

Spring 2022 Centralized TCC Auction – Two-Year TCC Discussion

Gregory R. Williams

MANAGER, TCC MARKET OPERATIONS

ICAPWG/MIWG/PRLWG:

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Background

- **The NYISO conducts a poll of current TCC Market Participants (MPs) to solicit information about the demand for TCCs of various durations prior to each Centralized TCC Auction**
- **In response to this information the NYISO typically makes transmission capacity available for sale as two-year TCCs in each Spring Centralized TCC Auction**
- **The NYISO is required by its tariff to offer the two-year TCC product at least every other year to support the offering of its Non-Historic Fixed Price TCC (NHFPTCC) product**
 - NHFPTCCs were last offered in connection with the Spring 2021 Centralized TCC Auction
- **As part of the Autumn 2021 Centralized TCC Auction, the implementation of a new credit policy for two-year TCCs required 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**
 - This single round one-year Sub-Auction will be conducted in the Autumn Centralized TCC Auction that immediately follows any future Spring Centralized TCC Auction in which two-year TCCs were sold

Two-Year TCC Availability

- **The two-year TCCs awarded in any Spring Centralized TCC Auction persist for four Centralized TCC Auctions**
- **This reduces the amount of transmission capacity the NYISO can make available in subsequent Centralized TCC Auctions for TCCs of any duration**
- **The new single round one-year Sub-Auction related to the second year of previously sold two-year TCCs also acts to restrict the amount of transmission capacity the NYISO can make available in subsequent Centralized TCC Auctions**

Two-Year TCC Availability

- It may be desirable for the NYISO to reduce the frequency of offering the two-year TCC product to the alternate years in which NHFPTCCs are offered to allow greater flexibility in offering the lesser duration TCCs (e.g., six-month and one-year TCC products)
- NHFPTCCs will next be offered in connection with the Spring 2023 Centralized TCC Auction
- As part of the upcoming survey for the Spring 2022 Centralized TCC Auction, the NYISO will solicit feedback from TCC MPs regarding their interest in the NYISO offering the two-year TCC product less frequently (e.g., every other year rather than annually)
- The results of this survey will be discussed at an upcoming ICAPWG/MIWG/PRLWG meeting

Next Steps

- Receive and consider Market Participant comments resulting from this meeting
- Distribute the TCC Survey in preparation for the Spring 2022 Centralized TCC Auction
- Review the TCC Survey results at a future meeting

Questions/Feedback?

- Email additional feedback to: deckels@nyiso.com

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