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|  | © ISO New England Inc. 2006 | Procedure: Support Forward Reserve Markets |
| | Process Name: Capture and Evaluate Outage Requests | |
| | Procedure Number: OUTSCH.0030.0040 | Revision Number: 0 |
| | Procedure Owner: Pete Harris | Effective Date: October 1, 2006 |
| | Approved By: VP Operations | Review Due Date: January 1, 2008 |

SOP-OUTSCH.0030.0040


Support Forward Reserve Markets

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1. Objective

The objective of this procedure is to provide comprehensive technical support to Market Operations and Market Administration Departments in support of the Locational Forward Reserve Market (FRM) Auctions. This procedure also documents the responsibilities of ISO New England (ISO) staff that support the requirements specified in ISO New England Manual for Installed Capacity Manual, M-20 and ISO New England Manual for Forward Reserve Manual, M-36 with regards to the Forward Reserve Market.

2. Background


To support the seasonal auctions for Locational Forward Reserve Market the Outage Coordination group gathers historical data needed to calculate the reserve requirements for the Forward Reserve Market. The data is applicable for determining the New England reserves and the Reserve Zone requirements to be used for the Forward Reserve Market. Attachment A - Timelines for Internal Preparation and Execution of Locational Forward Reserve Auction provides a pictorial description of the requirements to support the Locational FRM Auctions.

3. Responsibilities

1. The Outage Coordination Engineer is primarily responsible for executing this procedure.

4. Controls

- ISO personnel gathering historical data, needed to calculate the reserve requirements for the Forward Reserve Market, shall be authorized by the Manager of Outage Coordination

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5. Instructions


5.1 Execution and Response Time

1. The Outage Coordination Engineer shall gather the following data:
 - A. Weekly reserve requirement from the Annual Maintenance Schedule for the upcoming Winter or Summer capability periods.
 - B. Historical interchange over the Phase II tie.
 - C. Planned Outage schedules for the upcoming capability period
 - D. Two years rolling historical data representing the “operating plan” for the upcoming day for calculating the zonal Thirty Minute Operating Reserve requirements and External Reserve Support (ERS).

NOTE

The Outage Coordination Engineer provides the Locational Reserve Requirement based on a rolling two years of historical data for a like capability period. This Locational Reserve Requirement is in the form of Thirty Minute Operating Reserve (TMOR) and corresponding ERS. Also provided is the New England Control Area reserve requirement, broken down into Ten Minute Non-Spin (TMNSR) and TMOR FRM products. The 30-minute reserve requirement includes the replacement reserve requirement per Operations. Additionally the first and second contingencies are determined and provided by referencing the latest edition of the current year and first future year Annual Maintenance Schedules and historical interchange data for HQ Phase II imports.


2. The Outage Coordination Engineer shall perform the following:
 - A. Extract the expected weekly reserve requirement from the AMS for the entire capability period.
 - B. Examine historical interchange data over Phase II for the previous years like capability period.

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- C. Determine reasonable expected first and second contingencies for the upcoming capability period.
3. The Outage Coordination Engineer shall calculate the New England Control Area reserve requirements for Forward Reserve Market from the data gathered. These Reserve requirements are specified in ISO New England Operating Procedure No. 8 – Operating Reserve and Regulation (OP-8).
4. The Outage Coordination Engineer shall calculate Reserve Requirements for the reserve zones based on rolling weekday historical data gathered for like capability periods as follows:
 - A. The Outage Coordination Engineer shall calculate appropriate percentile values and examine possible data anomalies from the data gathered.
 - B. If needed, the Outage Coordination Engineer shall discuss internally with Operations and Market Administration the basis for reserve requirements and expected system operation during the upcoming auction period is.
5. The Outage Coordination Engineer shall document the data results and provide the results via memo to Market Administration per the timeline in Attachment A - Timelines for Internal Preparation and Execution of Locational Forward Reserve Auction. The data shall include:
 - New England Control Area TMNSR
 - New England Control Area TMOR reserve requirement
 - Reserve Zone TMOR reserve requirement
 - Corresponding ERS for each Reserve Zone

6. Performance Measures

None.

