

# Spring 2023 Centralized TCC Auction Survey and Discussion

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Gregory R. Williams

MANAGER, TCC MARKET OPERATIONS

**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 2023 Centralized TCC Auction**
  - One survey response accepted per MP and 9 MPs responded
  - Responses for the Spring 2023 Centralized TCC Auction were limited to six-month, one-year, and two-year TCCs

# Survey Results – Spring 2023

## Capacity per Duration

Duration	Desired Percentage of System Capacity per Duration							Average	Median
				5%	5%	5%	10%		
Two-Year				5%	5%	5%	10%	4.4%	5%
One-Year	20%	23%	25%	10%	15%	30%	25%	22.6%	25%
Six-Month	50%	47%	45%	55%	50%	35%	35%	43.0%	45%
# of MP Responses	1	1	1	1	1	2	2		

The numbers above do not include the system capacity that was sold in the Spring 2022 Centralized TCC Auction as two-year TCCs (5%), the Autumn 2022 Centralized TCC Auction as one-year TCCs effective starting November 1, 2022 (20%) and as one-year TCCs effective starting May 1, 2023 (5%).

# Survey Results – Spring 2023

## Total Rounds per Duration

Duration	Total Number of Rounds per Duration							Average	Median
Two-Year			1	1	2	2	1	0.9	1
One-Year	2	2	2	3	3	2	4	2.6	2
Six-Month	3	4	4	4	3	4	4	3.7	4
Total Rounds	5	6	7	8	8	8	9	7.1	8
# of MP Responses	2	1	1	2	1	1	1		

# Survey Results – Future Auctions

## Capacity per Duration and Frequency of Product Offering

Duration	Desired Percentage of System Capacity To Be Made Available by Product (duration) Each Time It Is Offered and Desired Frequency of Product Offering							
Five-Year								2% once a year
Four-Year								2.5% once a year
Three-Year								3.33% once a year
Two-Year			5% once every 2 years	2.5% once a year	10% once a year	10% once a year	2.5% twice a year	2.5% twice a year
One-Year	25%	20%	10%	30%	20%	25%	20%	10%
Six-Month	50%	60%	75%	35%	40%	30%	50%	40%
# of MP Responses	2	1	1	1	1	1	1	1

- One-year and six-month TCCs must be offered in each Centralized TCC Auction

# Survey Results – Future Auctions

## Capacity per Duration

Duration	Total System Capacity at Any Point in Time Associated with Each Product (duration)							
Five-Year								10%
Four-Year								10%
Three-Year								10%
Two-Year			5%	5%	10%	20%	20%	10%
One-Year	40%	50%	20%	60%	40%	40%	50%	20%
Six-Month	60%	50%	75%	35%	50%	40%	30%	40%
# of MP Responses	1	2	1	1	1	1	1	1

# Survey Results – Future Auctions

## Total Rounds per Duration

Duration	Total Number of Rounds per Product (duration) Each Time It Is Offered						
Five-Year							1
Four-Year							1
Three-Year							1
Two-Year			1	2	2	1	1
One-Year	2	2	3	2	3	4	2
Six-Month	3	4	4	4	3	4	4
# of MP Responses	2	1	2	1	1	1	1

# Survey Comments

- **Desire for the NYISO to offer On-Peak and Off-Peak TCCs**
- **Desire for the NYISO to offer an “option” product for a duration of two or more years**
- **Desire for a percentage of available system capacity to be reserved from the Centralized TCC Auctions for release in the Balance-of-Period Auctions**
- **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**



# Spring 2023 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 issued a solicitation for potential interest in purchasing NHFPTCCs; responses are due by December 5, 2022
- **The NYISO has developed two potential auction schedule options depending on whether 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 (initial two-year term) 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 2022 Centralized TCC Auction and as one-year TCCs in the Autumn 2022 Centralized TCC Auction**

# Proposed Schedule with a NHFPTCC Allocation Round

Week	Round
January 20 – 26	Round 1 (Two-Year TCCs)
January 27 – February 9	Non-Historic Fixed Price TCC Allocation Round
February 10 – 16	Round 2 (Two-Year TCCs for Any Unused NHFPTCC System Capacity)
February 10 – 17	March 2023 Balance-of-Period
February 17 – 24	Round 3 (One-Year TCCs)
February 25 – March 2	Round 4 (One-Year TCCs)
March 3 – 9	Round 5 (One-Year TCCs)
March 10 – 16	Round 6 (Six-Month TCCs)
March 17 – 23	Round 7 (Six-Month TCCs)
March 17 – 24	April 2023 Balance-of-Period
March 24 – 30	Round 8 (Six-Month TCCs)
March 31 – April 6	Round 9 (Six-Month TCCs)
April 7 – 20	May 2023 Balance-of-Period

# Spring 2023 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 NYISO proposes the following alternative schedule
- 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 2022 Centralized TCC Auction and as one-year TCCs in the Autumn 2022 Centralized TCC Auction

# Proposed Schedule without a NHFPTCC Allocation Round

Week	Round
February 10 – 16	Round 1 (Two-Year TCCs)
February 10 – 17	March 2023 Balance-of-Period
February 17 – 24	Round 2 (One-Year TCCs)
February 25 – March 2	Round 3 (One-Year TCCs)
March 3 – 9	Round 4 (One-Year TCCs)
March 10 – 16	Round 5 (Six-Month TCCs)
March 17 – 23	Round 6 (Six-Month TCCs)
March 17 – 24	April 2023 Balance-of-Period
March 24 – 30	Round 7 (Six-Month TCCs)
March 31 – April 6	Round 8 (Six-Month TCCs)
April 7 – 20	May 2023 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
- 8 respondents (89%) expressed interest in conducting fewer than four one-year rounds in the Spring 2023 Centralized TCC Auction
- 3 respondents (33%) expressed interest in conducting fewer than four six-month rounds in the Spring 2023 Centralized TCC Auction

# 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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- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system

