



Day-Ahead Window Optimization Study

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Technical conference to discuss opportunities for increasing real-time and day-ahead market efficiency through improved software

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Overview

- ◆ **Study Highlights**
- ◆ **Background**
- ◆ **Model Framework & Setup**
- ◆ **Results**
- ◆ **Conclusion**

Study Highlights

- ◆ This study was motivated by the question of whether the Day-Ahead market could be better optimized by shifting the operating period through changing the electric day start times
- ◆ The analysis looked at several metrics, such as:
 - *changes in production cost*
 - *unit commitment*
 - *energy marginal costs*
 - *import/export transactions*
- ◆ Preliminary results show that shifting the Day-Ahead window will have:
 - *Small impact in energy marginal costs, unit commitment, and production costs*
 - *Significant impact in import/export transactions across successive days*
 - *Generators with long minimum run times would be incentivized to change their bidding behavior*

Background

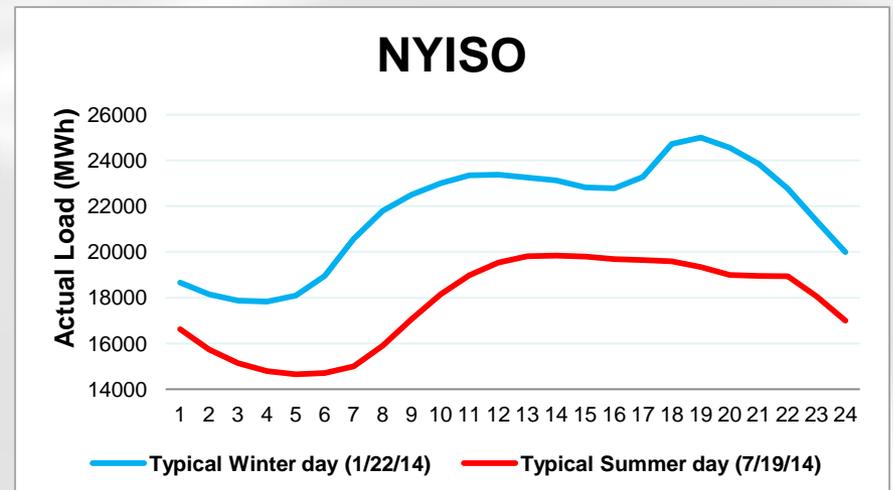
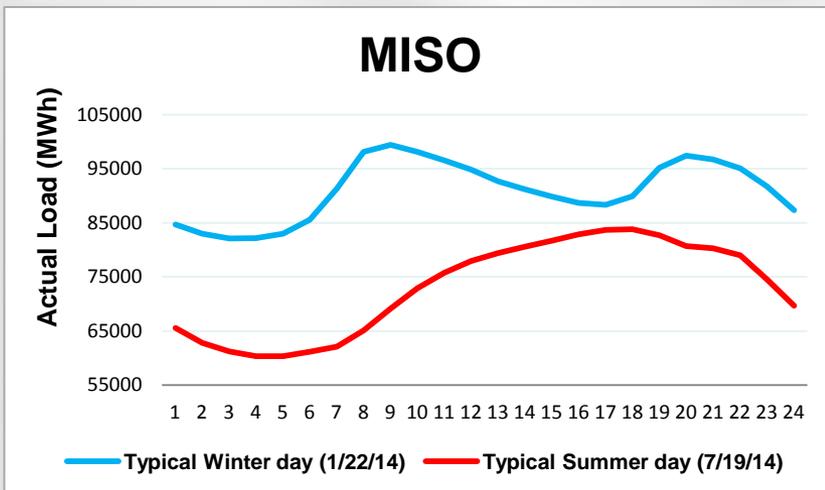
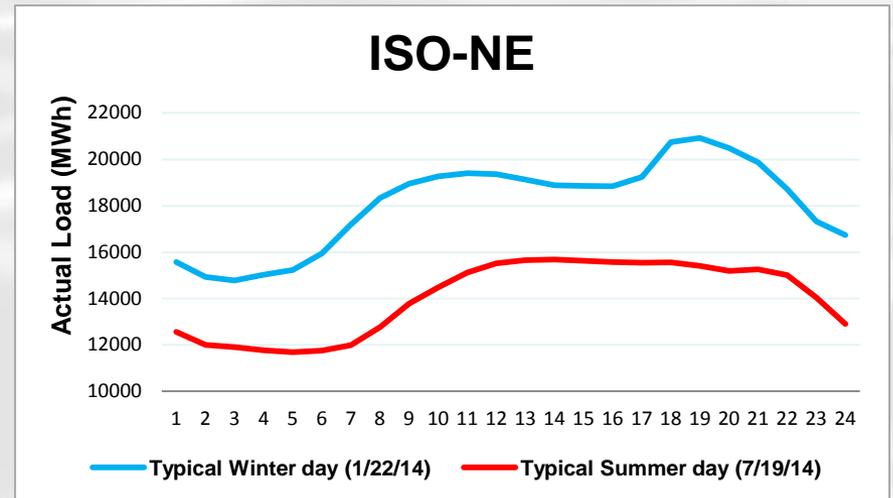
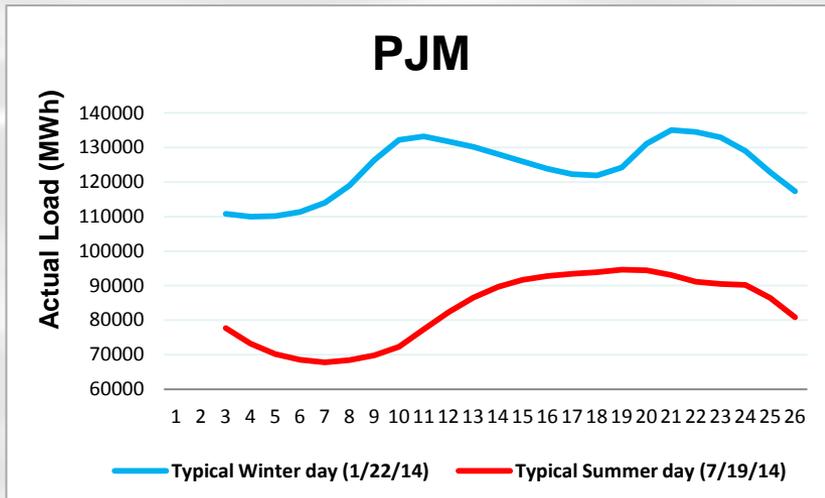
◆ Fundamental question

