



# Virtual Regional Dispatch Physical Scheduling And Bidding

Agenda Items 3 and 4

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ISO-NE Markets Committee

NYISO Market Structures Working Group

Draft--For Discussion Only

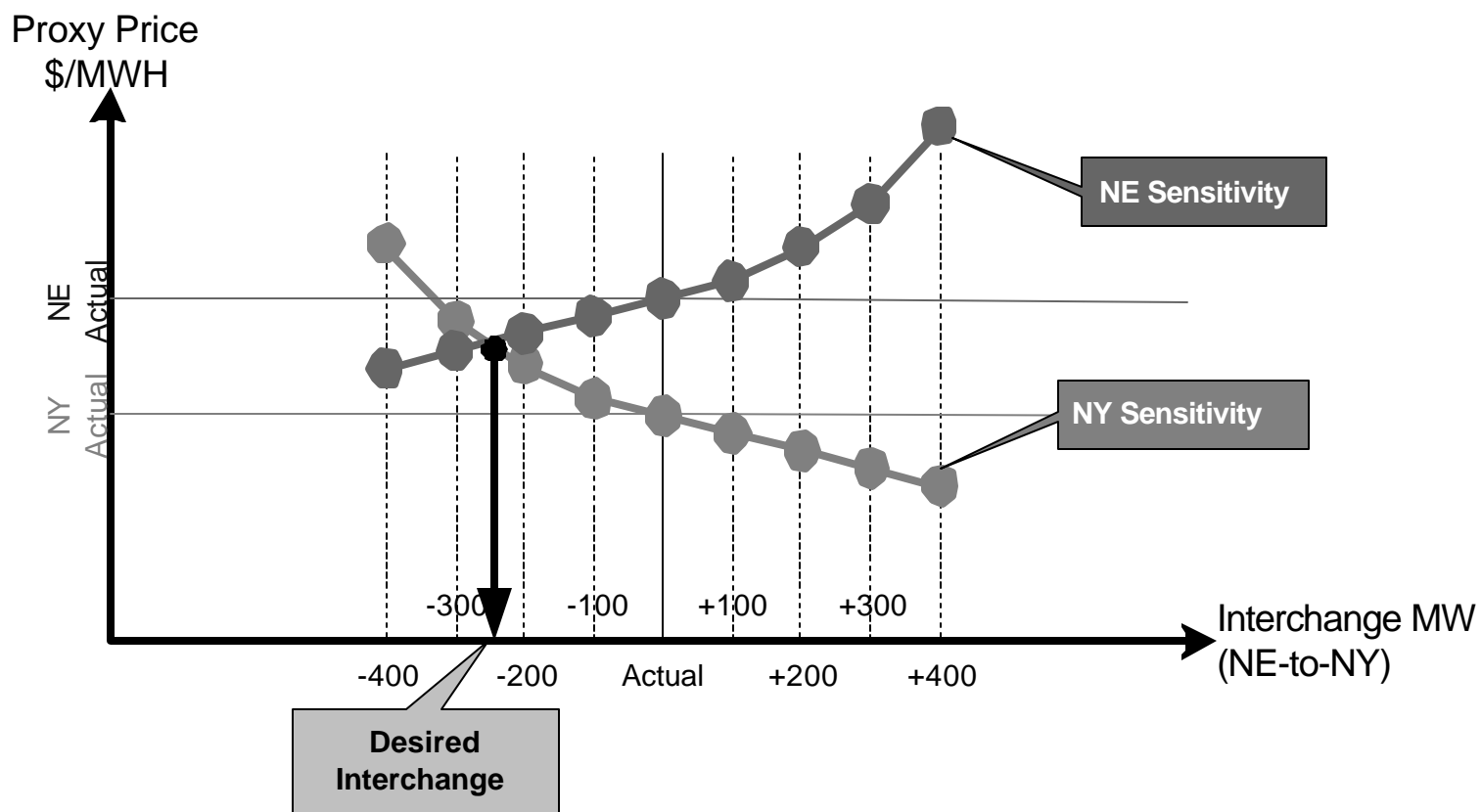
# VRD Straw-man

- Physical scheduling
- Bidding Processes

## Physical Scheduling – Basics

- The amount of flow between the two control areas will be determined by the ISOs in the following manner
  - The ISOs' scheduling objective is to converge prices at the respective proxy buses.
  - The ISOs will review and adjust the physical interchange every 15 minutes to maintain price convergence.
  - The ISOs will share explicit pricing curves representing sensitivity to interchange schedule changes, for the purpose of establishing efficient interchange.

