

Temporary Suspension - Notice of Full-Scale Operations -

The ISO is temporarily suspending the ability of Scheduling Coordinators to submit incremental Adjustment Bids for exports and Dispatchable Loads. As noted in the October 15 notice to Market Participants, the ISO detected an error in its revised Congestion management (CONG) software. The ISO anticipates that the software will be fixed by the end of October. The ISO will issue a notice to Market Participants not less than forty-eight hours before the ISO is once again capable of accepting incremental Adjustment Bids for exports and Dispatchable Loads.

Background

In Amendment No. 7 to the ISO Tariff (as posted on the ISO's Home Page) the ISO established a temporary rule regarding Adjustment Bids for Dispatchable Loads and exports. This rule, as stated in Section 27.2 of the ISO Tariff, allows only decremental Adjustment Bids associated with Dispatchable Loads and exports (*i.e.*, Scheduling Coordinators cannot submit **incremental** Adjustment Bids for Dispatchable Loads or exports). The ISO stated in Amendment No. 7 that the temporary rule was necessary because the ISO's Congestion Management software (CONG) was not capable of properly implementing incremental Adjustment Bids for exports and Dispatchable Loads to counter-flow power across Congested paths. As a result of this limitation, the degree of Congestion relief, and the resulting transmission prices for Congested paths, was found to be in error. The ISO stated that creating a temporary rule precluding Scheduling Coordinators from submitting incremental Adjustment Bids for exports and Dispatchable Loads would allow CONG to produce accurate Congestion Management solutions. The ISO stated that this was only a temporary measure until the software can be corrected so that all Adjustment Bids are properly treated. Section 27.1 of the ISO Tariff provides that the special rule would apply until the Chief Executive Officer (CEO) of the ISO issues a "Notice of Full-Scale Operations" indicating that the ISO's CONG software had been modified. The ISO issued the "Notice of Full-Scale Operations" on October 7, 1998, which stated that effective with the October 14 Day Ahead Market for trade day October 15, 1998, Scheduling Coordinators could submit both incremental and decremental Adjustment Bids for Dispatchable Loads and exports.

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