

# Spring 2021 Centralized TCC Auction Survey and Discussion

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**ICAPWG/MIWG/PRLWG:**

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# Overview

- **The NYISO conducted a poll of current TCC Market Participants (MPs) to solicit information about the demand for TCCs of various durations in future auctions as well as the desired structure of the Spring 2021 Centralized TCC Auction**
  - One survey response accepted per MP
  - Responses were due on October 9, 2020
  - 9 MPs responded
  - Responses for the Spring 2021 Centralized TCC Auction were limited to six-month, one-year, and two-year TCCs
- **The survey also sought information on the potential future enhancement of reserving transmission capacity for release into Reconfiguration Auctions**

# Survey Results – Spring 2021

## Capacity per Duration

Duration	Desired Percentage of System Capacity per Duration									Average	Median
Two-Year			1%	2%	5%	5%	5%	15%	22%	6.1%	5%
One-Year	20%	23.3%	5%	10%	25%	30%	32.5%	25%	22%	21.4%	23.3%
Six-Month	50%	46.7%	64%	58%	40%	35%	32.5%	30%	26%	42.5%	40%
# of MP Responses	1	1	1	1	1	1	1	1	1		

The numbers above do not include the system capacity that was sold in the Spring 2020 Centralized TCC Auction as two-year TCCs (5%) and in the Autumn 2020 Centralized TCC Auction as one-year TCCs (25%).

# Survey Results – Spring 2021

## Total Rounds per Duration

Duration	Total Number of Rounds per Duration							Average	Median
Two-Year			1	2	2	2	2	1.2	1
One-Year	2	2	3	2	3	3	4	2.8	3
Six-Month	3	4	4	4	3	4	4	3.8	4
Total Rounds	5	6	8	8	8	9	10	7.8	8
# of MP Responses	1	1	3	1	1	1	1		

# Survey Results – Future Auctions

## Capacity per Duration

Duration	Desired Percentage of System Capacity per Duration								
Five-Year									
Four-Year									
Three-Year									5%
Two-Year			2%	5%	15%	5%	10%	5%	25%
One-Year	30%	10%	10%	30%	30%	35%	40%	45%	25%
Six-Month	60%	85%	40%	40%	35%	50%	45%	50%	35%
Monthly*	10%	5%	48%	25%	20%	10%	5%		10%
# of MP Responses	1	1	1	1	1	1	1	1	1

\* For informational purposes only. See Slide 8 for additional information

# Survey Results – Future Auctions

## Total Rounds per Duration

Duration	Total Number of Rounds per Duration					
Five-Year						
Four-Year						
Three-Year						1
Two-Year			1	2	2	1
One-Year	2	2	3	3	4	3
Six-Month	3	4	4	4	4	3
Total Rounds	5	6	8	9	10	8
# of MP Responses	1	1	4	1	1	1

# Survey Comments

- **Desire for the NYISO to offer On-Peak and Off-Peak TCCs (two responses)**
- **Desire to see a reduction in the time between the closing of the bidding window and the posting of results to below 5 days, while keeping the submittal period at 2 business days**
- **A commenter urged the NYISO to be mindful of the impacts to the auction schedule when adding an additional one-year round to the autumn auction process to satisfy the credit enhancements for two-year TCCs recently approved by the Management Committee**

# Survey Results – Potential Future Enhancements

## Capacity Reserved for Monthly TCCs

- **The survey included a request for information regarding interest for a feature not currently supported by the NYISO Tariffs: reserving a portion of available system transmission capacity from the Centralized TCC Auction so that it may be available to support the sale of TCCs in the subsequent Balance-of-Period Auctions**
  - 8 respondents (89%) expressed interest in reserving a portion of transmission capacity from Centralized TCC Auctions to support the sale of TCCs in the subsequent Balance-of-Period Auctions
  - Of those interested MPs, the average available system capacity desired to be reserved was 16.6%
  - There is currently an ongoing project to develop the related market design and automation functional requirements of this TCC market enhancement



