

Day-Ahead Market Congestion Settlements

Informational Calculations

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Background

- OATT Attachment N describes settlements related to Day-Ahead Congestion Rents and TCC Auctions. Section 20.2 of Attachment N provides a methodology to allocate Day-Ahead Market (DAM) Congestion Rent shortfalls and surpluses resulting from changes in transmission facility availability to the responsible Transmission Owner (TO).
- The methodology utilizes a *de minimis* threshold to determine circumstances when allocations to responsible TOs are not calculated.
 - Threshold applies for DAM Constraint Residuals that are less than \$5,000; provided that the sum of all such DAM Constraint Residuals below the threshold is not greater than \$250,000 or 5% of the sum of all DAM Constraint Residuals for the month
- Section 20.2.4.6.2 of Attachment N currently requires the NYISO to conduct certain informational calculations once per year to help in assessing whether the *de minimis* threshold level presents any concerns

Informational Calculation Experience

- The NYISO has performed the required informational calculations for all applicable years since the requirement became effective in 2006.
- The TO representatives have, for each and every year, concluded that the current *de minimis* threshold is appropriate and has a satisfactory effect.
- The exercise requires expenditure of time and resources by both NYISO and TO representatives. TO representatives have requested that the tariff language requiring this exercise be modified such that it only be performed optionally at the request of any TO.

Attachment N Proposed Revision

- The NYISO proposes the following revisions to Section 20.2.4.6.2 of Attachment N:

~~One month each year~~ Upon request from any Transmission Owner subject to Net Congestion Rent settlements pursuant to this Attachment N, but no more frequently than **once every twelve months**, the ISO shall, for informational purposes only, calculate the DAM Constraint Residuals for each constraint for each hour without applying the DCR Allocation Threshold and shall calculate all O/R-t-S Congestion Rent Shortfall Charges, O/R-t-S Congestion Rent Surplus Payments, U/D Congestion Rent Shortfall Charges, and U/D Congestion Rent Surplus Payments. **The calculation shall be performed using a month selected from among the most recent twelve months for which a Close-Out Settlement has been issued.** Before choosing the month for which it will perform these calculations, the ISO will consult with the Transmission Owners.

Next Steps

- **If tariff changes are approved by the Management Committee, the NYISO will:**
 - Seek approval from NYISO Board of Directors
 - File tariff changes with FERC for approval

Questions/Feedback?

- Email additional feedback to: deckels@nyiso.com

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- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policy makers, stakeholders and investors in the power system



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