

Autumn 2015 Centralized TCC Auction Survey and Discussion

Gregory R. Williams

Manager, TCC Market Operations

New York Independent System Operator

Market Issues Working Group

June 30, 2015

Rensselaer, NY

Survey Overview

- ◆ **The NYISO conducted a poll of current TCC Market Participants to solicit information about the demand for TCCs of various durations in future auctions as well as the desired structure of the Autumn 2015 Centralized TCC Auction**
 - *One survey response accepted per MP*
 - *Responses were due on June 17, 2015*
 - *13 TCC Market Participants responded*
 - *Responses for the Autumn 2015 Centralized TCC Auction limited to six-month, one-year, and two-year TCCs*

Survey Results – Autumn 2015

Capacity per Duration

# of MP Responses	Desired % of System Capacity		
	6 Month	1 Year	2 Year
1	60%	15%	
1	55%	20%	
1	50%	25%	
1	37.5%	37.5%	
1	45%	25%	5%
1	41%	29%	5%
2	45%	20%	10%
2	35%	30%	10%
1	35%	25%	15%
1	25%	25%	25%
1	20%	25%	30%
Average	40.7%	25.1%	9.2%
Median	41%	25%	10%

The numbers above do not include the System Capacity that was sold in the Spring 2014 Centralized TCC Auction as two-year TCCs (5%) and in the Spring 2015 Centralized TCC Auction as two-year and one-year TCCs (20%).

Survey Results – Autumn 2015

Total Rounds per Duration

# of MP Responses	Total Rounds	Total # of Rounds per Duration		
		6 Month	1 Year	2 Year
4	6	3	3	
2	6	3	2	1
1	8	4	3	1
1	8	3	3	2
2	9	3	3	3
1	9	4	4	1
1	10	2	4	4
1	13	6	4	3
Average	7.8	3.3	3.1	1.5
Median	8	3	3	1

Survey Results – Future Auctions

Capacity per Duration

# of MP Responses	Desired % of System Capacity					
	6 Month	1 Year	2 Year	3 Year	4 Year	5 Year
2	70%	30%				
1	66.7%	33.3%				
1	60%	40%				
1	58%	37%	5%			
1	60%	30%	10%			
2	50%	40%	10%			
1	45%	45%	10%			
1	30%	30%	30%	10%		
1	35%	35%	15%	5%	5%	5%
1	35%	25%	20%	10%	5%	5%
1	10%	20%	30%	15%	15%	10%

Survey Results – Future Auctions

Total Rounds per Duration

# of MP Responses	Total Rounds	Total # of Rounds per Duration					
		6 Month	1 Year	2 Year	3 Year	4 Year	5 Year
4	6	3	3				
1	6	3	2	1			
3	8	4	3	1			
1	9	4	4	1			
1	11	3	3	3	2		
1	19	6	4	3	2	2	2
1	18	3	3	3	3	3	3
1	19	2	4	4	3	3	3

Survey Comments

- ◆ **Prefer at least 7 or 8 rounds to maintain liquidity**
- ◆ **The infrequency of six-month and longer TCC Auctions makes it difficult to utilize TCCs to hedge exposures resulting from sales in periods that do not align with the auction dates**
- ◆ **Desire to purchase On-Peak and Off-Peak products**
- ◆ **Desire for MP results to be made public between rounds of a Centralized TCC Auction**
- ◆ **Desire for a multi-month auction functionality where the next month and the two months following the next month can be purchased**
- ◆ **Desire for a reduction in the delay between the closing of the bidding window and the posting of the results while maintaining the current submittal period length (i.e., 2 business days)**

Autumn 2015 Auction Proposal

Seven Auction Rounds

- ◆ **The NYISO would offer:**
 - *25% of System Capacity as one-year TCCs across three auction rounds; and*
 - *50% of System Capacity as six-month TCCs across four auction rounds*
- ◆ **The remaining 25% of System Capacity was sold as two-year TCCs in the Spring 2014 Centralized TCC Auction and as two-year and one-year TCCs in the Spring 2015 Centralized TCC Auction**

Proposed Schedule

Week	Round
August 14 - 20	September Reconfiguration
August 21 - 27	Round 1 (One Year)
August 28 - September 3	Round 2 (One Year)
September 4 - 10	Round 3 (One Year)
September 11 - 17	Round 4 (Six Month)
September 18 - 24	October Reconfiguration
September 25 - October 1	Round 5 (Six Month)
October 2 - 8	Round 6 (Six Month)
October 9 - 15	Round 7 (Six Month)
October 16 – 22	November Reconfiguration

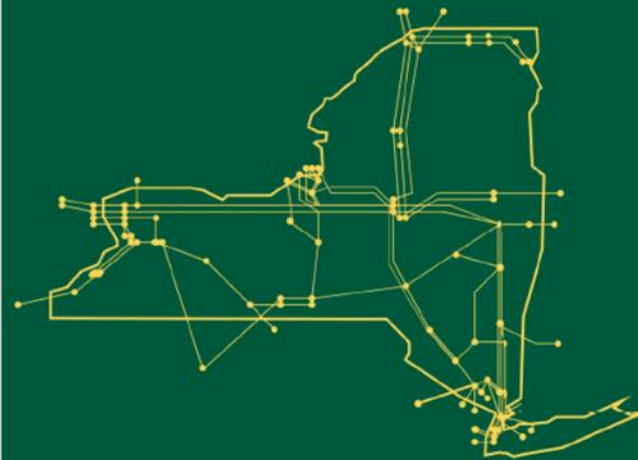
Auction Proposal – Discussion

- ◆ **Unanimous agreement by the Transmission Owners is required for the NYISO to conduct fewer than four rounds in any Sub-Auction**
- ◆ **10 respondents expressed interest in conducting fewer than four six-month rounds in the Autumn 2015 Auction**
- ◆ **10 respondents expressed interest in conducting fewer than four one-year rounds in the Autumn 2015 Auction**

Next Steps

- ◆ **Receive and consider Market Participant comments resulting from this meeting**
- ◆ **Confer with the Transmission Owners concerning proposed auction plans with fewer than four rounds per Sub-Auction**

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.



www.nyiso.com