

Market Operations under SMD2 Operation

*ISO Market Structures WG
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Market Operations Update

- NYC Load Pocket Operation
- Phase Angle Regulator Scheduling
- Transmission Loss Treatment
- Zonal Resource Scheduling & Pricing

NYC Load Pocket Operation

➤ **DAM:**

- ▶ No change in treatment
- ▶ Individual transmission facilities will continue to be secured
- ▶ Cable normal ratings = normal facility ratings
- ▶ Cable contingency ratings = midpoint (LTE, STE) facility ratings

➤ **RTM:**

- ▶ Day 1 SMD2 operation will use nine (9) load pockets as done today
- ▶ Future SMD2 operation will move to securing individual transmission facilities as in the DAM – cutover dates to be announced

➤ **Benefits:**

- ▶ More efficient NYC load pocket constraint management; improved load pocket DAM and RTM price convergence

Phase Angle Regulator (PAR) Operation

- **DAM:**
 - ▶ No change in treatment
 - ▶ PAR Optimization for NYC and Long Island internal PARs
 - ▶ DAM schedules based on previous like days actual flows for those PARs not under unilateral ISO control or subject to contractual conditions

- **RTM:**
 - ▶ New capability in treatment
 - ▶ PAR Optimization for NYC and Long Island internal PARs
 - Limited by PAR response rate for future RTS periods

- **Benefits:**
 - ▶ More flexible PAR modeling treatment; improved representation of Transmission Owner operations

Transmission Loss Treatment

➤ **DAM:**

- ▶ Marginal losses (unit/zone/proxy bus penalty factors) based on each of 24 hourly SCUC powerflow solutions as done today
- ▶ Legacy SCUC Forecast Load Passes uses aggregate load and loss forecast
- ▶ SMD2 Forecast Load Passes will use load forecast less losses with separately determined transmission losses
- ▶ SMD2 SCUC Bid Load Passes will include transmission loss determination
- ▶ Transmission loss determination based on SCUC powerflow solutions

➤ **RTM:**

- ▶ Marginal losses (penalty factors) based on each of the powerflow solutions corresponding to RTS intervals
- ▶ RTS loss treatment includes NYCA loss determination (similar to SCD)
- ▶ Transmission loss determination based on RTS powerflow solutions

➤ **Benefits:**

- ▶ Improved DAM and RTM load forecast modeling, improved DAM and RTM operation results by having consistent treatment of losses

Zonal Pricing and Scheduling

➤ **DAM:**

- ▶ Scheduling of zonal resources will be based on SCUC load-weighted average price of zonal load bus prices as is done today
- ▶ Settlement of zonal resources will be based on SCUC load-weighted average price of zonal load bus prices (not based on static generator-load weighting factors described in TB 28)

➤ **RTM:**

- ▶ Settlement of zonal resources will be based on RTS load-weighted average price of zonal load bus prices (not based on static generator-load weighting factors described in TB 28)

➤ **Benefits:**

- ▶ Will eliminate potential for inconsistent zonal resource scheduling/settlement
- ▶ Will continue to post “legacy” calculation for zonal price reference (TB28)