

Proposed Revisions to the TCC Manual – Offers to Sell/Bids to Buy  
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Issue

The Offers to Sell and Bids to Buy are covered in Contracts included in the Rules, Procedures and Guidelines that were discussed and commented on but never approved by BIC back in 2000 or 2001.

At issue are Section 2(e) through 2(h) and 2(d) through 2(f) of the Seller and Buyer Agreements, respectively. The wording below discusses this from the buyer's perspective but conforming changes should be made for the sellers as well

While numerous issues could be raised for resolution, there are critical and immediate needs to be addressed. These are based on the egregious ISO actions when they invalidated an auction round in the Spring 2002 TCC auction.

The ISO found their error after the bids for the next round were already submitted. While the ISO delayed the next auction solution, participants were given two choices: (1) leave the bids already submitted in place or (2) withdraw all your bids. There was NO opportunity to evaluate the impact of the revised auction outcome and/or to adjust bids accordingly.

Proposal

- The ISO should have two days in which they can revise a specific auction round as to prices and quantities.
- If a revision is made, participants should have till COB two days later to submit or revise bids for the upcoming auction round.
- Since this would inherently delay an auction - especially if the NYISO desires two *business* days for the review, the overall TCC Auction timeline would have to be moved up to accommodate the possibility of such an error.
- The ISO should propose specific criteria for why they would invalidate and re-run an auction.
- The Dispute process should be broadened to include other possible challenges. Currently 2(d) states (in part) "...the Buyer, to the extent that the Buyer disagrees with the *calculation of the Total Purchase Price* due and payable, the Buyer shall give written notice to the NYISO...". Presumably this only addresses a straight mathematical error where the quantities times the market clearing price did not agree. While I do not have any specific other issues that may be disputed in mind, this provision seems overly restrictive.
- If the ISO insists, as they currently do, that TCC are not actually the property of the TCC buyer(s) until the Award Notices have been issued at the end of ALL rounds of a given auction, then section 2(f) should be stricken in its entirety. It is way too much discretion for the ISO to reach in and possibly adjust awards that could have a cascading effect through multiple rounds. While maybe that is not the ISO's intent, the wording allow for that possibility.