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7. References

SOP-OUTSCH.0030.0010 – Evaluate Generation and Dispatchable Asset Related Demand Outage Requests

ISO New England Manual M-20, Installed Capacity (M-20)

ISO New England Operating Procedure No. 5 – Generator and Dispatchable Asset Related Demand Maintenance and Outage Scheduling (OP-5)

ISO New England Operating Procedure No. 8 – Operating Reserve and Regulation (OP-8)


ISO New England Manual for Forward Reserve Manual (M-36)

8. Revision History

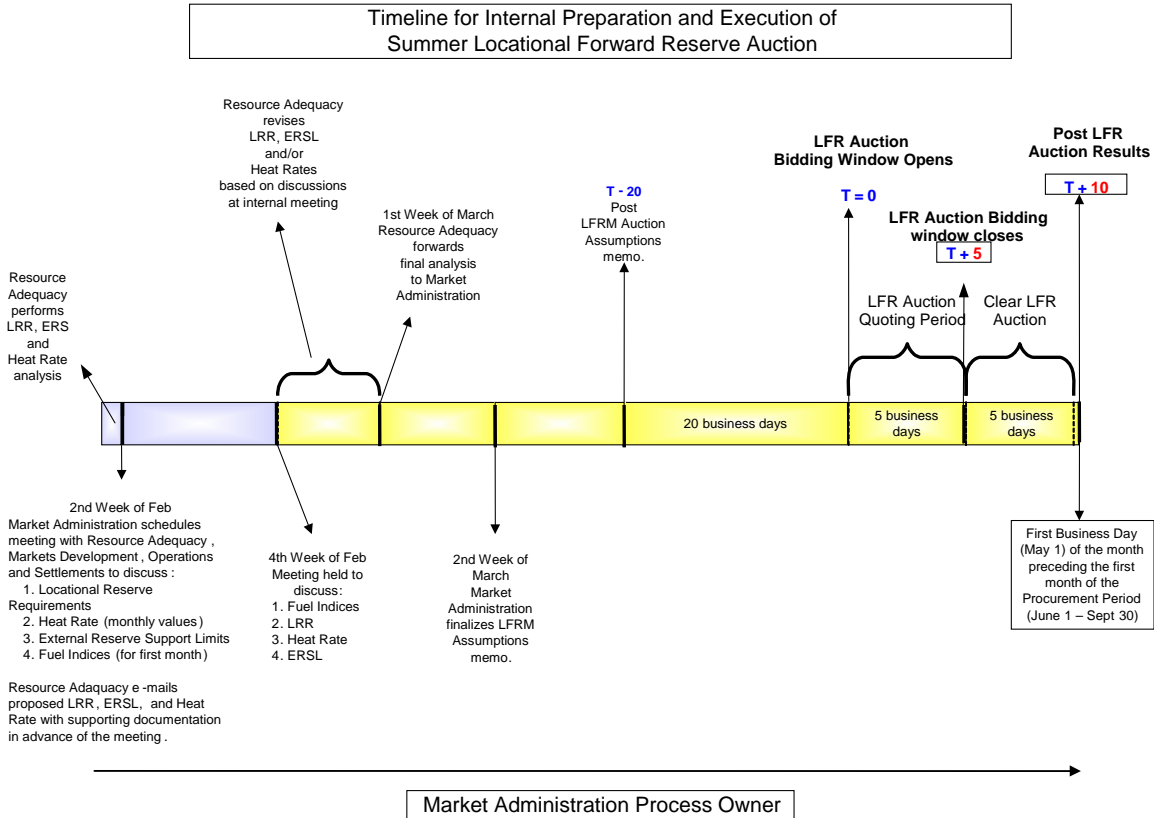
| Rev. No. | Date | Reason | Contact |
|----------|---------|---|-------------|
| 0 | 9/26/06 | Initial SOP procedure, material pulled from former SYSPN.0050.0090 procedure, responsibilities transferred to Outage Coordination group | Pete Harris |
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9. Attachments

Attachment A - Timelines for Internal Preparation and Execution of Locational Forward Reserve Auction

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Attachment A - Timelines for Internal Preparation and Execution of Locational Forward Reserve Auction



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