

# Enhanced Interregional Transaction Coordination Introduction

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# Scope and Objectives

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- ◆ Project Definition
  - *Provide Market-Based Scheduling Mechanism to allow for dynamic scheduling of energy resources between the New York Control Area and other Control Areas*
  
- ◆ Objective
  - *Allow Market Participants to provide flexible energy, reserve and regulation transaction bids in the Day Ahead and Real Time Markets, where the Real Time Commitment and Dispatch will evaluate these flexible transactions on an intra-hour basis*

# Scope and Objectives

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- ◆ Scope
  - *Begin with dynamic energy scheduling between the NY and HQ control areas*
  - *Add additional control areas and ancillary services in later phases*
  
- ◆ Other Key Points
  - *This is not Virtual Regional Dispatch*
    - Interregional Transaction Coordination is intended to provide the Market an opportunity to address real-time energy market conditions without the ISOs directing the outcome
  - *Moving ahead on this project depends on the ability and/or willingness for the neighboring control area to control energy flow into or out of NYCA*
  - *Additionally, the evaluation of these flexible transactions will be based on the NYISO ex-ante LBMPs*

# Why start with the HQ Control Area

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- ◆ The HQ Control Area, through the control of a DC tie with New York, offers operational advantages in its ability to follow a dynamic schedule
- ◆ There is no spread in market prices that would need to be arbitrated
- ◆ Demonstrate the ability to establish and coordinate a dynamic interchange
- ◆ Under certain system conditions, there is a need to add flexible energy to areas in New York where energy flexibility is currently limited

# Overview of Concept - Scheduling

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- ◆ Allow both hourly fixed and flexible transaction bids to be evaluated by SCUC and RTC
- ◆ Allow RTD and RTD-CAM to also evaluate flexible transaction bids; subject to reliability curtailments
  - *RTD will be re-evaluating the flexible bid set that RTC has already evaluated*
    - There will not be another bidding window created
- ◆ Interchange with the HQ control area would be developed as a Dynamic Schedule on an intra-hour basis
  - *NERC refers to this as Dynamic Transfer based on Dynamic Scheduling<sup>1</sup>*
- ◆ Wheel-Through Transactions through the NYCA will continue to be evaluated as fixed hourly transactions
  - *Flexible Transaction Scheduling will not apply to wheel-through transactions through the NYCA*

<sup>1</sup> See Dynamic Transfer Reference Document, Version 1.1 by NERC, November 29, 2004

# Overview of Concept - Settlement

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- ◆ Fixed Transactions
  - *Fixed transaction schedules in the Day Ahead Market would be settled based on SCUC schedules and SCUC LBMPs*
  - *The NYISO has not yet finalized rules for settlement of Fixed transaction schedules in the Real-Time Market*
  
- ◆ Flexible Transactions
  - *Flexible transaction schedules in the Day Ahead Market would be settled based on SCUC schedules and SCUC LBMPs*
  - *The NYISO has not yet finalized rules for settlement of Flexible transaction schedules in the Real-Time Market*

# Work to Date

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- ◆ TransEnergie and Market Participants have both expressed interest in pursuing this concept
- ◆ Reviewed NERC Standards on Dynamic Transfers<sup>1</sup>
  - *NERC describes (in Section A) a Dynamic Schedule to be, "...an interchange transaction that is modified in real-time to transfer time-varying amounts of power between control areas."*
- ◆ Feasibility analysis
  - *Reviewed current Reliability and Market Rules*
  - *Reviewed capabilities of current Market Software*
  - *Determined that the current Reliability Rules would allow for this feature*
  - *Determined that current Market Software could fundamentally support this feature*

<sup>1</sup> See Dynamic Transfer Reference Document, Version 1.1 by NERC, November 29, 2004

# Current Plans

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- ◆ Implementation

- *Would start with Interregional Energy Scheduling with the HQ control area*
  
- *Possible Future Phases could include:*
  - Enhanced Interregional Energy Scheduling with additional control areas
  - Enhanced Interregional Regulation and Reserve Scheduling with the bordering control areas



## Next Steps

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- ◆ Continue review of all Market Rules and Software to determine potential impact with such a change
- ◆ Continue discussions with TransEnergie to identify and resolve reliability, scheduling and settlement opportunities
- ◆ Review the Concept with SOAS
- ◆ Continue to review future design proposals with MIWG
- ◆ Develop budget for 2010 project prioritization

The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and provides comprehensive reliability planning for the state's bulk electricity system.

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