

# Virtual Regional Dispatch Pilot Project Discussion

MSWG

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Bob Thompson

# Presentation Overview

- Alternatives Examination
- Objectives of VRD Pilot
- Overview of Pilot
- Proposed Timeline of Pilot

# Alternatives to Proposed VRD

- The ISO will support examination of alternatives to VRD that rely on intra-hour MP transactions.
- The objective of VRD or alternates is to produce an efficient use of the transmission system between NY and NE as called for by the BOD and the Market Advisor to both markets.
- As an early effort over the next few months, the ISO will pursue a satisfactory solution in cooperation with market participants.

# Alternatives to Proposed VRD

- The VRD Pilot will evaluate processes that are common to any method of utilizing short notice transactions to improve price equilibration between markets.
- The ISO supports a motion that clearly states that support by market participants for the VRD pilot does not imply support for the proposed VRD method. And that alternatives that rely on market participant transactions will be pursued as part of the pilot effort.

# VRD Pilot Objectives

- Identify operations issues associated with intra-hour short term exchanges of energy
- Evaluate tools and data needed to facilitate intra-hour exchanges
- Observe the effect of intra-hour energy exchanges on all Proxy Bus prices
- Collect information and issue reports on Pilot tests
- Evaluate information in context of any future activities related to intra-hour energy exchanges

# Overview of Pilot

- Pilot Test 1
  - Test 1 (Section 3) will verify the ability to evaluate and schedule intra-hour transactions and will be used to identify any operational issues with scheduling
  - Test 1 will not attempt to converge prices between the Control Areas
- At the conclusion of Test 1, ISOs will resolve any operational issues and issue a Report to Markets

# Overview of Pilot

- Pilot Test 2
  - Test 2 (Section 6) will attempt to converge prices between the Proxy Busses under various power system conditions
- At the conclusion of Test 2, ISOs will issue a Report to Markets

# Overview of Test 1

- Test 1 will be composed of at least 2 test sessions
- Each test session will be conducted over two days
- Each test will schedule specific MW transactions at defined time intervals from one Control Area to the other
- Tests are designed to verify operational processes and minimize impact on operations and markets
- Transactions will be settled in a manner similar to Emergency Energy Transactions



# Analysis Prior to Test 2

- At completion of Test 1, ISOs will identify any issues resulting from Test 1
- Issues deemed pertinent to continuing with the Pilot will be resolved prior to final design and conducting of Test 2
- ISOs will issue a Report and discuss with MPs, Test 1 results and Test 2 plan details prior to conducting Test 2

# Overview of Test 2

- Test 2 will be structured to move prices toward convergence at the NY/NE Proxy Busses using real time transactions
- Specific details of Test 2 will be developed based on information gained from Test 1
- Discussions with Market Participants will be conducted prior to continuing to Test 2
- At completion of Test 2 additional Reports will be generated and shared with Market Participants

# Tariff and Schedule

- Pilot Project will require Tariff changes for the VRD transaction settlements
- ISO staff will bring this issue to BIC for approval with the attached tariff language at the August 18 meeting
- MC and BOD approval will be sought in September
- Test 1 is planned to be conducted in December and January