



Decision on Generating Bids and Outage Reporting for NRS-RA Resources

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Current tariff requires the ISO to insert bids for non-resource specific RA if they fail to submit day-ahead bid.

- ISO has not been inserting bids for NRS-RA resources due to implementation issues prior to the start of the new market.
- June 2009 order: FERC directed the ISO to begin inserting bids for NRS-RA resources as soon as possible.

There are 60+ NRS-RA resources providing 5,200+ MW RA capacity

The NRS-RA proposal addresses the following issues:

- Obligation to insert bids in day-ahead for NRS-RA resources
- Obligation to accommodate <100% availability standard
- Implications for standard capacity product
- Accommodations for resource adequacy contracts that apply to a subset of hours

If an NRS-RA resource fails to submit a bid, a generated bid will be inserted.

- Resource owner can choose one of three options:
 - Price-taker + GMC option
 - LMP-based option
 - Negotiated option
- No restrictions on changing bid-option election—ISO will monitor system impact of frequent changes.
- If the resource fails to bid its full resource adequacy capacity the ISO will extend the last segment of its bid curve.

NRS-RA resources will have same availability calculation for standard capacity product as other RA resources.

- NRS-RA resources will be required to report outages.
- Reported unavailability due to forced outages will be used to calculate standard capacity product availability metric.

The ISO will generate bids for all RA resources only for hours designated in supply plan.

- Proposal aligns application of inserted bids to contractual obligation of RA resources.
- Analysis of current RA MW shows that contracts of less than 24 X 7 is around 5%.
- RA resources will be required to provide information about their subset-of-hours arrangements under sworn statement.

Management requests Board approval for the proposal.

- Meets FERC regulatory requirements
- Broad stakeholder support
- Implementation planned for January 2012