

Clarification of Fixed Price TCC Credit Requirement Calculation

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Background

- **On January 30, 2019 the Management Committee unanimously approved the NYISO's proposed changes to the Fixed Price TCC credit requirement**
 - See January 30, 2019 Management Committee materials
 - <https://www.nyiso.com/documents/20142/4677974/04%20Proposed%20Change%20to%20Fixed%20Price%20TCC%20Credit%20Requirement.pdf/c6296d5d-d5de-bd6c-db95-b73bcaf02d46>
- **In the process of software development, the NYISO identified an issue that would benefit from further clarification in the tariff**

Background

- **Historic Fixed Price TCCs (“HFPTCCs”) were first offered in 2008 and are available to Load Serving Entities (“LSEs”) that received transmission service under certain long-term agreements that predated the NYISO’s commencement of operations**
 - These grandfathered transmission agreements are set forth in Table 1A of Attachment L of the OATT
- **HFPTCCs may be purchased by qualifying LSEs upon expiration or termination of such grandfathered transmission service agreements**
 - Qualifying LSEs have the opportunity upon expiration to purchase HFPTCCs beginning either the day after expiration or the first day of the Capability Period following expiration
 - Depending on the LSE’s election as authorized by the OATT, start and end dates of HFPTCCs may not coincide with Capability Period start and end dates

Analysis

- **There are currently three existing HFPTCCs with start dates that do not match the first day of a Capability Period**
 - HFPTCCs are the only Fixed Price TCC instrument that can potentially result in TCCs that do not align with the start of a Capability Period
- **The NYISO proposes to further clarify in the tariff how to calculate the holding requirement for HFPTCCs with start dates that do not align with the beginning of a Capability Period using the proposed enhancements previously approved by stakeholders**
 - The methodology for such calculations is consistent with the methodology for TCCs that do align with start of a Capability Period

Tariff Clarification

- Incremental, clarifying revisions added to Section 26.4.2.4.1.6
- The additional revisions further clarify:
 - The segmentation of TCCs
 - More clearly identifies that the “future six-month” and “one-year” segments of a TCC may consist of less than the full six-month or one-year period
 - This better accounts for the application of segmentation to “off-period” HFPTCCs
 - The source of the market clearing price for HFPTCCs for which less than 12 months are assigned to the one-year segment
 - That the applicable portion of the credit holding requirement for each segment will appropriately account for the number of months in the segment

Next Steps

- BIC March 2019
- BACWG March 2019
- MC March 2019
- Board of Directors April 2019
- FERC 205 Filing April 2019
- Deployment in June 2019 contingent on stakeholder, Board and FERC approval

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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 policy makers, stakeholders and investors in the power system



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