

Tariff Revisions to Support Balance-of-Period TCC Auctions

Curt Devenitch

Project Manager

Capacity, Demand Response, & TCC Products

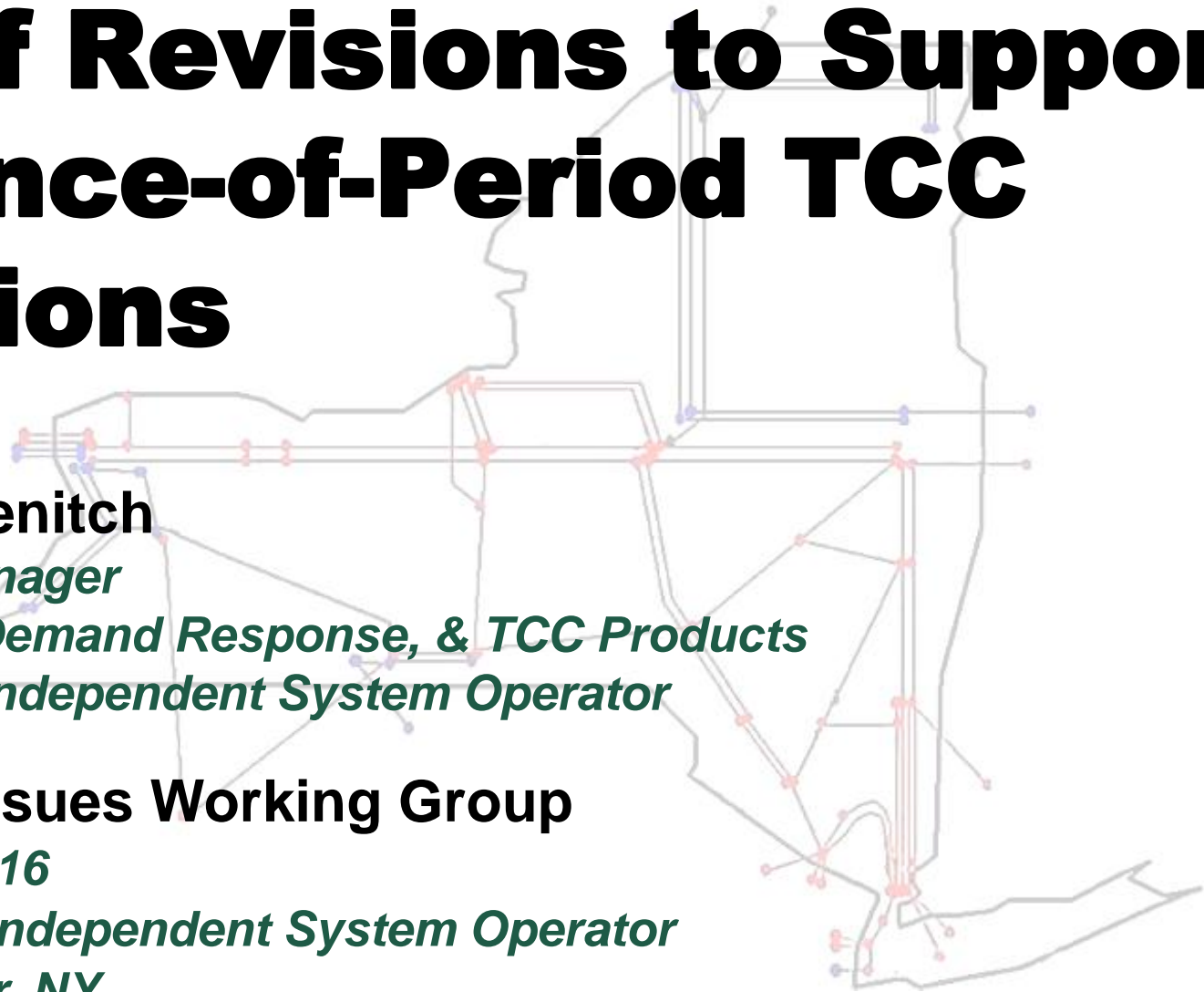
New York Independent System Operator

Market Issues Working Group

July 21, 2016

New York Independent System Operator

Rensselaer, NY



Summary of Additional Revisions

- ◆ **Impacted Tariffs**
 - ***Market Administration and Control Area Services Tariff (MST)***
 - Additional revisions are proposed in Section 26
 - ***Open Access Transmission Tariff (OATT)***
 - Additional revisions are proposed in Sections 14 (14.1 and 14.2), 19 (19.8 and 19.9), and 20 (20.2 and 20.3)
 - ***Other draft tariff revisions reviewed at the June 8, 2016 MIWG meeting are unchanged and have not been posted with the meeting material for today's meeting***
 - MST Sections 2, 7, 17 (Attachment B)
 - OATT Sections 1, 19 (19.2, 19.6, 19.7 and 19.10) and 20 (20.1)
- ◆ **Reason for Additional Changes**
 - ***Changes made based on feedback received on the initial draft tariff changes reviewed at the June 8, 2016 MIWG meeting***

Additional Tariff Revisions

- ◆ **MST Section 26 (Attachment K)**
 - ***Section 26.4***
 - **Clarifying revisions to clearly state the NYISO will not impose holding collateral requirement on TCCs that have been sold by a MP in the Centralized TCC Auction or Balance-of-Period TCC Auction**

Additional Tariff Revisions, cont'd.

- ◆ **OATT Section 14 (Attachment H)**
 - ***Section 14.1.2.1.1 and Section 14.2.2.2.1***
 - Remove the proposed addition of “but is not limited to,” in the description of the revenues accounted for in the SR_2 component of the TSC/NTAC formulae

Additional Tariff Revisions, cont'd.