- *Given the resource mix and the NY electricity market's traditional load pattern, what is the ideal window of operation in order to optimize dispatch?*

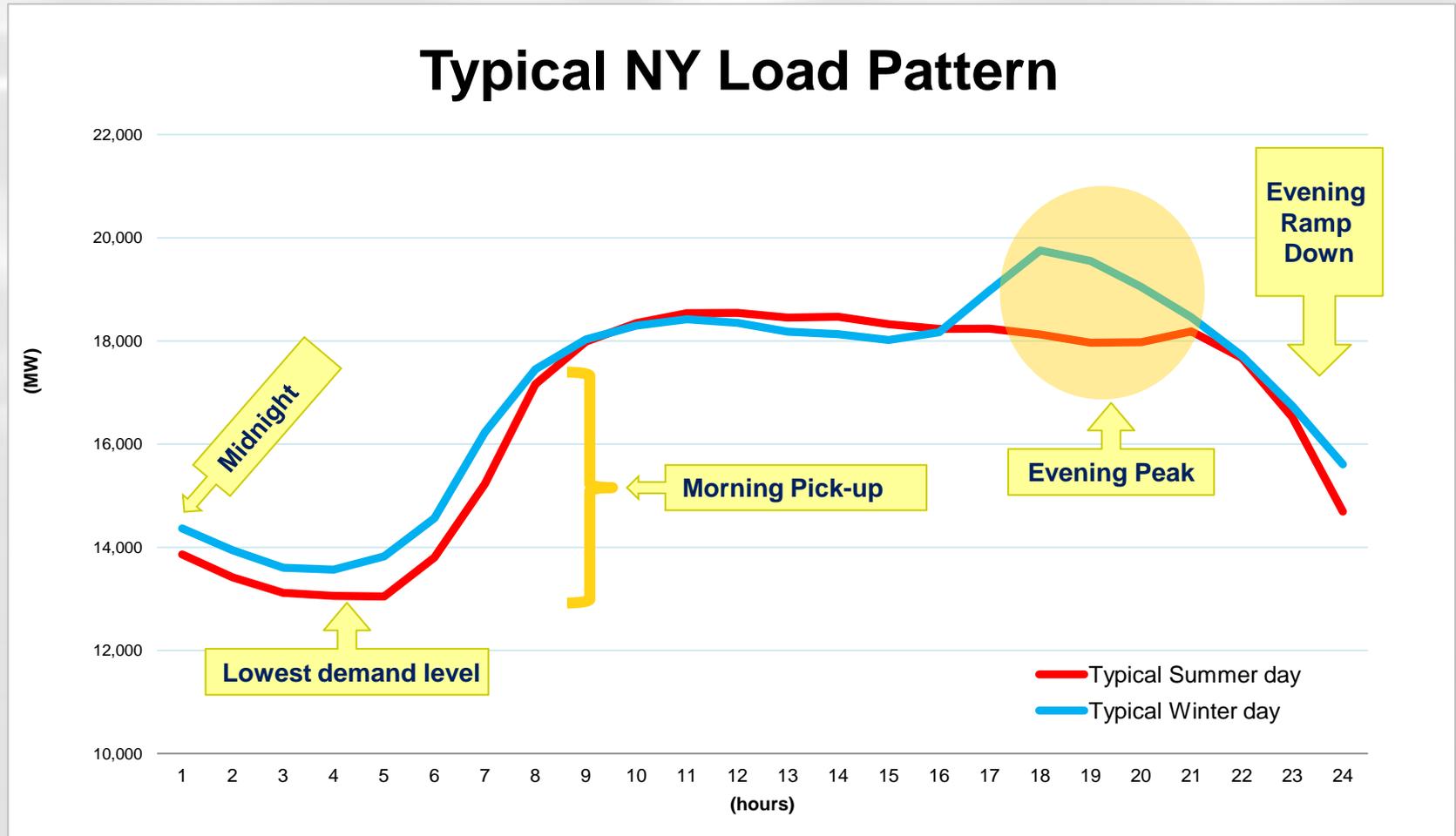
◆ Potential benefits

- *Better market efficiency in terms of optimum use of generating resources*
- *Production cost minimization*
- *Benefits of better alignment between gas market and electricity market*

