



# Vitol Problem Statement

## Education for NYISO-PJM Spot-In Service

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# Problem Statement

- **PJM's ATC Allocation Process**

- Generally, there is a problem with obtaining spot-in service on the NYISO interface
- NYISO economically evaluates all transactions
- PJM allocates ATC on a first-come, first-serve basis ([until 3/31/2016](#))
- Economic transactions may be prevented from bidding into NY's DA market due to uneconomic transactions holding PJM ATC



- **Transmission Service Utilization**

- There is no preference given to DA market transactions cleared day-ahead over those cleared intra-day

- **Timing**

- PJM's Spot-In product is available at 0900, but NY posts DAM results no earlier than 0935
- Participants incented to reserve Transmission Service in anticipation of DAM results as opposed to waiting for actual DAM results

# Process



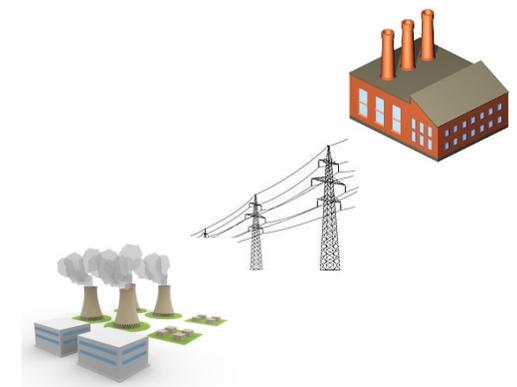
	AFC/ATC	Transmission Service	Interchange
PJM	How much import/export capability do we have?	Sell rights to utilize the Transmission System	Facilitate the import/export of MW across PJM's border
Amtrak	How many tickets can we sell?	Sell tickets to passengers	Manage the boarding process and scan tickets
	Transportation Engineers	Schedules/Fares	Station Staff



Obtaining ramp is no longer a prerequisite on the NYISO seam.

## Three basic prerequisites to scheduling an import to PJM:

- Acquire PJM Transmission Service based on posted ATC sufficient to support the schedule via OASIS, ExSchedule, or a third-party application
  - Spot-In service can be obtained starting 09:00 DA through real-time
- Acquire ramp capability sufficient to accommodate the increase/decrease to PJM's Net Interchange Schedule via ExSchedule or a third-party application
  - Ramp availability on the NYISO interface is validated after NYISO clearing to ensure only economic transactions hold ramp
- Submit a Tag using third-party tag agent software
  - NYISO does not require a Tag to bid into their DAM, but they do require a Tag after clearing
  - When Spot-In becomes available, PJM uses approved Tags to calculate ATC instead of confirmed TSRs



## Checkout Process Overview

- PJM treats an Approved Tag as a schedule
- NYISO curtails Tags to a level matching their economic evaluations between 75 and 20 minutes prior to a scheduling interval
- When NYISO has finalized their evaluation, they initiate a Net Scheduled Interchange checkout with PJM, usually around 20 minutes prior to the start of a scheduling interval
  - Time sensitive
  - PJM Ramp Limit violations addressed during checkout
  - Schedule discrepancies resolved via Tag curtailments



