

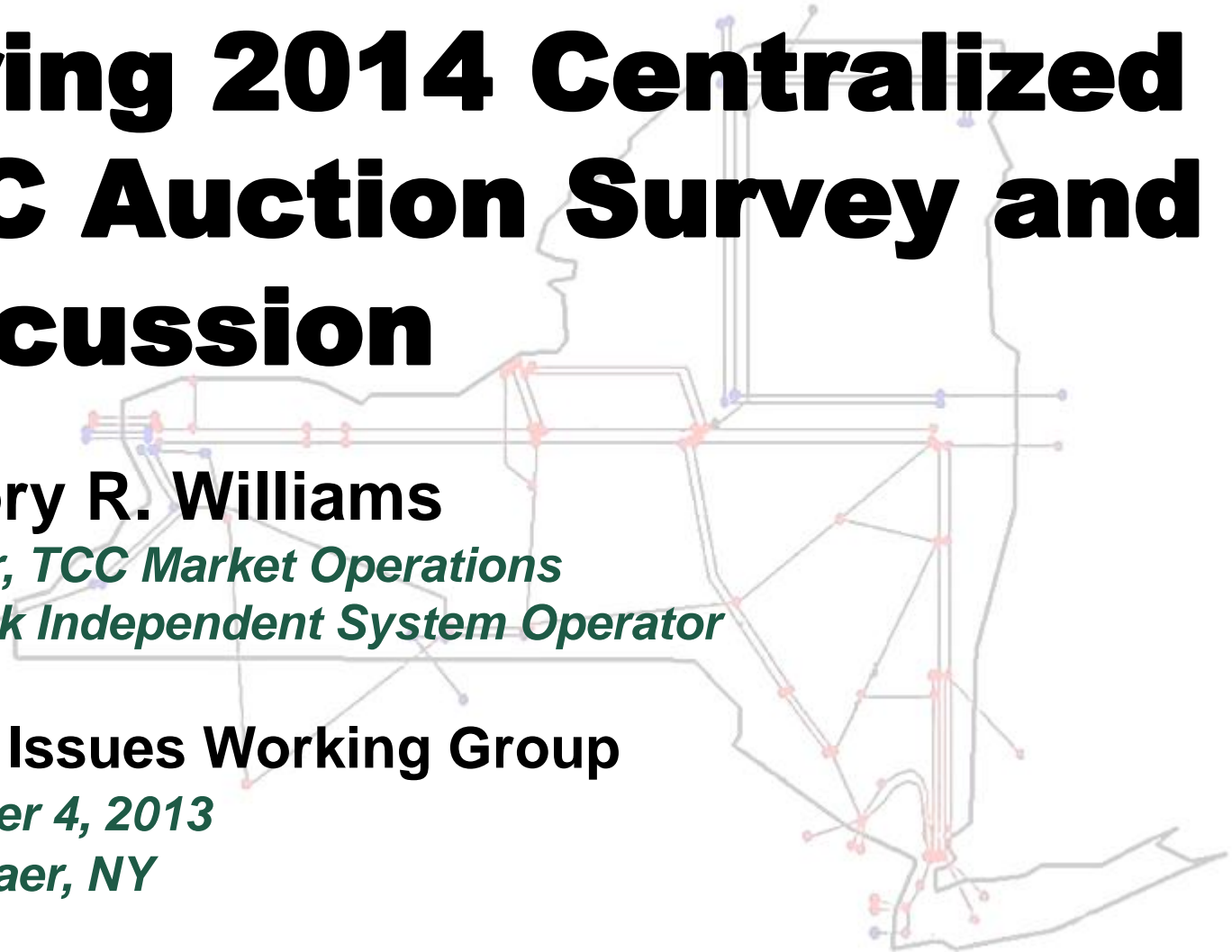
Spring 2014 Centralized TCC Auction Survey and Discussion

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Survey Overview

- ◆ The NYISO conducted a poll of current TCC Market Participants to solicit information about the demand for TCCs of various durations in future auctions as well as the desired structure of the Spring 2014 Centralized TCC Auction.
 - *One survey response accepted per MP*
 - *Responses were due on November 20, 2013*
 - *20 TCC Market Participants responded*
 - *Responses for Spring 2014 Auction limited to Six Month, One Year, and Two Year TCCs*

Survey Results – Spring 2014

Capacity per Duration

# of MP Responses	Desired % of System Capacity		
	6 Month	1 Year	2 Year
5	50%	20%	
4	35%	35%	
1	45%	20%	5%
3	40%	20%	10%
1	40%	15%	15%
3	30%	30%	10%
1	30%	25%	15%
1	20%	40%	10%
1	15%	25%	30%
Average	37.5%	25.75%	6.75%

The numbers above do not include the System Capacity that was sold in the Spring 2013 Centralized TCC Auction as Two Year TCCs (5%) and in the Autumn 2013 Centralized TCC Auction as One Year TCCs (25%)

Survey Results – Spring 2014

Total Rounds per Duration

# of MP Responses	Total # of Rounds			Total Rounds
	6 Month	1 Year	2 Year	
2	1	1		2
1	2	2		4
2	3	3		6
2	4	3		7
2	4	4		8
1	2	2	1	5
1	3	4	1	8
4	3	3	2	8
1	4	4	2	10
1	2	4	4	10
2	4	4	4	12
1	6	4	3	13
Average	3.15	3.1	1.35	7.6