Typical Load Profiles

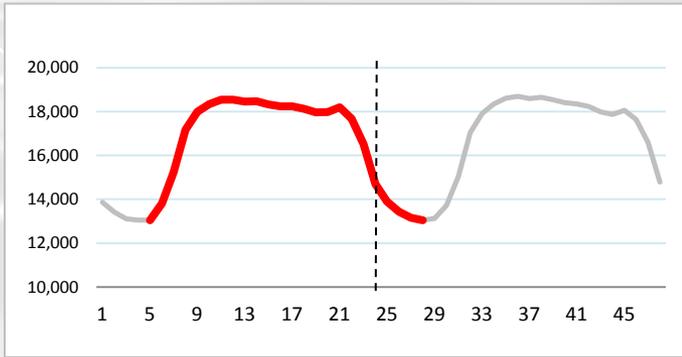


In New York

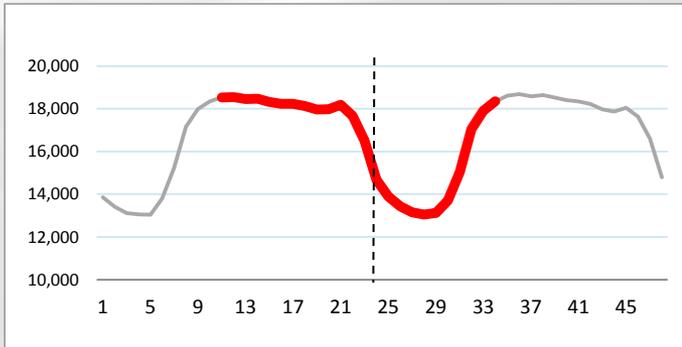


Alternative NY electric days

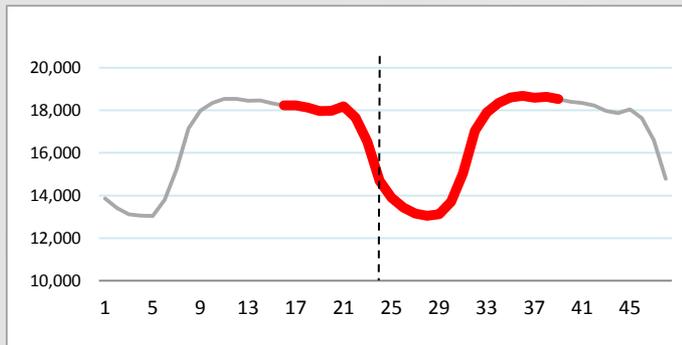
Summer



**Alternative
electric day:
04:00 –
03:00**

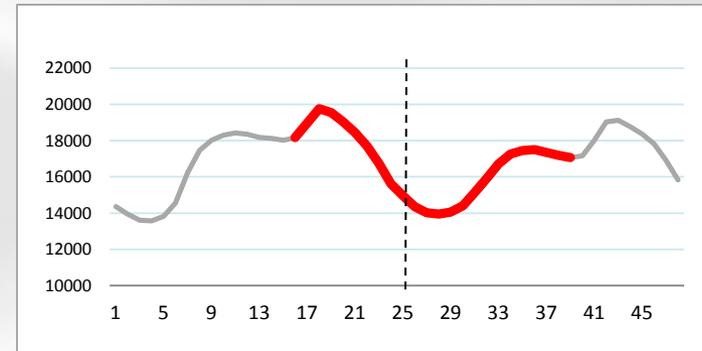
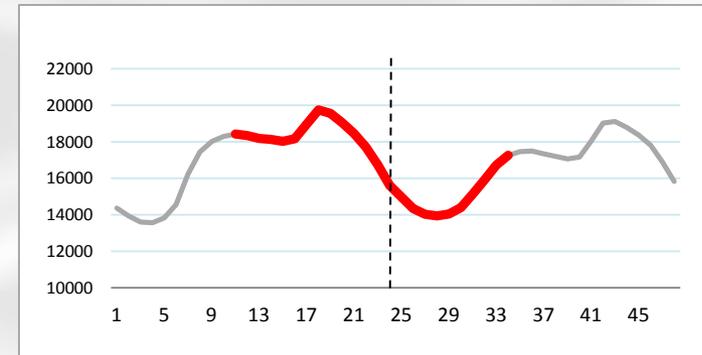
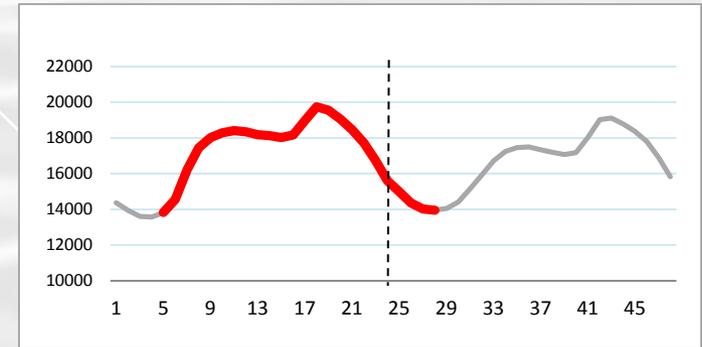


