

Buy-Through of Congestion

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Benefits

- ◆ “Buy-Through of Congestion” will provide for the recovery of congestion management costs incurred in managing loop flow impacts.
 - *Provides an alternative to market and operational interruptions caused by Transmission Loading Relief (TLR) events.*
 - *Similar service provided by PJM as “Transmission Loading Relief Buy Through (TLR_BUY_THRU) Capacity Type” as defined in “PJM Regional Transmission and Energy Scheduling Practices” document.*

Previous Discussions

- ◆ Review of proxy pricing protocols impact on Lake Erie loop flows
 - *MIWG – December 16, 2008*
 - Reviewed pre-existing conditions and sources of loop flows.
 - *MIWG – February 6, 2009*
 - Reviewed of impacts of incorporating PJM proxy pricing protocols.
 - *MIWG – March 20, 2009*
 - Reviewed implication of reducing the 75 minute bid lockout.
- ◆ Review of solution alternatives
 - *Sector Meetings*
 - Identified opportunities for financial settlement to recover congestion management costs incurred.

Current Practice

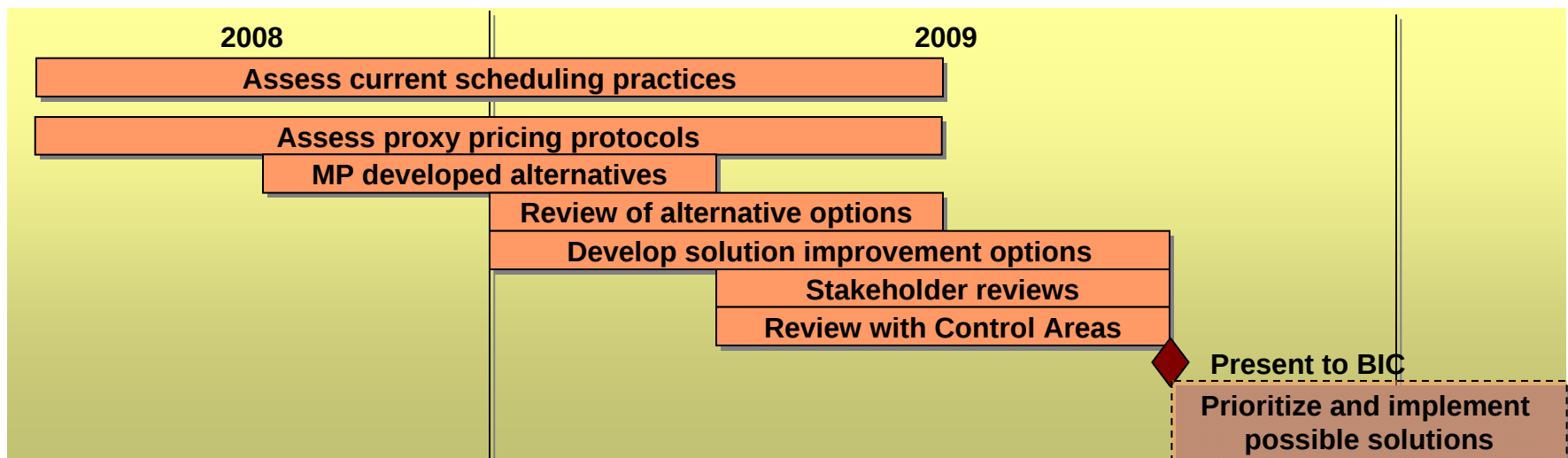
- ◆ Transmission Loading Relief events initiated when:
 - *Lake Erie loop flow exceeds 500 MW*
 - *NYISO is off-cost to manage congestion on defined flow gates.*

Concept

- ◆ Parties scheduling transactions around Lake Erie, but not with NYISO, would register those transactions with NYISO.
 - *Transactions would not be subject to NY initiated TLR events.*
 - *Parties would be billed for congestion costs incurred by NY to support the transaction, as captured by OH and PJM proxy bus prices.*
- ◆ Recognize the potential for cost exposure. Reviewing opportunities to manage risk.

Loop-Flow Solution Development

Description	Schedule	Status
Assess proxy pricing protocols	Q2-2009	MIWG reviews on 12-16-2008 and 02-06-2009 of historical and PJM methodologies.
Market Participant developed alternative proposals	Q1-2009	No additional proxy pricing proposals suggested. Requested to consider representing additional scheduling nodes.
<i>Review alternative proposals</i>	Q2-2009	Reviewed concepts with PJM.
Develop solution improvement options		
<i>Stakeholder reviews</i>	Q3-2009	Congestion Management Technical Conference (02-12-2009), Stakeholder Sector meetings (April, 2009)
<i>Review options with control areas</i>	Q3-2009	Issue review and remediation suggestions developed at 03-23-09 meeting with PJM, OH, MISO
Present recommendations to BIC	Q3-2009	On-Schedule





The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and provides comprehensive reliability planning for the state's bulk electricity system.

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