

Enhanced Interregional Transaction Coordination: Settlement Changes

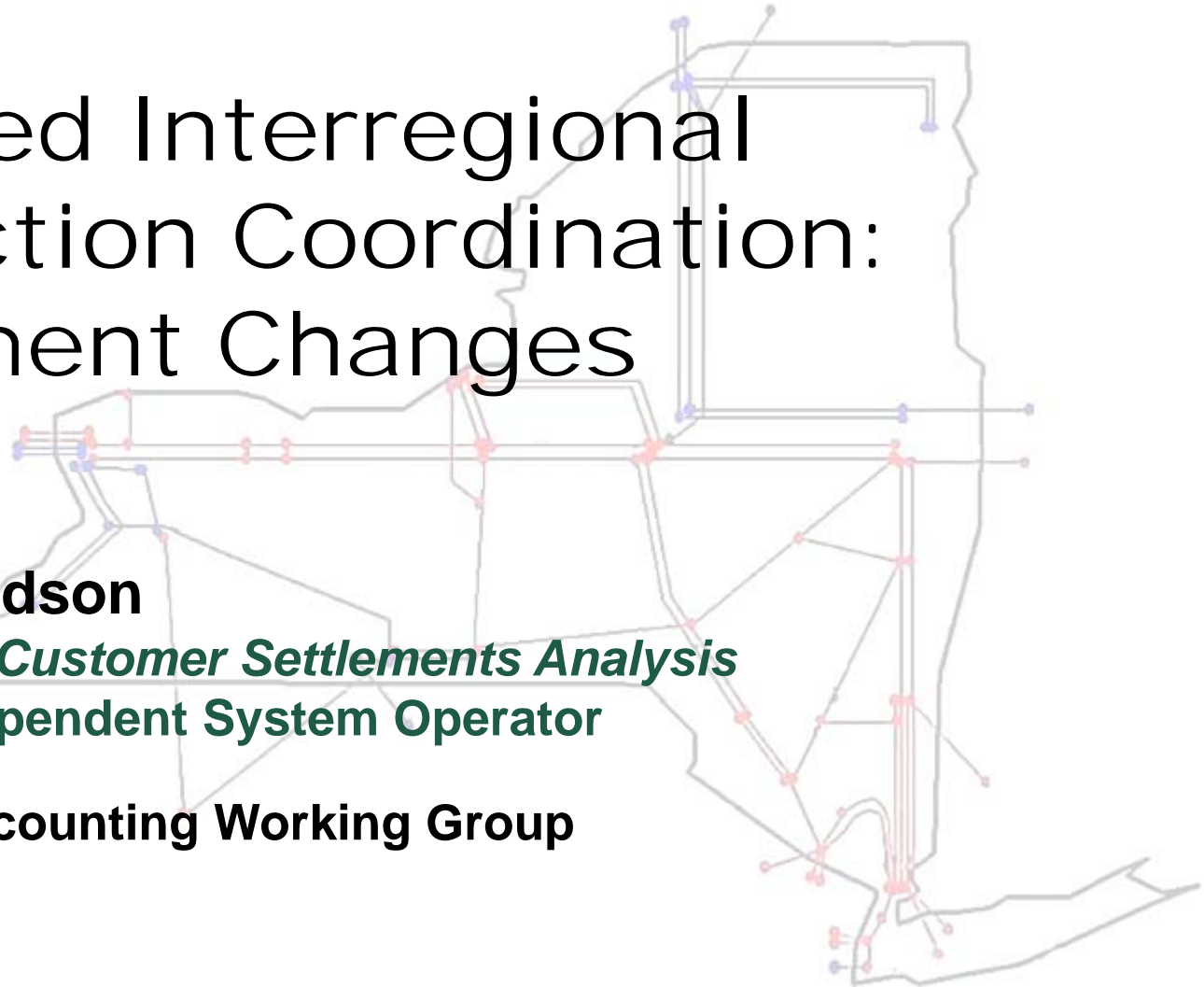
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Background

Enhanced Interregional Transaction Coordination (EITC) will permit the scheduling of inter-Balancing Authority transactions involving the NYISO on a more frequent basis than the current hourly schedules. This is a multi-phase effort that will be rolled out on an interface-by-interface basis for energy transactions.

The NYISO has been working on the design and implementation of the first phase of the project throughout 2010, with an expected implementation of the new capabilities on March 15, 2011.

