

Comprehensive Mitigation Review Project Plan

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ICAPWG/MIWG

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Updates from
the February 6,
2020 meeting
in red.

Agenda

- Project Overview
- **CMR Feedback**
- **Other Feedback**
- CMR Updates
- Suite of Options
- Additional Enhancements
- Next Steps
- Appendix

Project Overview

- **The project objective is:**

- Modify NYISO Installed Capacity market framework in a balanced manner that (i) preserves competitive price signals and economically efficient market outcomes required to maintain system reliability and (ii) enables the Climate Leadership and Community Protection Act (CLCPA) goals

- **The project goal is Market Design Complete in 2020**

- The Enhanced BSM Mitigation Study Period and Enhancements to the Part A Exemption Test proposals are part of the BSM Exemption Redesign effort under the CMR Project

CMR Feedback

■ Feedback received to date

- Multiple Value Pricing
 - Incorporate a model that co-optimizes over several variables (e.g. specific to resource type, zero carbon resources, etc.)
- CRIS+
 - Pair transferable CRIS rights with existing resource's BSM exemption
- **Future Clean Capacity Requirement (FCCR)**
 - **Adjusting capacity market requirements recognizing public policy resources (PPR) contribution to transmission security and/or local reliability**
- Forward Clean Energy Market
 - New market intended to procure certain percentage of generation from qualifying renewable resources
- Fixed Resource Requirement
- California Model

Other Feedback

- **Additional feedback received to date**
 - Energy and Ancillary Services enhancements
 - Carbon pricing
 - New market products
 - New transmission development

CMR Updates

■ BSM Enhancements

- Ongoing discussions with stakeholders on the proposals regarding Enhancements to the Part A Exemption Test
 - This includes changes to the Mitigation Study Period
- Tariff language corresponding to the proposals will be brought to upcoming ICAPWGs
- The NYISO intends to bring the proposal to the March BIC and MC

Suite of Options



Contractual Models

- e.g., California Model, Energy-Only Market, and Fixed Resource Requirement

Enhancements to Capacity Market

- e.g., BSM Enhancements, Available Capacity Transfers, and FCCR

Redesign of Capacity Market

- e.g., Forward Clean Energy Market, and Multiple Value Pricing

Additional Enhancements

- **In addition to the enhancements to the BSM rules, the NYISO is pursuing additional proposal(s) as part of the CMR project**
 - The BSM Enhancements includes proposals to address concerns for Class Year 2019 (i.e. short term)
 - Additional proposal(s) for Capacity Market Enhancements will be developed and discussed in the next few months to address market concerns in the longer term
 - Available Capacity Transfer (ACT) – Targeting March 2020
 - Topics for this concept include banking and CRIS+
 - Consideration of additional topics such as Future Clean Capacity Requirement (FCCR)
 - We continue to request feedback on whether other improvements should be considered
- **More fundamental Capacity Market Redesign concepts such as Multiple Value Pricing (MVP) may also be considered**

Next Steps

Stakeholder Input Requested

- **The NYISO is very interested in feedback from stakeholders regarding the options discussed today or any additional improvements that the NYISO and stakeholders should consider**
 - Written comments to deckels@nyiso.com are requested
 - All feedback will be posted under the February 6, 2020 meeting materials

Stakeholder Engagement Plan

- **The NYISO will consider feedback received from stakeholders and continue discussions on overall CMR project**
- **The NYISO is aiming to bring initial proposals to the March BIC and MC so that they could be implemented for the current ongoing Class Year (2019)**

Appendix

Previous Presentations

■ Comprehensive Mitigation Review

- December 13, 2019 ICAPWG
 - <https://www.nyiso.com/documents/20142/9766969/Comprehensive%20Mitigation%20Review.pdf/>

■ Part A Enhancements

- December 19, 2019 ICAPWG
 - https://www.nyiso.com/documents/20142/9869531/CMR%20Part%20A%20Rev%2012192019_FINAL.pdf/
- January 13, 2020 ICAPWG
 - <https://www.nyiso.com/documents/20142/10252714/CMR%20Part%20A%20Rev%2001132020.pdf/>

■ Enhanced BSM Mitigation Study Period

- January 8, 2020 ICAPWG
 - <https://www.nyiso.com/documents/20142/10169030/Jan08%20Enhanced%20BSM%20Mitigation%20Study%20Period%20Introduction.pdf/>
- January 21, 2020 ICAPWG
 - <https://www.nyiso.com/documents/20142/10375030/Jan21%20Enhanced%20BSM%20Mitigation%20Study%20Period%20Simplified%20Proposal.pdf/>

Our mission, in collaboration with our stakeholders, is to serve the public interest and provide benefit to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system

