

Autumn 2020 Centralized TCC Auction Survey and Discussion

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ICAPWG/MIWG/PRLWG:

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Overview

- **The NYISO conducted a poll of current TCC Market Participants (MPs) to solicit information about the demand for TCCs of various durations in future auctions as well as the desired structure of the Autumn 2020 Centralized TCC Auction**
 - One survey response accepted per MP
 - Responses were due on March 6, 2020
 - 12 MPs responded
 - Responses for the Autumn 2020 Centralized TCC Auction were limited to six-month and one-year TCCs
- **The survey also sought information on certain potential future enhancements to the current operation/administration of the TCC market**
 - Reserving transmission capacity for release into Reconfiguration Auctions
 - Potential changes to the timing for posting future auction timelines

Survey Results – Autumn 2020

Capacity per Duration

Duration	Desired Percentage of System Capacity per Duration						Average	Median
One-Year	5%	10%	20%	23.33%	30%	35%	24.0%	26.7%
Six-Month	65%	60%	50%	46.67%	40%	35%	46.0%	43.3%
# of MP Responses	1	2	2	1	2	4		

The numbers above do not include the system capacity that was sold in the Spring 2019 Centralized TCC Auction as two-year TCCs (5%) and in the Spring 2020 Centralized TCC Auction as two-year TCCs (5%) and one-year TCCs (20%).

Survey Results – Autumn 2020

Total Rounds per Duration

Duration	Total Number of Rounds per Duration						Average	Median
One-Year	2	3	2	3	2	4	2.7	3
Six-Month	3	3	4	4	5	4	3.8	4
Total Rounds	5	6	6	7	7	8	6.5	6.5
# of MP Responses	1	2	3	4	1	1		

Survey Results – Future Auctions

Capacity per Duration

Duration	Desired Percentage of System Capacity per Duration												
Five-Year													10%
Four-Year													10%
Three-Year												10%	10%
Two-Year							5%	15%	10%	10%	15%	20%	
One-Year	20%	10%	30%	10%	25%	20%	30%	30%	30%	40%	35%	25%	
Six-Month	40%	60%	60%	80%	70%	80%	40%	35%	40%	45%	40%	25%	
Monthly*	40%	30%	10%	10%	5%		25%	20%	20%	5%			
# of MP Responses	1	1	1	1	1	1	1	1	1	1	1	1	

* For informational purposes only. See Slide 8 for additional information

Survey Results – Future Auctions

Total Rounds per Duration

Duration	Total Number of Rounds per Duration										
Five-Year											1
Four-Year											1
Three-Year									1		1
Two-Year					1	2	1	2	1		2
One-Year	2	2	3	2	3	3	3	4	3		3
Six-Month	3	4	4	5	3	3	4	4	3		3
Total Rounds	5	6	7	7	7	8	8	10	8		11
# of MP Responses	1	2	2	1	1	1	1	1	1		1

Survey Comments

- **Desire for the NYISO to offer On-Peak and Off-Peak TCCs (two responses)**
- **Three responses addressing potential changes to the current timing for bidding and posting of results for auctions rounds**
 - Desire to see a reduction in the time delay between the closing of the bidding window and the posting of results to below 5 days, while keeping the submittal period at 2 business days
 - Desire for the bidding window to close on Tuesday at 5 PM (instead of Monday) while maintaining the typical Thursday results posting schedule
 - Desire for the bidding/offering window to be Monday through Tuesday with results posted on Friday (avoids the auction posting being shifted due to Monday holidays)
- **Four responses addressing the posting of auction timelines/schedules**
 - Desire for an annual auction schedule in order to facilitate improved planning of capital and resource needs
 - Desire for the auction timelines to be posted earlier while allowing the NYISO to retain flexibility in the product durations offered and the number of rounds per product (two responses)
 - Desire for an improved timeline posting structure and format (e.g., Excel or Google calendar)

Survey Results – Potential Future Enhancements

Capacity Reserved for Monthly TCCs

- **The survey included a request for information regarding interest for a feature not currently supported by the NYISO Tariffs: reserving a portion of available system transmission capacity from the Centralized TCC Auction so that it may be available to support the sale of TCCs in the subsequent Balance-of-Period Auctions**
 - 9 respondents (75%) expressed interest in reserving a portion of transmission capacity from Centralized TCC Auctions to support the sale of TCCs in the subsequent Balance-of-Period Auctions
 - Of those interested MPs, the average available system capacity desired to be reserved was 18.3%
 - There is a 2020 project to further evaluate the development of functionality/market rules to potentially facilitate such capacity reservations

Survey Results – Potential Future Enhancements

Auction Timeline/Schedule

- The survey also requested information regarding interest for the NYISO to determine the TCC auction timeline for both the Spring and Autumn Centralized TCC Auctions at the same time rather than the current structure of determining the Autumn Centralized TCC Auction timeline approximately six months later than the Spring Centralized TCC Auction timeline
- 6 respondents (50%) expressed interest in the NYISO determining the TCC auction timeline for both the Spring and Autumn Centralized TCC Auctions at the same time
 - It is important to note that determining the Autumn Centralized TCC Auction timeline significantly earlier than the current process may limit the NYISO's ability to run fewer than four auctions rounds for any product durations, as well as potentially limit the ability to offer two-year TCCs in the Autumn Centralized TCC Auctions

Autumn 2020 Auction Proposal

7 Auction Rounds

- **The NYISO would offer:**
 - 25% of system capacity as one-year TCCs across three auction rounds
 - 45% of system capacity as six-month TCCs across four auction rounds
- **The remaining 30% of system capacity was sold as two-year TCCs in the Spring 2019 Centralized TCC Auction and as two-year and one-year TCCs in the Spring 2020 Centralized TCC Auction**

Proposed Schedule

Week	Round
August 28 – September 3	Round 1 (One-Year)
September 4 – 11	Round 2 (One-Year)
September 12 – 17	Round 3 (One-Year)
September 18 – 24	Round 4 (Six-Month) & October 2020 Balance-of-Period
September 25 – October 1	Round 5 (Six-Month)
October 2 – 8	Round 6 (Six-Month)
October 9 – 15	Round 7 (Six-Month)
October 16 – 27	November 2020 Balance-of-Period

Auction Proposal – Considerations

- Unanimous agreement by the Transmission Owners that are subject to Attachment N of the OATT is required for the NYISO to conduct fewer than four rounds in any Sub-Auction
- 11 respondents (91.7%) expressed interest in conducting fewer than four one-year rounds in the Autumn 2020 Centralized TCC Auction
- 3 respondents (25%) expressed interest in conducting fewer than four six-month rounds in the Autumn 2020 Centralized TCC Auction

Next Steps

- Receive and consider Market Participant comments resulting from this meeting
- Confer with the affected Transmission Owners concerning proposed auction plans with fewer than four rounds per Sub-Auction

Questions/Feedback?

- Email additional feedback to: deckels@nyiso.com

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