**Alternative
electric day:
10:00 –
09:00**

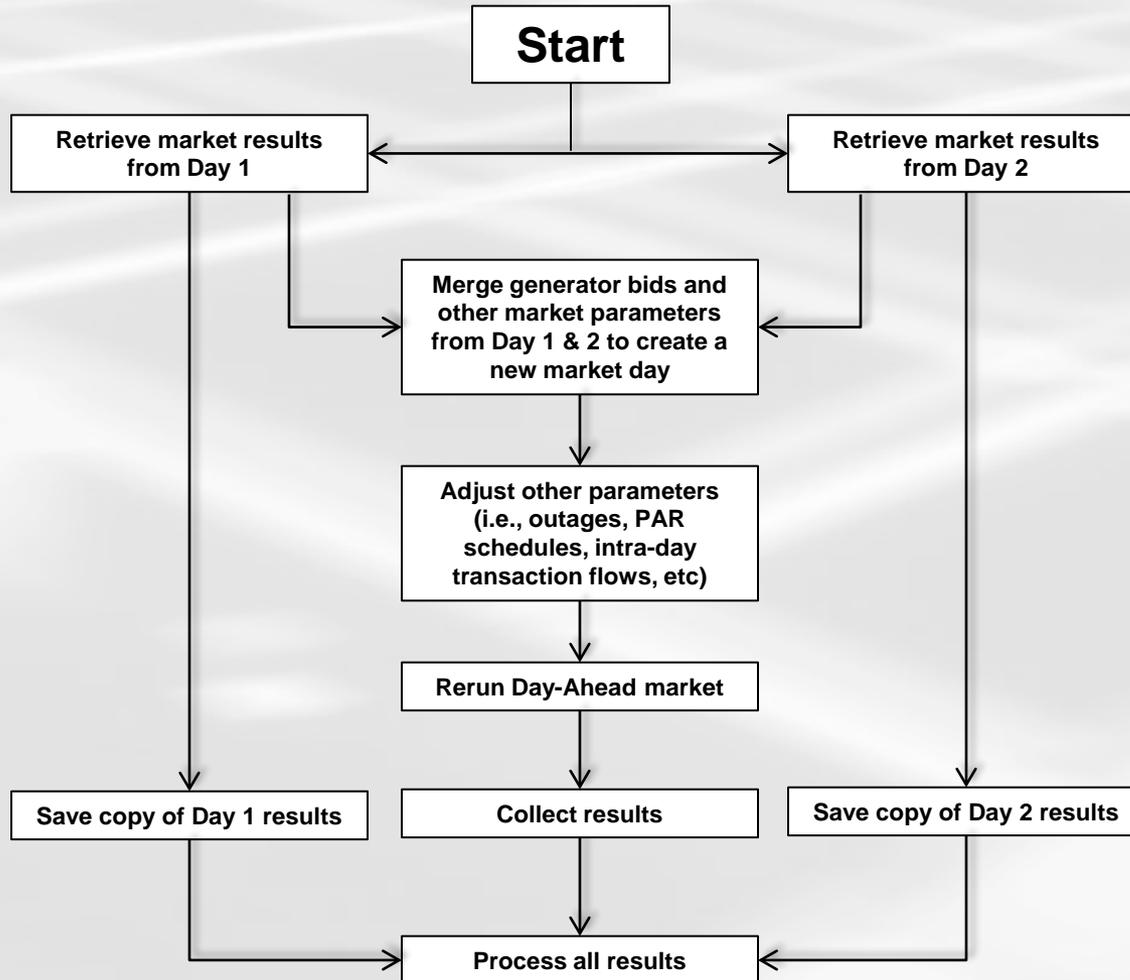


**Alternative
electric day:
15:00 –
14:00**

Winter



Study Framework

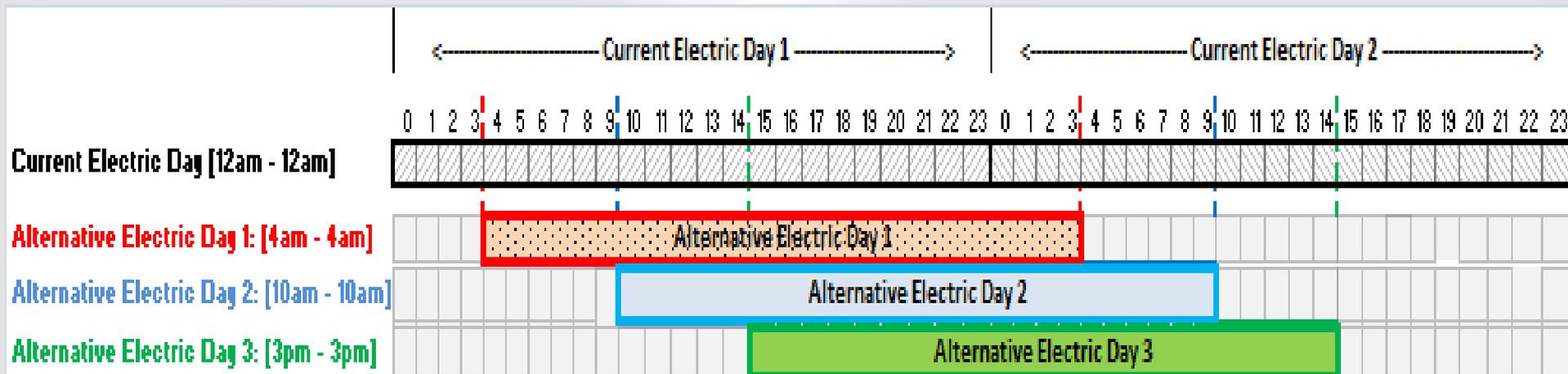


Study Setup

- ◆ **Create an alternative electric market day by merging bids and other market data from two consecutive days**
- ◆ **No market parameters are changed, only shifted by start time interval**
- ◆ **Bidding behavior is not simulated**
- ◆ **Only Day-Ahead market is studied, no Real-Time impacts are evaluated**

