

NYISO Strawman for Committee Discussion

Seams Issues High Priority Items

Issue	Proposed Practice
1. Checkout	<p><u>Proposal:</u> 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.</p> <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • 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. <p><u>Additional Details:</u></p> <ul style="list-style-type: none"> • 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.
2. Ramping	<p><u>Proposal:</u></p> <ul style="list-style-type: none"> • Allow Multiple schedule changes per hour <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Minimize transaction curtailments due to ramp constraints and improve reliability performance.

Note: The ideas presented here should be considered for discussion purposes only and have not been evaluated for technical feasibility and impact on available resources.

NYISO Strawman for Committee Discussion

<p>3. Transaction Scheduling</p>	<p><u>Proposal:</u> Continue the financial bid-based system of transaction scheduling.</p> <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Provides transmission access to those who value it most. • Prevents “hoarding” of transmission rights. • Flow based system simplifies transaction scheduling.
<p>4. Transaction Curtailment</p>	<p><u>Proposal:</u> The NYISO proposes 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.</p> <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • 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.
<p>5. ATC/TTC</p>	<p><u>Proposal:</u> Enhance ATC/TTC posted data by publishing additional information on the aggregate total MWs of counter-flow bids at each proxy bus. In addition, implement a process to coordinate the posting of ATC/TTCs on external interfaces so that neighboring control areas are posting the same numbers.</p> <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • This 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.

Note: The ideas presented here should be considered for discussion purposes only and have not been evaluated for technical feasibility and impact on available resources.

NYISO Strawman for Committee Discussion

<p>6. Capacity Market</p>	<p><u>Proposal:</u> Maintain a Capacity Market in the NYISO which encourages interregional capacity exchange.</p> <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • 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.
<p>7. ICAP Recall</p>	<p><u>Proposal:</u> 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.</p> <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • Facilitates trading of capacity across control area boundaries. • Minimizes economic exposure of capacity resources sold outside their control area. • Enhances interregional reliability.
<p>8. Trading Hubs</p>	<p><u>Proposal:</u> Establish trading hubs to provide locations that would facilitate and enhance trading activity in the New York Market.</p> <p><u>Advantages:</u></p> <ul style="list-style-type: none"> • 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.

Note: The ideas presented here should be considered for discussion purposes only and have not been evaluated for technical feasibility and impact on available resources.