a previously submitted request. The original MRR will become effective automatically on the first day after the last Cold Weather Event day. Only one response rate will be allowed for the full capability of the unit in accordance with current practice.

Please use the following contact information if you have any questions or issues with this material, or once in effect, if you are having problems submitting your offers:

### **During Regular Business Hours**

- Call the Customer Services Hot Line at 413-540-4220. (Please note that all calls will be recorded or monitored for quality assurance purposes.)
- Send e-mail to [custserv@iso-ne.com](mailto:custserv@iso-ne.com).
- Fax to 413-535-4156.

### **After Hours**

- At other times, Customer Services can be reached for emergency inquiries by pager at 413-785-2987.