



memo

To: NEPOOL Budget and Finance Subcommittee

From: Cheryl Arnold

Date: August 6, 2014

Subject: Definition Modifications re: Energy Market Offer Flexibility – Section 1 of Transmission, Markets and Services Tariff

At the May 13, 2014 Budget and Finance Subcommittee meeting, the ISO reviewed two definition changes that would need to be made to conform Schedule 2 of the ISO Administrative Cost Services Tariff, specifically for energy transaction units, to the changes being implemented under the market rules for the implementation of hourly offer flexibility in the Energy Market. The affected definitions are found in Section 1 of the Transmission, Markets and Services Tariff. In addition, a clean-up change to one defined term is included, which was also discussed at the May meeting.

The language for those proposed changes is on page 2 of this memo for review. The next step in the process is to bring these changes to the Participants Committee for a vote in September and subsequently a FERC filing in September.

PROPOSED REVISIONS TO DEFINITIONS TO IMPLEMENT CHANGES TO SELF-FUNDING TARIFF FOR ENERGY MARKET OFFER FLEXIBILITY

I.2 Rules of Construction; Definitions

I.2.2 Definitions

Asset Related Demand Bid Block-Hours are Block-Hours assigned to the Lead Market Participant for each Asset Related Demand bid. ~~Blocks of the The daily bid in effect for each hour will be totaled~~ ~~Blocks in the price-based Real-Time bid will be multiplied by the number of hours in the day~~ to determine the daily quantity of Asset Related Demand Bid Block-Hours. In the case that a Resource has a Real-Time unit status of “unavailable” for an entire day, that day will not contribute to the quantity of Asset Related Demand Bid Block-Hours. However, if the Resource has at least one hour of the day with a unit status of “available,” the entire day will contribute to the quantity of Asset Related Demand Bid Block-Hours.

Supply Offer Block-Hours are Block-Hours assigned to the Lead Market Participant for each Supply Offer. ~~Blocks of the Supply Offer in effect for each hour will be totaled~~ ~~The daily bid~~ ~~Blocks in the price-based Real-Time offer/bid will be multiplied by the number of hours in the day~~ to determine the quantity of Supply Offer Block-Hours for a given day. In the case that a Resource has a Real-Time unit status of “unavailable” for the entire day, that day will not contribute to the quantity of Supply Offer Block-Hours. However, if the Resource has at least one hour of the day with a unit status of “available,” the entire day will contribute to the quantity of Supply Offer Block-Hours.

PROPOSED CLEAN-UP REVISION

I.2 Rules of Construction; Definitions

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Energy Administration Service (EAS) is the service provided by the ISO, as described in Schedule 2 of Section IV.A of the Tariff, ~~in order to facilitate: (1) bilateral Energy transactions; (2) self-scheduling of Energy; (3) Interchange Transactions in the Energy Market; and (4) Energy Imbalance Service under Section II of the Tariff.~~