

PURPA status in SMD

The proposed tariff amendment for SMD would exempt from the PURPA exclusions any unit that is bidding flexibly (ISO-Committed Flexible or Self-Committed Flexible) and therefore is participating in the reserves market. The current practice is to remove the PURPA exclusions only when a unit has actually been scheduled to provide reserves rather than simply offering it. Units that want to be economically scheduled in the DAM for energy only and then operate in a fixed mode in real-time can continue to do so using the ISO-Committed Fixed bidding option in the day-ahead market and will be able to maintain their PURPA exclusions.

There was a concern expressed at the MSWG that this might cause PURPA units that are bidding and operating flexibly to move to off-dispatch. To assess the potential impact on bidding practices, PURPA bids in 5 different months, consisting of summer, winter and shoulder seasons over the last year were queried to determine the level of PURPA capacity that has historically bid on-dispatch.

There are 89 PURPA units in New York representing approximately 4435 MWs of capacity. The results show that approximately 3% or an average of 135 MWs of the PURPA capacity bid flexibly for at least one hour in real-time on the days that were sampled. An inspection of the bids shows that these totals represent only a few hours of bids in each day and so the percentage on a MWhr basis would be even smaller. For comparison purposes, the total level of non-PURPA on-dispatch capacity was approximately 13,000 MWs on a randomly selected peak load hour in July 2003.

