



# Argus Fuel Indexing Communications Issue – Update on Impacts

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## Background

- ◆ NYISO's process for retrieving updated fuel price information from its outside vendor, Argus, did not function as expected on the evening of December 6<sup>th</sup> due to site switching issues on the vendor's system
- ◆ Impacted RT (HB0-HB16 for Oil; HB10-HB16 for Natural Gas) for December 7<sup>th</sup> and DAM (all hours) for December 8<sup>th</sup>
- ◆ NYISO continued to use the best available fuel index information in accordance with the Tariff. However, due to potential market impacts, it was deemed to be a Market Problem (MST, Section 3.5.1).
- ◆ Preventive controls implemented to address similar circumstances going forward.
- ◆ NYISO has followed the tariff provisions pertaining to Market Problems in noticing the FERC, its MMU and its Market Participants.
  - Market Participants notified at MC on December 15th
- ◆ Final step in process is to develop and present estimates of market impact
  - *RT Market impacts presented at 1/24 MIWG.*

## Fuel Index Updates Not Reflected

- ◆ Due to the connectivity issues the fuel index updates were not reflected in supplier reference levels in RT (12/7) or DAM (12/8)
- ◆ Natural Gas indices increases:
  - *Transco Zone 6 NY (\$1.275/mmbtu or 24%)*
  - *Algonquin (\$1.135/mmbtu or 21%)*
  - *Iroquois Waddington (\$0.71/mmbtu or 14%)*
  - *Dominion North (\$0.22/mmbtu or 5%)*
  - *Dominion South (\$0.34/mmbtu or 6%)*
  - *Niagara (\$0.315/mmbtu or 6.6%)*
  - *Texas Eastern M3 (\$0.515/mmbtu or 11%)*
- ◆ Fuel Oil and Kerosene indices decreased less than 1%

## Real-Time Market Impacts

- ◆ Overmitigation of one supplier due to increase in natural gas indices
  - *Rest-of-State unit*
  - *Mitigated for its MinGen \$ bid*
  - *No impact on LBMPs*
  - *Unit has submitted a consultation request which has been evaluated and closed*
- ◆ No mitigation impacts due to decrease in fuel oil/kerosene indices
  - *No impacts on RT LBMP*
  - *No impacts on RT BPCG payments*

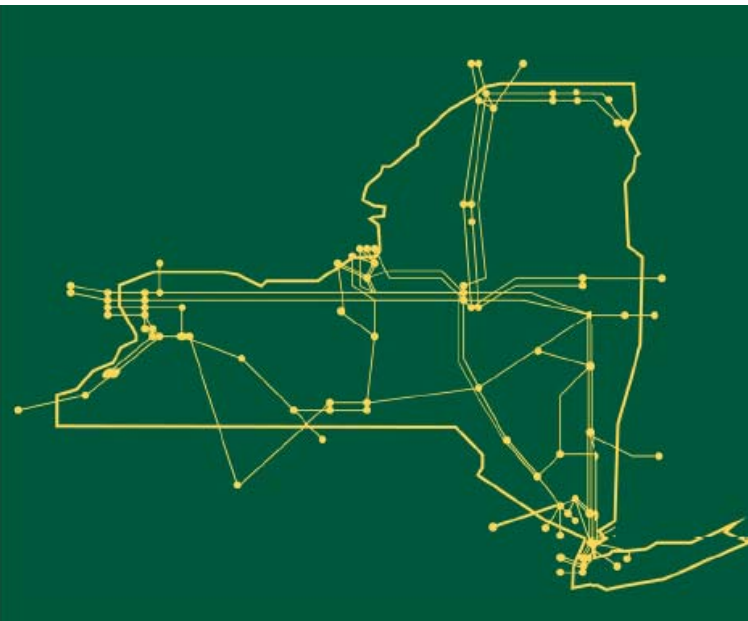
## Day Ahead Market Impacts: Complete

- ◆ Re-ran DAM Model for 12/8 with revised reference levels; all impacts are estimates
- ◆ In-City Mitigation Impacts:
  - *Six non-GT, in-city units no longer subject to mitigation, generally during peak hours (HB8-HB16)*
  - *Several GTs now subject to start-up (HB16) and energy mitigation (HB21)*
- ◆ Generator Commitments Impacted:
  - *Observed changes in generator, transaction and virtual schedules due to changes in reference levels and associated LBMP changes*

# Day Ahead Market Impacts: Complete

- ◆ Ancillary Services Changes
  - *Regulation prices did not change for 19 of the 24 hours; average increase of \$0.87 with the largest increase of \$3.73 in HB17*
  - *Spinning reserve prices did not change for 17 of the 24 hours; average increase of \$2.48 with the largest increase of \$7.75 in HB17*
  - *No changes in non-spinning prices*
- ◆ Generally LBMPs were affected very little by the adjustments in generator references.
  - *Average increase for NYC \$1.51/ MWh.*
  - *All other zones had an average increase of less than \$1.00/ MWh throughout the day during the study.*

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 comprehensive planning for the state's bulk electricity system.



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