



Settlement Issues Forum

Q1 2012 Meeting

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Settlements Topics and Issues



- Introductions and Overview
- Upcoming Settlement Changes
 - Blackstart Critical Infrastructure Project (CIP) cost
 - Price Responsive Demand (PRD) – Transition
- Brief Informational Items
- Discussion, Q&A, and Schedule for Future Meetings

Introductions and Overview

- ISO New England
 - Market Analysis and Settlements Department
 - Rachel Likover, Manager, Market Settlements
 - Jin Hua Thian, Supervisor, Monthly Markets
- Forum for Settlements Issues
 - Upcoming changes in reporting and billing
 - Review of frequently asked questions
 - General discussion, Q & A, and concerns



Settlement Changes for June 2012

Blackstart Critical Infrastructure Protection Costs

- Joint ISO New England/NEPOOL FERC Filing
 - ER12-729-000 (December, 2011)
 - Revised tariff language for Open Access Transmission Tariff (OATT) Schedule 16
- Revision 1, effective June 2012, introduces the Critical Infrastructure Protection (CIP) payments
- Revision 2, effective January 2013, revises rates, terms and conditions for generators participating in the Blackstart Service

Settlement Changes for June 2012

Blackstart Critical Infrastructure Protection Costs

- Blackstart CIP compensation is comprised of the capital, operating, and maintenance expenses incurred by the Blackstart generators to comply with NERC CIP Reliability Standards
 - Payments are made to existing generators that are required to comply with the CIP standards
 - Costs are allocated to Transmission Customers with Regional Network Load
- CIP settlements will be reported through standard settlements
 - Follows the same schedule as the current Blackstart settlements
 - Will first appear on Aug 13, 2012 bill



Settlement Changes for June 2012

Transitional Price Responsive Demand (PRD)

- ISO New England Compliance Filing – FERC Order No. 745
 - ER11-4336 (August, 2011)
- Transitional Market Design for compensating Demand Response in the Energy Market
- Transitional PRD replaces current programs
 - Day-Ahead Load Response Program ends May 31, 2012
 - Real-Time Price Response Program ends May 31, 2012



Settlement Changes for June 2012

Transitional Price Responsive Demand (PRD)

Transitional PRD Features

- Demand Response will offer and clear day ahead
- Real-time performance is capped at 200% of Demand Reduction Offer MWh
- Demand Response has the opportunity to perform in Real-time without a Day-Ahead schedule dependent on the provisional Real-Time LMP and Demand Reduction Offer price
- PRD costs will be allocated to hourly Real Time Load Obligation
 - Excludes Export MWh
 - Excludes Postured Dispatchable Asset Related Demand (DARD) MWh

Settlement Changes for June 2012

Transitional Price Responsive Demand (PRD)

Billing Cycle Notes

- Current DA Load Response and RT Price Response Programs are allocated to Regional Network Load (RNL)
- Services billed to RNL have one month lag in billing
- May 2012 DA and RT programs will be included on the bill issued on July 16, 2012
- Transitional PRD, billed to RTLO, will not have billing lag
- June 2012 Transitional PRD will be included on the bill issued July 16, 2012
 - The July 16, 2012 bill will include both programs

Settlement Changes for June 2012

Transitional Price Responsive Demand (PRD)

Billing Cycle Notes (continued)

- Data Reconciliation Process (DRP) resettlement billing will not have the same overlap as the July 2012 bill
- May 2012 DRP will be included in bill issued on October 15, 2012
 - DRP for DA Load Response and RT Price Response programs
- June 2012 DRP will be included in bill issued on November 13, 2012
 - DRP for Transitional PRD program

Settlement Changes for June 2012

Transitional Price Responsive Demand (PRD)

Additional Transitional PRD information

- ISO Presentation to the Demand Response Working Group in May
- MIS Report descriptions slated to be released April 30, 2012

