

Price Correction Deadlines: Proposed Tariff Changes

Michelle Gerry
SUPERVISOR, PRICE VALIDATION

Management Committee

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Background

- **November 2, 2017 MIWG meeting:**
 - The NYISO introduced a proposal to revise the current price correction deadlines in the tariff
- **December 5, 2017 MIWG meeting:**
 - The NYISO presented a revised proposal that incorporated feedback received at the 11/2/2017 MIWG meeting
- **January 17, 2018 BIC meeting:**
 - The NYISO reviewed the proposal and associated tariff revisions, and obtained stakeholder approval of the proposal

Quick Recap...

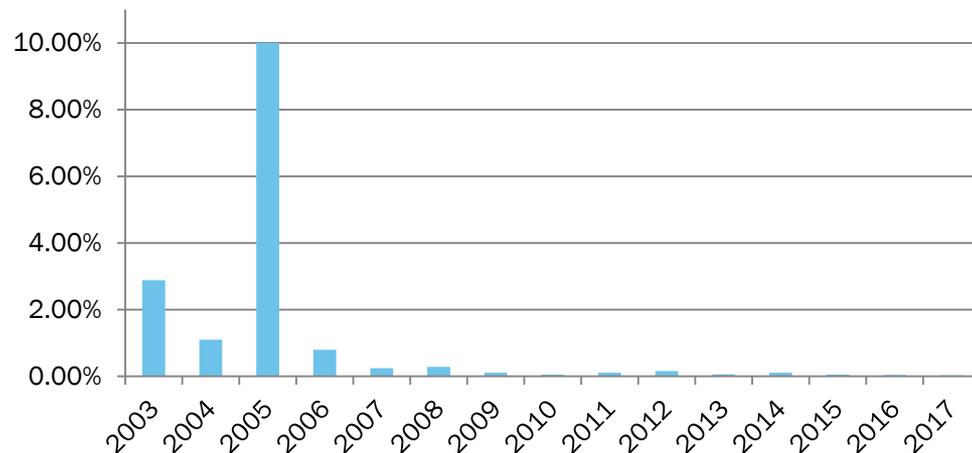
Challenges with Current Timelines

- Following major IT system issues or during times of extremely volatile prices, there can be a large volume of data anomalies to review. Determining if price corrections are needed, and an appropriate correction method to use, can take more time than usual.
- Issues that cross into weekends/holidays, when fewer support staff are available, can pose a challenge. Current use of calendar days rather than business days effectively reduces the available time to review/correct.
- Consultation with ISO-NE on potential issues is sometimes necessary, and when it is, additional time for correction could be beneficial.

Quick Recap...What has changed?

- In recent years, the number of price reservations and corrections has decreased significantly
- Since 2009:
 - Fewer than 0.10% (one tenth of one percent) of all real-time intervals have resulted in a price correction
 - Fewer than 1% of all hours have been reserved
- NYISO now has Coordinated Transaction Scheduling with PJM and ISO-NE. Certain RTC external constraints have portions of congestion costs shared between NYISO and ISO-NE prices, which further complicates the finalization of prices.

Percentage of Real-Time Intervals Corrected, 2003-2017



NYISO's Proposal

- NYISO is proposing to modify the price correction deadline to 4 business days after the market day for real-time prices, and 2 business days after the market day for Day-Ahead prices.
 - Effectively results in revising the current deadlines to use business days rather than calendar days
- NYISO would continue to do the following:
 - Provide notice reserving a potentially erroneous price per the existing reservation deadline
 - Provide notice as soon as any price correction is processed
 - Post the detailed price correction report within 10 days of each price correction, as well as the quarterly price correction report which recaps all price corrections for each quarter

NYISO's Proposal, cont'd

- Correction deadlines from market day:

NYISO (current)	ISO-NE	PJM
RT: 4 calendar days	RT: 5 business days	10 calendar days
DA: 2 calendar days	DA: 3 business days	

NYISO (proposed)	ISO-NE	PJM
RT: 4 business days	RT: 5 business days	10 calendar days
DA: 2 business days	DA: 3 business days	

Proposed Tariff Changes

- **Proposed revisions to Section 20.3 of MST Att. E to reflect revised price correction deadlines**
 - The NYISO also proposes to remove an extraneous punctuation mark in Section 20
- **The OATT Att. Q is duplicative of MST Att. E. Rather than maintain complete duplication, the NYISO is proposing to replace the substance of OATT Att. Q with a simple cross-reference to MST Att. E.**
- **These proposed tariff revisions are posted with today's meeting materials**

Next Steps

- If tariff changes are approved by the Management Committee, the NYISO will:
 - Seek approval from NYISO Board of Directors
 - File tariff changes with FERC for approval

Appendix

Historical Real-Time Price Correction Statistics

of Days to Process Corrections

Year	No. of Market Days with Corrections	1 day	2 days	3 days	4 days	Avg.	Max.
2013	19	7	7	5	0	1.89	3
2014	17	4	3	7	3	2.53	4
2015	13	2	6	4	1	2.31	4
2016	17	2	6	9	0	2.41	3
2017	13	2	4	7	0	2.42	3
Totals	79	17	26	32	4	2.31	4

Note: There have been no Day-Ahead price corrections since NYISO started performing price validation function in-house in 2007.



Current Att. E. Timelines - Example

Timeline for Market Day 8/24/2017:

DAM Reservation Deadline	Market Day	RT Reservation Deadline	DAM Correction Deadline		RT Correction Deadline
Wed. 8/23/2017 23:59	Thurs. 8/24/2017	Fri. 8/25/2017 17:00	Sat. 8/26/2017 23:59 <u>(2 calendar days after market day)</u>	Sun. 8/27/2017	Mon. 8/28/2017 23:59 <u>(4 calendar days after market day)</u>

Proposed Att. E. Timelines - Example

Timeline for Market Day 8/24/2017:

DAM Reservation Deadline	Market Day	RT Reservation Deadline			DAM Correction Deadline		RT Correction Deadline
Wed. 8/23/17 23:59	Thurs. 8/24/17	Fri. 8/25/17 17:00 (Day 1)	Sat. 8/26	Sun. 8/27	Mon. 8/28/17 (<u>2 business days after market day</u>)	Tues. 8/29/17 (Day 3)	Wed. 8/30/17 23:59 (<u>4 business days after market day</u>)

The Mission of the New York Independent System Operator, in collaboration with its stakeholders, is to serve the public interest and provide benefits to consumers by:

- 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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