

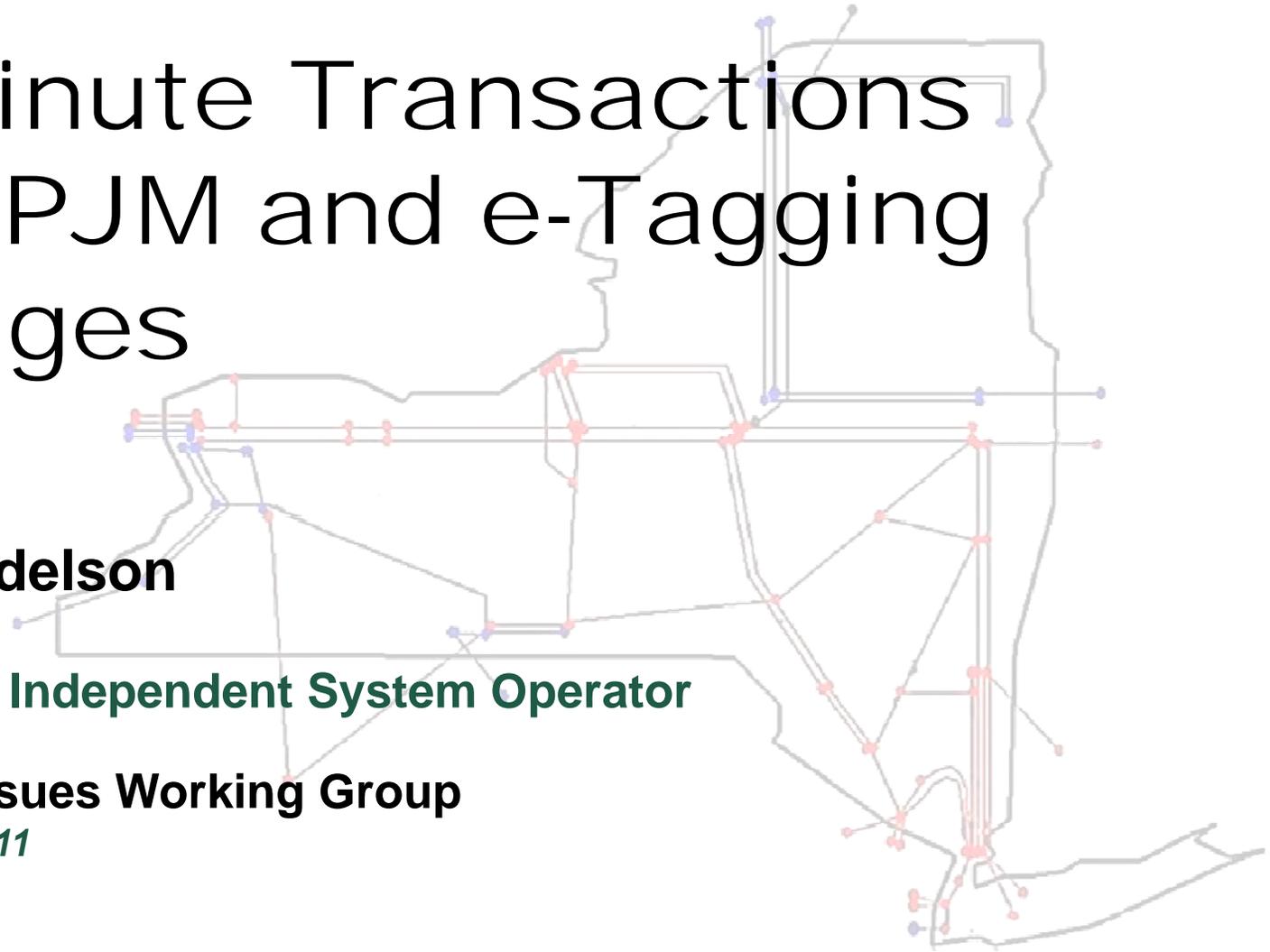
15-Minute Transactions with PJM and e-Tagging Changes

David Edelson

New York Independent System Operator

Market Issues Working Group

April 26, 2011



Background

- ◆ Enhanced Interregional Transaction Coordination permits the scheduling of inter-Balancing Authority transactions involving the NYISO on a more frequent basis than once-per-hour. This is a multi-phase effort that is being rolled out on an interface-by-interface basis for energy transactions.
- ◆ The NYISO completed the software implementation of 15-minute scheduling with HQ on May 17th. That implementation included the majority of functionality necessary to coordinate 15-minute energy transaction scheduling with PJM as well.
- ◆ On November 8th, 2011, the NYISO presented Market Participants with an update on its efforts to implement 15-minute transaction scheduling with PJM, as well as e-Tagging changes that were being implemented simultaneously.
- ◆ The purpose of this presentation is twofold. First, it gives Market Participants an update about the roll-out of 15-minute transaction scheduling with PJM. Second, it recaps the e-Tagging changes (as outlined at the November 8th, 2011 MIWG) that will be deployed in June, 2012.

