



Joint Stakeholder Meeting

# ISO-NE and NYISO Inter-Regional Interchange Scheduling (IRIS)

March 28, 2011 / Rensselear, NY

#### **Agenda**

#### **Today:**

- Welcome and Overview
- ISO-NE Internal Market Monitor
- Joint ISO Memo on Alternatives
- Discussion by Brookfield Energy Marketing
- Discussion and Q&A
  - Tie Optimization Option
  - CTS (Interface Bid) Option
  - General





### Joint Stakeholder Meetings

#### Purpose:

- **Discuss** white paper's options, pros/cons, how they work, rationale, & likely impact on the markets
- Gather stakeholder input on merits, concerns, questions
- Forge consensus on a design option the ISOs can implement

#### Joint ISO white paper:

• **Presents** in-depth analysis of problems, solution options, rationales, and joint ISO recommendations for reforms.



#### Presentation Plan for Element Details

**Day 1** (1/21, AM): Current system and IRIS benefit analysis (1/21, PM): RT scheduling system (Tie Opt & CTS)

**Day 2** (2/14): RT Scheduling (CTS), DA & RT market linkages; DA external transactions; interface settlements & pricing

Day 3 (3/7): FTRs and congestion, NCPC & fee recommendations, conforming capacity rule changes

**Day 4 & Day 5** (3/28, 4/28): Q&A, discussion of DBD elements, and follow-ups on additional detail as requested.







# Solution Options: Six Key Elements

- 1. New RT Inter-Regional Interchange System (IRIS)
  - Two IRIS options for stakeholder consideration (next).
- 2. Higher-frequency schedule changes (15 min)
- 3. Eliminate NCPC credits/debits & fees on ext. txns
- 4. DA market: External txn remain similar to today, plus:
- 5. Congestion pricing (DA & RT) at external nodes
- **6. FTRs** at external interfaces (NY/NE)



# Real-Time Interface Scheduling (IRIS)

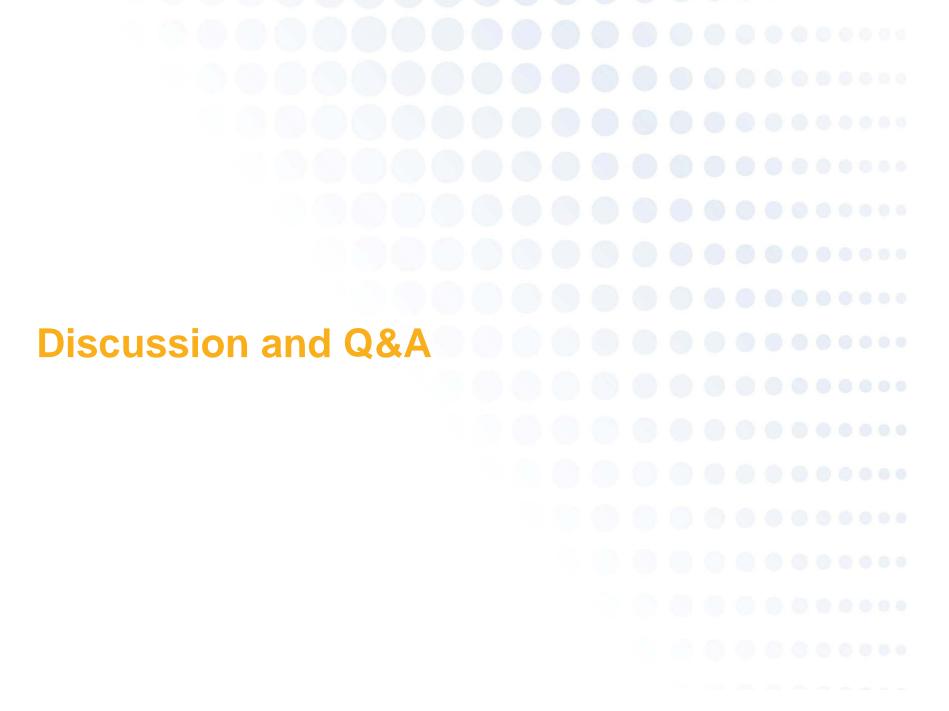
- Design Objectives:
  - 1. Equalize LMPs at interface at time schedule is set;
  - 2. Update real-time schedule as frequently as feasible.
- **Two design options** for real-time interface scheduling with greatest potential for efficiency improvement:
  - Tie Optimization (TO)
  - Coordinated Transaction Scheduling (CTS)
- Both are market-based solutions, but differ in the market information they require of market participants.













**Upcoming Joint Schedule and Logistics** 

#### Stakeholder Review & Discussion

#### Next joint stakeholder meetings:

- Understand options in detail, gather feedback, refine into preferred design basis document (DBD) by April-May.
- ISOs need common DBD on IRIS due to coordination issue
- Next Meeting Schedule:
  - Feb 14 (ISO-NE hosting)
  - March 7 (ISO-NE hosting)
  - March 28 (NYISO hosting)
  - April 28 (NYISO hosting)



# Remaining Presentation Plan

**April 28:** Q&A, follow-up's on additional detail as requested, stakeholder discussion of draft DBD





### Next Steps: 2011+ Schedule

Jan-Apr: Joint stakeholder meetings

Apr-May: Advisory votes on design options (DBD)

from both NEPOOL and NYISO stakeholders

June-Oct: Stakeholder tariff & market rule processes

(separate but parallel timing)

• Dec 2011: Target FERC filings (ISO-NE & NYISO)

• Spring 2013 (est): Implementation complete





# Questions?



#### Contact:

#### **Robert Pike**

Director, Market Design, NYISO

rpike@nyiso.com (518) 356-6156

#### Contact:

#### **Matthew White**

Senior Economist, ISO-NE

mwhite@iso-ne.com (413) 535-4072

