RTS Issues Summary

From 6/16/03 & 7/8/03 Meetings

MSWG

7/22/03

6/16/03 - Ancillary Service Market

1. **Address outstanding question regarding whether or not the demand curves will be included in the tariff.**

   Legal is considering what level of detail is appropriate for the tariff.

2. **Consider alternatives to address concerns regarding the requirement that the emergency response rate must be greater than or equal to the highest of the 3 possible normal response rates.**

   NYISO staff has considered what options are feasible and the proposal is that emergency response rates will be required to be >= the capacity weighted average of the normal response rates. This minimizes the potential issue and is the best option available given the design constraints of the optimization algorithm. Risks, if any, associated with a day-ahead schedule can be taken into consideration in the day-ahead availability bids.

6/16/03 - Ancillary Service Market

3. **Investigate the issue raised concerning the dispatch of regulating units below their offered regulation amount with no LOC being paid and discuss how this is addressed by RTS.**

   This issue is being reviewed by LECG and is not expected to occur in RTS if AGC is working as intended. Note that under RTS, the regulation clearing prices will inherently reflect the lost opportunity cost of the marginal regulation unit.

4. **Review real-time demand response metering requirements with PSC staff working on competitive metering.**

   NYISO staff has had discussions with appropriate PSC contacts and no further action is required at this time.

6/16/03 - Ancillary Service Market

5. **Concern raised regarding continuing to try to solve reserve constraints during a reserve pickup.**

Price consistency has been a fundamental design goal throughout the RTS development effort. Continuing to solve a consistent set of constraints during a regular RTD run or during a reserve pickup (RPU) is instrumental in ensuring appropriate price signals during an event and goes hand-in-hand with the operational goal of maintaining system reliability. The degree to which reserves will be maintained, and thus the commitment actions that RTD-CAM will take, is directly related to how the reserve demand curves are defined. This approach was discussed in depth throughout an extensive stakeholder process which culminated in approval of the concept over a year ago and is a fundamental characteristic of the software design that has been developed by ABB.

6/16/03 - Ancillary Service Market

6. **Pricing during a large event RPU where units are not permitted to back down. Pricing is based on being able to back units down, but the basepoint schedules that go out will hold units at their current output or higher. Discuss how best to handle this pricing issue.**

To be covered in a separate presentation on 7/22/03.

7/8/03 – Energy and Transaction Scheduling

1. **Investigate question concerning honoring of minimum down time in SCUC.**

   The current practice in SCUC will be continued. SCUC only honors minimum down time within the 24 hour commitment window (Reference Technical Bulletin #51).

2. **Correct Section 5 of the bidding ConOp to reflect the 75 minute close time for transaction changes and submissions.**

   Text will be corrected. Closing time for transactions, like all other hourly bids will be 75 minutes prior to the hour.

7/8/03 – Energy and Transaction Scheduling

3. **Clarify proposed pricing plans during a Max Gen Pickup.**

   To be covered in a separate presentation on 7/22/03.

4. **Confirm statement that a valid bid is required at all times over the full range of the unit being offered or have scheduled the unit on an outage.**

   The presentation materials should have stated only that the incremental energy bid "Must cover the full range of the unit being offered, from zero MW to the DMNC" as stated in the scheduling Con Op.

7/8/03 – Energy and Transaction Scheduling

5. **Consider use of "stepped" bidding term instead of block.**

   The current MIS forms used by MPs uses the term "blocked bid". From an economic viewpoint, the "stepped" term is probably more intuitive however it is recommended that we continue to use the "blocked" term which participants have become familiar with.

6. **Clarify obligations of unit operation when scheduled to operate in the emergency range.**

   Units must be able to operate to their emergency UOL consistent with their obligations under the ICAP rules. Activation of emergency UOLs may be of any duration. A unit that is unable to continue to operate in this range will need to derate the unit. Normal performance criteria apply and rules for Capacity Limited Resources (CLR) and Energy Limited Resources (ELR) are maintained.

7/8/03 – Energy and Transaction Scheduling

7. **Review FERC order regarding price-chasing of off-dispatch units.**

July 29, 1999 FERC order did not deny the ISO's proposal regarding no payments for uninstructed overgeneration and only directed the ISO to:

- *Evaluate whether circumstances in New York merit this treatment, noting that other markets do pay for overgeneration and;*
- *Whether LBMP price signals would be sufficient to address any overgeneration problems.*

Subsequent to this evaluation, the ISO worked with stakeholders to implement rules to permit payments for uninstructed generation under the current real-time system.

7/8/03 – Energy and Transaction Scheduling

7. **Review FERC order regarding price-chasing of off-dispatch units (*Continued*).**

- **With the implementation of RTS, no unscheduled price chasing will be allowed for self-scheduled fixed units. As the Con Op discusses, the current price chasing capability has not provided the benefits that were anticipated. The units that have been engaged in price chasing have tended to create operational problems due to the fact that they do not respond consistently to the price signals and tend to move unexpectedly up and down by large amounts causing intermittent security issues. In addition, the unpredictable operation can result in inefficient scheduling and commitment decisions in RTC and real-time operations.**