

Generation Offers within the New York Energy Market

Mike DeSocio

*Manager, Energy Market Design
New York Independent System Operator*

Generator Offer Flexibility Senior Task Force

June 29, 2015

PJM Teleconference

Background

- ◆ **Generator Offers are three part:**
 - ***Startup Costs***
 - **Either with a hourly startup cost provided in the offer; or**
 - **With a startup cost duration curve which escalated based on time off-line**
 - ***Minimum Generation Costs***
 - ***Incremental Costs***

- ◆ **Generator Offers can vary hourly in the Day Ahead and Real-Time Energy Markets**

See [Market Participants User's Guide](#)

Background

- ◆ **Generator Commitment information can be modified at any time, takes effect immediately, and includes:**
 - *Minimum Run Time (in hours)*
 - *Minimum Down Time (in hours)*
 - *Maximum Stops per Day*
 - *Startup Notification Time (in hours)*
 - **Not used if Startup Notification Time Curve is provided**
 - *Startup Cost Curve (up to 6 startup cost/hours off-line pairs)*
 - *Startup Notification Time Curve (up to 6 hours to start/hours off-line pairs)*

See [Market Participants User's Guide](#)

Background

- ◆ Separately, the NYISO determines **Generator Reference Level Costs** used in application of market power mitigation based on separately submitted **Generator cost data** which includes:
 - *Heat Rate Data*
 - *Fuel & Emission Cost Data*
 - *Startup Cost Data*
 - *Variable Cost Data*
 - *Risk & Opportunity Data*
- ◆ The NYISO Market Mitigation & Analysis group reviews all submitted cost data prior to its use in the market
- ◆ This information is provided using the Reference Level Software (RLS) application

See [Reference Level Software User's Guide](#)

Rules at Startup

- ◆ **DAM-committed generators were not permitted to increase:**
 - *Incremental Bids for generation that received a DAM schedule*
 - *Minimum Generation Bids*
- ◆ **Only permitted to increase the incremental energy bid curve on Real-Time bids above generator's DAM schedule**

Rules at Startup

- ◆ **Real-Time offers could vary hour by hour and updated throughout the operating day**
- ◆ **Real-Time offers were due 90 minutes prior to the operating hour**
 - *Offers for 15:00 were due at 13:30*

Allowing more flexibility

- ◆ **Since 2010, generators have been allowed to increase the RT bids for DAM-committed incremental energy**
 - ***For fuel-related cost or type changes:***
 - **MPs may submit fuel type and fuel cost information with updated RT bids**
 - **Reference Level Software (RLS) will use fuel costs to adjust reference levels, subject to RLS rules**
 - **Available fuel types must be provided/approved ahead of time**
 - ***For other cost increases:***
 - **MPs will submit updated RT bids if they choose to use this feature**

Allowing more flexibility

- ◆ **Real-Time offers and fuel costs can still vary hour by hour and updated by Market Participants throughout the operating day**
- ◆ **Real-Time offers are now due 75 minutes prior to the operating hour**
 - *Offers for 15:00 are due by 13:45*
- ◆ **Qualified Combined Cycle generators can receive real-time economic commitments where they are guaranteed a minimum 2 hour run time**

Maintain Availability

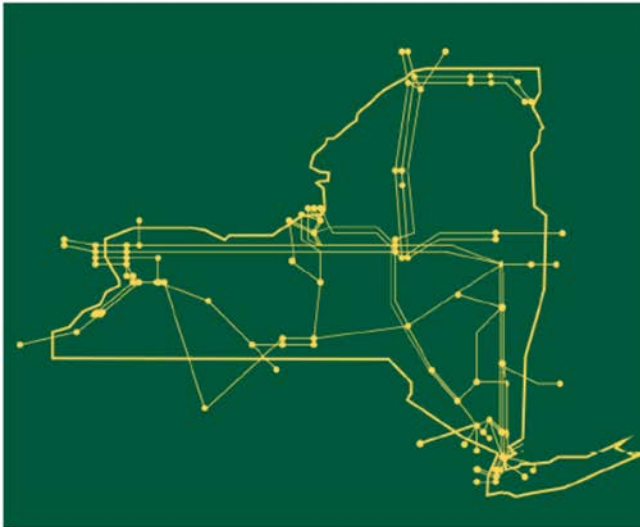
- ◆ **For DAM-committed generation:**
 - *Minimum Generation MW Bid cannot be changed for the hours of Day Ahead Commitment*
 - *Minimum Generation Bid (\$) cannot be increased for the hours of Day Ahead Commitment*
 - *Start-Up Cost (\$) cannot be changed*
 - **For DAM-committed units, start-up cost was already used in SCUC and reflected in generator's DAM schedule and settlement**

Managing Settlement Impacts

- ◆ **No DAMAP shall be paid a to Generator for:**
 - *any hour in which the Incremental Energy Bids submitted in the RT market exceed those submitted in the DAM for the portion of the Generator's Capacity that was scheduled Day-Ahead; and*
 - *the two hours immediately preceding and the two hours immediately following the hour(s) with the increased RT Bids*

- ◆ **Maintain Load and Balancing Market settlements**
 - *Loads that purchase DAM energy continue to pay the contracted DAM price. Anyone in the balancing market continues to buy/sell balancing energy at the RT price.*

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.



www.nyiso.com