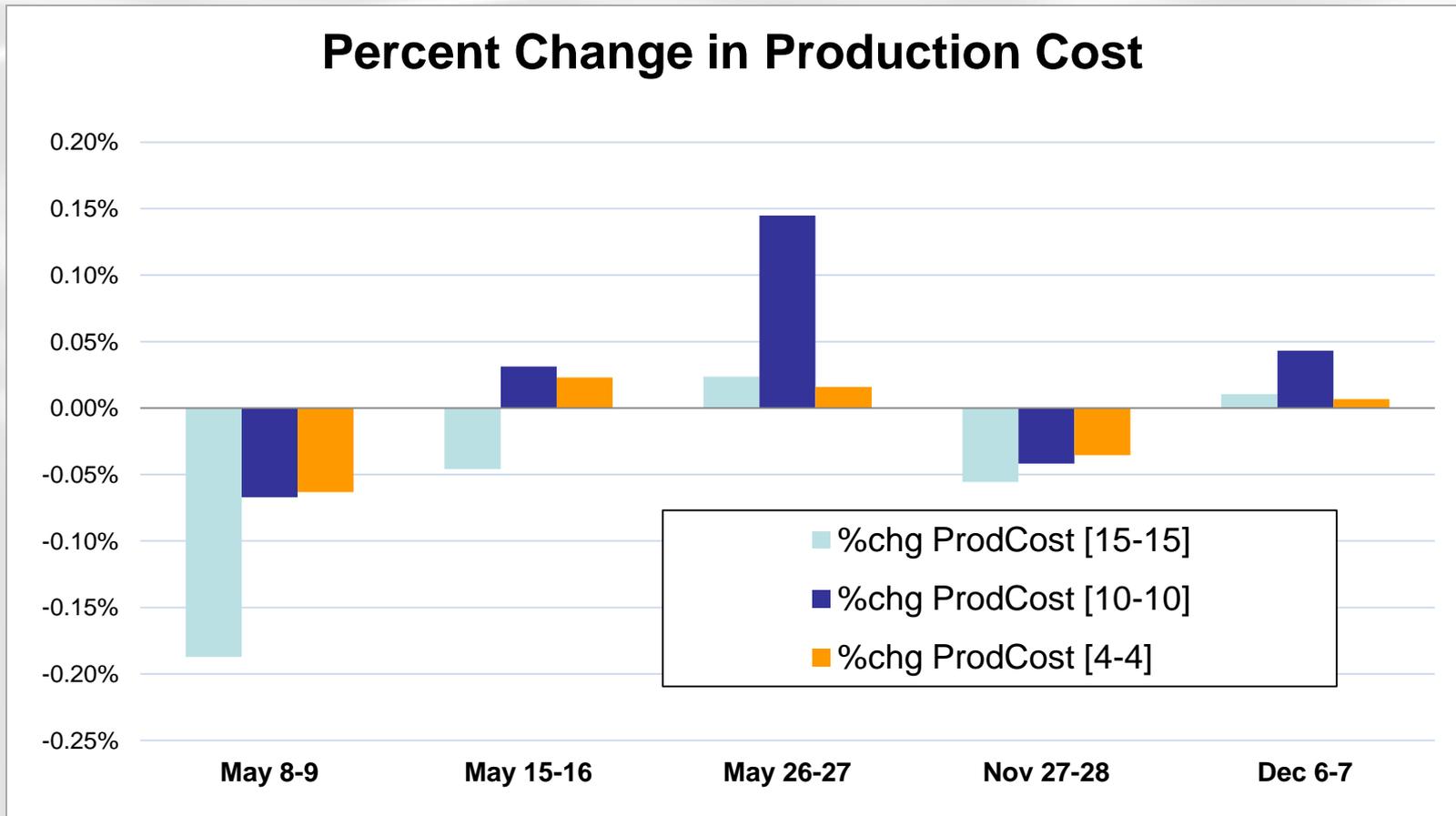
Case Studies

- ◆ **Independent days:**
 - Case 1: alternative electric day of 04:00 – 03:00 (EST)
 - Case 2: alternative electric day of 10:00 – 09:00 (EST)
 - Case 3: alternative electric day of 15:00 – 14:00 (EST)
- ◆ **Consecutive days:**
 - Case 4: 1 week of consecutive alternative electric days of 10:00 – 09:00 (EST)
- ◆ **3 Summer Days (May 8–9, May 15–16 and May 26–27)**
- ◆ **2 Winter Days (Nov 27–28, Dec 6–7)**
- ◆ **1 summer week: May 8–14**

