

# Process Improvements in the Communication of Consumer Impact Analyses

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**Budget and Priorities Working Group  
Meeting**

**April 27, 2015**

# Background

- ◆ **Over the course of the past several months, the NYISO received extensive feedback on the manner in which it communicates its Consumer Impact Analyses**
- ◆ **Some of this feedback came at the October 30, 2014 MIWG during the presentation of Comprehensive Shortage Pricing Consumer Impact Analysis**
- ◆ **Additional feedback was received at the December 17, 2014 Management Committee meeting during the presentation of the Comprehensive Shortage Pricing proposal**

# Background, Contd.

- ◆ **The Consumer Interest Liaison met with representatives of all the sectors to obtain additional feedback:**
  - *January 14: Generator and Other Supplier*
  - *January 28: TO and Public Power*
  - *February 10: DR and Environmental Interests*
  - *February 12: End-Use Sector*
- ◆ **There was also a meeting on February 5 with DPS staff to get their feedback**

# Response to Stakeholder Feedback

- ◆ **Based on feedback from stakeholders, the NYISO is proposing a number of changes/additions to the manner in which Consumer Impact Analyses (CIA) are conducted and presented**
- ◆ **The focus is on actionable suggestions while also taking note of other comments**

# Proposed Changes

- ♦ **The Consumer Interest Liaison will continue to maintain its independence in conducting and presenting CIAs**
- ♦ **Provide stakeholders a preliminary indication at the outset of a market design initiative whether a project is expected to have a major consumer impact to exceed \$50 million**
- ♦ **Present to stakeholders a description of the methodology to be used for CIAs before conducting the impact analysis**
  - *CIA presentations will provide greater detail on how estimates are computed*
  - *With the exception of confidential information, MPs would have information required to reproduce (duplicate) results*
- ♦ **Present to stakeholders the final CIA at least 30 days prior to submission of the market design initiative to BIC, OC and/or MC for approval**

# Proposed Changes, Contd.

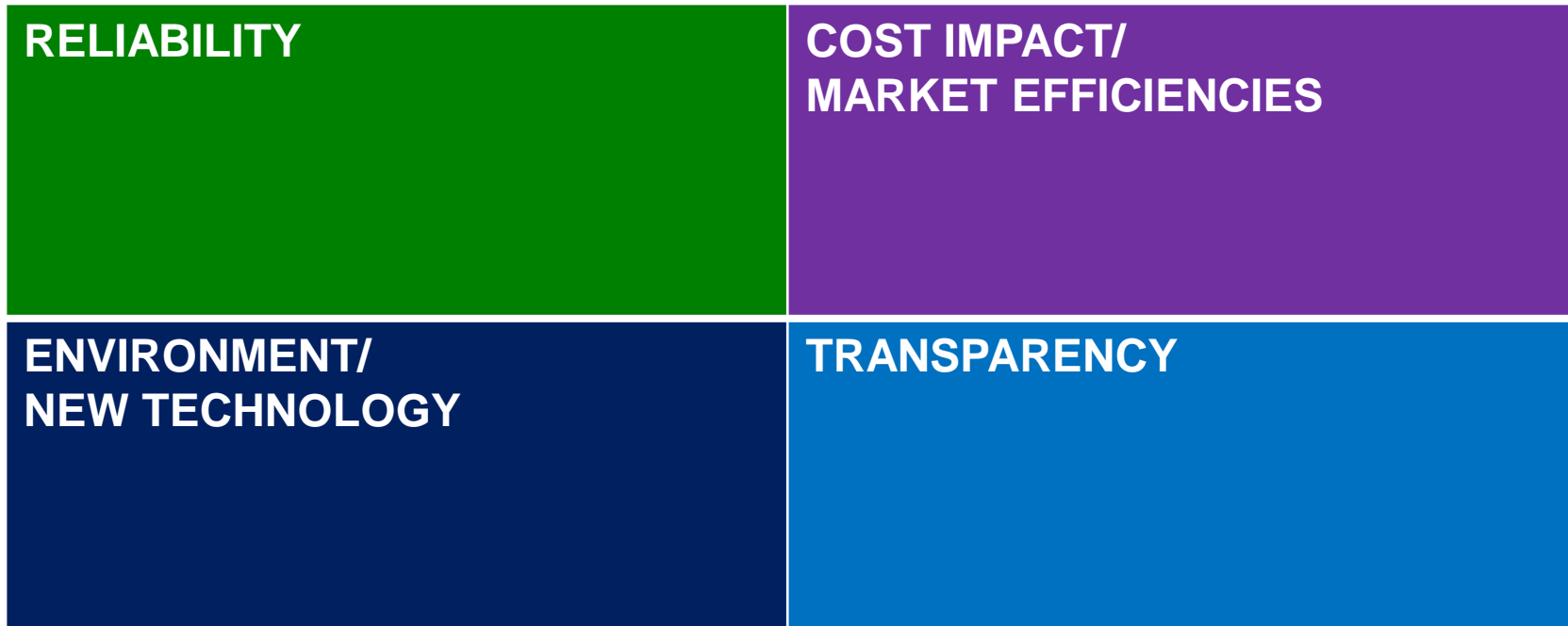
- ♦ **Present CIAs as a total package rather than just a focus on numbers**
  - *The analysis to include, in detail, the reasons why a project is being undertaken*
  - *List the benefits of the project*
  - *CIAs will attempt to estimate the impact of major market design changes over both the short-term and long-term, if warranted*
  - *The presentation will attempt to account for countervailing conditions and opinions from other parties and differing assumptions*
- ♦ **CIAs to clearly state all the assumptions underlying the impact analysis**
  - *Emphasize that the values presented are strictly estimates based on the assumptions used in the analysis.*

