

EITC Phase 3: *Update on Tagging*

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Agenda

- ◆ EITC Phase 3 Overview
- ◆ Purpose
- ◆ Background
- ◆ Proposal
- ◆ Benefits
- ◆ Details
- ◆ Next Steps

EITC Phase 3 Overview

- ◆ Implement scheduling of 15-minute energy transactions between the NY and PJM control areas.
 - Enable the capability at one NY-PJM Proxy Bus at a time, including the controllable tie lines and the 'AC' interface. The order of the rollout will be determined by operations staff of both NYISO and PJM.
 - NYISO Market Participants will be given a two week notice before each NY-PJM Proxy Bus is activated for 15-minute transaction scheduling.

Purpose

- ◆ The purpose of this material is to establish an insightful discussion of the proposed changes with NYISO stakeholders and solicit stakeholder feedback

Background

- ◆ Electronic Tags (e-Tags) are required by NERC to document the interchange between Balancing Authorities
 - These e-Tags assist Balancing Authorities with coordinating the transfer of power between regions

Background

- ◆ Over the past several years, Market Participants have asked the NYISO to simplify transaction management in the NYISO markets by:
 - Minimizing the duplicity of data between the MIS offer and NERC e-Tag
 - Providing immediate feedback regarding the completeness and status of an offer during submission to minimize financial penalties caused by incomplete offer/e-tag pairs
 - This feedback will aid in eliminating issues with NERC e-Tag typos

Proposal – Overview & Benefits

- ◆ Require NERC e-Tags to be submitted prior to allowing the economic evaluation of a MIS Transaction offer
 - Allows the NYISO to perform additional validations of transaction offers to ensure that all information is in place to allow the transaction to flow

 - Allows the NYISO to enable Virtual Trading at the external Proxy Generator Busses in the DAM
 - Required for implementation of IRIS (EITC Phase 4)

 - Prepares the NYISO to eliminate the duplicity of Energy Profile MW information between the MIS Offer and NERC e-Tag in a future phase
 - The NYISO intends to use the NERC e-Tag to create the MIS offer

Additional Market Benefits

- ◆ Increased certainty with the scheduled physical interchange from SCUC and RTC would result in:
 - A more efficient commitment set
 - Reduced operating costs

Proposal Details – Offer Submission

- ◆ When a Day Ahead or Real-Time external transaction offers are submitted the NYISO will look to associate that offer with a NERC e-Tag:
 - The MIS transaction offer will receive a validation passed status if the offer passes all NYISO bid validation rules and the NERC e-Tag Energy Profile MW matches the MIS transaction offer
 - The MIS transaction offer will receive a validation failed status if there is no NERC e-Tag which matches the TagID specified on the MIS transaction offer
 - Note: Virtual Offers will not require NERC e-Tags
 - The MIS transaction offer will receive a validation failed status if its Energy Profile MW does not match the NERC e-Tag
- ◆ This change would effect both DAM and HAM offers
 - Including MHBT, Hourly and Intra-Hour offers

Proposal Details – Day Ahead

- ◆ Remove the additional 10 minute lead time required for offers submitted on:
 - Cross Sound Cable
 - Neptune Cable
 - Linden VFT
- ◆ For the Controllable Tie Lines that require advanced reservations, the NYISO will use the approval of the merchant facility Transmission Service Provider (TSP) on the NERC e-Tag as indication that the NERC e-Tag PSE still holds the transmission reservation on the merchant facility

Proposal Details – Day Ahead

- ◆ During the Day Ahead Market Close (at 5am):
 - If there is a MIS transaction offer that matches a NERC e-Tag at market close; then allow the MIS transaction offer to be economically evaluated by the scheduling software
 - If there is a MIS transaction offer with no NERC e-Tag match at market close; then the MIS Bid status would be set to validation failed and the MIS transaction offer would not be economically evaluated by the scheduling software
 - If there is no MIS transaction offer for a NERC e-Tag at market close; then the e-Tag would be placed into study until the Real-Time Market close and no economic evaluation in the Day Ahead Market is required for this NERC e-Tag as no MIS offer exists

