

# Proposed Revision to Price Correction Deadlines

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# Agenda

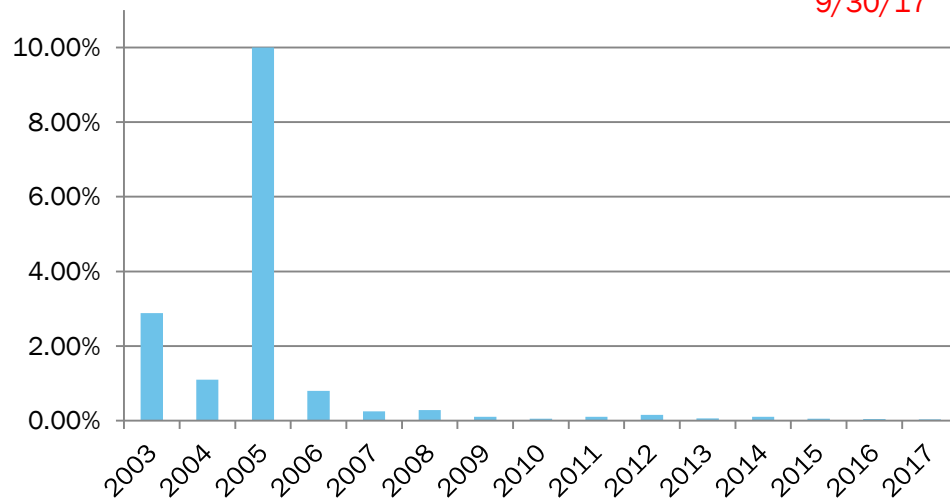
- Background
- Challenges with current timelines
- What has changed?
- Review of current Att. E. timelines
- Historical real-time price correction statistics
- ISO coordinating neighbors
- NYISO's proposal
- Benefits

# Background

- The current price reservation and correction timelines in MST Att. E. have been in place since Nov. 2006
- With 10% of real-time intervals corrected in 2005 (and over 26% of hours reserved), MPs were concerned about market certainty
- The NYISO is re-visiting these timelines to determine if they are still appropriate given current conditions

Percentage of Real-Time Intervals Corrected, 2003-2017\*

\*Thru 9/30/17



# Challenges with Current Timelines

- Following major IT system issues or during times of extremely volatile prices, there can be a large volume of data anomalies to review. Determining if price corrections are needed, and an appropriate correction method to use, can take more time than usual.
- Issues that cross into weekends/holidays, when fewer support staff are available, can pose a challenge. Current use of calendar days rather than business days effectively reduces the available time to review/correct.
- Consultation with ISO-NE on potential issues is sometimes necessary, and when it is, additional time for correction could be beneficial.

# What has changed?

- In recent years, the number of price reservations and corrections has decreased significantly compared to earlier years
- Since 2009:
  - Fewer than 0.10% (one tenth of one percent) of all Real-Time intervals have resulted in a price correction
  - Fewer than 1% of all hours have been reserved
- NYISO now has Coordinated Transaction Scheduling with PJM and ISO-NE. Certain RTC external constraints have portions of congestion costs shared between NYISO and ISO-NE prices, which further complicates the finalization of prices.

# Review of Current Att. E. Timelines

## ■ Price Reservation Deadline

- NYISO must provide notice reserving a potentially erroneous real-time price no later than 17:00 of the calendar day following the market day
- NYISO must provide notice reserving a potentially erroneous Day-Ahead price prior to the start of the market day

## ■ Price Correction Deadline

- NYISO must correct a price it has reserved and determines to be erroneous as soon as possible but no later than:
  - 2 calendar days after the market day for Day-Ahead prices
  - 4 calendar days after the market day for real-time prices

# Historical Real-Time Price Correction Statistics

## # of Days to Process Corrections

Year	No. of Market Days with Corrections	1 day	2 days	3 days	4 days	Avg.	Max.
2013	19	7	7	5	0	1.89	3
2014	17	4	3	7	3	2.53	4
2015	13	2	6	4	1	2.31	4
2016	17	2	6	9	0	2.41	3
2017*	12	2	3	7	0	2.42	3
<b>Totals</b>	<b>78</b>	<b>17</b>	<b>25</b>	<b>32</b>	<b>4</b>	<b>2.31</b>	<b>4</b>

\*Thru 9/30/2017

Note: There have been no Day-Ahead price corrections since NYISO started performing price validation function in-house in 2007.



# ISO Coordinating Neighbors

- Correction deadlines from market day:

NYISO (current)	ISO-NE	PJM
RT: 4 calendar days	RT: 5 business days	10 calendar days
DA: 2 calendar days	DA: 3 business days	

- Inconsistency in real-time correction timelines, particularly between NYISO and ISO-NE, can lead to challenges when consultation on congestion sharing is needed.



# NYISO's Proposal

- NYISO is proposing to modify the price correction deadline to 4 business days after the market day. This deadline would apply to both Day-Ahead and Real-Time prices.
- NYISO would continue to do the following:
  - Provide notice reserving a potentially erroneous price per the existing reservation deadline
  - Provide notice as soon as any price correction is processed
  - Post the detailed price correction report within 10 days of each price correction, as well as the quarterly price correction report which recaps all price corrections for each quarter

# NYISO's Proposal, cont'd

- Correction deadlines from market day:

NYISO (proposed)	ISO-NE	PJM
<b>RT: 4 business days</b>	RT: 5 business days	10 calendar days
<b>DA: 4 business days</b>	DA: 3 business days	

# Benefits

- Better facilitates the review of prices following major IT system issues or during times of extremely volatile prices, both of which can result in a large volume of data anomalies to review
- Allows for better handling of issues that cross into weekends/holidays, when fewer support staff are available. Current use of calendar days rather than business days effectively reduces the available time to review/correct.
- Allows more time for NYISO and ISO-NE to notify/consult with each other on potential issues
  - Better aligns each region's timelines for reviewing real-time prices, particularly over weekends/holidays

# Appendix

# Current Att. E. Timelines - Example

Timeline for Market Day 8/24/2017:

DAM Reservation Deadline	<b>Market Day</b>	RT Reservation Deadline	DAM Correction Deadline		RT Correction Deadline
Wed. 8/23/2017 23:59	<b>Thurs. 8/24/2017</b>	Fri. 8/25/2017 17:00	Sat. 8/26/2017 23:59 <u>(2 calendar days after market day)</u>	Sun. 8/27/2017	Mon. 8/28/2017 23:59 <u>(4 calendar days after market day)</u>

# Proposed Att. E. Timelines - Example

Timeline for Market Day 8/24/2017:

DAM Reservation Deadline	Market Day	RT Reservation Deadline						DAM & RT Correction Deadline
Wed. 8/23/17 23:59	<b>Thurs. 8/24/17</b>	Fri. 8/25/17 17:00  (Day 1)	Sat. 8/26	Sun. 8/27	Mon. 8/28/17  (Day 2)	Tues. 8/29/17  (Day 3)	Wed. 8/30/17 23:59  (4 business days after market day)	

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- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policy makers, stakeholders and investors in the power system



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