



# NYISO-PJM Spot-In Solution Ideas Vitol Problem Statement

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- **Review**

- Historically, during times of extreme high loads or stressed system conditions, PJM ATC has at times been limiting on a day-ahead basis
- PJM's analysis shows ATC has been available since July 2015 for all hours on a day-ahead basis in excess of 900 MW each hour
- PJM has made several major process improvements over the years to ensure accurate and robust spot-in ATC as outlined during the June 8 educational session
  - Ramp is no longer a 'prerequisite' for service on the NY seam
  - Tags are used to decrement ATC when spot-in becomes available
  - The first-come, first-served process no longer applies as of 3/31
- Vitol and PJM were asked to bring back details on the solution ideas discussed at the June 2016 MIC meeting



- A PJM ‘market limited’ Spot-In product on the NYISO seam would enable a wider range of bidding activity by removing ATC limitations as a barrier to economic bid submission
  - **Pros**
    - Uneconomic bidding activity would no longer impact the submission of economic bids
    - PJM ATC limitations would be applied to cleared transactions as opposed to submitted bids
  - **Cons**
    - Such a solution could result in unforeseen risk such as additional curtailments, unexpected congestion, and potential uplift
      - This risk is reduced if PJM’s ATC is included in the NYISO clearing engine

- PJM's data reflects limited and infrequent cases where Spot-In service availability has prevented bid submission into NYISO's market. As such, a status quo solution is one possible outcome.
  - **Pros**
    - Recent design changes have improved ATC availability and have significantly increased opportunity on the NYISO seam
    - ATC is rarely a barrier to Spot-In trading and was not a barrier in Summer 2015 or Winter 2015/16
  - **Cons**
    - Extreme system conditions may impact ATC and bidding activity. Spot-In service availability may be limited at these times
    - Uneconomic bids may reduce available transmission service

