

6/1/2006; Last Revised 12/22/2009

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reposted 6/22/2009

## Subject: External Day-Ahead Transactions in Real-Time Commitment (RTC)

Discusses the Real-Time priority assigned to External Transactions that have been scheduled in the Day-Ahead Market (DAM).

### Details:

The Real-Time Commitment (RTC) function considers all generation Bids and load requests to satisfy system requirements. Bids for External Transactions (Imports, Exports and Wheels Through) that have been scheduled in the DAM are given a default economic scheduling priority when the Real-Time Market bids are established, unless the Market Participant has specified its own economic scheduling priority to be used in the Real-Time Market (see below). DAM and RT transactions with the same economic scheduling priority are reduced on a *pro rata* basis when they are marginal.

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Alternatively, the default bids can be overridden by updating the bid costs (see below).

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The economic scheduling priority is accomplished by automatic adjustment of the bid prices for these transactions when the Real-Time Market bid is created in the MIS. However, the bid prices that are submitted to the MIS by the Market Participant (MP) are subject to caps that are discussed below. Bids not adhering to these caps will be "Validation Failed" by the MIS upon submittal.

### MIS Bid Caps

For Import and Wheels-Through transactions, a "Decremental Bid" (Dec Bid) amount is used in the Security Constrained Unit Commitment evaluation for the DAM and the RTC. The highest economic scheduling priority that can be supplied by Market Participants is - \$1000/MWh for Pre-Scheduled bids, and - \$999.70/MWh for DAM and RT Dec Bids. A Dec Bid reflects the minimum the MP is willing to accept to Import energy into New York.

For Export transactions, Market Participants supply a "Sink Price Cap" amount up to \$1000/MWh for Pre-Scheduled bids, or up to \$999.70/MWh, for DAM and RT bids (see table below). A Sink Price Cap reflects the maximum the MP is willing to pay to get its Export scheduled.

*Market Information System (MIS) Allowed Bid Caps*

Direction	Pre-Scheduled Bids Caps (see TB 89 & <u>MPUG, Sections 7 &amp; 8</u> )	DAM Bid Caps	RTC (HAM) Bid Caps
Imports/Wheels	<i>Dec Bid</i> no less than -\$1000	<i>Dec Bid Cap</i> no less than -\$999.70	<i>Dec Bid Cap</i> no less than -\$999.70
Exports	<i>Sink Price Cap</i> no more than \$1000	<i>Sink Price Cap</i> no more than \$999.70	<i>Sink Price Cap</i> no more than \$999.70

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The purpose of this "Technical Bulletin" is to facilitate participation in the NYISO by communicating various NYISO concepts, techniques, and processes to Market Participants before they can be formally documented in a NYISO manual. The information contained in this bulletin is subject to change as a result of a revision to the ISO Tariffs or a subsequent filed tariff with the FERC.

### NYISO MIS Treatment of Bids

#### Pre-Scheduled Dec Bids (Imports/Wheels)

Valid Pre-Scheduled Dec Bids are considered price-takers and are converted by the MIS to - \$1000/MWh for the DAM and subsequently the RT market from whatever values the MP submitted using the Pre-Scheduled method. For example, if a Market Participant (MP) submits a Pre-Scheduled Dec Bid at - \$540.00/MWh, the NYISO MIS will convert that to - \$1000.00/MWh for the DAM and RT markets.

#### Pre-Scheduled Sink Price Cap Bids (Exports)

Similarly, a Pre-Scheduled Sink Price Cap bid submitted at \$128.50/MWh will be converted by the NYISO MIS to \$1000.00/MWh for the DAM and RT markets. Thus, Pre-Scheduled Sink Price Cap bids are also considered price-takers, for both the Day Ahead and in Real-Time markets. For more information on Pre-Scheduled Transactions, [see Technical Bulletin 89 and the Market Participant User's Guide \(MPUG\), Sections 7 and 8.](#)

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#### DAM Dec Bids (Imports)

An import transaction accepted in the DAM will be converted to a bid for the Real-Time Market using the "HAM Bid Value" provided in the Market Participant's DAM bid. If the Market Participant has not provided a "HAM Bid Value" when it submitted its DAM bid, a default economic scheduling priority of -\$0.01 will be used when the DAM bid is converted to a bid for the Real-Time Market.

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#### DAM Dec Bids (Wheels)

A wheel-through transaction accepted in the DAM will be converted to a bid for the Real-Time Market using the "HAM Bid Value" provided in the Market Participant's DAM bid. If the Market Participant has not provided a "HAM Bid Value" when it submitted its DAM bid, a default economic scheduling priority of -\$999.70 will be used when the DAM bid is converted to a bid for the Real-Time Market.

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#### DAM Sink Price Cap Bids (Exports)

An export transaction accepted in the DAM will be converted to a bid for the Real-Time Market using the "HAM Bid Value" provided in the Market Participant's DAM bid. If the Market Participant has not provided a "HAM Bid Value" when it submitted its DAM bid, a default economic scheduling priority of +\$999.70 will be used when the DAM bid is converted to a bid for the Real-Time Market.

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Market Participants also have the option of modifying their HAM (RT) Bid, regardless of whether the Bid has an MP-specified "HAM Bid Value," or the Bid was adjusted by the MIS to the applicable default economic scheduling priority, as outlined above. After the Day-Ahead checkout process with neighboring Control Areas, the HAM (RT) Bid can be adjusted for MW and/or price by the MP before the close of each hourly RT Market. In this instance the entire MW amount of the transaction will be evaluated by the RTC with this new price.

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Another option is to use two separate Real-Time Market Bids. The first Real-Time Market Bid would modify the original DAM schedule by setting it to 0 MW. This would eliminate the priority-adjusted treatment of the original DAM Bid. A second Real-Time Market bid could then be submitted with new MW and price values for evaluation in the RTC. If this is done, the Market Participant can use the same NERC tag but would need to submit a different user reference to get a new contract identification number.

The above notwithstanding, in either case, the DAM financial commitment stands and will be balanced in Real-Time pursuant to NYISO rules.

**The NYISO anticipates that this Technical Bulletin will be rolled into the Transmission and Dispatching Operations Manual during its next available recertification period.**

Negative \$ Bid

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