

Spring 2016 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 2016 Centralized TCC Auction**
 - *One survey response accepted per MP*
 - *Responses were due on December 11, 2015*
 - *13 TCC Market Participants responded*
 - *Responses for the Spring 2016 Centralized TCC Auction limited to six-month, one-year, and two-year TCCs*

Survey Results – Spring 2016

Capacity per Duration

# of MP Responses	Desired % of System Capacity		
	6 Month	1 Year	2 Year
1	70%	5%	
1	55%	20%	
1	45%	30%	
1	50%	20%	5%
1	45%	25%	5%
1	50%	15%	10%
2	45%	20%	10%
1	32.5%	32.5%	10%
1	35%	25%	15%
1	30%	30%	15%
1	25%	25%	25%
1	20%	25%	30%
Average	42.1%	22.5%	10.4%
Median	45%	25%	10%

The numbers above do not include the System Capacity that was sold in the Spring 2015 Centralized TCC Auction as two-year TCCs (5%) and in the Autumn 2015 Centralized TCC Auction as one-year TCCs (20%).

Survey Results – Spring 2016

Total Rounds per Duration

# of MP Responses	Total Rounds	Total # of Rounds per Duration		
		6 Month	1 Year	2 Year
1	4	2	2	
1	6	4	2	
1	10	6	4	
1	5	2	2	1
1	6	3	2	1
1	6	2	2	2
1	7	3	3	1
2	8	3	3	2
1	9	4	4	1
1	9	4	3	2
1	10	4	4	2
1	10	3	3	4
Average	7.5	3.3	2.8	1.4
Median	8	3	3	1

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
1	75%	25%				
1	66.7%	33.3%				
1	60%	40%				
1	70%	20%	10%			
1	55%	35%	10%			
2	50%	40%	10%			
1	45%	45%	10%			
1	40%	40%	20%			
1	50%	25%	15%	10%		
1	25%	25%	25%	25%		
1	35%	30%	14%	9%	7%	5%
1	10%	20%	30%	15%	15%	10%

Survey Results – Future Auctions

Total Rounds per Duration

# of MP Responses	Total Rounds	Total # of Rounds per Duration					
		6 Month	1 Year	2 Year	3 Year	4 Year	5 Year
1	4	2	2				
1	6	3	3				
1	10	6	4				
1	5	2	2	1			
2	8	4	3	1			
1	8	3	3	2			
1	9	4	4	1			
1	10	4	4	2			
1	8	2	2	2	2		
1	10	4	3	2	1		
1	10	3	2	2	1	1	1
1	11	3	3	2	1	1	1

Survey Comments

- ◆ **Prefer at least 7 or 8 rounds to maintain liquidity**
- ◆ **Desire to purchase On-Peak and Off-Peak products**
- ◆ **Desire for a multi-month auction functionality where the next month and the two months following the next month can be purchased**
- ◆ **Desire for the Balance-of-Period auction**
- ◆ **Desire for a reduction in the delay between the closing of the bidding window and the posting of the results while maintaining the current submittal period length**
- ◆ **Desire for some system capacity to be reserved for monthly auctions**
- ◆ **Desire for a more formal secondary market administered by the NYISO**
- ◆ **“Unfortunately, this has become a speculators market that is not well suited to the needs of an LSE and its customers”**

Spring 2016 Auction Proposal

Eight Auction Rounds

- ◆ **The NYISO would offer:**
 - *5% of System Capacity as two-year TCCs in a single auction round;*
 - *20% of System Capacity as one-year TCCs across three auction rounds; and*
 - *50% of System Capacity as six-month TCCs across four auction rounds*
- ◆ **The remaining 25% of System Capacity was sold as two-year TCCs in the Spring 2015 Centralized TCC Auction and as one-year TCCs in the Autumn 2015 Centralized TCC Auction**

Proposed Schedule

Week	Round
February 12 - 19	March Reconfiguration
February 20 - 25	Round 1 (Two Year)
February 26 - March 3	Round 2 (One Year)
March 4 - 10	Round 3 (One Year)
March 11 - 17	Round 4 (One Year)
March 18 - 24	Round 6 (Six Month)
	April Reconfiguration
March 25 - 31	Round 6 (Six Month)
April 1 - 7	Round 7 (Six Month)
April 8 - 14	Round 8 (Six Month)
April 15 - 21	May Reconfiguration

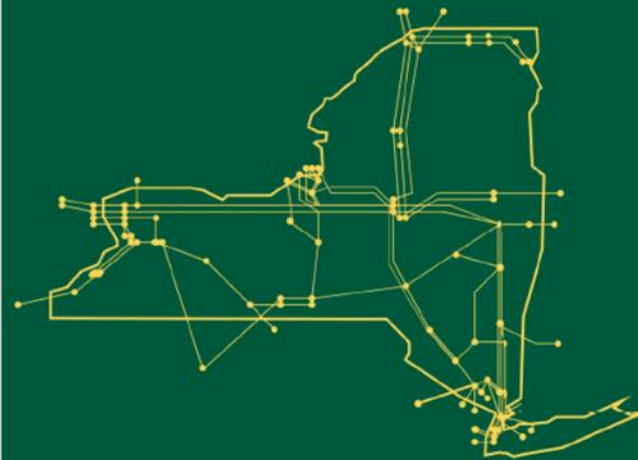
Auction Proposal – Discussion

- ◆ **Unanimous agreement by the Transmission Owners is required for the NYISO to conduct fewer than four rounds in any Sub-Auction**
- ◆ **8 respondents expressed interest in conducting fewer than four six-month rounds in the Spring 2016 Auction**
- ◆ **10 respondents expressed interest in conducting fewer than four one-year rounds in the Spring 2016 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**

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