EMIX Note: TeMIX

1. What is TeMIX?

TeMIX (Transactive Energy Market Information Exchange) is a subset or profile of the EMIX information model for Transactive Energy (see EMIX Note XX on Transactive Energy)\(^1\). The TeMIX profile is described by conformance rules defined in EMIX 12.3. These rules restrict each TeMIX transaction to a single interval. For each interval, the rate of delivery of energy (power) over the interval is constant. For example, if the interval duration is one hour then the rate of delivery (power) for each five minute subinterval in the hour is the same. This makes it easy to add up a number of transactions for different intervals for a month, day, hour and 5-minute interval to determine the position in each 5-minute interval. TeMIX conformance rules also restrict the intervals to standard nested intervals such as a year, month, day, hour, and 5-minutes.

TeMIX products are restricted to Energy and Transport in single intervals and Options on these two products.

TeMIX tenders and transactions are useful for price discovery, negotiation and response to grid conditions using many small, automated tenders and transactions. Complex positions with ramps, shaped delivery, and storage and withdrawal can be automatically constructed and modified from several small TeMIX transactions of various sizes, durations and start times.

2. Transactive Energy Dynamic Price Example

This example is for a Load Serving Energy (LSE) serving retail customers (residential, commercial, industrial, distributed generation, or storage). The example applies to competitive and regulated LSEs. Determination of price is out of scope for this example. The LSE price is an all-in price for energy, transmission, distribution and fixed charges. The LSE tendered price is for the sale or purchase of a specific quantity of energy (a Tender) to a customer for a delivery interval and at a location. The buy and sell price and quantity may differ. Prices may vary by customer class. Customers will typically respond to LSE tenders but can also submit tenders to the LSE.

This example does not discuss the transactions between the LSE and the distribution operator, the system operator markets, other wholesale markets and other parties. Such transactions may or may not be based on TeMIX. The example assumes each retail customer purchases from a single LSE, but TeMIX allows for a retail customer to interact with multiple LSEs at the same time where regulations permit.

\(^1\) TeMIX was first described in a Draft White paper approved by the EMIX Technical Committee “Transactive Energy Market Information Exchange [TeMIX] an approved White Paper of the EMIX TC. Ed Cazalet et al. http://www.oasis-open.org/committees/download.php/37954/TeMIX-20100523.pdf.” This paper was written in the early stages of the work on EMIX and has not been updated to utilize the information models developed by the EMIX Technical Committee.
Figure 1: Illustrative Sequence of Forward and Real Time Transactions

The sequence of transactions in Figure 1 illustrates this example. TeMIX profile conformance rules are used. The sequence begins with LSE tenders for night, day, and evening blocks of power for a year at a buy and sell price. The tenders may be made one or more years ahead of delivery and a tender may be withdrawn before acceptance and a new tender made at any time. The customer may use behind the meter generation (such as PV or storage) to offset its usage or to sell the LSE. The tender price is cost- or market-based depending on the LSE’s regulatory status. The customer or an automated device decides the transacted quantity in each block and the customer is obligated to pay the transacted price and quantity.

Monthly and daily, the LSE also may tender similar blocks of power at current buy and sell prices. The customer or the customer’s device may transact to adjust his position as indicated in Figure 1. The customer incurs default 5-minute transactions for any difference between the 5-minute position in each interval and the measured delivery at a real-time price posted before or after the close of the interval.

The LSE may make tenders at any time. For example, ahead of each 5-minute interval the LSE may tender energy in each 5-minute interval for each of the 5-minute intervals in the next two hours. Customers may then forward buy and sell 5-minute energy at forward prices.

TeMIX transactions may be automatic using devices acting on the behalf of the customer and based on customer preferences and not the LSE’s preferences. Tenders made by the LSE will typically reflect the LSE’s marginal short and long-run costs for wholesale energy, ancillary services, transmission congestion, transmission access, T&D losses, distribution congestion and other fixed items. Theoretically, all such costs may vary by interval and be reflected in a varying price in each interval. When because of variable demand, plant outages, transmission outages, variable wind or solar or high levels of electric vehicle charging the tendered prices for each interval location and customer price response can help to bring supply and demand into balance at each location on the grid. For cost-based LSEs, the prices must, on average, recover regulated cost and profits.
TeMIX Tenders can be for small quantities offered to a retail customer at the tendered price. If the customer needs more, then the customer can access additional tenders, perhaps at different prices. The responsiveness of the customer to priced tenders provides information to the LSE on customer price sensitive demand that helps guide the LSE’s bids into system operator markets and transactions in other forward wholesale markets. By working with sequences of small tenders and transactions stability of the grid is also protected from sharp price changes avoiding the use of random or arbitrary restrictions on the customers to smooth responses to price changes or control signals from the LSE.

Real Time Pricing (RTP) can be viewed as an application of TeMIX where the only transaction is for the metered delivery of energy. The forward transactions in the above example are forward hedges to the RTP to manage risk for both the customer and the LSE and to provide forward information for forward wholesale transactions by the LSE. RTP may be optional or mandatory and forward transactions may be optional or mandatory depending on regulations. This approach provides the full incentive for customers and smart devices to save money based on responses to real-time prices while providing for hedging and forward commitment where customers and LSEs must make forward decisions.

3. Summary

For LSE’s and retail customers, TeMIX is most useful for smart meter enabled customers that use smart appliances and other such devices. TeMIX provides transacted baselines in each interval so that the response of customers to price is discovered without verification and statistical estimation of baselines. Settlement and billing is simplified. The same system can apply to regulated or competitive LSEs and to all customer classes and distributed energy resources. A major advantage of TeMIX in this application is that customers and their automated devices respond with giving up any control of devices to the LSE and without providing forecasts or demand curves to the LSE’s.

TeMIX also has applications in other grid domains. The dynamic processes of TeMIX can help to enable the coordinated, decentralized operation of variable renewables, distributed generation, customer appliances, industrial processes, electric vehicles, storage, and peak load management with distribution, transmission and centralized generation which is an important goal of the smart grid.