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Commissioners

Electric Distribution Rate Setting Wholesale and Retail Markets

Thomas Dvorsky
Director, Office of Electric, Gas and Water
New York State Public Service Commission
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Historically utilities were fully regulated monopolies

- Bundled Services and Rates
 - Generation
 - Transmission
 - Distribution
 - Customer service

In the late 1990s, competitive wholesale markets evolved in New York and in many other regions

- Utilities divested most of their generation assets and Commission ordered unbundling of rates



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Unbundling –

Separated Supply, Delivery and Customer Service

- Supply
 - Price determined primarily by the wholesale market as opposed to historic cost based regulation
 - Includes bilateral contract costs, hedging costs and market purchases
- Delivery
 - Bulk Transmission – FERC regulated, cost based
 - Distribution – NY State regulated, cost based
 - Customer Service - NY State regulated, cost based
 - Developed and implemented metering, billing and merchant function charges (supply procurement cost)



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New York Wholesale Market Design Key Features

- New York Independent System Operator (NYISO)
- Shared Stakeholder Governance Model
- Utility Divestiture of Generation Assets
- Diligent Market Monitoring – Federal, State, NYISO



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New York Wholesale Market Products

- Energy – Day-Ahead, Real Time
- Installed Capacity
- Ancillary Services
 - Operating Reserves
 - Regulation
 - Blackstart
 - Voltage Support
- Transmission Congestion Contracts