PJM 15-Minute Transaction Scheduling Roll-out

- ◆ Additional internal tools to support quarter-hour checkouts with PJM are being developed and will be deployed with NYISO's June software release (currently scheduled for June 13th 2012).
- ◆ NYISO Market Participants will be provided notification two weeks before each PJM Proxy Bus is activated for 15-minute transaction scheduling.
- ◆ Activation of the 15-minute scheduling at each Proxy Bus will be effectuated in the tariff via a compliance filing to update the table in section 4.4.4 of the MST.
 - *4.4.4 Identifying the Pricing and Scheduling Rules That Apply to External Transactions.*

PJM 15-Minute Transaction Roll-out

- ◆ If operating conditions permit, the NYISO anticipates the first PJM Proxy Bus will be activated for 15-minute scheduling in late June/early July 2012. The roll-out order will be:
 1. *Keystone (AC Interface)*
 2. *Neptune Scheduled Line*
 3. *Linden VFT Scheduled Line*

- ◆ A period of time will be required after 15-minute scheduling is activated at the Keystone Proxy to establish that there are no operational issues associated with the activation. Once it is determined that there are no operational issues, and assuming that operating conditions permit, the NYISO and PJM will agree on a date to activate 15-minute scheduling at the Neptune proxy.
 - ◆ Another period of time will be required after activating 15-minute scheduling at the Neptune Proxy before making the similar activation at the Linden VFT Proxy.

- ◆ The NYISO intends to manage ramp as outlined below. However, if adjustments are needed to maintain reliable operation, the NYISO will modify as needed.
 - ◆ Keystone will continue to have an individual 700MW top of hour ramp rate, but will not have an individual quarter hour ramp rate.
 - ◆ Since Neptune and Linden VFT are non-NYISO managed facilities, the NYISO does not secure an individual top of hour ramp rate for them, nor will we add an individual quarter hour ramp rate for these facilities.
 - ◆ NYISO will utilize a NYCA-wide 300MW quarter hour ramp rate to manage schedule changes between the quarter hours xx:15, xx:30, and xx:45.

NERC e-Tag submittal changes

- ◆ NERC e-Tags with a transaction type of “NORMAL” will be used for 15-minute transactions with PJM.
 - *NERC e-Tags with a transaction type of “DYNAMIC” are used for 15-minute transactions with HQ.*
- ◆ DAM— no changes to NERC e-Tag submittal or NYISO bidding processes will be made for the Day-Ahead Market.
- ◆ HAM - NERC e-Tags must be submitted to the tagging authority prior to HAM close, 75-minutes in advance of the dispatch hour.
 - *Absent any technical issues, RTC will only evaluate Transactions that have a valid NERC e-Tag submitted to a tagging authority by HAM Close.*
 - Valid NERC e-Tag means that the e-Tag’s Energy Profile matches the MIS bid’s Energy Profile MW for the upcoming dispatch hour.
 - *Any changes to the e-Tag Energy Profile (including new tags or withdrawal of an existing tag) that are initiated by the tag author (PSE) after HAM Close would be denied.*
 - Balancing Authority changes would not be denied
 - *Any changes to the e-Tag Transmission Profile that are initiated by the tag author (PSE) after HAM Close will be accepted.*

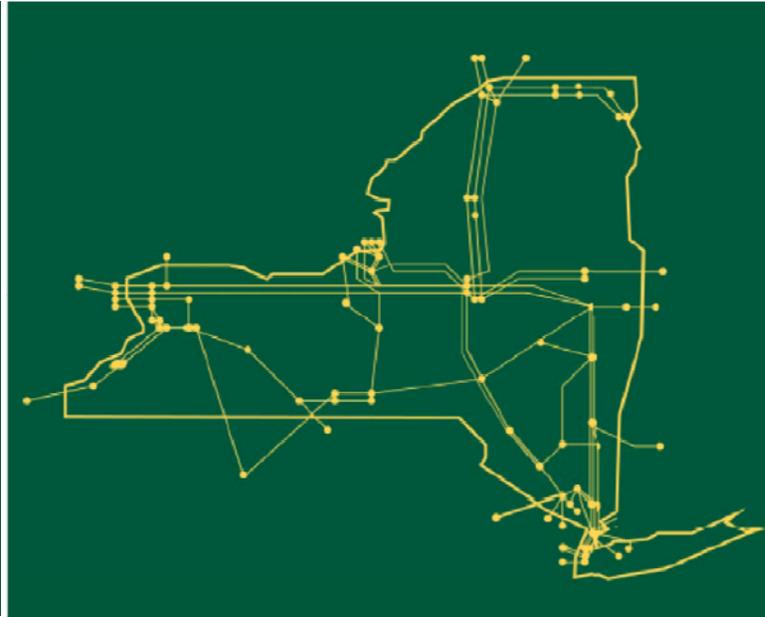
NERC e-Tag submittal failure mode

- ◆ In the event the NYISO is unable to verify the existence of a NERC e-Tag due to technical issues, the NYISO bid validation rules will assume that the Market Participant has properly submitted the NERC e-Tag and allow the MIS transaction offer to be economically evaluated by the scheduling software.
 - *It is always the responsibility of the MP to ensure that the NERC e-Tag is consistent with the associated MIS transaction offer*

Next steps

- ◆ *Technical Bulletin #27 (NERC electronic tagging under NYISO Operations) updated in May 2012.*
- ◆ *Software deployment June 2012.*
- ◆ *At least two-week notice prior to activating 15-minute scheduling at each NY-PJM Proxy Bus.*
- ◆ *FERC Compliance filing prior to activating 15-minute scheduling at each NY-PJM Proxy Bus.*

The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and conducts reliability and resource planning for the state's bulk electricity system.



www.nyiso.com