

# Autumn 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 Autumn 2021 Centralized TCC Auction**
  - One survey response accepted per MP and 11 MPs responded
  - Responses were due on March 26, 2021
  - Responses for the Autumn 2021 Centralized TCC Auction were limited to six-month and one-year TCCs
  - As part of the Autumn 2021 Centralized TCC Auction, the implementation of a new credit policy for two-year TCCs will require the NYISO to conduct a one-year round offering TCCs covering the same period as the second year of two-year TCCs purchased in the Spring 2021 Centralized TCC Auction
- **The survey also sought information on certain potential future enhancements to the current operation/administration of the TCC market**
  - Reserving transmission capacity for release into Reconfiguration Auctions
- **Additionally, the future integration of TCC auction settlements onto the NYISO Consolidated Invoice will be discussed**

# Survey Results – Autumn 2021

## Capacity per Duration

Duration	Desired Percentage of System Capacity per Duration								Average	Median
One-Year (effective 11/1/2021)	10%	10%	20%	23.33%	25%	30%	35%	35%	25.8%	24.2%
Six-Month (effective 11/1/2021)	60%	60%	50%	46.67%	45%	40%	35%	35%	44.2%	45.8%
Single One-Year Round (effective 5/1/2022)	1%	2%	5%	5%	2%	5%	2.5%	5%	3.9%	3.8%
# of MP Responses	1	1	1	1	1	3	1	2		

The numbers above for TCCs effective starting November 1, 2021 do not include the system capacity that was sold in the Spring 2020 Centralized TCC Auction as two-year TCCs (5%) and in the Spring 2021 Centralized TCC Auction as two-year TCCs (5%) and one-year TCCs (20%).

# Survey Results – Autumn 2021

## Total Rounds per Duration

Duration	Total Number of Rounds per Duration					Average	Median
One-Year (effective 11/1/2021)	2	2	3	3	4	2.8	3
Six-Month (effective 11/1/2021)	3	4	3	4	4	3.6	4
One-Year (effective 5/1/2022 - required to be a Single Round)	1						
Total Rounds	6	7	7	8	9	7.5	7
# of MP Responses	1	2	3	4	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%	5%	5%	5%	5%	10%	15%		10%
One-Year	30%	50%	10%	15%	20%	30%	35%	40%	40%	30%		35%
Six-Month	60%	50%	38%	75%	45%	40%	50%	45%	45%	35%		40%
Monthly*	10%		50%	5%	30%	25%	10%	10%	5%	20%		10%
# of MP Responses	1	1	1	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	1	1	2	1
One-Year	2	3	3	2	3	4	3
Six-Month	3	4	3	4	4	4	3
Total Rounds	5	7	7	7	8	10	8
# of MP Responses	1	1	2	1	4	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 delay 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**

# 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 tariff: 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**
  - 10 respondents (91%) 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 17.5%
  - There is currently an ongoing project to develop the related market design and automation functional requirements of this TCC market enhancement
  - The Market Design reviewed with stakeholders at the November 11, 2020 Business Issues Committee meeting limited the quantity of otherwise available capacity that could be reserved for release in subsequent Balance-of-Period Auctions to no more than 10%



# Autumn 2021 Auction Proposal

## 8 Auction Rounds

- **The NYISO would offer:**

- 25% of system capacity as one-year TCCs effective starting November 1, 2021 across three auction rounds
- 45% of system capacity as six-month TCCs effective starting November 1, 2021 across four auction rounds
- 5% of system capacity as one-year TCCs effective starting May 1, 2022 in one auction round

# Proposed Schedule

Week	Round
August 20 – 26	Round 1 (One-Year TCCs effective November 1, 2021)
August 27 – September 2	Round 2 (One-Year TCCs effective November 1, 2021)
September 3 – 10	Round 3 (One-Year TCCs effective November 1, 2021)
September 11 – 16	Round 4 (Six-Month TCCs effective November 1, 2021)
September 17 – 23	Round 5 (Six-Month TCCs effective November 1, 2021)
September 17 – 24	October 2021 Balance-of-Period
September 24 – 30	Round 6 (Six-Month TCCs effective November 1, 2021)
October 1 – 7	Round 7 (Six-Month TCCs effective November 1, 2021)
October 8 – 14	Round 8 (One-Year TCCs effective May 1, 2022)
October 8 – 21	November 2021 Balance-of-Period

# 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
- 10 respondents (90.9%) expressed interest in conducting fewer than four one-year rounds (for TCCs effective starting November 1, 2021) in the Autumn 2021 Centralized TCC Auction
- 4 respondents (36.4%) expressed interest in conducting fewer than four six-month rounds in the Autumn 2021 Centralized TCC Auction

# TCC Auction Settlements

- The NYISO is pursuing an ongoing internal initiative to integrate TCC auction settlements (including the distribution of TCC auction revenue to the Transmission Owners that are subject to Attachment N of the OATT) as part of the typical Consolidated Invoice process
- The integration is expected to be complete in the ~~third~~ **fourth** quarter of 2021
- The auction settlements for the Autumn 2021 Centralized TCC Auction could potentially occur through the Consolidated Invoice process
- Additional project details (including any required updates to the TCC Manual) will be discussed at future MIWG meetings

# Next Steps

- Receive and consider Market Participant comments 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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