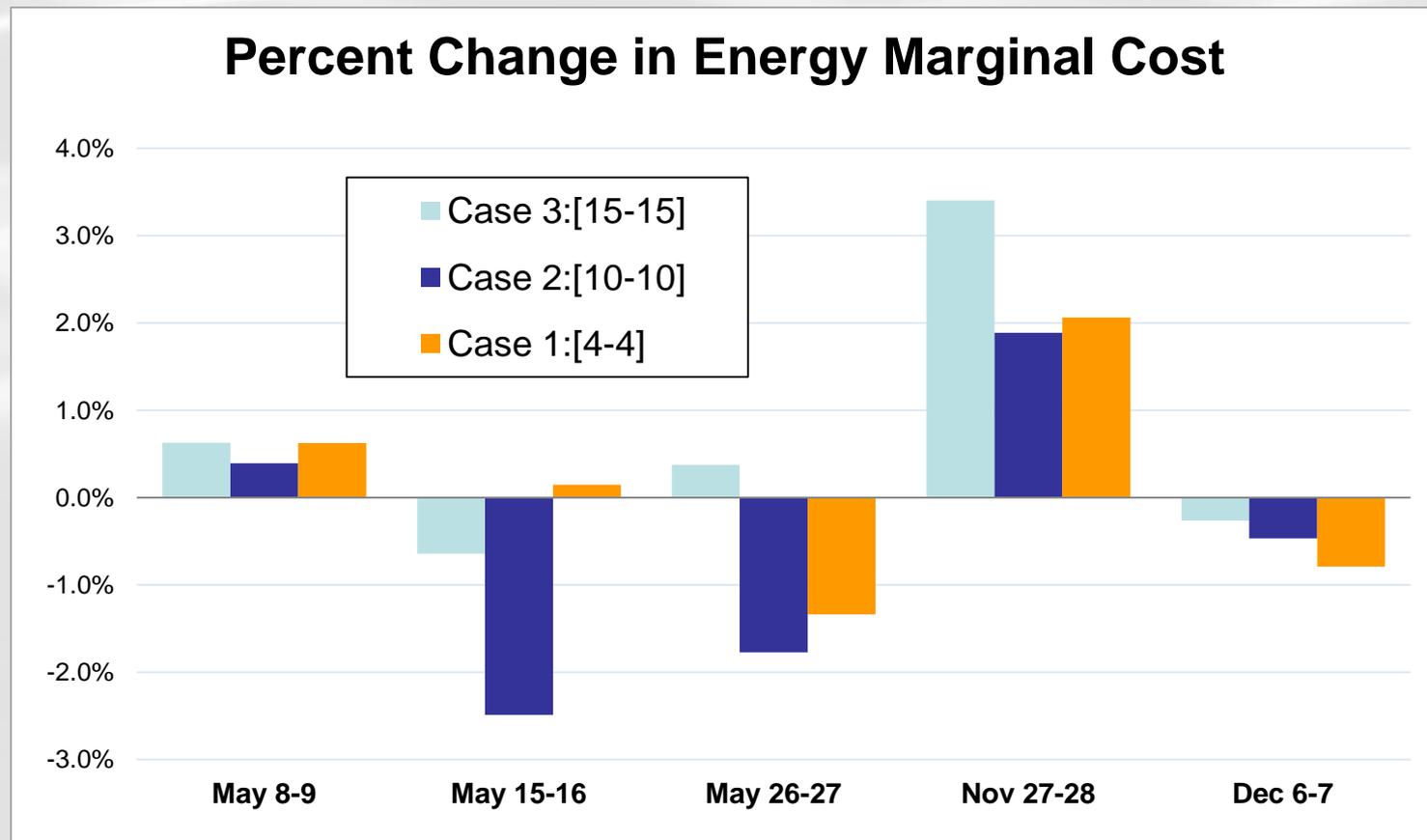


Study Results

Minimal production cost impact

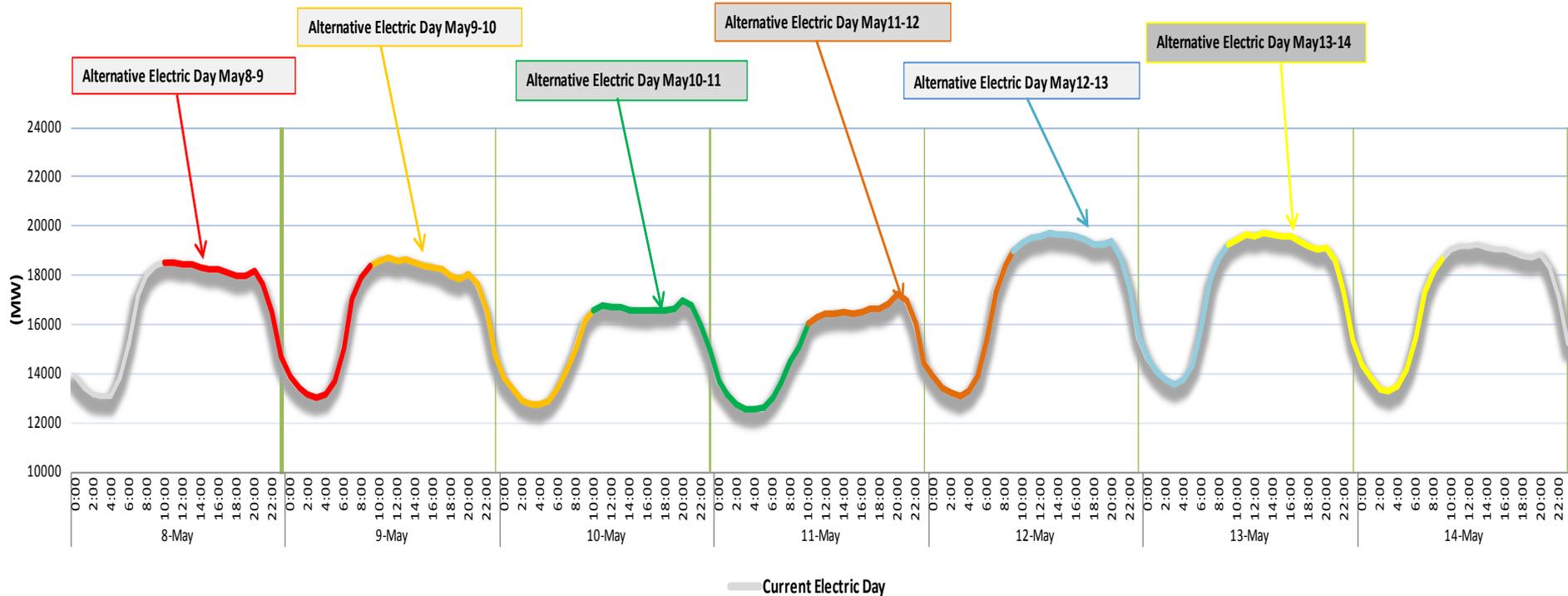


Minimal energy marginal cost impact