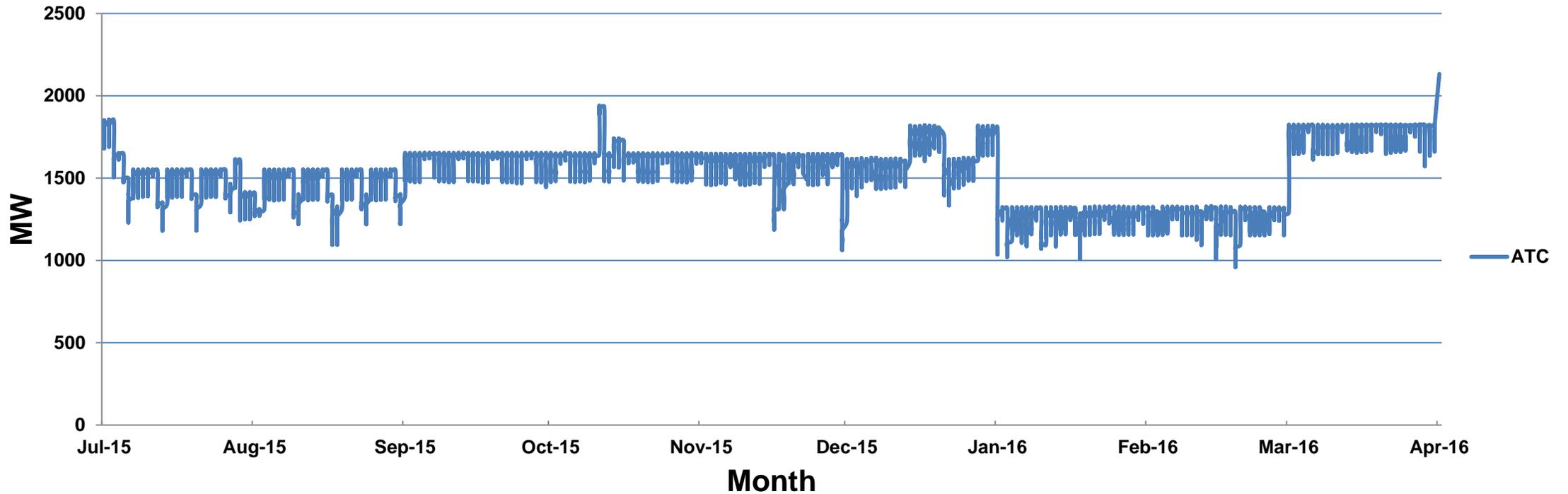
# Process Improvements

<b>2012</b>	Discussed NYISO underutilization concerns at PJM stakeholder forum
<b>2013</b>	<ul style="list-style-type: none"><li>• Implemented screening to identify customers reserving but not utilizing the Spot-In product</li><li>• Request for NYISO to include PJM ATC in their clearing engine</li></ul>
<b>2014</b>	Implemented delayed ramp functionality on the NYISO seam as part of the CTS project
<b>2015</b>	Moved the ATC scheduling horizon window from 10 AM to 9 AM to better align with the spot-in earliest request time
<b>2016</b>	Extended the 5-minute Shotgun Start window to Spot-In service

# Supporting Data

# Hourly ATC from July 2015 through March 2016 at approximately 10 AM one day-ahead

## DA Spot-In ATC at 10AM



- DA ATC values show what market participants would have seen on OASIS approximately 1 hour after the 09:00 earliest request time for Spot-In
  - This is after the initial flurry of first-come, first-served activity
  - Effective March 31 2016, First-come, first-served is no longer the practice for obtaining Spot-In
- Data shows ATC availability for participation in NYISO DAM on average of 1,500 MW per hour

Month	Min	Max	Average
July	1180	1855	1484
August	1095	1552	1428
September	1446	1654	1592
October	1472	1940	1601
November	1062	1650	1542
December	1334	1822	1605
January	1008	1327	1243
February	959	1329	1253
March	1572	2133	1745
<b>Total Period</b>	<b>959</b>	<b>2133</b>	<b>1500</b>

# Compliance

- In the 1996-1998 timeframe, some entities such as PJM adopted practices that aligned with the pro-forma OATT and Open Access requirements outlined in FERC Orders 888 and 889. These requirements were reinforced in FERC Order 890.
- Other entities, such as NYISO, created a market construct that deviated from the pro-forma and obtained the appropriate waivers.
- FERC requires transmission service for all transactions under the pro-forma construct.
- NERC MOD and INT standards, NAESB WEQ business practices govern ATC and interchange requirements.



- Entities have raised concerns about unlimited products, citing language in the JOAs and potential impact to reliable operations.
  - Each Party will limit approvals of requests for transmission service between the Parties, including roll-over transmission service, so as to not exceed the lesser of the sum of the thermal or stability capabilities of the tie lines that interconnect the Parties
- Entities have also expressed similar concerns in the NAESB forum and have proposed language to address their concerns.
  - NAESB WEQ XXX-1.4.1 Each Transmission Service Provider shall limit the Interchange Schedule (both Firm and non-Firm) of the reservations on an ATC path into and out of Transmission Service Provider's BA on an interface with another BA such that the net Interchange Schedule does not exceed the sum of the Facility Ratings of Tie Facilities, to which Transmission Service Providers mutually agree they have the right to use the Tie Facilities that comprise the ATC Path, between the two BAs.

