Coordinated Transaction Scheduling

Summary of the changes to the ISO-NE/NYISO Coordination Agreement and ISO-NE Tariff for the anticipated 2015 implementation of Coordinated Transaction Scheduling with NYISO
Agenda

• Background
• Coordination Agreement Changes
• OATT Changes
• Market Rule 1 Changes
• Next Steps
Background - References

• **Coordinated Transaction Scheduling** (CTS) core changes:
  – Result of joint New York and New England stakeholder process
  – Filed February 24, 2012 ([ER12-1155-000](https://ferc.gov/)
  – Accepted by the FERC April 19, 2012

• Design options leading to the filing are described in:
  – ISO-NE and NYISO White Paper on [Inter-Regional Interchange Scheduling: Analysis and Options](https://ferc.gov/)
  – [Design Basis Document](https://ferc.gov/) for NY/NE Inter-Regional Interchange Scheduling (IRIS)

• CTS is currently scheduled for implementation in Q4 2015
Background – Motivation for Project

• Inefficient Scheduling Root Causes
  – **Latency Delay.** The time delay between when the tie is scheduled and when power flows, during which time system conditions and LMPs may change.
  – **Non-economic Clearing.** The ISOs make decisions about which tie schedule requests to accept without economic coordination, producing inefficient schedules.
  – **Transaction Costs.** The fees and charges levied by each ISO on external transactions serve as a disincentive to engage in trade, impeding price convergence and raising total system costs.

p. II-15 whitepaper
Background – CTS Design

• Interface scheduled every 15 minutes to reduce latency delay

• Simplified bid format and a clearing rule that coordinates economic clearing of external transactions between the two ISOs
  – Interface Bid is “a unified real-time bid to simultaneously purchase and sell energy on each side of an external interface for which the enhanced scheduling procedures…” are implemented
  – CTS eliminates requirement for separate transactions to be submitted to each ISO in real time

• Elimination of transaction fees associated with CTS transactions
Background – CTS Process Overview

NYISO (RTC)
- Produce net interchange for future intervals
- Clear bids
- Calculate External Interface Congestion

ISO-NE
- Calculate Supply Curves for future intervals
- Calculate Reliability Limits for future intervals

NY and NE Market Participants Submit bids

Each ISO operates in RT and produces RT prices
Each ISO performs independent settlement

Relates to future time intervals
Relates to real-time
Relates to settlement
Coordination Agreement Changes - Summary

  - Changes to main body
    - Add conforming CTS-related definitions
    - Add new CTS data exchange content
    - Update of Confidential Information and CEII treatment
    - Address unauthorized transfer of 3rd-party intellectual property
    - Add section to describe current checkout processes
    - General cleanup
  - General cleanup to Schedule A, Schedule B and Schedule C
  - Add Schedule D to address CTS details
Coordination Agreement Changes – Schedule D

• Covers administrative and operational details that require agreement between ISO-NE and NYISO including:
  – Obligations of each area with respect to the CTS processes
  – Use of reliability limits in CTS solution
  – Allocation of external interface congestion
  – Operational practices for capacity requests
  – Non-standard CTS operations
  – Settlement responsibilities
Section II – OATT Changes

- Revise Section II.44 - Scheduling and Curtailment Rules to differentiate between provisions applied to:
  - external interfaces that are subject to CTS;
  - external interfaces that are not subject to CTS; and
  - all external interfaces

- Exclude CTS reserved capacity from Schedule 2 – Reactive Supply and Voltage Control Service charges

- Revise Attachment C - Available Transfer Capability Methodology to recognize both hourly and sub-hourly scheduling intervals

- General cleanup
Market Rule 1 Changes (from 2/11/2015 MC Mtg materials)

• Update the CTS offer window to 75 minutes prior to start of the hour to align with NYISO rules
• Remove the Northport-Norwalk external location from the CTS scheduling provisions
• Retain hourly settlement for Inadvertent Energy
• Review and relocate the CTS NCPC changes due to changes made in Energy Market Offer Flexibility project
• Review of CTS LMPc changes due to LMPc Replacement project
The table below shows the expected path of the various documents at the ISO-NE stakeholder committees

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Technical Committee votes expected no later than June