

DAM Bidding Obligation for ESR ICAP Suppliers

Zach Smith

Manager, Capacity Market Design

ICAPWG

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Agenda

- **Background**
- **Proposed change to DAM Bidding Obligation**
- **Examples**
 - ISO-Managed Energy Level
 - Self-Managed Energy Level
- **MST 5.12 revisions**
- **Next Steps**

Background

- **As part of the NYISO's compliance filing responsive to FERC Order No. 841, the NYISO proposed that ESR ICAP Suppliers have a DAM Bid/Schedule/Notify obligation (B/S/N) equal to the ICAP Equivalent of UCAP Sold (injection)**
 - The proposed requirement is the same as for other ICAP Suppliers (see MST 5.12.7)
- **Subsequent to submitting the compliance filing, NYISO identified that when an ESR utilizes the ISO Managed Energy Level bidding parameter, and enters the DAM with an Energy Level of 0 MWh, it could satisfactorily meet its B/S/N obligation, but not make the Energy backing the sold capacity available to the NYISO**
- **NYISO previously proposed to remedy this by requiring the ESR ICAP Supplier to B/S/N it's full range (withdrawal to injection) as part of it's obligations as an ICAP Supplier (see ICAWPG presentations dated 12/5/2019 and 2/10/2020)**

Proposal and Examples

Proposed change to DAM B/S/N Obligation

- **NYISO is proposing to require all ESR ICAP Suppliers to B/S/N the full range of the ESR**
 - Requirement will be applicable to ESRs utilizing both the ISO- and Self-Managed Energy Level bidding parameters
 - The proposed rule is necessary to harmonize the unique physical and operating characteristics of Energy Storage Resources with the purpose of the existing B/S/N requirements
 - The purpose of the B/S/N requirements is to either make the Energy backing the ICAP Supplier's capacity available or notify the NYISO that the capacity is unavailable in order for the NYISO to maintain reliability
 - Without the proposed requirement for an ESR, an ESR could meet its tariff obligation and yet not make that Energy available, which is inconsistent with the purpose of the requirement
 - Additionally, not reflecting an ESRs anticipated charging in the DAM could cause reliability issues in real-time by not having enough resources committed from the DAM to meet actual load, reserves, and the ESRs charging

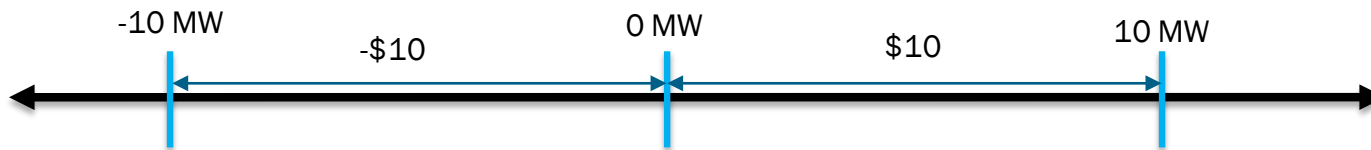
Examples

■ ESR

- 10 MW/40 MWh storage
- Upper Operating Limit: 10 MW
- Lower Operating Limit: -10 MW
- ICAP Sold: 10 MW

Examples: ISO-Managed Energy Level

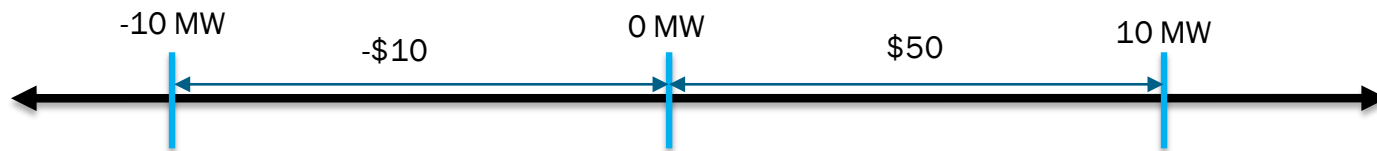
- **Sample Bid in DAM for all hours**
 - UOL 10 MW, LOL -10 MW
 - ISO-Managed Energy Level, ISO-Flex
 - Incremental Bid Curve
 - 0 MW, - \$10
 - 10 MW, \$10



Examples: Self-Managed Energy Level

■ Sample Bid in DAM for off peak hours

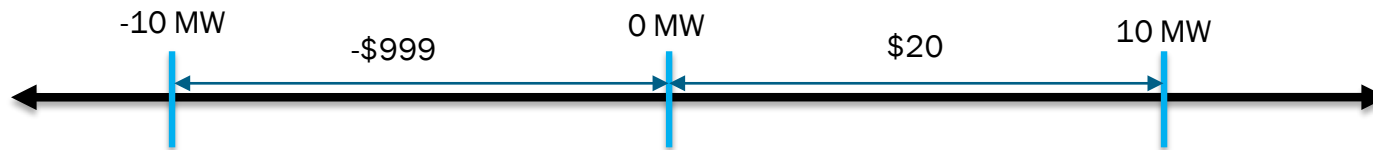
- UOL 10 MW, LOL -10 MW
- Self-Managed Energy Level, ISO-Flex
- Incremental Bid Curve
 - 0 MW, - \$10
 - 10 MW, \$50



Examples: Self-Managed Energy Level

■ Sample Bid in DAM for on peak hours

- UOL 10 MW, LOL -10 MW
- Self-Managed Energy Level, ISO-Flex
- Incremental Bid Curve
 - 0 MW, - \$999
 - 10 MW, \$20



MST 5.12 Revisions

MST 5.12.7 Revisions

- **MST 5.12.7 revisions to add the requirement that ESRs must B/S/N the maximum of the negative of the Installed Capacity Equivalent of Unforced Capacity sold or the Lower Operating Limit**

Next Steps

Next Steps

- **NYISO intends to include the identified tariff revisions in a package with other ESR tariff revisions**
 - BIC/MC
 - FPA Sec. 205 (not in NYISO's Order No. 841 compliance filing docket)
 - Targeted Effective date coincident with effective date for other ESR tariff revisions

Questions?

**Other proposals that
will be part of this
205**

Other Presentations that will be part of this 205

- **Offer Price Capping and Mitigation Update**

- 2/26/2020 ICAPWG:

[https://www.nyiso.com/documents/20142/11026984/ESR Tariff Updates.pdf/](https://www.nyiso.com/documents/20142/11026984/ESR+Tariff+Updates.pdf/)

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- 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