◆ OATT Section 19 (Attachment M)

■ *Section 19.8*

- Clarifying revisions in Section 19.8.1 to the description of the period during which TCCs purchased in a Reconfiguration Auction may be valid to address Balance-of-Period TCC auction structure
- Minor grammatical corrections in Sections 19.8.2 and 19.8.5

■ *Section 19.9*

- Clarifying revisions in Sections 19.9.1.1 and 19.9.4 to remove proposed addition of references to “Reconfiguration Auction”
- Ministerial corrections/revisions in Sections 19.9.4 and 19.9.8

Additional Tariff Revisions, cont'd.

◆ OATT Section 20 (Attachment N)

■ *Section 20.2*

- Clarifying revision to the definition of Deemed Qualified DAM Outage in Section 20.2.4.2.1.1
- Clarifying revisions to Formula N-15 to:
 - Ensure consistency between Formula N-15 and Formula N-29 in Section 20.3.7
 - Address use of subscripts in formula and variable definitions

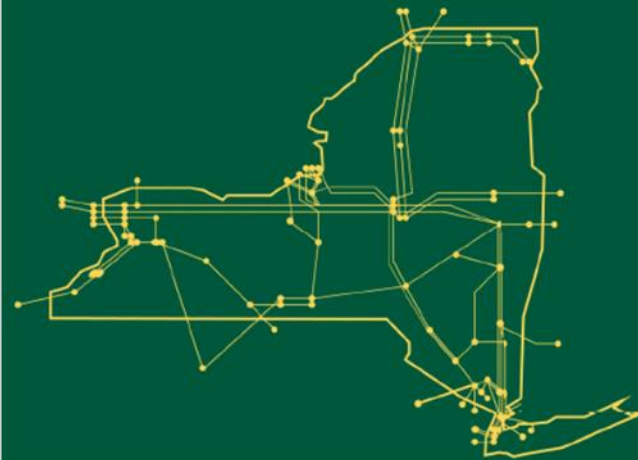
■ *Section 20.3*

- Ministerial correction of proposed revisions in the second paragraph of Section 20.3.7
- Clarifying revisions to Formula N-29 in Section 20.3.7 to address use of subscripts in formula and variable definitions

Next Steps

- ◆ In addition to feedback provided during today's meeting, stakeholders can provide feedback by July 28, 2016 to deckels@nyiso.com
- ◆ August 2016 BIC/MC
 - *Seek approval of draft tariff revisions*

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.



www.nyiso.com

Appendix (Original Updates)

Presented at the June 8, 2016 MIWG Meeting

Market Design Summary

◆ Impacted Tariffs

- *Market Administration and Control Area Services Tariff (MST)*
 - Sections 2, 7, 17, and 26
- *Open Access Transmission Tariff (OATT)*
 - Sections 1, 14, 19, and 20