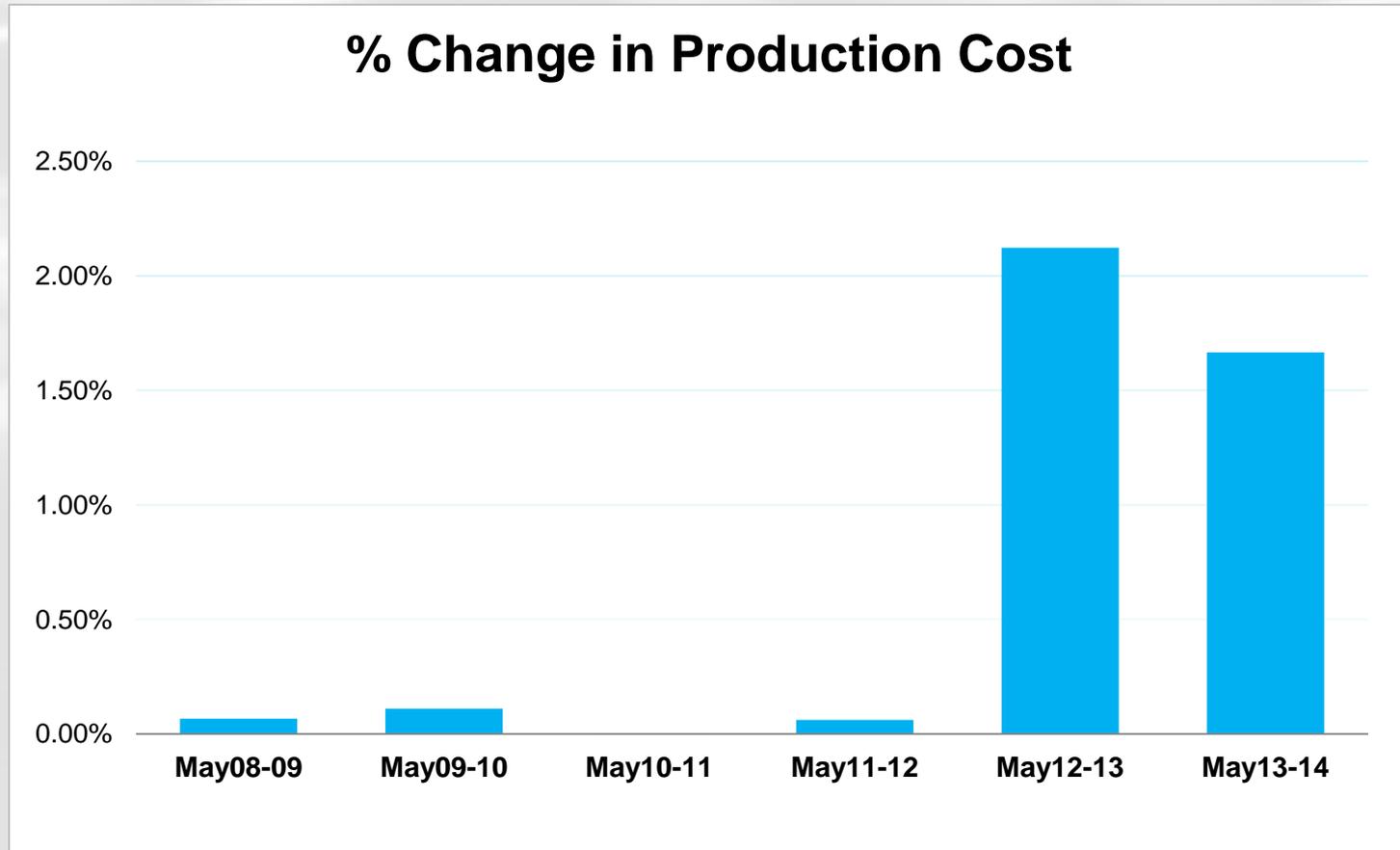


Case Study - Continuous Days

Load Profile May 8 - 15 with Continuous Case for alternative [10 - 10] electric days shown in colors



