

Subject: Day Ahead Reliability Unit (DARU) Commitments

Transmission Owners (TOs) knowing they will need generator(s) committed to meet the reliability needs of their local system prior to the Day Ahead market run should notify the NYISO. The NYISO will use the procedure outlined here to fill these requests.

Details:

Background

Transmission Owners regularly request that the NYISO commit additional resources to meet the reliability needs of their local systems. Recent changes allow the NYISO to commit these resources in the Day-Ahead Market when notified of the need to do so by the Transmission Owners. Since a Day-Ahead commitment of these resources produces a more efficient commitment than a commitment following the Day-Ahead market run, Transmission Owners should notify the NYISO of the need for these resources by 01:00 AM, prior to the Day-Ahead Market close, to allow for input into the system (a request for Saturday must be communicated to the NYISO by 01:00 AM Friday). Those units that the NYISO commits solely for reliability reasons at the request of a Transmission Owner are known as Day-Ahead Reliability Units (“DARU”)

Transmission Owner Requests for DARUs

When requesting the commitment of a reliability-necessary unit for the Day-Ahead market, ~~consistent with SRE requirements~~, TOs must give the NYISO the reliability reason for the request, the expected duration of the need, and the specific facility or constraint affected. NYISO operators will log all such TO requests. (This is consistent with the requirements that apply to their SRE requests). Within 5 business days the TO requesting the reliability commitment shall provide detailed written justification to SREinfo@nyiso.com. The NYISO will review all these requests to ensure that practices being followed are consistent with NYISO tariffs and NYS Reliability Rules.

The TO's written justification must detail the system conditions that resulted in the need for the reliability commitment such that the NYISO can independently verify the request. The following system conditions should be identified when applicable: TO local area or regional load levels; thermal transmission facility or substation voltage constraint; whether the constraint represents a predicted actual or post-contingency violation; significant transmission or generating unit outages affecting such constraint; and special local reliability criteria. Any additional local area system conditions that resulted in the need for the DARU commitment should also be identified.

All requests by TOs to commit generators via this process will be posted to the OASIS.

NYISO Processing of Reliability Unit requests Day-Ahead

SCUC optimizes offers and bids ~~only~~ over the dispatch day to preserve system reliability and ensure that sufficient resources are available to meet forecasted load and reserve requirements. When a Transmission Owner notifies the NYISO of the need for a reliability unit, SCUC will first evaluate that request for economic commitment. If economic, the unit's commitment will not be considered a reliability commitment. Commitment for reliability reasons renders the unit a DARU. A DARU request by a Transmission Owner may override a generator's startup notification time.

The purpose of this “Technical Bulletin” is to facilitate participation in the NYISO by communicating various NYISO concepts, techniques, and processes to Market Participants before they can be formally documented in a NYISO manual. The information contained in this bulletin is subject to change as a result of a revision to the ISO Tariffs or a subsequent filed tariff with the FERC.

BPCG Allocation for DARU and Other Day-Ahead Committed Local Reliability Units

Description

Power Suppliers selling energy into the Day-Ahead Market are eligible to receive a Day-Ahead BPCG payment if their Day-Ahead eligible total costs exceed their Energy and Ancillary Services revenues. This includes Power Suppliers that are committed by the NYISO, at the request of a Transmission Owner, for reliability reasons or during Local Reliability Rule commitment. When Day-Ahead BPCG payments are made to reliability-necessary units, the cost of the BPCG is recovered through allocations to LSE's located in the subzone in which the generator is located based on their load ratio shares during the given day.

In order to appropriately allocate the Day-Ahead BPCG payments made to Day-Ahead Reliability Units and other Day-Ahead committed local reliability units, NYISO assigns a commitment reason to each hour that a generator was committed in the Day-Ahead Market to indicate whether the unit was committed for DARU, for LRR, or was committed economically. Day-Ahead BPCG for units solely committed (in any single day) for DARU or LRR reasons is recovered through allocations to LSE's based on their load ratio shares in the generator's subzone during the given day. Day-Ahead BPCG for units solely committed economically is recovered through NYISO-wide load ratio shares during the given day. If a resource has a partial DARU, LRR, or economic commitment over the dispatch day, the BPCG associated with the DARU and LRR commitments is allocated to the corresponding local loads, and any remaining BPCG is allocated based on NYISO-wide load ratio shares as defined below.

DAM BPCG Payments to Power Suppliers

The processing described below applies to units committed for DARU or LRR, not to units committed in subsequent SCUC passes. Reference the BPCG calculation in Attachment C of the Market Services Tariff for detailed formulas and definition of terms.

Recovery of generator BPCG is divided among those loads responsible for the uplift associated with the various commitment types. For each hour that a generator was committed in the DAM, a commitment reason is associated with that generator, indicating if the unit was committed for DARU, LRR, or economically. For each of these commitment types, NYISO sums the number of hours for which the unit was scheduled in the DAM.

NYISO allocates DAM startup costs by commitment reason, by taking the product of: a) the daily DAM startup cost for the generator, and b) the ratio of the DAM total scheduled hours for that commitment type to the DAM total scheduled hours for the dispatch day.

NYISO also calculates the unit's DAM total net cost (cost (excluding startup cost) - revenue), which can be positive or negative, for each hour. The NYISO sums the hourly DAM total net cost values for the generator for the day by commitment type to create a daily DAM total net cost by commitment type. For each commitment type (DARU, LRR, economic), NYISO then calculates a daily unadjusted BPCG value for the generator. This is the greater of: a) the sum of the daily DAM total net cost for that commitment type and the startup cost allocation for that commitment type, and b) 0.

The sum of these daily unadjusted BPCG values (which can be as many as 3) for each generator is the total daily unadjusted BPCG value for the generator.

The ratio of the daily unadjusted BPCG value for each commitment type to the total daily unadjusted BPCG value for the generator is multiplied by the daily DAM BPCG paid the given generator. This produces the daily DAM BPCG settlement for each commitment type (DARU, LRR, economic) to be allocated to the loads responsible for each commitment type.

Allocation of DAM BPCG Settlement by Commitment Type

- For DARU BPCG:

The daily DAM BPCG settlement dollars associated with DARU commitments (as calculated above) are summed for all generators by subzone. Each load in that subzone pays a share of the daily DAM BPCG settlement dollars associated with DARU commitments for all generators in that subzone, based on the ratio of its daily load to total daily load in that subzone.

- For LRR BPCG:

The daily DAM BPCG settlement dollars associated with LRR commitments (as calculated above) are summed for all generators in the NYC subzone. Each load in the NYC subzone pays a share of the daily DAM BPCG settlement dollars associated with LRR commitments for all generators in the NYC subzone, based on the ratio of its daily load to total daily load in the NYC subzone.

For each LSE, the sum of the daily DAM BPCG DARU dollars and the daily DAM BPCG LRR dollars is reported in bill code 810.