Survey Results – Future Auctions

Capacity per Duration

# of MP Responses	Desired % of System Capacity					
	6 Month	1 Year	2 Year	3 Year	4 Year	5 Year
3	75%	25%				
2	67%	33%				
2	50%	50%				
1	65%	30%	5%			
1	60%	30%	10%			
1	50%	35%	15%			
2	47.5%	47.5%	5%			
1	30%	60%	10%			
1	60%	25%	10%	5%		
1	50%	35%	10%	5%		
1	40%	30%	20%	10%		
1	40%	25%	10%	10%	10%	5%
1	35%	35%	15%	5%	5%	5%
1	30%	30%	10%	10%	10%	10%
1	10%	20%	30%	15%	15%	10%

Survey Results – Future Auctions

Total Rounds per Duration

# of MP Responses	Total # of Rounds						Total Rounds
	6 Month	1 Year	2 Year	3 Year	4 Year	5 Year	
2	1	1					2
1	2	2					4
2	4	3					7
2	4	4					8
2	3	3	2				8
1	4	3	2				9
1	4	4	1				9
2	4	4	4				12
1	3	3	2	1			9
1	3	3	3	2			11
1	4	4	2	2			12
1	2	2	1	1	1	1	8
1	3	3	2	2	2	2	14
1	2	4	4	3	3	3	19
1	6	4	3	2	2	2	19

Survey Results

Alternative Auction Scheduling

- ◆ Two questions were added to the TCC Survey to assess the market demand for alternative auction scheduling options that would reduce the total time required to administer Centralized TCC Auctions.
 - *Would you prefer rounds of the Centralized TCC Auction to be run simultaneously with Monthly Reconfiguration Auctions?*
 - 7 MPs (39%) responded in the affirmative
 - *Would you prefer the bid/offer submittal period to be reduced from 2 business days to 1 business day resulting in a 4 business day auction cycle?*
 - 4 MPs (22%) responded in the affirmative

Note: 2 MPs that responded to the survey abstained from answering the Alternative Auction Scheduling questions.

Survey Comments

- ◆ 1 response indicated a desire for On-Peak and Off-Peak TCCs.
- ◆ 1 response indicated a desire for the Balance-of-Period Auction and Multi-Duration Centralized TCC Auction.
- ◆ 1 response indicated a desire to shorten the auction round cycle to less than 5 business days while maintaining a 2 business day bidding window.

Auction Proposal

Eight Auction Rounds

- ◆ The NYISO would offer:
 - *5% of System Capacity as Two Year TCCs in a single auction round,*
 - *25% of System Capacity as One Year TCCs across three auction rounds, and*
 - *40% 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 2013 Centralized TCC Auction and One Year TCCs in the Autumn 2013 Centralized TCC Auction.

Proposed Schedule

Week	Round
February 7 - 13	Round 1 (Two Year)
February 14 - 21	March Reconfiguration
February 22 - 27	Round 2 (One Year)
February 28 - March 6	Round 3 (One Year)
March 7 - 13	Round 4 (One Year)
March 14 - 20	April Reconfiguration
March 21 - 27	Round 5 (Six Month)
March 28 - April 3	Round 6 (Six Month)
April 4 - 10	Round 7 (Six Month)
April 11 - 17	Round 8 (Six Month)
April 18 - 24	May Reconfiguration

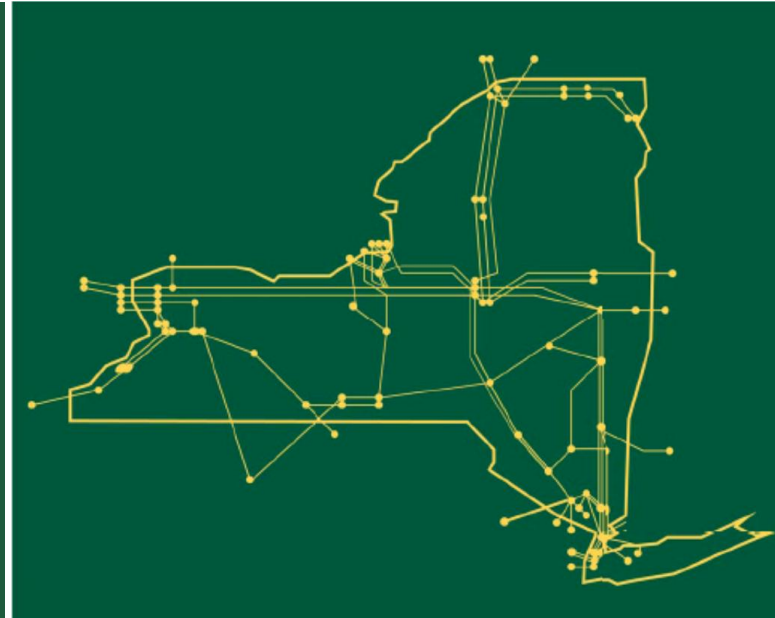
Auction Proposal – Discussion

- ◆ Unanimous agreement by the Transmission Owners is required for the NYISO to conduct fewer than four rounds in any Sub-Auction.
- ◆ 12 respondents expressed interest in conducting fewer than four Six Month rounds in the Spring 2014 Auction.
- ◆ 12 respondents expressed interest in conducting fewer than four One Year rounds in the Spring 2014 Auction.

Next Steps

- ◆ Receive and consider Market Participant comments resulting from this meeting
- ◆ Confer with the Transmission Owners concerning proposed auction plans with fewer than four rounds per Sub-Auction
- ◆ MIWG - 12/20/2013

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