

CONFIDENTIAL

June 23, 2009

[REDACTED]

Subject: NYSRC Reliability Rules Non-Compliance Assessment:
Non-Compliance with Reliability Rule C-R2 (Resource Availability Requirements)
and Measurement C-M5

Dear [REDACTED]

During a review of GADS data performed in the Fall of 2008, the NYISO's Market Monitoring and Performance unit identified a deficiency in the outage reporting by [REDACTED]. The NYISO has completed an assessment of the Generator Availability Data System ("GADS") data submitted by [REDACTED] for 2008, and has determined that [REDACTED] failed to submit accurate GADS outage data in accordance with the reporting requirements specified in NYISO procedures. As a result, [REDACTED] did not comply with New York State Reliability Council Reliability Rule C-R2, which states:

C-R2. Resource Availability Requirements
Resource availability data required for the analysis of the *reliability* of the *NYCA* shall be collected and maintained. Data shall include forced, partial, and maintenance outage and *load* response statistics for *resources* located in/or serving the *NYCA*, covering an appropriate historical period.

The specific measure for C-R2 that [REDACTED] failed to comply with is:

C-M5. Owners of *resources* located in or serving the *NYCA* shall provide to the NYISO accurate *resource* outage and *load* response data on a timely basis for their units in accordance with *NYISO* procedures, tariffs and schedules.

Generators that are ICAP Suppliers are required by § 5.12.5(a) of the NYISO's Services Tariff to submit accurate GADS Data to the NYISO in accordance with ISO Procedures. The ICAP Manual and attachments contain detailed procedures for submitting this data, including time limitations, formatting requirements, and reporting criteria.

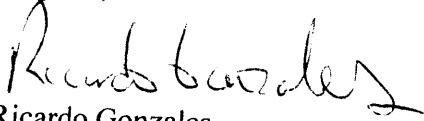
The NYISO's assessment of this violation is consistent with a Level 2 violation as identified in the NYSRC Compliance Templates for C-M5, which states:

Level 2 Non-Compliance: The NYISO certified that audits or other investigations found that outage and load response data reports from one or more Installed Capacity Providers were in non-compliance with NYISO procedures and schedules.

The NYISO is requesting that [REDACTED] provide a written description of actions taken and procedures in place to assure future compliance findings with respect to GADS data reporting as required by NYSRC Reliability Rules and NYISO Tariff requirements for ICAP Suppliers by July 15, 2009. These corrective actions will be presented to the NYSRC and the New York State Department of Public Service to indicate support for future compliance with this issue.

The NYISO will forward a copy of this determination of non-compliance, redacted to delete any confidential information, to the NYSRC Reliability Compliance Monitoring Subcommittee and other applicable parties as specified in the NYISO Reliability Compliance and Enforcement Manual Section 5.0. A complete copy will also be furnished to the New York Public Service Commission.

Regards,



Ricardo Gonzales
Vice President, Operations
New York Independent System Operator, Inc.

CC:

[REDACTED]
[REDACTED]
E. Schrom, Jr., NYS Department of Public Service
R. Fernandez, NYISO General Counsel