

Strategic Tariff Review Pre-Scheduled Transaction

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Overview

- ◆ The NYISO is identifying inconsistencies, ambiguities, and outdated material in the NYISO's Tariffs and proposing amended tariff language to resolve them.
- ◆ This presentation proposes changes to the OATT and Services Tariffs, covering the market rules associated with bidding, scheduling and settlement of pre-scheduled transactions.

Pre-Scheduled Transaction

- ◆ Pre-Scheduled Transactions allow participants to request transmission service in advance of the Day-Ahead Market. Requested schedule evaluated against available ATC and ramp. Bids assigned the highest economic priority ($\pm\$1000$) when evaluated in SCUC or RTC.
 - *This existing functionality does not practically improve the ability to place the highest economic priority on a transaction bid to ensure schedules are achieved. Minimal incremental functionality available through the use of this product.*
- ◆ Pre-Scheduled transactions have been utilized on only five occasions since inception (2 rejected, 3 accepted)
- ◆ Last usage in April 2007 (only time since SMD2)
 - *Market Participant has indicated it is unlikely it will use the feature again.*

Pre-Scheduled Transaction

- ◆ Recommending the removal of the capability to schedule transactions in advance of the Day-Ahead Market (“Pre-Schedule”).
 - *The tariff amendments will comprehensively remove references to this product.*
- ◆ Eliminate the ongoing maintenance and support costs of the product.
 - *Enhanced Interregional Transaction Coordination will involve a significant overhaul of transaction processing software. Eliminating pre-scheduled transactions will reduce implementation costs and efforts. Estimated cost of maintaining Pre-Scheduling functionality in excess of \$500k.*
 - ITC Phase 1 (HQ) – Scheduled for deployment in Q1 2011
 - ITC Phase 3 (PJM) – Proposed for deployment in Q4 2011

Schedule

- ◆ Topic was included in the Strategic Tariff Review overview discussions for Energy and Bilateral Transactions at the February 25, 2010 MIWG.
 - *Specific tariff revisions were reviewed at the March 9th and 25th, 2010 MIWGs.*
- ◆ Seeking Business Issues Committee and Management Committee approvals in July and FERC approval by October 2010.



The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and provides comprehensive reliability planning for the state's bulk electricity system.

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