NYISO Committee Proposal

Seams Issues
High Priority Items

Issue	Proposed Practice
1. Checkout	**Proposal:** **A.** Preference for ISOs to develop processes that will minimize transaction failures due to missing or mismatched data by: • Allowing updates to NERC tag information in each ISO's MIS • Checking tag information prior to the hour-ahead evaluation • Reviewing tag information in the OATI NERC tagging system and initiating contact with transaction owners to resolve discrepancies. The Common Interface Tool (CIT) proposed by the MOU may address these issues and should be explored in more detail. **B.** Operate separate day-ahead unit commitment and dispatch processes within each ISO but within a structured sequence that would enable the separate processes to operate much as if they were a single process. **Advantages:** **A.** • Will minimize the failure of transactions to flow due to data or coordination errors. • Will minimize the number of system reliability issues that occur as a result of "scheduled" transactions not flowing on the hour. **B.** • Allows market participants to better manage their import and export schedules by sequencing the deadlines for bid submission and schedule posting among the neighboring ISOs. • Avoids the complexity of implementing a single Northeast-wide day-ahead unit commitment and scheduling process. • This approach would enable market participants to submit consistent bids and schedules across the ISOs because they would know which schedules had been accepted in adjacent control areas. • Improved consistency of schedules in the day-ahead market • Reduced withholding of capacity from day-ahead markets to hedge inter-control area arbitrage transactions. • Current SCUC/BME software accounts for ramping limitations simultaneously within the software and eliminates the need for a separate process. **Additional Details:** • Full implementation of this approach would extend the sequencing to the hour-ahead scheduling processes. • Add a combined auction for a single set of inter-regional financial transmission rights (IFTRs) between each of the adjacent control areas that would only hedge congestion across the external constraints.

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2. Ramping	**Proposal:** • Review the ability to allow Multiple schedule changes per hour **Advantages:** • Minimize transaction curtailments due to ramp constraints and improve reliability performance.
3. Transaction Scheduling	**Proposal:** With regard to which fundamental system design is preferred, the NYISO market participants are divided regarding a financial bid-based system of transaction scheduling versus a physical rights system and cannot make a recommendation at this time. With regard to the financial bid-based system that is currently in place in New York, we recommend that the BME posting occur 1 hour in advance of the hour and that ramp constraints considered in BME should be consistent with neighboring control areas. Design criteria: • Needs to provide transmission access to those who value it most. • Needs to prevent "hoarding" of transmission rights. • The desired system should simplify transaction scheduling. **Advantages:** • Earlier posting of BME schedules will allow parties to transactions to take appropriate actions in the scheduling process of neighboring control areas.
4. Transaction Curtailment	**Proposal:** • Recommend that a SRE-like approach be investigated to determine if procedures could be developed to allow the NYISO to pick-up counterflow transactions in-hour to solve a constraint, when agreed upon with a neighboring control area. • Preference for phone notification to the transaction owner when curtailments occur. • The ability to use the call-in number at the ISO to resolve discrepancies needs review. • Desire ability for a BME like process to minimize transient real-time problems that would result in curtailments. • Firm day-ahead transactions should be curtailed after non-firm and firm hourly transactions. **Advantages:** • This method will reduce curtailments and accommodate ramp constraints. • Currently the Hour-Ahead and Day-Ahead evaluation tools will schedule counterflow transactions to solve a DNI or ramp constraint, when such counterflow transactions are available and it is economic to do so. However, when an in-hour constraint is reached and SCD cannot redispatch the system to solve the constraint, the NYISO Operator must make a DNI change by curtailing transactions to affect relief on an internal interface. Rather than cutting a transaction in between BME runs to change the DNI, the in-hour process we propose could be a more market friendly approach that maximizes the use of the transmission system.

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5. ATC/TTC	**Proposal:** Enhance ATC/TTC posted data by posting additional information on: • The aggregate total MWs of counter-flow bids at each proxy bus and a bid associated with those counter-flow bids. • TTCs In and Out of each Control Area • The Transmission Reliability Margin (TRM) used in the TTC calculation, updated as it changes. • Collectively, the ISOs should implement a process to coordinate the posting of ATC/TTCs on external interfaces so that neighboring control areas are posting the same numbers. **Advantages:** • The aggregate of counter-flow bids would provide the means for Market Participants to determine a more useable measure of available transfer capability by adding the posted ATC and the Proxy Bus MW supply number to give what amounts to a "Virtual ATC" number. • Directional TTCs and the numbers that go into the calculation would provide the market with a clearer picture of the true transmission capability that is available. • Coordination of TTC postings on the ties will minimize confusion due to conflicting information.
6. Capacity Market	**Proposal:** There is a desire to develop consistent products, rules and requirements so that providers of capacity are held to the same level of responsibility across ISO Markets. Longer term alternatives should be considered as energy markets evolve. **Advantages:** • Insures adequate resources are available to meet load and insure reliability. • Allows for supply of capacity from both internal and external sources. • Provides economic signals that allows suppliers maximum flexibility in deciding whether to participate in the ICAP market, abstain entirely, or sell the capacity to other control areas.
7. ICAP Recall	**Proposal:** Establish a process that enables parties to import/export capacity, ensures that recalled energy is appropriately compensated, and that anticipated capacity shortages are communicated to neighboring control areas. • All Parties should be paid using the NY method of payment (or the NE cover cost method) when curtailments occur for a capacity shortage. • ICAP Recall should be initiated at "equivalent levels" across ISOs. • Drop out-service charges and reservation requirement for ICAP transactions. • Fix BME so that it cannot recall non-ICAP based transactions for reserve shortages. **Advantages:** • Facilitates trading of capacity across control area boundaries. • Minimizes economic exposure of capacity resources sold outside their control area. • Enhances interregional reliability.

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8. Trading Hubs	**Proposal:** Establish trading hubs to provide locations that would facilitate and enhance trading activity in the New York Market. • Retain implementation of current zonal definitions. • The NYISO will effectively have 11 Zones that can truly act as hubs with the implementation of Virtual Bidding • Consideration of adding additional hubs should be revisited when State Estimation capabilities are available in the NYISO. **Advantages:** • The NYISO recognizes that several zones are already being used as virtual trading hubs. Designating appropriate locations as trading hubs would allow Market Participants to conduct business at trading points that are integrated into the NYISO MIS.

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