# Spring 2021 Auction Proposal

## Option with a NHFPTCC Allocation Round: 9 Auction Rounds + 1 Allocation Round

- **The NYISO is obligated to make Non-Historic Fixed Price TCCs (NHFPTCCs) available for purchase by Load Serving Entities (LSEs) every two years**
  - The NYISO recently made a marketplace announcement soliciting interest in the Spring 2021 offering of this product with a response deadline of December 4, 2020
- **The NYISO has developed two potential auction schedule options based on whether or not there is interest expressed in potentially purchasing NHFPTCCs**
- **If an LSE submits the required notice of interest to potentially purchase NHFPTCCs, the NYISO would offer:**
  - 2.5% of system capacity as two-year TCCs in a single auction round
  - 2.5% of system capacity as NHFPTCCs (two-year TCCs) in a single allocation round
    - A subsequent two-year TCC auction round would be held to provide for the sale of any of unsold system capacity made available for sale as NHFPTCCs
  - 20% of system capacity as one-year TCCs across three auction rounds
  - 45% of system capacity as six-month TCCs across four auction rounds
- **The remaining 30% of system capacity was sold as two-year TCCs in the Spring 2020 Centralized TCC Auction and as one-year TCCs in the Autumn 2020 Centralized TCC Auction**

# Spring 2021 Proposed Schedule with a NHFPTCC Allocation Round

Week	Round
January 22 – 28	Round 1 (Two-Year)
January 29 – February 11	Non-Historic Fixed Price TCC Allocation Round
February 12 – 19	Round 2 (Two-Year) and March 2021 Balance-of-Period Auction
February 19 – 25	Round 3 (One-Year)
February 26 – March 4	Round 4 (One-Year)
March 5 – 11	Round 5 (One-Year)
March 12 – 18	Round 6 (Six-Month)
March 12 – 19	April 2021 Balance-of-Period Auction
March 19 – 25	Round 7 (Six-Month)
March 26 – April 1	Round 8 (Six-Month)
April 2 – 8	Round 9 (Six-Month)
April 9 – 22	May 2021 Balance-of-Period Auction

# Spring 2021 Auction Proposal

## Option without a NHFPTCC Allocation Round: 8 Auction Rounds

- If no LSE submits the required documentation to provide notice of an interest in potentially purchasing NHFPTCCs, the proposed auction schedule would be altered
- In this case, the NYISO would offer:
  - 5% of system capacity as two-year TCCs in a single auction round
  - 20% of system capacity as one-year TCCs across three auction rounds
  - 45% of system capacity as six-month TCCs across four auction rounds
- The remaining 30% of system capacity was sold as two-year TCCs in the Spring 2020 Centralized TCC Auction and as one-year TCCs in the Autumn 2020 Centralized TCC Auction

# Spring 2021 Proposed Schedule without a NHFPTCC Allocation Round

Week	Round
February 5 – 11	Round 1 (Two-Year)
February 12 – 19	March 2021 Balance-of-Period Auction
February 19 – 25	Round 2 (One-Year)
February 26 – March 4	Round 3 (One-Year)
March 5 – 11	Round 4 (One-Year)
March 12 – 18	Round 5 (Six-Month)
March 12 – 19	April 2021 Balance-of-Period Auction
March 19 – 25	Round 6 (Six-Month)
March 26 – April 1	Round 7 (Six-Month)
April 2 – 8	Round 8 (Six-Month)
April 9 – 22	May 2021 Balance-of-Period Auction

# Auction Proposal – Considerations

- Unanimous agreement by the Transmission Owners that are subject to Attachment N of the OATT is required for the NYISO to conduct fewer than four rounds in any Sub-Auction
- 8 respondents (88.9%) expressed interest in conducting fewer than four one-year rounds in the Spring 2021 Centralized TCC Auction
- 9 respondents (100%) expressed interest in conducting fewer than four two-year rounds in the Spring 2021 Centralized TCC Auction

# Next Steps

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

# Questions/Feedback?

- Email additional feedback to: [deckels@nyiso.com](mailto: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 policymakers, stakeholders and investors in the power system