For design and concept details, please refer to the EITC Concept Update presented to MIWG on June 07, 2010:

http://www.nyiso.com/public/webdocs/committees/bic_miwg/meeting_materials/2010-06-07/Agenda_04_EITC_Scheduling_Pricing_Concept.pdf

For tariff details, see the tariff filing from December 28, 2010:

http://www.nyiso.com/public/webdocs/documents/regulatory/filings/2010/12/NYISO_205_EITC_Filing_12-28-10.pdf

Key Phase 1 functionality highlights

- ◆ *Supports 15-minute scheduling frequency of real-time energy transactions between NY and HQ.*
- ◆ *Eleven point bid curve for all day-ahead and real-time Import, Wheel through, and Export energy transactions at all proxies, regardless of scheduling frequency.*
- ◆ *RTC and RTD schedules available in the MIS (via Marketplace or Upload/Download) for all Import, Wheel through, and Export energy transactions at all proxies, regardless of scheduling frequency.*
- ◆ *Updated settlement rules.*
 - Import Supplier Guarantee
 - Financial Impact Charge
 - Real-time BPCG
- ◆ *Updated pricing rules at the proxy buses.*

New Tariff Definitions

- ◆ Decremental Bid: **A monotonically increasing Bid curve** provided by an entity engaged in a Bilateral Import or Internal Transaction to indicate the LBMP below which that entity is willing to reduce its Generator's output, and purchase Energy in the LBMP Markets, or by an entity engaged in a Bilateral Wheel Through Transaction to indicate the Congestion Component cost below which that entity is willing to accept Transmission Service.
- ◆ Dynamically Scheduled Proxy Generator Bus: A Proxy Generator Bus for which the ISO may schedule Transactions at **5 minute intervals** in real time.

New Tariff Definitions

- ◆ Variably Scheduled Proxy Generator Bus: A Proxy Generator Bus for which the ISO may schedule Transactions at **15 minute intervals** in real time.
- ◆ Rolling RTC: The RTC run that is used to schedule a given **15-minute External Transaction**. The Rolling RTC may be an RTC00, RTC15, RTC30 or RTC45 run.
- ◆ Energy Profile MW: The **maximum schedule** desired for an External Transaction. Import, Export and Wheels Through Transactions will specify the Energy Profile MW in their Bids

Real-Time BPCG for Imports

Non-Eligibility Changes (Additions to Current Eligibility Rules)

- ◆ Customers that schedule hourly Import Transactions at either Variably Scheduled Proxy Generator Buses or Dynamically Scheduled Proxy Generator Buses will not be eligible for Real-Time shortfall payments for those Transactions for the day.
- ◆ when the Rolling RTC is export constrained due to limits on NYCA Ramp Capacity in an hour, Customers scheduling Imports at Proxy Generator Buses associated with designated Scheduled Lines and Non-Competitive Proxy Generator Buses in that hour will not be eligible for real-time shortfall payments for those Transactions.

Real-Time BPCG for Imports

Algorithm Changes

- ◆ *No change to the Algorithm.*
- ◆ *A reminder that the Bid cost will be computed as an area under the Decremental Bid curve, much like Power Suppliers.*

Import Supplier Guarantee

Eligibility Changes

- ◆ In the event that the Energy injections for an Import scheduled by RTC or RTD at a Proxy Generator Bus are Curtailed at the request of the ISO, and (i) **the real-time Energy Profile MW is equal to or greater than the Day-Ahead Energy Schedule for that interval**, and (ii) the real-time Decremental Bid is less than or equal to the default real-time Decremental Bid amount as established by ISO procedures, then the Supplier or Transmission Customer that is subjected to the Curtailment, in addition to the charge for Energy Imbalance, shall be eligible for an Import Curtailment Guarantee Payment.
- ◆ ***Both hourly and Intra-hourly transactions are eligible.***

Import Supplier Guarantee

Algorithm Changes

- *The Import Supplier Guarantee will preserve the Day-Ahead Margin of an Import Transaction.*
- *The Day-Ahead Decremental Bid will replace the RT Decremental Bid in the algorithm.*
- *The Day-Ahead schedule will replace the RTC schedule in the algorithm.*

Financial Impact Charge

Algorithm Changes

- *Both hourly and intra-hourly transactions are eligible.*
- *The applicable RTC LBMP, rather than the Average RTC₁₅, is subtracted from the RTD LBMP in the relevant RTD interval.*
- *The applicable RTC LBMP is the LBMP that was used to schedule the transaction (for hourly transactions, the 4 LBMPs out of the RTC15 evaluation; for intra-hourly transactions, the LBMP from the rolling RTC that scheduled the transaction).*

Billing and Accounting Manual

The eligibility requirements and settlement algorithms for Real-Time BPCG, Import Supplier Guarantee and Financial Impact Charge will be posted for BAWG review as part of Installment Eleven on February 17, 2011

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 reliability and resource planning for the state's bulk electricity system.



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