

ICAP Sales to New York through Ontario

Presentation by
H.Q. Energy Services (U.S.) Inc.
to
the NYSRC Installed Capacity
Subcommittee

June 7, 2006

Introduction

- Currently, ICAP cannot be sold to NY from the Ontario control area
- Consequently, there are no Import Rights available for that interface, except for 55 MW of grandfathered contracts
- Reason : All export transactions are recallable by the IESO when the CA is capacity deficient
- However, wheel-through transactions are not subject to the same recallability rule
- Qualified ICAP suppliers to New York could be allowed to sell ICAP through the Ontario control area

**External Rights Availability
Summer 2006 Capability Period**

ACCEPTED LOG AREA

3/17/2006 16:07

	May	Jun	Jul	Aug	Sep	Oct
Summer Maximum	2755	2755	2755	2755	2755	2755
Grandfathered Rights Secured	222	222	222	222	222	222
First Come First Serve Secured	2533	2533	2533	2533	2533	2533
Summer 2006 Available	0	0	0	0	0	0

	May	Jun	Jul	Aug	Sep	Oct
ISO-NE	925	925	925	925	925	925
Grandfathered Rights Secured	50	50	50	50	50	50
Remaining	519.1	519.1	519.1	519.1	519.1	519.1
	355.9	355.9	355.9	355.9	355.9	355.9

	May	Jun	Jul	Aug	Sep	Oct
PJM	1300	1300	1300	1300	1300	1300
Grandfathered Rights Secured	117	117	117	117	117	117
Remaining	1183	1183	1183	1183	1183	1183
	0	0	0	0	0	0

	May	Jun	Jul	Aug	Sep	Oct
Hydro Quebec	1200	1200	1200	1200	1200	1200
Grandfathered Rights Secured	0	0	0	0	0	0
Remaining	830.9	830.9	830.9	830.9	830.9	830.9
	369.1	369.1	369.1	369.1	369.1	369.1

	May	Jun	Jul	Aug	Sep	Oct
Ontario - IMO	55	55	55	55	55	55
Grandfathered Rights Secured	55	55	55	55	55	55
Remaining	0	0	0	0	0	0
	0	0	0	0	0	0

HQUS Request

- HQUS is requesting the NYSRC to explore the possibility and impact of ICAP sales from Quebec or another Control Area by wheeling through Ontario.
- This could be accomplished through a “Linked Wheel Transaction”, where the entry and exit transactions are linked together through the tagging process.

Clarification proposed by the IESO

- As a procedure, the IESO does not cut a wheel-through transaction linked to an ICAP contract. However this procedure is not yet incorporated into the IESO documentation.
- The IESO has proposed to include the following or similar language in its Manuals and/or Market Rules :
 - ***“The IESO will not curtail wheeling transactions to support the overall adequacy of the IESO controlled grid. This curtailment of the wheel would have no beneficial effect as both the injection and withdrawal would be simultaneously curtailed in accordance with NERC policy. The IESO may however curtail a wheeling transaction where the wheeling transaction was contributing to transmission security concerns or overloads which are causing either global or local adequacy concerns.”***
- Language is subject to discussion between the IESO and the NYISO



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Information

Path diagram

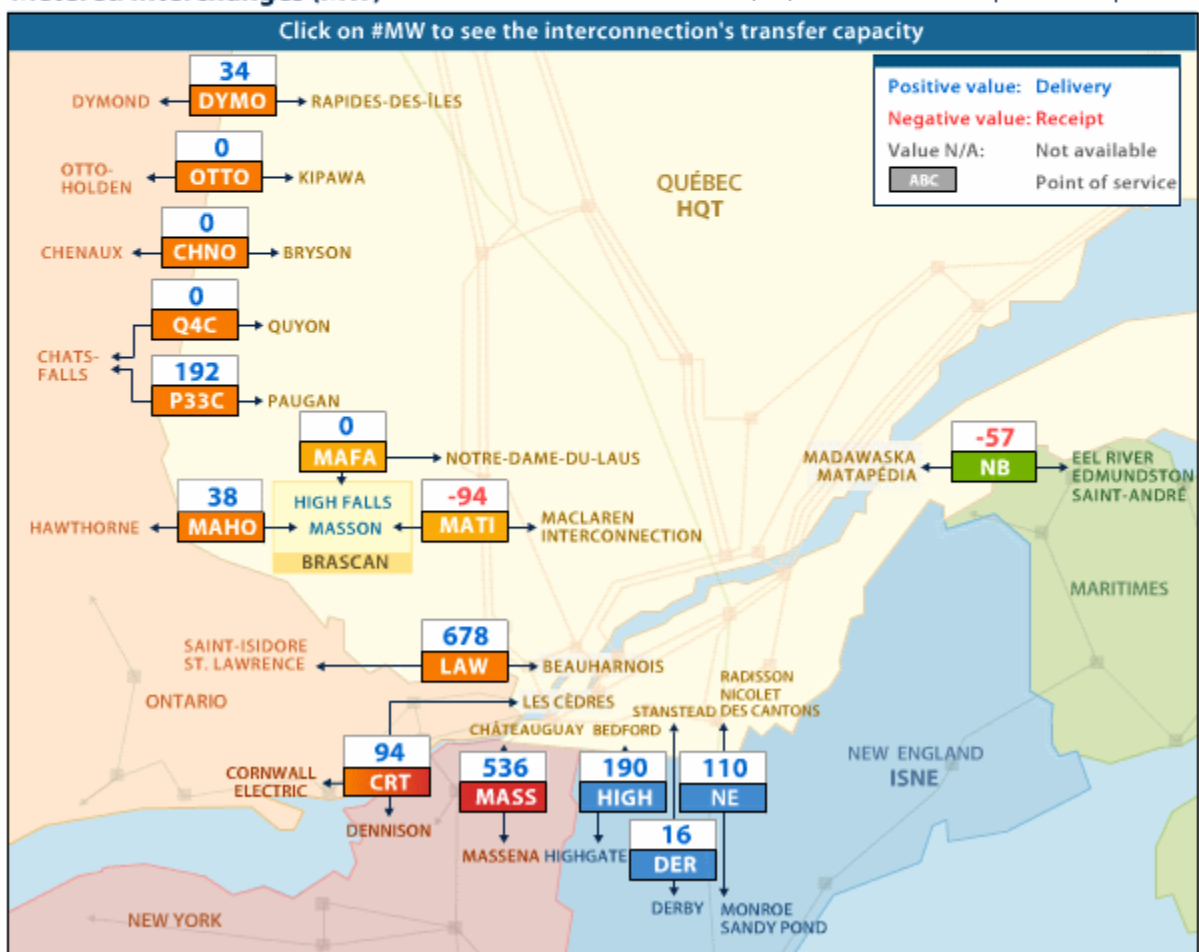
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Path diagram

Metered interchanges (MW)

2006/05/29 15:15 EDT - Updated every minute



Summary

HQUS requests that :

- ICAP sales to NY, by wheeling through Ontario, be explored and if this is feasible then:
 - An ICAP Import Limit should be set for the Ontario interconnection with NY
 - Raising the Global Import Limit should be looked at