



Spot-in Transmission Service for Imports from New York ISO: Continued Discussion on the Challenges of the Current Design

Presented by Joe Wadsworth, Vitol Inc.

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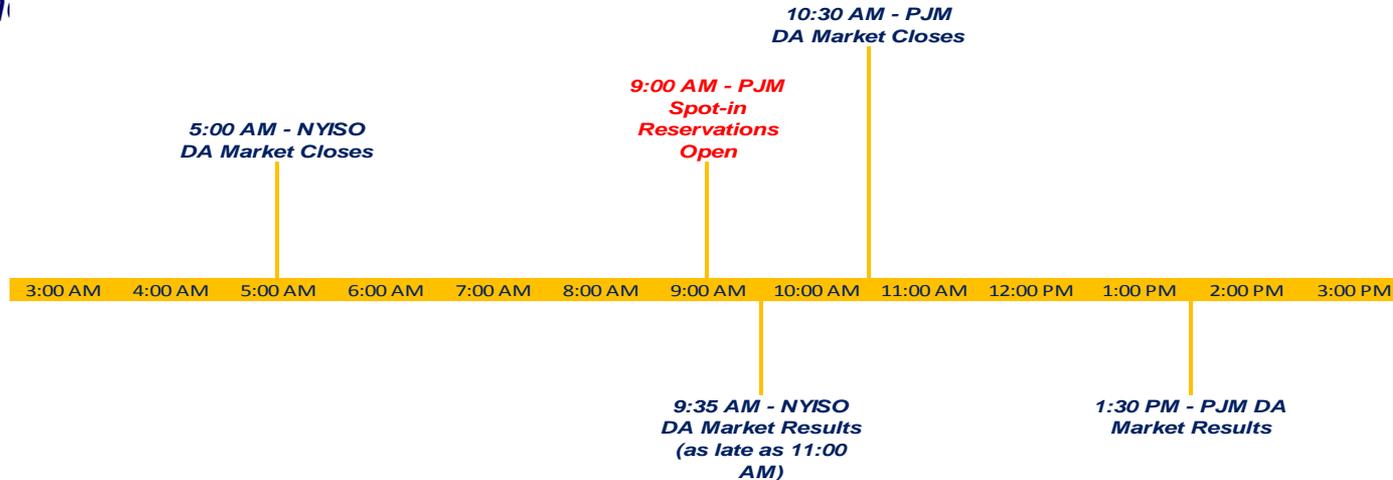
Overview of the Issue

- *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*
 - *Free but limited quantity of spot-in service creates an incentive to reserve service prior to knowing DA results*
- *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*
- *This structure can lead to undesirable outcomes*
 - *Participants with cleared NYISO DA export schedules but no transmission may 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*

Day-Ahead Timeline



- *Key elements of the NYISO and PJM DA timelines illustrate the misalignment of requesting of spot-in service prior to knowing DA schedules*
- *While there may be opportunities to request released spot-in service after the initial opening, this does not automatically mitigate the risk of not getting the*



Current Rules Do Not Provide Certainty



- *Participants desire certainty in obtaining spot-in transmission to support cleared DA schedules; this certainty doesn't exist*
- *A strategy could be to request as much spot-in at 9:00 AM as you can or as you expect to clear for imports from NYISO*
 - *Not knowing how much spot-in is actually needed makes right-sizing difficult*
 - *Frequent over-requesting, under-utilization could raise red flags – unintended consequence*
 - *Not obtaining enough spot-in leaves shortages that must be filled with service released after the initial window – no guarantees*
- *A strategy could be to request spot-in service after receiving your DA schedule from NYISO*
 - *May mitigate the red flag risk, since the needed quantities are known*
 - *Risk of not obtaining enough spot-in to support cleared DA schedules increases*

Solution Ideas



- *Unlimited spot-in reservations for the NYISO seam only*
- *Automatic assignment of spot-in transmission to participants with cleared DA transactions in both NYISO and PJM*
- *Move spot-in reservation start time to occur after DA results are released; give priority to participants w/ cleared DA transactions*
- *Remove the transmission requirement for transactions w/ NYISO*
 - *Discuss/explore the arrangement between NYISO and ISO NE*