



# **Spring 2017 Centralized TCC Auction Survey and Discussion**

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# Survey Overview

- ◆ **The NYISO conducted a poll of current TCC Market Participants to solicit information about the demand for TCCs of various durations in future auctions as well as the desired structure of the Spring 2017 Centralized TCC Auction**
  - *One survey response accepted per MP*
  - *Responses were due on November 16, 2016*
  - *16 TCC Market Participants responded*
  - *Responses for the Spring 2017 Centralized TCC Auction limited to six-month, one-year, and two-year TCCs*

# Survey Results – Spring 2017

## Capacity per Duration

# of MP Responses	Desired % of System Capacity		
	6 Month	1 Year	2 Year
1	62.5%	5%	5%
1	50%	21.5%	1%
1	50%	20%	2.5%
1	47%	25%	0.5%
2	45%	25%	2.5%
1	45%	20%	7.5%
1	40%	25%	7.5%
1	40%	22.5%	10%
1	40%	20%	12.5%
2	37.5%	20%	15%
1	32.5%	30%	10%
1	30%	27.5%	15%
1	22.5%	25%	25%
1	50%	22.5%	Invalid response not included in average & median
<b>Average</b>	<b>41.6%</b>	<b>22.1%</b>	<b>8.8%</b>
<b>Median</b>	<b>40%</b>	<b>22.5%</b>	<b>7.5%</b>

The numbers above do not include the 2.5% of System Capacity being made available as Non-Historic Fixed Price TCCs (NHFPTCCs) in Spring 2017 nor the System Capacity that was sold in the Spring 2016 Centralized TCC Auction as two-year TCCs (5%) and in the Autumn 2016 Centralized TCC Auction as one-year TCCs (20%)

# Survey Results – Spring 2017

## Total Rounds per Duration

# of MP Responses	Total Rounds	Total # of Rounds per Duration		
		6 Month	1 Year	2 Year
3	6	3	2	1
1	6	2	2	2
2	7	3	3	1
2	7	3	2	2
1	8	4	3	1
1	8	4	2	2
2	8	3	3	2
2	9	4	4	1
1	11	6	4	1
1	7	4	3	Invalid response not included in average & median
<b>Average</b>	<b>7.5</b>	<b>3.4</b>	<b>2.7</b>	<b>1.4</b>
<b>Median</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>1</b>

The numbers above do not include the mandatory NHFPTCC Allocation Round and subsequent two-year TCC Auction Round in which any capacity made available in the NHFPTCC Allocation Round that remains unsold will be made available

# Survey Results – Future Auctions

## Capacity per Duration

# of MP Responses	Desired % of System Capacity					
	6 Month	1 Year	2 Year	3 Year	4 Year	5 Year
1	90%	10%				
2	75%	25%				
1	70%	30%				
1	66.67%	33.33%				
2	60%	40%				
2	50%	40%	10%			
1	45%	45%	10%			
1	40%	40%	20%			
1	25%	25%	25%	25%		
1	52.5%	27.5%	10%	5%	5%	
1	35%	30%	14%	9%	7%	5%
2	30%	20%	20%	10%	10%	10%

# Survey Results – Future Auctions

## Total Rounds per Duration

# of MP Responses	Total Rounds	Total # of Rounds per Duration					
		6 Month	1 Year	2 Year	3 Year	4 Year	5 Year
1	2	1	1				
1	5	3	2				
1	6	4	2				
1	6	3	3				
1	7	4	3				
1	8	4	4				
1	10	6	4				
2	8	4	3	1			
1	8	3	3	2			
1	9	4	4	1			
1	8	2	2	2	2		
1	9	3	3	1	1	1	
2	9	2	2	2	1	1	1
1	11	3	3	2	1	1	1

# Survey Comments

- ◆ **Desire for at least 7 rounds to be conducted in order to provide market liquidity**
- ◆ **There has been and continues to be too many rounds in the Centralized TCC Auctions**
- ◆ **Desire to purchase On-Peak and Off-Peak products**
- ◆ **Eager to see the Balance-of-Period Auction implemented and hope to see an On/Off Peak product as the next enhancement**
- ◆ **Desire for a multi-month auction functionality where the next month and the two months following the next month can be purchased**

# **Survey Comments** (continued)

- ◆ **Desire for a reduction in the delay between the closing of the bidding window and the posting of the results while maintaining the current submittal period length**
- ◆ **Desire for some system capacity (10%) to be reserved for Reconfiguration Auctions**
- ◆ **Desire for future auction surveys to include the option of allocating capacity for the new Balance-of-Period Auctions**
- ◆ **There may be customer interest in longer duration TCCs, like 3 to 5 years for customers whose Historic Fixed Price TCCs have expired. Additionally, there may also be a future interest in the Non-Historic Fixed Price TCCs.**



# Spring 2017 Auction Proposal

## 8 Auction Rounds + 1 Allocation Round

- ◆ **The NYISO would offer:**
  - *2.5% of System Capacity as two-year TCCs in a single auction round,*
  - *2.5% of System Capacity as Non-Historic Fixed Price TCCs (two-year TCCs) in a single allocation round,*
    - A subsequent two-year TCC auction round will be held in which any of the unsold System Capacity made available for sale as Non-Historic Fixed Price TCCs will be sold
  - *20% of System Capacity as one-year TCCs across three auction rounds, and*
  - *50% of System Capacity as six-month TCCs across three auction rounds*
- ◆ **The remaining 25% of System Capacity was sold as two-year TCCs in the Spring 2016 Centralized TCC Auction and as one-year TCCs in the Autumn 2016 Centralized TCC Auction**

# Proposed Schedule

<b>Week</b>	<b>Round</b>
February 3 – 9	Round 1 (Two Year)
February 10 – 16	March Reconfiguration
February 10 – 23	NHFPTCC Allocation
February 24 – March 2	Round 2 (Two Year)
March 3 – 9	Round 3 (One Year)
March 10 – 16	Round 4 (One Year)
March 17 – 23	Round 5 (One Year)
	April Reconfiguration
March 24 – 30	Round 6 (Six Month)
March 31 – April 6	Round 7 (Six Month)
April 7 – 13	Round 8 (Six Month)
April 14 – 20	May Reconfiguration

# **Auction Proposal – Discussion**

- ◆ **Unanimous agreement by the Transmission Owners is required for the NYISO to conduct fewer than four rounds in any Sub-Auction**
- ◆ **10 respondents expressed interest in conducting fewer than four six-month rounds in the Spring 2017 Auction**
- ◆ **13 respondents expressed interest in conducting fewer than four one-year rounds in the Spring 2017 Auction**

# Next Steps

- ◆ **Receive and consider Market Participant comments resulting from this meeting**
- ◆ **Confer with the Transmission Owners concerning proposed auction plans with fewer than four rounds per Sub-Auction**

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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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