

Proposal to change the DAM closing and posting time

HQ Energy Services US

Presented at the Business Issues Committee
September 22, 2000

At the September 12 session of the Scheduling and Pricing Working Group different scenarios were proposed to change the DAM closing and posting times. Besides the status quo, the proposals were:

- 12:00 noon closing time with 5:00 PM posting time and a possible extension to 6:00 PM if needed by the ISO. Also Gen Set 1 schedules would be posted by 4:00 PM.
- 10:00 AM closing time with 4:00 PM posting time

The vote taken at the time among the 2 options and the status quo did not permit the S&P WG to make a recommendation to BIC.

These proposals were all made in recognition that the ISO requires a 6-hour window to run the SCUC program but that currently, it can run the program in 5 hours most of the time.

Based on the premise that the ISO is quite reluctant to post information ahead of time of the final schedule and that entities buying gas cannot nominate their gas after 6:00 PM, HQUS recognizes that harmonizing closing time at 12:00 noon cannot get consensus at this time. However, HQUS believes also that the second proposal does not necessarily satisfy the advocates of the 12:00 noon closing time.

Consequently, HQUS would like to propose a third option that it believes can rally a majority of participants and which would satisfy the 6-hour window requirement by the ISO.

HQUS proposal for DAM closing and posting time:

11:00 AM	DAM closing time
5:00 PM	DAM posting time

HQUS believes that this proposal uses a closing time for the DAM market (11:00 PM) that is close enough to 12:00 noon to satisfy a majority of participants wanting the harmonization of this deadline while using an official posting time (5:00 PM) that is set before 6:00 PM, which would recognize the concerns expressed by gas buying entities.

Also, this option takes into consideration that the ISO currently posts the DAM schedule an hour before its deadline which, in the case of this proposal, would translate into a 4:00 PM posting time most of the time. Gas buying entities would continue to enjoy a 2 hour period most of the time to nominate gas, while being guaranteed at least an hour to do it.

Furthermore, as the ISO is able to consistently run the program in a shorter period of time, closing and posting times would gradually be moved to 12:00 noon and 4:00 PM.

NYISO Business Issues Committee

Motion to Modify the Day Ahead Market Posting and Closing Times

September 22, 2000

Whereas, the NYISO Staff has stated they require a 6-hour window between Day Ahead Market (DAM) closing and DAM posting times due to computer hardware and algorithm limitations;

Whereas, it is recognized that currently, the NYISO Staff can frequently post the DAM schedule after only 5 hours into the process;

Whereas, in the future new computer hardware and/or algorithms will enable the NYISO to reduce the DAM window between closing and posting from a 6-hour window to a 4-hour window;

Whereas, the NYISO is a signatory to the ISO MOU;

Whereas, the ISO MOU has an objective to minimize the seams between the NY ISO, ISO New England, the IMO, and PJM;

Whereas, there are currently differences in the DAM close and post times between the various signatories to the ISO MOU;

Be it therefore moved, to change the NYISO Day Ahead Market closing time from 5:00 AM to 11:00 AM and the NYISO DAM posting time from 11:00 AM to 5:00 PM to become effective upon FERC approval of the requisite Tariff changes, to be more closely aligned with the DAM closing time of other signatories to the ISO MOU. In addition, whenever the NYISO can consistently run the DAM calculations within a shorter period of time (under 4 or 5 hours), the NYISO will then change the DAM closing and posting times according to the following parameters :

- If DAM calculations are performed within a 5-hour window : Use 12:00 noon DAM closing time and 5:00 PM DAM posting time
- If DAM calculations are performed within a 4-hour window: Use 12:00 noon DAM closing time and 4:00 PM posting time

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