Minimal system production cost impact



Unit Commitment

- ◆ **Shifting the Day-Ahead window has a significant impact on generator commitment and maintenance schedules, especially units with long minimum run time**
- ◆ **Currently, these units tend to avoid late starts by bidding higher costs toward the end of the electric day**
 - *The NYISO does not enforce minimum run or minimum down time across two market days*
 - *In the Day-Ahead window 10am – 10am scenario, these units are expected to bid higher costs during the morning pickup to avoid starting late in the electric day*
- ◆ **As a result, the potential savings from changing the electric day may be understated because the study strictly enforced unit commitment parameters but could not account for changes that unit owners could have made in response to the changed timing of the electric day**

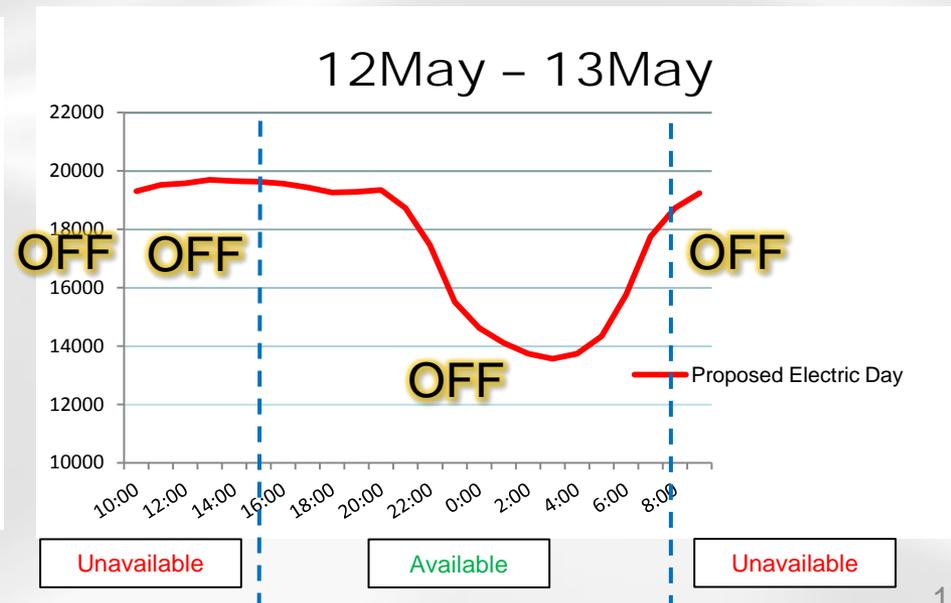
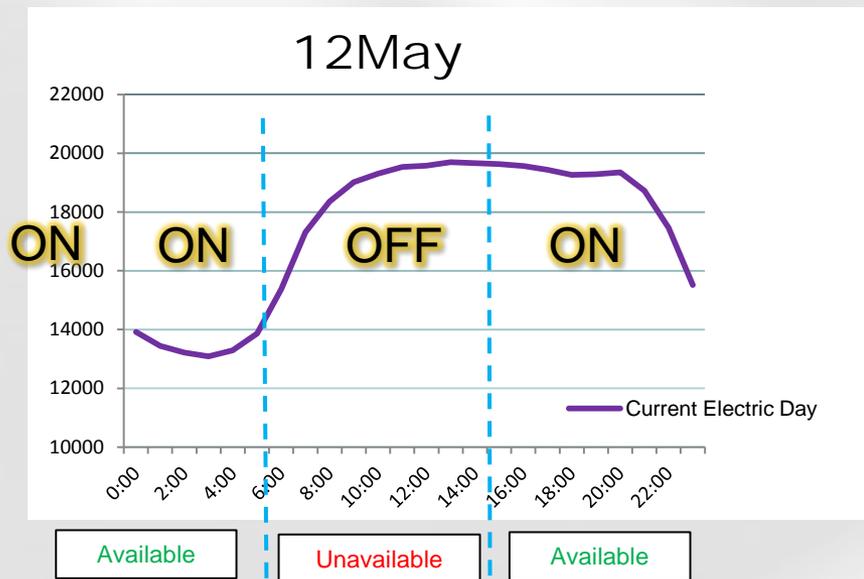
Example of Unit with long minimum run time

- ◆ **Baseload unit**

- **Operating Max MW: 1.5 MW**
- **Min Gen: -\$100,000**
- **Minimum Run Time: 24 Hours, Minimum Down Time: 1 Hour**

- ◆ **Unit Available: 05/08/14-05/11/14**

- ◆ **Unit on maintenance: 05/12/14 06:00-15:00 and 05/13/14 06:00-15:00**



Import/Export Transactions

- ◆ **Comparatively higher volume of transactions at the end of the Day-Ahead window in 10am – 10am scenario may impact RTC performance**

RTC Transaction Schedules @ Transition Points				
	Current Electric day	Proposed Electric day	DIFF	% DIFF
May8-9	192	224	32	17%
May9-10	209	248	39	19%
May10-11	192	198	6	3%
May11-12	176	228	52	30%
May12-13	184	219	35	19%
Average	191	223	33	17%

Conclusions

- ◆ **This study explores the impact on the NY Day-Ahead market of various electric day start times**
- ◆ **The findings show that:**
 - *Overall, there is not a significant impact in terms of production cost, energy marginal prices, and generator commitments, if bidding behavior remains unchanged.*
 - *Generators with long minimum run time would need to change their bidding behavior*
 - *Increasing volumes of import/export transactions during the transition periods can potentially impact the performance of the Real-Time market*



The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.

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