# Proposed Changes, Contd.

- *The time frame over which the estimates are computed to be clearly defined, e.g., estimates are based on a snapshot in time*
- *The major driver(s) of the impact would be highlighted in the final analysis*
- *Impact estimates to be presented as a range*
- ♦ **The process of conducting and presenting CIAs to be incorporated into the 2016 project schedule from the outset**
- ♦ **Evaluate alternative implementation options for stakeholder consideration**
  - *Present the alternative of not doing a project and the consequences associated with it*
  - *Utilize scenario analysis in reporting the results of CIAs when relevant*

# Consumer Impact Analysis (IA) Evaluation Areas

- Present the potential impact on all four evaluation areas





# Impact of Suggested Changes on Project Schedule

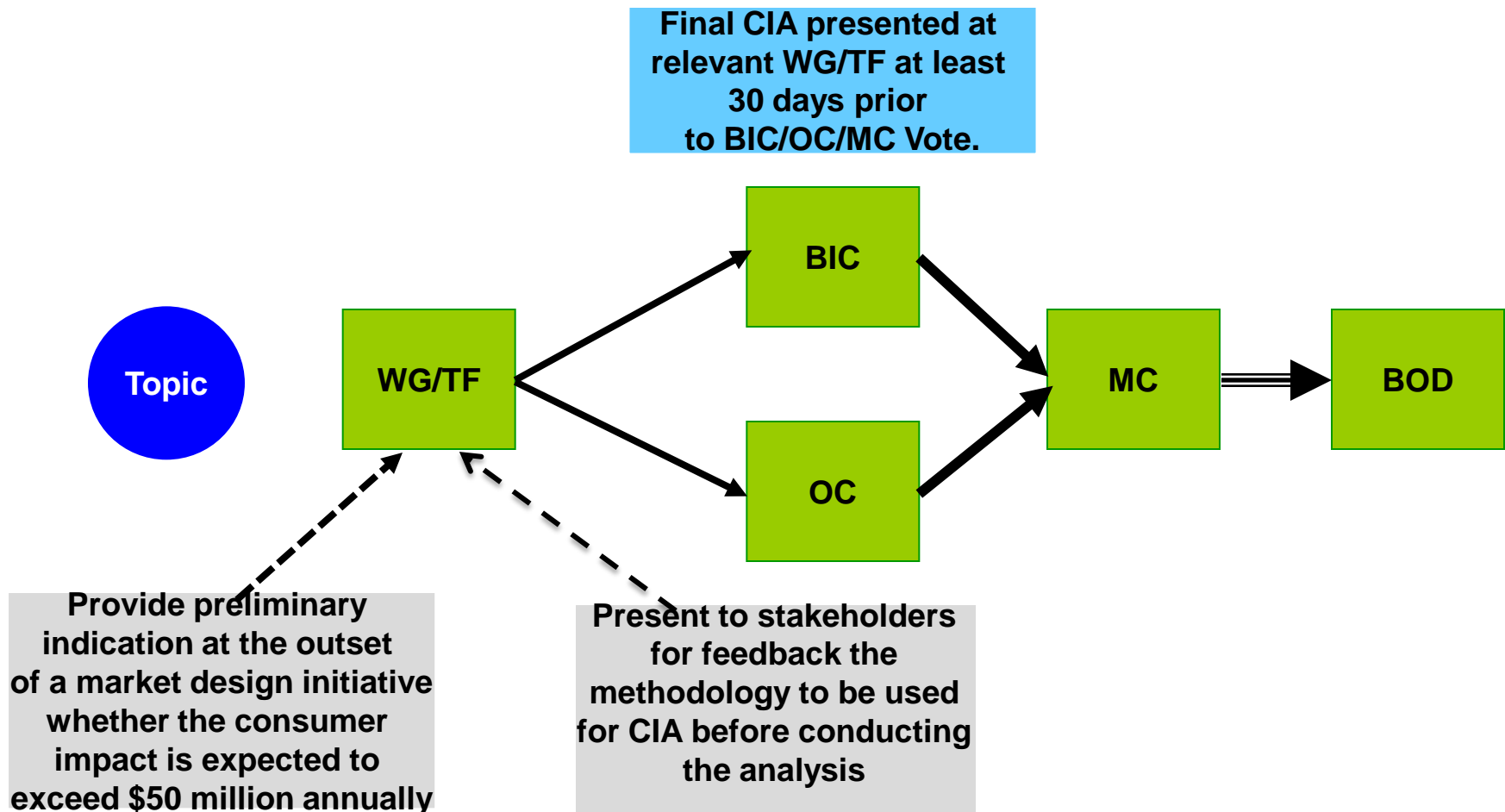
- ◆ **The suggested changes will have a significant impact on both the work load and the project schedule**
- ◆ **The top bar on Slide 10 shows the current timeline for completing a typical consumer impact analysis and the deliverables**
- ◆ **The bottom bar on Slide 10 shows both the lengthening of the project schedule and the increase in the number of deliverable items**

## Impact on Project Schedule

	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
Current Process						Internal Identify Projects For CIA	MIWG Present Project List to MPS				Internal Perform Consumer Impact Analysis				MIWG Present CIA Findings	BIC/OC Project Approval Vote	MC Project Approval Vote			
Proposed Process	BPWGW Present Project Candidate List to MPs	Internal Identify Projects for CIA	MIWG Present CIA Topics and Initial Estimate						MIWG Present CIA Method- ology		Internal Perform Consumer Impact Analysis					MIWG Present CIA 30 Days Prior to BIC/OC		BIC/OC Project Approval Vote	MC Project Approval Vote	

# Consumer Impact Analysis - Process Map

## NYISO SHARED GOVERNANCE PROCESS



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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