Scheduling and Pricing Phase 4:
Bid Floor

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Background

- ◆ The 2008 State of the Market Report

  "Balancing congestion shortfalls also arise when external interface capability is reduced in real time below the day-ahead scheduled level. In such hours, the resulting shortfalls are increased when the proxy bus LBMP is set by a negative offer price (e.g. the offer price limit is -$999.70 per MWh). There are limited benefits of allowing participants to submit extremely low offer prices. Hence, we recommend that the current offer limit for real-time import transactions be adjusted from -$999.70 per MWh to a level more consistent with the avoided costs of curtailing the import (e.g., -$50 per MWh or $0 per MWh). This should also improve the performance of the market during over-generation conditions." *

  * Note: From 2008 State of the Market Report, page 110, Section G – Conclusions and Recommendations

Current Bid Limits

Type	Limit
External Transactions	+/- $999.70
Prescheduled Transactions	+/- $1,000.00
Internal Generator Offers	+/- $999.99

Current MIS Treatment of Bids

- *DAM Dec Bids (Imports/Wheels)*

  - *A Dec Bid submitted to and accepted in the DAM will be converted to a **-** $999.70* bid for the RT market.*

- *DAM Sink Price Cap Bids (Exports)*

  - *Similarly, a Price Cap bid submitted to and accepted in the DAM will be converted to a +$999.70* bid for the RT market.*

- *DAM Internal Generator Bids*

  - *An internal generator bid submitted to and accepted in the DAM will retain its original DAM offer price when it gets evaluated for the RT market.*

* Note: +/-$999.70 is used only if MP does not specify an override RT price.

MIS Transaction Request

Transaction Request

Date	Market	NERC Priority	Source
10/05/2009 (mm/dd/yyyy)	DAM	FIRM (F-7)	HQ_GEN_IMPORT

Note: Changing either of the above two parameters will result in the creation of a new bid without changing the old one. You should only change these parameters if you want to model a new bid on an existing one.

Source Org (Trading Hubs Only)

N/A

		FIRM TRANSACTION TYPE ONLY
Transaction ID	**User Ref**	**Transaction Priority**
8189128	123456	

Optional value instructing NYISO to use something other than the default +/-$999.70 for evaluation in HAM.

Energy Request	Sink Price Cap (Use For Exports)	Decremental Dollars (Use For Imports and Wheel Throughs)	HAM Bid Price	NERC Tag (Op... SCA	PSE
125	Set For All Hours		Set For All Hours	15.7	Set For All Hours		Set For All Hours				

TRANSACTION PROFILE

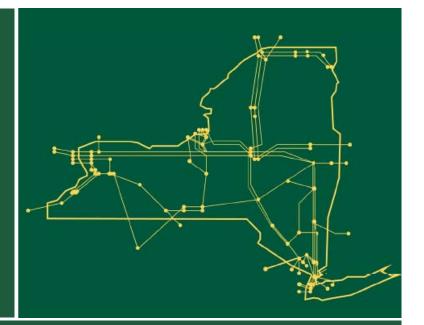| Start Time	Market	Energy Request (MW)	Sink Price Cap ($)	Decremental Dollars	HAM Bid Price ($/MWh)	NERC Tag (Optional For Internal Transactions)				MIS Bid Status	Select for Submit	Scheduled Energy (MW)	C...
						SCA	PSE	Unique Num	RCA				
00:00	DAM	125		15.7							☑		
01:00	DAM	125		15.7							☑		
02:00	DAM	125		15.7							☑		
03:00	DAM	125		15.7							☑		
04:00	DAM	125		15.7							☑		

Input requested

- In order to address the State of the Market Report recommendation, the NYISO is evaluating the following:

  - *The appropriateness of the current bid limits.*

  - *Modifications to its default treatment of external transactions converted from DAM to RT.*

- The NYISO requests input from market participants on both of these areas, and should direct feedback to Shaun Johnson, Energy Markets Product Manager (sjohnson@nyiso.com).

Questions?

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.

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