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Sent: Wednesday, July 06, 2016 10:53 AM
To: Eckels, Deborah
Cc: Plante, Matthieu; Leuthauser, Scott
Subject: [EXT] Comments on Demand Curve Reset

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Debbie,

HQUS would like to leave the following comments regarding the Demand Curve Reset Exercise. Could you forward them to the appropriate people in the NYISO and the Analysis Group ?

Thanks for your assistance.

Best Regards,



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HQUS Comments on Demand Curve Reset Exercise

HQUS would like to comment a specific aspect regarding the Demand Curve Reset, namely the evaluation of Energy and Ancillary Services Revenues assessment.

The evaluations presented at the last ICAP Working Group meeting demonstrated that a large amount of revenues were related to the participation of the proxy unit into the Real Time Market through the Real Time Market direct sales or through the buyout of DAM commitment in Real Time. (see below the extract of AG presentation p.16)

Run Hours May, 2013 - April, 2014												
Day-Ahead Commitment	Energy				Reserve				None			
Real-Time Dispatch	Energy	Reserve	Buyout	Limited	Energy	Reserve	Buyout	Limited	Energy	Reserve	None	Limited
C Central	1,014	0	504	0	8	2	148	0	244	0	6,840	0
F Capital	662	15	510	0	38	0	257	0	193	0	7,085	0
G Hudson Valley (Dutchess)	962	0	424	0	42	1	275	0	188	0	6,868	0
G Hudson Valley (Rockland)	962	0	413	0	42	1	275	0	187	0	6,880	0
J NYC	2,401	0	428	0	31	1	171	0	112	0	5,616	0
K Long Island	3,207	0	402	1,333	35	0	96	15	112	0	3,475	85
Net EAS Revenues May, 2013 - April, 2014												
Day-Ahead Commitment	Energy				Reserve				None			
Real-Time Dispatch	Energy	Reserve	Buyout	Limited	Energy	Reserve	Buyout	Limited	Energy	Reserve	None	Limited
C Central	\$41.44	\$0.00	\$20.16	\$0.00	\$0.65	\$0.00	\$0.20	\$0.00	\$8.31	\$0.00	\$0.00	\$0.00
F Capital	\$31.68	\$1.75	\$26.81	\$0.00	\$3.95	\$0.00	\$0.19	\$0.00	\$8.07	\$0.00	\$0.00	\$0.00
G Hudson Valley (Dutchess)	\$34.85	\$0.00	\$21.47	\$0.00	\$3.90	\$0.00	\$0.20	\$0.00	\$7.40	\$0.00	\$0.00	\$0.00
G Hudson Valley (Rockland)	\$34.81	\$0.00	\$21.44	\$0.00	\$3.89	\$0.00	\$0.20	\$0.00	\$7.38	\$0.00	\$0.00	\$0.00
J NYC	\$69.94	\$0.00	\$18.64	\$0.00	\$3.35	\$0.00	\$0.21	\$0.00	\$3.60	\$0.00	\$0.00	\$0.00
K Long Island	\$152.52	\$0.00	\$16.54	\$0.00	\$3.91	\$0.00	\$0.09	\$0.03	\$7.50	\$0.00	\$0.00	\$0.00

HQUS wants to join some comments made during the meeting saying that the revenues pertaining to the participation on the Real-time Market are overestimated, namely due to the divergence between RTC and RTD that is ignored by the estimations performed.

On one hand, the estimations should consider that it could be impossible to take profit from Real Time Market opportunities due to the inability of RTC to schedule the resource for the right Real Time Interval. On the other hand, RTC frequently schedule a resource while the Real Time Price (RTD) drops within the time interval between the scheduling and the delivery of energy. Moreover, this anomaly is not symmetrical.

HQUS believes that the Energy and Ancillary revenues should be scaled down in order to reflect the above described problem which was the object of frequent discussions recently in the stakeholder process.