◆ Reasons for Change

- *Changes made to support Balance-of-Period TCC auction structure*
- *Changes made to correct and/or clarify existing tariff language where appropriate for consistency with existing procedures and removal of obsolete language*

Tariff Language Overview

◆ MST Section 2

- *Revisions to Section 2.2 to add reference to the Balance-of-Period Auction definition in the ISO OATT*
- *Revisions to Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.9, 2.14, 2.15, 2.16, 2.18, 2.19, and 2.20 to remove duplicative definitions and replace with references to OATT definitions of terms*
- *Revisions to Section 2.16 to remove the Primary Owner definition*

Tariff Language Overview (cont'd)

- ◆ **MST Section 7**
 - *Revisions to Section 7.2.5 to correct numbering in subsections*
- ◆ **MST Section 17**
 - *Revisions to sections under 17.5 to remove duplicative information that already exists in Attachment N of the ISO OATT (OATT Sections 20.1 – 20.3)*
- ◆ **MST Section 26**
 - *Revisions to TCC credit policy.*

Tariff Language Overview (cont'd)

- ◆ **OATT Section 1**
 - *Revisions to Section 1.2 to add the Balance-of-Period Auction definition*
 - *Revisions to Section 1.4, 1.5, and 1.15 to clarify definitions*
 - *Revisions to Section 1.18 to reflect that Reconfiguration Auction will consist of either the current one-month auction structure or Balance-of-Period TCC auction structure*

Tariff Language Overview (cont'd)

◆ OATT Section 14 (Attachment H)

■ *Revisions to Section 14.1 to:*

- Support Balance-of-Period TCC auction structure
- Clarify tariff to include references to both Centralized TCC and Reconfiguration Auctions
- Reorganize existing language to improve clarity
- Remove obsolete language

■ *Revisions to Section 14.2.2 to:*

- Support Balance-of-Period TCC auction structure
- Clarify tariff to include references to both Centralized TCC and Reconfiguration Auctions
- Remove obsolete language

Tariff Language Overview (cont'd)

- ◆ **OATT Section 19 (Attachment M)**
 - *Revisions to Section 19.2.1.1 to clarify the language to support Balance-of-Period TCC auction structure*
 - *Minor, editorial revisions to Section 19.6*
 - *Revisions to Section 19.7 to clarify language*
 - **OATT Section 19.8**
 - Revisions to Sections 19.8.1 and 19.8.5 to support the Balance-of-Period TCC auction structure
 - Revisions to Sections 19.8.2, 19.8.3, 19.8.4 to clarify language
 - **OATT Section 19.9**
 - Revisions to Sections 19.9.4, 19.9.5, 19.9.7, and 19.9.8 to support the Balance-of-Period TCC auction structure
 - Revisions to Sections 19.9.1, 19.9.2, 19.9.3, 19.9.4, 19.9.5, 19.9.6, 19.9.7, and 19.9.8 to clarify language

Tariff Language Overview (cont'd)

- ◆ **OATT Section 19 (cont'd)**
 - *Revisions to Section 19.10 to clarify language*
- ◆ **OATT Section 20 (Attachment N)**
 - *OATT Section 20.1*
 - Revisions to Sections 20.1.1 and 20.1.2 to clarify language
 - Revisions to Section 20.1.2 to add a definition for Auction Constraint Residual
 - Revisions to Sections 20.1.2 to support the Balance-of-Period TCC auction structure

Tariff Language Overview (cont'd)

◆ OATT Section 20 (cont'd)

■ *Revisions to Section 20.2*

- Revisions to Sections 20.2.2, 20.2.4.4.4 and 20.2.5 to remove obsolete language
- Revisions to the formulae in Sections 20.2.4 and 20.2.5 to support the Balance-of-Period TCC auction structure

■ *Revisions to Section 20.3*

- Revisions to Section 20.3.2, 20.3.6, and 20.3.7 to support the Balance-of-Period TCC auction structure
- Revisions to Sections 20.3.1, 20.3.3, 20.3.5 and 20.3.6 to clarify language
- Revisions to Formula N-29 in Section 20.3.7 to remove obsolete language