

# Autumn 2023 Centralized TCC Auction Survey and Discussion

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PRINCIPAL, TCC MARKET OPERATIONS

**ICAPWG/MIWG/PRLWG:**

June 1, 2023, Rensselaer, NY

# 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 2023 Centralized TCC Auction**
  - One survey response accepted per MP and 11 MPs responded
  - Responses for the Autumn 2023 Centralized TCC Auction were limited to six-month and one-year TCCs

# Survey Results – Autumn 2023

## Capacity per Duration – for TCCs starting 11/1/2023

Duration	Desired Percentage of System Capacity per Duration						Average	Median
One-Year (effective 11/1/23)	45%	35%	30%	23.33%	20%	15%	28.5%	30%
Six-Month (effective 11/1/23)	25%	35%	40%	46.67%	50%	55%	41.5%	40%
# of MP Responses	1	4	1	1	3	1		

The numbers above for TCCs effective starting November 1, 2023 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 May 1, 2023 (5%), and in the Spring 2023 Centralized TCC Auction as two-year TCCs (5%) and one-year TCCs (15%).

# Survey Results – Autumn 2023

## Total Rounds per Duration – for TCCs starting 11/1/2023

Duration	Total Number of Rounds per Duration						Average	Median
One-Year (effective 11/1/23)	2	2	3	2	3	4	2.7	3
Six-Month (effective 11/1/23)	2	3	3	4	4	4	3.6	4
Total Rounds	4	5	6	6	7	8	6.4	7
# of MP Responses	1	1	1	2	5	1		

Please note that the NYISO is required to conduct a one-year round offering TCCs covering the same period as the second year of two-year TCCs purchased in the Spring 2023 Centralized TCC Auction. This “future” one-year round is not included in the survey data above.

# 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										2.5%	5%
										once a year	once a year
Four-Year									5%	2.5%	5%
									once a year	once a year	once a year
Three-Year								2.5%	5%	2.5%	5%
								once every 1.5 years	once a year	once a year	once a year
Two-Year				2.5%	8%	10%	10%	10%	15%	5%	5%
				twice a year	once a year	once a year	once a year	once every 2 years	once a year	once a year	once a year
One-Year	15%	20%	25%	20%	17%	17.5%	25%	7.5%	7.5%	15%	5%
Six-Month	70%	60%	50%	50%	50%	45%	30%	70%	20%	30%	20%
# of Responses	1	1	1	1	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										12.5%	25%
Four-Year									20%	10%	20%
Three-Year								5%	15%	7.5%	15%
Two-Year				10%	16%	20%	20%	10%	30%	10%	10%
One-Year	30%	40%	50%	40%	34%	35%	50%	15%	15%	30%	10%
Six-Month	70%	60%	50%	50%	50%	45%	30%	70%	20%	30%	20%
# of MP Responses	1	1	1	1	1	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	2
Four-Year								1	1	2
Three-Year							1	1	1	2
Two-Year				1	1	2	2	2	2	3
One-Year	2	2	4	3	3	3	2	3	2	3
Six-Month	3	4	4	3	4	3	4	4	2	4
# of MP Responses	1	1	1	1	2	1	1	1	1	1

# Survey Comments

- **Desire for the NYISO to offer On-Peak and Off-Peak TCCs**
- **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**
- **Desire for increased product granularity (such as monthly product offers) as part of six-month Sub-Auctions**



# Survey Comments (cont.)

- **Desire for ability to separately bid each annual period covered by two-year TCC offerings**
  - 1st year and 2nd year offered as distinct biddable periods
- **Desire for the TCC auction survey to be conducted and the auction schedule to be determined annually, rather than seasonally**
- **Support noted for the current practice of extending by one day the bid/offer submittal window of Balance-of-Period Auctions that are conducted in parallel with a Centralized TCC Auction round**
- **General feedback provided noting that more liquidity and price transparency is better**

# Autumn 2023 Auction Proposal

## 8 Auction Rounds

- **The NYISO would offer:**
  - 25% of system capacity as one-year TCCs effective starting November 1, 2023 across three auction rounds
  - 45% of system capacity as six-month TCCs effective starting November 1, 2023 across four auction rounds
  - 5% of system capacity as one-year TCCs effective starting May 1, 2024 in one auction round
- **The remaining 30% of system capacity for the Winter 2023-2024 Capability Period was sold as two-year TCCs in the Spring 2022 Centralized TCC Auction, as one-year TCCs effective starting May 1, 2023 in the Autumn 2022 Centralized TCC Auction, and as two-year and one-year TCCs in the Spring 2023 Centralized TCC Auction**

# Proposed Schedule

Week	Round
August 25 – 31	Round 1 (One-Year TCCs effective November 1, 2023)
September 1 – 8	Round 2 (One-Year TCCs effective November 1, 2023)
September 9 – 14	Round 3 (One-Year TCCs effective November 1, 2023)
September 15 – 21	Round 4 (Six-Month TCCs effective November 1, 2023)
September 15 – 22	October 2023 Balance-of-Period
September 22 – 28	Round 5 (Six-Month TCCs effective November 1, 2023)
September 29 – October 5	Round 6 (Six-Month TCCs effective November 1, 2023)
October 6 – 12	Round 7 (Six-Month TCCs effective November 1, 2023)
October 13 – 19	Round 8 (One-Year TCCs effective May 1, 2024)
October 13 – 25	November 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**
  - Does not apply to single round one-year Sub-Auctions for TCCs covering the same period as the second year of previously sold two-year TCCs
- **10 respondents (91%) expressed interest in conducting fewer than four one-year rounds in the Autumn 2023 Centralized TCC Auction**
- **3 respondents (27%) expressed interest in conducting fewer than four six-month rounds in the Autumn 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)

# Our Mission & Vision



## Mission

Ensure power system reliability and competitive markets for New York in a clean energy future



## Vision

Working together with stakeholders to build the cleanest, most reliable electric system in the nation