

# Market Operations Update for SMD2 Operation

*ISO Market Structures WG*

*June 24, 2005*

# Market Operations Update

- Unscheduled Transmission Outage Treatment
- Day-Ahead Market Load Forecasting Performance
- NYC 345kV Series Reactors - Operational Impact
- NYC Load Pocket Operation

# Unscheduled Transmission Outage Treatment

## ➤ **Day-Ahead Market:**

- ▶ Unscheduled transmission outages will not be included in the DAM unless the Transmission Owner indicates the expected outage restoration time falls within the DAM
- ▶ Existing SMD2 treatment of unscheduled outages has default restoration time of outage date/time + 20 years
- ▶ Future SMD2 treatment of unscheduled outages will have default restoration time of outage date/time + 18 hours
- ▶ Interim DAM operations procedure is to not include unscheduled transmission outages unless the Transmission Owner indicates the expected outage restoration time falls within the DAM

## ➤ **Benefits:**

- ▶ Improved representation of DAM operation, improved consistency of inter-ISO scheduling limits (TTC) with neighboring control areas

# NYC 345kV Series Reactors – Operational Impact

## ➤ **Real-Time Market:**

- ▶ If NYC area voltage constraints are observed as a result of coincident high system loads and transfers, then the Dunwoodie-South transfer capability may be reduced in the Real-Time Market to address such voltage constraints. (This action is normal ISO operating practice)

## ➤ **Day-Ahead Market:**

- ▶ If Dunwoodie-South transfer capability is impacted in the Real-Time Market, then a reduction may be taken in the Day-Ahead Market to reflect such Real-Time Market constraints.

# Day-Ahead Market Load Forecasting Performance

- DAM Load Forecast for June 6-8 significantly under-forecast demand
  - On-Peak Hours average under-forecast about 2500MW for 6/8
  - Off-Peak Hours average under-forecast about 1200MW for 6/8
  
- Under-forecasting attributed to weather forecast based errors (~50%) and load forecasting model based errors (~50%)
  
- New models developed and in test – expected deployment June 29
  
- Discussed weather forecast based errors (bias) under high temperature conditions with weather forecasting service
  - *(Approximate 3.5 degrees drybulb bias for temperatures > 75 degrees resulting in a DAM forecast impact of ~1200 MW)*

# 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:**

- ▶ Existing SMD2 operation uses nine (9) NYC area load pockets
- ▶ 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