



Start-up Bids Treatment

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MIWG

February 16, 2017

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Agenda

- ◆ Background
- ◆ Feedback received
- ◆ Proposal
- ◆ Next Steps
- ◆ Questions/Feedback

Background

- ◆ During the 1/17 MIWG, the NYISO presented to Stakeholders two self-identified issues regarding the treatment of Start-up Bids.
- ◆ The NYISO proposed to allow all Generators to increase Start-up Bids in Real Time (RT).
 - *Stakeholders expressed interest in delving into the motivation for allowing all Generators to increase Start-up Bids*
 - During the 01/26 MIWG, the NYISO explored further the rationale for allowing Generators to increase Start-up Bids in RT.

Feedback

- ◆ Stakeholders requested that the NYISO contact its MMU to discuss the proposal to address the issues identified.
 - *The MMU is supportive of the NYISO proposal and points out that the Day-Ahead Margin Assurance Payment (DAMAP) eligibility criteria could require revisions.*
- ◆ Stakeholders also requested that the NYISO review the rationale for not allowing Generators to increase Start-up Offers as part of the IBRT effort in 2010.

To allow Generators to increase Start-up Offers in RT

- ◆ The NYISO's proposal to address the issues identified allows all Generators scheduled in the Day-Ahead Market (DAM) to increase Start-up Offers in RT.
 - *The NYISO identified the DAMAP as a provision that could require revisions.*
 - *The NYISO intends to minimize the changes to DAMAP provisions.*
 - *The proposed capability is presented as an alternative for Generators, not an obligation.*

DAMAP eligibility: Non-Quick-Start Units

- ◆ Different provisions may apply to different Generators.
 - *Quick-Start Generators are recommitted in RT.*
- ◆ If a DAM-scheduled Generator does not have the capability to start in 30 minutes or less, its Start-up Offer is not re-evaluated in RT.
 - *Therefore, the NYISO does not propose any changes to DAMAP eligibility for such resources.*

DAMAP eligibility: Quick-Start Units

- ◆ If a Generator does have the capability to start in 30 minutes or less, it is re-evaluated in RT.
 - *Therefore, if it increases its Start-up Offer in RT, it could be de-committed.*
 - Under the NYISO's proposal, if a Generator capable of starting in 30 minutes or less was scheduled in the DAM to provide energy and/or regulation, and it increases its Start-up Offer in RT, it would become ineligible for DAMAP.
 - If a Generator capable of starting in 30 minutes or less was scheduled in the DAM to provide non-synchronous reserves, its Start-up Offer would not have been considered for the award.
 - Consequently, under the NYISO's proposal it should remain eligible for DAMAP.

Interim Oversight

- ◆ Presently, increasing Start-up Bids in RT is prohibited per the Tariff.
- ◆ However, the software currently permits increasing RT Start-up Bids in some instances where it should not.
- ◆ Until such time that we can align the software with the Tariff, the NYISO is reviewing RT Start-up Bids to determine if the Bids were inappropriately increased compared to the DAM.

Next steps

- ◆ The NYISO intends to present the proposed Tariff revisions at the 2/28 MIWG.
- ◆ The NYISO will study the magnitude of the necessary software changes.
- ◆ The NYISO intends to bring this proposal to the March BIC and MC meetings for action.
 - *If the proposal does not gain sufficient support at those meetings, the NYISO will stop pursuing this proposal and will focus on making the software consistent with the existing Tariff language.*

Questions/Feedback

Please contact
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- *Maintaining and enhancing regional reliability*
- *Operating open, fair and competitive wholesale electricity markets*
- *Planning the power system for the future*
- *Providing factual information to policy makers, stakeholders and investors in the power system*

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