

To: Alan Adamson  
Curt Dahl  
Steve Fanning

From: Kathy Whitaker, Manager, Auxiliary Market Operations

Date: October 26, 2009

Subject: GADS EFORD Screening Process

The NYISO continues to test the GADS screening tool in preparation for its first application in March 2010. We anticipate that changes in our proposed process, as reviewed with the ICS and RCMS, may be made following that first application. As requested, we will review our experience with the process with one or both subcommittees following its first implementation in spring 2010.

Below are responses to the specific points outlined in your September 29, 2009 memorandum.

1. Currently, we do not anticipate notifying each generator owner of its units' deviations from five-year average EFORD values. We plan to present an overview of the screening process at an upcoming NYISO ICAP Working Group meeting. Since generator owners are the source of the GADS data that is used in the screening tool, they will be able to calculate and compare their own units' annual and historical EFORD values.
2. We will inform a generator owner when the EFORD value for one or more of its units has been replaced in the IRM study. You are correct that the NYISO will have finalized its determination of units whose EFORD values should be replaced at step 6 of the diagram reviewed with ICS and RCMS. These units are still referred to as "Suspect Candidates", since the ICS will not have yet approved replacement of their data in the IRM study. If you have a recommendation for clearer terminology, we will use that in future discussions.
3. The focus of the GADS screening process is to ensure inputs to our reliability studies result in appropriately conservative reserve margins. The impacts of overreported generator outages would appear to be economic in nature. Nevertheless, with our current tool, information will be available on units whose EFORD values are higher than their historical averages, and we expect that information will be used in other NYISO processes beyond GADS screening. As committed during the screening process reviews with the ICS and RCMS, NYISO will continue to consider changes to its GADS screening process, based on experience gained and development of additional tools.
4. We will explicitly review the appropriateness of the parameters and screening tool following the first application of our process. We will provide the results of that review to the ICS and RCMS. Data will be appropriately masked and the identity of the generators will not be disclosed because it is Confidential Information under the NYISO's tariff.
5. While one of the first steps in the screening process is to notify the generator owners of the 15 units that are furthest away from their historical averages, we will not automatically replace those units' data if our review indicates that their data were correctly reported. We also are not limiting our review to those initial 15 units. We will be using other information, such as that reported to NYISO Operations or gathered in investigations, to inform NYISO's recommendation to replace data in the IRM study.

As the GADS screening process evolves, we will continue to share status and information with the NYSRC.