Proposal Details – Real-Time

- ◆ Accepted Day Ahead MIS transaction offers would still create Real-Time MIS transaction offers
 - The Real-Time MIS transaction offers and NERC e-Tags associated with these offers may still be adjusted prior to the Real-Time Market close
- ◆ Remove the additional 10 minute lead time required for offers submitted on:
 - Cross Sound Cable
 - Neptune Cable
 - Linden VFT
- ◆ For the Controllable Tie Lines that require advanced reservations, the NYISO will use the approval of the merchant facility TSP on the NERC e-Tag as indication that the NERC e-Tag PSE still holds the transmission reservation on the merchant facility

Proposal Details – Real-Time

- ◆ During the Real-Time Market Close (75 minutes prior to the operating hour):
 - If there is a MIS transaction offer that matches a NERC e-Tag at market close; then allow the MIS transaction offer to be economically evaluated by the scheduling software
 - If there is a MIS transaction offer with no NERC e-Tag match at market close; then the MIS Bid status would be set to validation failed and the MIS transaction offer would not be economically evaluated by the scheduling software
 - If there is no MIS transaction offer for a NERC e-Tag at market close; then the e-Tag would be curtailed to zero for that operating hour and no economic evaluation in the Real-Time Market is required for this NERC e-Tag as no MIS offer exists

Proposal Details – Real-Time

- ◆ Any changes to the e-Tag energy profile (including new tags or withdrawal of an existing tag) after the Real-Time Market close that are initiated by the tag author (PSE) would be denied
 - Balancing Authority modifications would not be denied

- ◆ If the e-Tag duration is longer than one hour, curtailments to zero would be made only for the Operating Hour that the MIS transaction offer does not exist

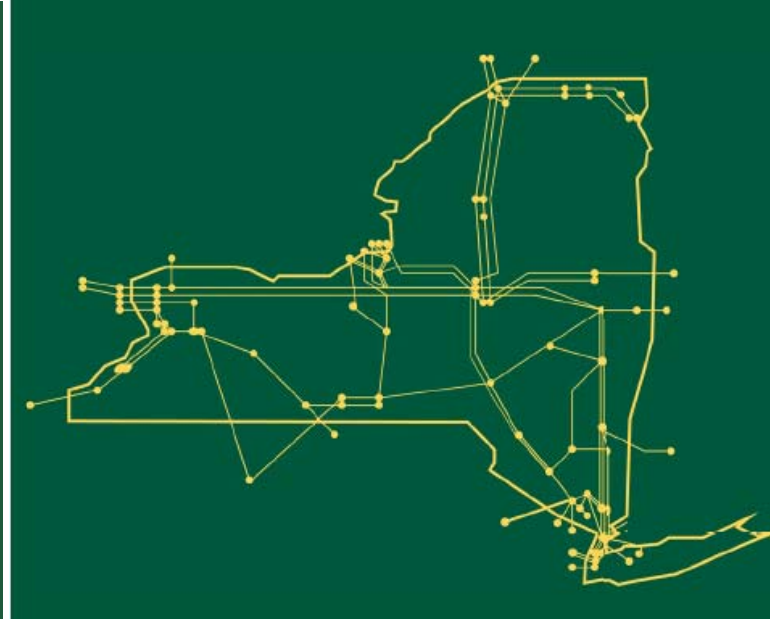
Proposal Details – Failure Modes

- ◆ In the event the NYISO is unable to verify the existence of a NERC e-Tag due to technical issues, the NYISO bid validation rules will assume that the Market Participant has properly submitted the NERC e-Tag and allow the MIS transaction offer to be economically evaluated by the scheduling software
 - It is always the responsibility of the MP to ensure that the NERC e-Tag is consistent with the associated MIS transaction offer

Next Steps

- ◆ Please provide feedback to your Customer Service Representative and reference this MIWG meeting material
- ◆ Review tariff changes associated with the changes to Controllable Tie Lines with MPs
- ◆ Incorporate this change into EITC Phase 3 for the Day Ahead and Real-Time Markets
 - EITC Phase 3 – Fifteen minute transaction scheduling with PJM

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 conducts comprehensive planning for the state's bulk electricity system.



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