# Physical Scheduling – Flow Model



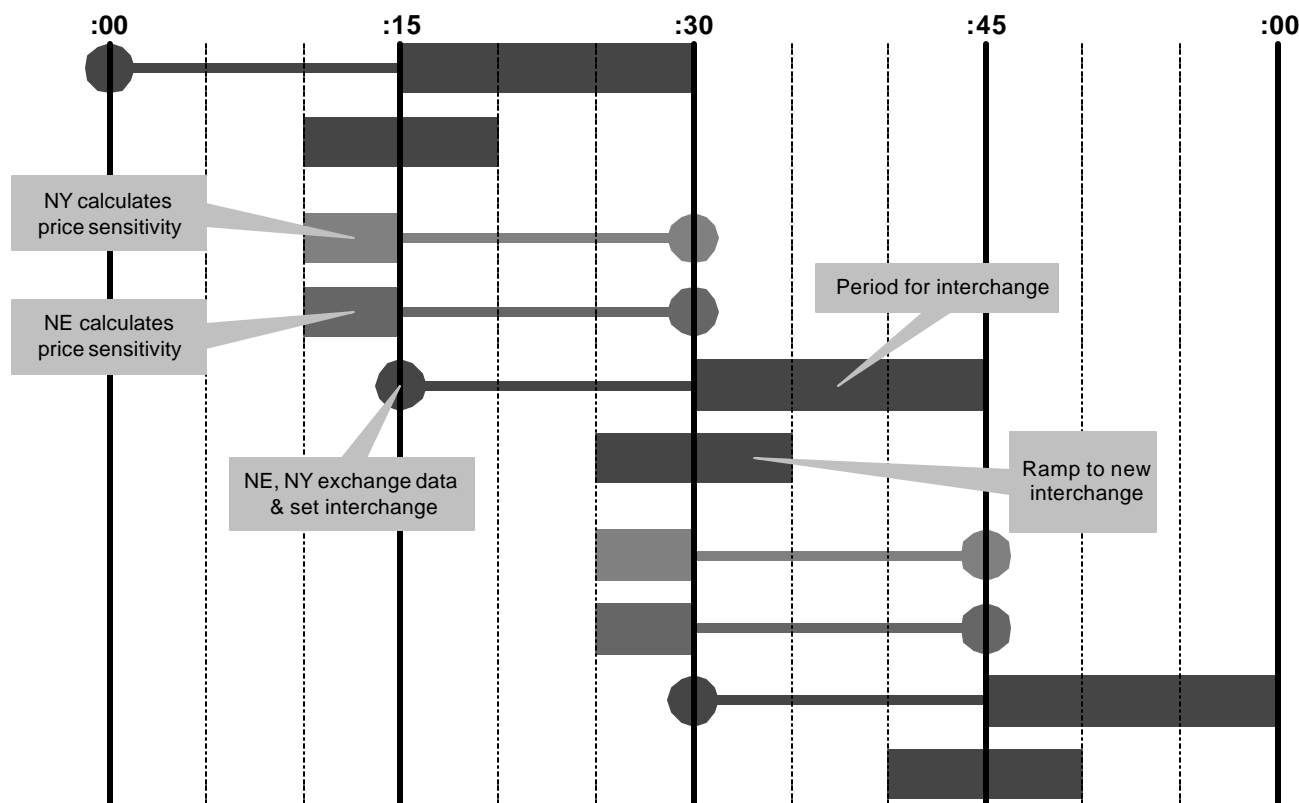
## Physical Scheduling – Key Elements

- Physical limits of the NYISO/ISO-NE interface will not be exceeded
- Neither control area will dispatch reserves in order to support export schedules
- There will be a limit on the adjustment to export flow from one period to the next, changes will be ramped over 10 minutes
- Consent of both control areas will be required for any schedule change
- Each control area will periodically provide the other with estimates of how it expects changes in interface schedule to effect prices at the proxy.

## Physical Scheduling – Key Elements

- The structure of this straw proposal is consistent with the design and capability of the dispatch functions of both markets.
  - ISO-NE security constrained dispatch with look-ahead
  - NYISO RTS including RTC and RTD

# Physical Scheduling – Process Model



# VRD Bidding Model

- Aspects that remain unchanged
  - The Day-ahead market.
  - The types of transactions and bid format for transactions submitted day-ahead and real-time.



# VRD Bidding Model

- Significant changes
  - Flow and price will no longer be determined based on transaction schedules.
  - Real-time checkout is therefore not required until settlements time.
  - Transaction schedules across this interface may be submitted up to noon the following day.
  - NYISO will add internal after-the-fact submittal for internal bilaterals, consistent with ISO-NE and PJM practice.
  - In ISO-NE some liberalization of real-time price sensitive bids may be called for.
  - Day-ahead settlement coordination requires a transaction identifier common to both markets.

# Questions

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