

# Spring 2018 Centralized TCC Auction Survey and Discussion

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December 20, 2017, Rensselaer, NY



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# Overview

The NYISO conducted a poll of current TCC Market Participants (MPs) to solicit information about the demand for TCCs of various durations in future auctions as well as the desired structure of the Spring 2018 Centralized TCC Auction

- One survey response accepted per MP
- Responses were due on November 30, 2017
- 21 MPs responded
- Responses for the Spring 2018 Centralized TCC Auction limited to six-month, one-year, and two-year TCCs

# Survey Results – Spring 2018

## Capacity per Duration

Duration	Desired Percentage of System Capacity per Duration														Avg.	Median
Six-Month	65%	60%	50%	45%	40%	37%	35%	40%	35%	30%	38%	35%	30%	30%	40.0%	35%
One-Year	5%	10%	20%	25%	30%	28%	28%	20%	25%	30%	20%	20%	25%	20%	22.4%	25%
Two-Year						5%	7%	10%	10%	10%	12%	15%	15%	20%	7.6%	10%
# of MP Responses	1	1	3	1	1	1	1	1	4	2	1	2	1	1		

The numbers above do not include the system capacity that was sold in the Spring 2017 Centralized TCC Auction as two-year TCCs (5%) and in the Autumn 2017 Centralized TCC Auction as one-year TCCs (25%).

# Survey Results – Spring 2018

## Total Rounds per Duration

Duration	Total Number of Rounds per Duration														Avg.	Median
Six-Month	1	3	4	3	4	2	2	3	4	3	4	4	4	5	3.3	3
One-Year	1	2	2	3	3	2	2	2	3	3	4	3	4	5	2.7	3
Two-Year						1	2	2	1	2	1	2	3	5	1.3	1
Total Rounds	2	5	6	6	7	5	6	7	8	8	9	9	11	15	7.3	7
# of MP Responses	1	3	1	1	1	1	1	3	2	2	1	2	1	1		

# Survey Results – Future Auctions

## Capacity per Duration

Duration	Desired Percentage of System Capacity per Duration																		
Six-Month	90%	80%	75%	66.7%	65%	40%	57%	50%	45%	50%	45%	40%	50%	45%	30%	40%	35%	30%	
One-Year	10%	20%	25%	33.3%	35%	60%	38%	40%	45%	35%	40%	40%	35%	35%	30%	30%	20%	20%	
Two-Year							5%	10%	10%	15%	15%	20%	10%	15%	30%	15%	15%	20%	
Three-Year														5%	5%	10%	8%	10%	10%
Four-Year																	5%	10%	10%
Five-Year																	2%	10%	10%
# of MP Responses	1	1	1	1	1	1	1	3	1	1	1	1	1	1	1	1	1	1	2

# Survey Results – Future Auctions

## Total Rounds per Duration

Duration	Total Number of Rounds per Duration																		
Six-Month	1	3	4	3	4	2	4	4	2	3	4	3	4	5	2	4	3	4	
One-Year	1	2	2	3	3	2	3	4	2	3	3	2	3	5	2	3	2	4	
Two-Year						1	1	1	2	2	2	2	2	5	2	2	2	3	
Three-Year													1	1	5	1	1	2	2
Four-Year															1	1	2	2	
Five-Year															1	1	2	2	
Total Rounds	2	5	6	6	7	5	8	9	6	8	9	8	10	20	9	12	13	17	
# of MP Responses	1	1	2	1	1	1	3	1	1	1	1	1	1	1	1	1	1	1	

# Survey Comments

- Pleased to see the implementation of the Balance-of-Period auctions and would like to see On-Peak and Off-Peak TCCs as the next enhancement
- Desire to acquire On-Peak and Off-Peak TCCs
- Prefer to keep the number of rounds to at least 7 for market liquidity purposes
- Desire to reduce the number of rounds in the Centralized TCC Auctions
- Contend that with the implementation of Balance-of-Period auctions fewer rounds for longer duration TCCs are needed to maintain liquidity levels
- Noted that the value of longer duration TCCs is heavily influenced, and can be significantly impacted, by changes to the transmission system and outages

# Survey Comments (continued)

- Desire to reserve some of the system capacity (10%) for the monthly/Balance-of-Period auctions and include an option in future surveys to express an interest in such reservations
- Desire to see a reduction in the time delay between the closing of the bidding window and the posting of results to below 5 days, while keeping the submittal period at 2 business days
- Recommend to add the securing of any 115 kV facilities that the NYISO intends to secure in the Day-Ahead Market in 2018 to the Spring 2018 Centralized TCC Auction



# Spring 2018 Auction Proposal

## 8 Auction Rounds

- **The NYISO would offer:**
  - 5% of system capacity as two-year TCCs in one auction round
  - 20% of system capacity as one-year TCCs across three auction rounds
  - 45% of system capacity as six-month TCCs across four auction rounds
- **The remaining 30% of system capacity was sold as two-year TCCs in the Spring 2017 Centralized TCC Auction and as one-year TCCs in the Autumn 2017 Centralized TCC Auction**

# Proposed Schedule

Week	Round
February 16 – 23	Round 1 (Two-Year)
February 24 – March 1	Round 2 (One-Year)
March 2 – 8	Round 3 (One-Year)
March 9 – 15	Round 4 (One-Year)
March 16 – 22	Round 5 (Six-Month) & April 2018 Balance-of-Period
March 23 – 29	Round 6 (Six-Month)
March 30 – April 5	Round 7 (Six-Month)
April 6 – 12	Round 8 (Six-Month)
April 13 – 24	May 2018 Balance-of-Period

# Auction Proposal – Discussion

- Unanimous agreement by the Transmission Owners is required for the NYISO to conduct fewer than four rounds in any Sub-Auction
- 12 respondents expressed interest in conducting fewer than four six-month rounds in the Spring 2018 auction
- 18 respondents expressed interest in conducting fewer than four one-year rounds in the Spring 2018 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

# Questions/Feedback?

- Email additional feedback to: [deckels@nyiso.com](mailto:deckels@nyiso.com)

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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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