



Spot-in Transmission Service for Imports from New York ISO

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March 9, 2016



Overview of the Issue

- *Process for allocating spot-in transmission presents barriers to participants importing energy into PJM from NYISO*
 - *First-come, first-served process*
 - *Misalignment of timelines: NYISO DA market vs. timeframe for requesting spot-in service*
- *Participants with cleared NYISO DA market export schedules may not be able to obtain spot-in transmission service to match their schedules*
 - *Obtaining spot-in service is separate from NYISO's DA economic evaluation*
 - *No priority given for obtaining spot-in service based upon cleared transactions*



Background Information

- *Spot-in transmission is an hourly service used to import energy*
 - *Spot-in is free, but limited in quantity*
 - *Spot-in may be reserved the day prior to expected flow*
 - *Spot-in deliveries are at the PJM border – no transmission service rights*
 - *Imports scheduled DA using spot-in may set DA price*
 - *Imports scheduled RT using spot-in are price-takers*
- *Participants utilize spot-in service to compete on near-term import supply opportunities*
 - *PJM created spot-in to enable non-LSEs to offer competitive supply at the seams to reduce the marginal cost of energy to load; see page 11 of PJM's Regional Transmission and Energy Scheduling Practices*

Timeline and Product Design Issues



- *Timeline for DA market participation*
 - 5:00 AM: NYISO DA market bid/offer deadline
 - 9:00 AM: Open window for reserving next-day spot-in service; first-come, first-served
 - 9:35 AM: NYISO releases DA market results (although can be as late as 11:00 AM)
 - 12:00 PM: PJM DA market bid/offer deadline (10:30 AM starting 3/31/16)
- *Misalignment of timeline as well as product design can lead to challenges*
 - Free but limited quantity of spot-in service creates an incentive to reserve service prior to knowing NYISO results
 - Waiting to see NYISO DA results can lead to a mismatch of export schedules and spot-in transmission
- *NYISO DA market clearing process determines exports based upon economics and transmission availability*
 - Participants compete based upon transaction economics
 - In obtaining PJM spot-in service, no priority is given to participants with cleared NYISO DA export schedules

Undesirable Outcomes



- *Participants with cleared NYISO DA export schedules but no transmission have imbalances leading to unexpected real-time exposure*
- *Transmission may not be utilized efficiently*
- *Competition may be reduced during periods when it's needed the most*