

NYISO SCR Mitigation Implementation Plan

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ICAP/MIWG/PRLWG Meeting

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Background

- **NYISO's buyer-side market power mitigation rules provide that certain new Installed Capacity (ICAP) Resources must enter NYISO's mitigated capacity zones at a price at or above their applicable offer floor, unless exempt from mitigation**
- **Prior to FERC's February 3, 2017 Order in docket EL16-92-000, all new SCRs were subject to buyer-side market power mitigation rules**
 - NYISO conducted monthly BSM evaluations when new SCRs were first enrolled in a Mitigated Capacity Zone
 - As indicated in its February 17, 2017 compliance filing, NYISO ceased monthly BSM evaluations for new SCRs as of February 3, 2017, the date of the Commission's Order

NYISO's Implementation of February 20, 2020 FERC Order: Compliance Plan

- **On February 20, 2020, FERC granted rehearing on the February 3, 2017 Order and found that all new SCRs should be subject to NYISO's buyer-side market power mitigation rules**
 - NYISO's February 17, 2017 compliance filing in Docket No. ER17-996-000 was rejected as moot
- **NYISO intends to submit a Notice of Compliance Plan and Request for Extension of Time and Clarification to the Commission that:**
 - Indicates that the NYISO will begin to conduct monthly BSM evaluations of new SCRs that enroll for the May 2020 Capability Month
 - Seeks clarification that the NYISO will conduct monthly BSM evaluations using the currently effective tariff language until the Commission's findings in the paper hearing require the NYISO to modify the currently effective Services Tariff language in section 23.4.5.7.5 and the Commission accepts such tariff modifications

NYISO Compliance Plan

- **NYISO proposes to begin conducting monthly BSM evaluations for new SCRs enrolling in NYC and Zones G-J for the May 2020 Capability Month in accordance with MST 23.4.5.7.5**
 - “A Mitigated Capacity Zone Installed Capacity Supplier that is a Special Case Resource shall be subject to an Offer Floor beginning with the month of its initial offer to supply Installed Capacity, and until its offers of Installed Capacity have been accepted in the ICAP Spot Market Auction at a price at or above its Offer Floor for a total of twelve, not necessarily consecutive, months. A Special Case Resource shall be exempt from the Offer Floor if (a) it is located in a Mitigated Capacity Zone except New York City and is enrolled as a Special Case Resource with the ISO for any month within the Capability Year that includes March 31 in an ICAP Demand Curve Reset Filing Year in which the ISO proposes a New Capacity Zone that includes the location of the Special Case Resource, or (b) the ISO projects that the ICAP Spot Market Auction price will exceed the Special Case Resource’s Offer Floor for the first twelve months that the Special Case Resource reasonably anticipated to offer to supply UCAP.”

Offer Floor Calculation

- **Offer Floors shall be calculated consistent with the current tariff language**
 - “The Offer Floor for a Special Case Resource shall be equal to the minimum monthly payment for providing Installed Capacity payable by its Responsible Interface Party, plus the monthly value of any payments or other benefits the Special Case Resource receives from a third party for providing Installed Capacity, or that is received by the Responsible Interface Party for the provision of Installed Capacity by the Special Case Resource. The Offer Floor calculation shall include any payment or the value of other benefits that are awarded for offering or supplying Mitigated Capacity Zone Capacity except for payments or the value of other benefits provided under programs administered or approved by New York State or a government instrumentality of New York State.”
- **For example, revenues received from NYS PSC-approved utility DR programs and NYSERDA programs are excluded from the offer floor calculation described above**

Stakeholder Engagement Plan

- **The NYISO will return to Stakeholders with a full presentation of the BSM process for new SCRs on March 20, 2020**
- **The NYISO is currently ensuring the software necessary to implement a SCR Offer Floor has been properly implemented and tested**
 - The NYISO must also ensure that these processes are properly integrated with current market administration systems

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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



Questions?