



Open Access Transmission Tariff

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ISO New England

- ISO New England monitors the six-state region's wholesale electricity markets to ensure that electric companies, utilities and others which buy and sell electricity abide by the Federal Energy Regulatory Commission-approved market rules and procedures.
- ISO New England oversees the marketplace on a daily and annual basis, protects against anti-competitive behavior and may act to deter behavior that may interfere with the markets.



Transmission, Markets & Services Tariff

- General Terms and Conditions
- **Open Access Transmission Tariff (OATT)**
- Market Rule 1
- ISO Funding Mechanisms



Purpose of the OATT

- Provides the rates, terms and conditions for transmission, market and other services provided by the ISO within the New England Control Area.
- Non-discriminatory open-access transmission service over the New England Transmission System is provided under the terms and conditions of this OATT. Ancillary Services will be supplied in accordance with Section II.4 of this OATT.

OATT Objective

- To assure the reliability of the Bulk Power Supply of the New England Control area
- Non-discriminatory, competitive, unbundled open-access transmission service over the New England Transmission System
- Uses Ancillary Services – Schedules of OATT
- Two-tier transmission arrangement integrating Regional Network Service (RNS) and Local Network Service (LNS)



Components of the OATT

- Definitions
- Financial Assurance Policies
- ISO New England Billing Policies
- **Open Access Transmission Tariff (OATT)**
- ISO Market Rule 1
- Provisions to recover ISO's Administrative Expenses and Capital Funding Arrangements.
- Other Forms including a *Pro Forma* Market Participant Service Agreement



Definitions Used in the OATT

- **Ancillary Services** – Supporting services necessary to support the reliability within the New England Control Area.
- **Transmission Operating Agreement (TOA)** – The agreement between the Transmission Owners and the ISO.
- **Transmission Owner (TO)** – A PTO, MTO or OTO.
- **Network Load (NL)** – All Load designated by the Network Customer (including losses) which shall not be modified for behind-the-meter-generation. Submitted by the TO's by the 20th of the month.
- **Regional Network Service (RNS)** – The transmission service that allows Network Customers to serve their Regional Network Load.
- **Through or Out Services (TOUT)** – A transaction that goes through or out of the New England Control area.

Schedules

- 1 Scheduling, System Control and Dispatch Service
- 2 Reactive Supply & Voltage Control From Generation Sources Service
- 3 Regulation & Frequency Response Service (Automatic Generation Control – AGC)
- 4 Energy Imbalance Service
- 5 Operating Reserve – Spinning Reserve
- 6 Operating Reserve – Supplemental Reserve Service
- 8 Through or Out Service – The Pool PTF Rate



Schedules Continued

- 9 Regional Network Service
- 11 Generator Interconnection Related Upgrade Costs
- 12 Transmission Cost Allocation
- 16 System Restoration & Planning Service From Generators
- 18 MTF - MTF Service
- 19 Special Constraint Resource Service
- 20 Other Transmission Facilities & Service
- 21 Local Service



Schedule 1

Scheduling, System Control & Dispatch Service

- Service required to schedule at the regional level the movement of power through, out of, within or into the New England Control Area.
- Charges are based on the expenses incurred by the ISO, and by the individual PTOs to provide this service
- Revenue requirements are submitted annually based on the previous calendar year expenses or from the FERC Form 1
- Participants are charged for RNS based on their Monthly Network Load and TOUT hourly reservations
- Annual rates change from \$0.904/KW year pre RTO to \$0.921/KW year with the implementation of the RTO



Schedule 2

Reactive Supply & Voltage Control From Generation Sources Service

- Generation facilities are paid to produce (or absorb) reactive power to maintain transmission voltages
- Payments for generators compensated for reactive power are calculated in the Operating Reserve
- Generators are paid for Lost Opportunity Costs, Cost of Energy Produced & Cost of Energy Consumed
- Generators also receive a Capacity Cost (CC) based on their ability to deliver VARs to the system
- Current rate for CC is \$1.05/kVAR-yr
- VAR charges and CC charges are determined annually and allocated by both network load and reservations

Schedule 2

Reactive Supply & Voltage Control From Generation Sources Service cont.

- Participant's Hourly Charges
= (Hourly VAR charge + Hourly CC charge)
* (Participant Monthly NL + Participant Hourly
Reservations)
/ (\sum Pool NL + \sum Pool Reservations)



Schedule 8

Through or Out Service – The Pool PTF Rate

- Any transmission customer scheduling OASIS reservations shall pay the PTF Rate for Through or Out (TOUT) Service.
- The PTF Rate is broken down into New York (NY), New Brunswick (NB) and High Gate (HG)
- The RTO Rates NY = \$0.00, NB = \$16.87/kW year and HG = \$16.87/kW year
- The hourly rate is equal to the yearly rate divided by 8760
- The rates are determined annually and effective June 1



Schedule 9

Regional Network Service (RNS)

- A Transmission Customer which serves a Regional Network Load in the New England Control Area shall pay RNS charges
- The RNS charges are broken down into a Pre 97 RNS Charge and a Post 96 RNS Charge and are charged according to the Local Network Load
- The monthly rate is the yearly rate divided by 12
- The rates are determined annually and effective June 1



Schedule 9

Regional Network Service (RNS) Rates

RNS Transmiss Provider	Adjusted Pre1997 RNS Rate	Feb-05	
		Post-1996 RNS Rate	Final/Total RNS Rate
		\$ / KW-YR	
BECO	14.92	4.77	19.69
BH	6.74	4.77	11.51
CES	10.49	4.77	15.25
CMP	16.45	4.77	21.22
EUA	*	*	*
NEES	14.26	4.77	19.03
NU	11.71	4.77	16.47
UI	16.58	4.77	21.35
VELCO	15.98	4.77	20.74
Pool PTF	13.48	4.77	18.25

Schedule 16

System Restoration & Planning Service From Generators

- System Restoration & Planning Service From Generators (Black Start) includes generators specified in Operating Procedure 11 capable of supplying load to re-energize the transmission system following a system wide blackout
- These generators must be able to Black Start without any outside electrical supply
- Compensation for qualifying generators equals the SCC * rate * 1000 / 12



Schedule 16

System Restoration & Planning Service From Generators cont.

- Charges are allocated pool wide based on a prorated percentage of network load
- Units requesting Black Start compensation must make a minimum three year commitment and must provide at least one year notice of termination
- Units are tested for Black Start capability annually by Systems Operations
- Higher the Participant's Network Load the higher the charge



Schedule 16

System Restoration & Planning Service From Generators cont.

- Black Start Payments are \$3.75/kW year for calendar year 2003; \$4.00 for calendar year 2004, \$4.25 for calendar year 2005; and \$4.50 for calendar year 2006 and thereafter
- Participant charge
= Total pool charge
* (Participant NL/ Pool NL)

Schedule 19

Special Constraint Resource Service (SCR)

- In order to maintain area reliability, Transmission Owners or distribution companies may request assistance from generating units to provide relief from constraints
- The unit is not eligible for Operating Reserve
- The Transmission Owner or distribution company makes the unit whole, ensuring all costs are recovered
- The unit is flagged by operations as SCR and the amount of the SCR is determined in the Operating Reserve



Billing Timeframe

- The billing for Schedules covered under the OATT occurs on the first Thursday after the 10th calendar day of the month
- Tariff billing is always a month in arrears because Network Loads are submitted on the 20th of the current month for the prior month
- This month we will be using the January Network Loads for the February Hourly and non Hourly Services bill issued on March 17th



Questions?