

NYISO Consumer Interest Liaison Weekly Summary

April 9 – April 13, 2018

Notices:

- We are pleased to announce that NYISO's Training Team will be offering the, in-class, MT-201 [New York Market Orientation Course \(NYMOC\)](#) in June. The MT-201 [NYMOC](#) is recommended for those with minimal to moderate New York wholesale energy market industry experience.

June 5 – June 8, 2018

NYISO Offices, 10 Krey Boulevard, Rensselaer, NY 12144

- As requested at the April 10 MIWG meeting, the market design concepts to prepare for significant renewable generation: real time performance incentives presentation has been revised to include references to the NYISO Accounting and Billing Manual where the calculations and explanations of the performance incentives can be found.

[Presentation](#)

- *North America Transmission, LLC* has been approved as a Non-Voting Entity.
- The *Second Year Evaluation of CTS* between New England and New York has been posted with the April 26 MIWG meeting material. [Material](#)

Meeting Summaries:

Monday, April 9, 2018

Integrating Public Policy Task Force

Applying Carbon Charge Border Adjustments to NYISO External Transactions

Dr. Samuel Newell of The Brattle Group (Brattle) presented two methods for applying a carbon charge to external transactions to level the playing field with the pricing of internal New York generation. Dr. Newell explained the two options as:

- **Option 1: External transactions compete on a status-quo basis**

- *Imports into New York are assessed a carbon charge based on the internal generation Marginal Emissions Rate (“MER”) at the appropriate border node in the NYISO energy market*
- **Option 2: External transactions compete on a green power basis, accounting for all emissions and NY’s view of their externalities**
 - *Importers are charged based on the carbon content of the supplying resources and the difference in carbon prices between the two markets, or based on the MER in the market of origin*

Option 1 would make the effects of the carbon charge invisible to importers and exporters
 Option 2 extends the market’s environmental-economic optimization to transactions, favoring clean imports and exports when they provide cost-effective abatement. Dr. Newell provided examples of the two methodologies while explaining the challenges and opportunities of both options. To see Dr. Newell’s complete presentation please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg_ipptf/meeting_materials/2018-04-09/2018-04-09%20External%20Transaction%20Charges%20IPPTF%20Presentation.pdf

Carbon Pricing in the NYISO Wholesale Energy Market: Addressing Leakage

Gabriel Roumy of London Economics International, LLC. (LEI) on behalf of Hydro Quebec (HQ) presented comments addressing external leakage in a potential NYISO carbon pricing regime. The overall effectiveness of the carbon pricing mechanism hinges on the proper design and implementation of specific elements of the program, with emissions leakage from neighboring areas being a critical element. Mr. Roumy expressed concern that the implementation of Option 1 from the Brattle presentation would not fully address concerns about emissions leakage. LEI promotes using a resource-specific Marginal Emissions Rate (a variant of the Brattle Option 2) to reflect the true emissions rate of each internal or external resource and to help motivate infrastructure investment that supports decarbonization. To see the complete LEI presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg_ipptf/meeting_materials/2018-04-09/LEI%20IPPTF%20Apr%209%202018-03-28.pdf

Tuesday, April 10, 2018

Market Issues Working Group

Constraint Specific Transmission Shortage Pricing Study Approach

Jennifer Boyle of the NYISO presented the approach to be used in the study of constraint specific transmission shortage pricing. Ms. Boyle explained that the study approach is to explore the concept to develop an enhanced shortage pricing mechanism according to three key reliability criteria:

- *CRM value*
- *Voltage level*
- *Location*

This study will consider the varying system impacts of constraints throughout NYCA, accounting for the varying costs required to resolve specific constraints based on location, voltage level and CRM value. Ms. Boyle noted a stakeholder suggestion to avoid creating too many constraint-specific shortage pricing mechanisms. The study will consist of a historical analysis of binding transmission constraints and investigating the shadow price of non-demand curve binding constraints. Ms. Boyle noted that defining exact variables and values of the potential demand curves are not in the scope of this study and will be determined during the Market Design Complete phase of the project. The results of the study will be published and presented in Q3 2018. To see the complete presentation, please go to:

Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYSIO or the discussions that take place at the meetings.

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2018-04-10/Constraint%20Specific%20Transmission%20Shortage%20Pricing_MIWG_4-10-2018_Final_Approved.pdf

Market Design Concepts to Prepare for Significant Renewable Generation: Ancillary Services Shortage Pricing and Reserve Procurement for Resilience

Ethan Avallone presented an update to the proposal to re-evaluate shortage pricing for Ancillary Services. The NYISO proposes that this effort be pursued separately as two Market Design Concept Proposals: Ancillary Services Shortage Pricing and Reserve Procurement for Resilience. As the development of an appropriate market design for each will require significant resources, both projects will be included in the 2019 project prioritization process as independent project candidates. Along with the proposed 2019 initiative titled More Granular Operating Reserves, these efforts relevant to operating reserve were recommended for further consideration as part of the Performance Assurance Management Response and the 2017 Market Assessment with 50% Renewables. The NYISO will provide a Market Design Concept Proposal by June 2018 for the Ancillary Services Shortage Pricing and Reserve Procurement for Resilience projects as part of the Integrating Public Policy Master Plan. To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2018-04-10/Re%20Evaluate%20Shortage%20Pricing%20for%20Ancillary%20Services%20April%2010%20MIWG.pdf

Market Design Concepts to Prepare for Significant Renewable Generation: Real Time Performance Incentives

Stephanie Dobert of the NYISO updated stakeholders on the proposal to address Real-Time performance incentives in the event of persistent negative LBMPs. The 2017 Market Assessment with 50% Renewables indicated that increased penetration of renewables is expected to drive energy prices to settle at or below zero much more frequently in the future. This effort seeks to determine whether current performance incentives are adequate to incent energy suppliers to respond to NYISO dispatch instructions and is part of the Integrating Public Policy Master Plan. The NYISO will continue to review current performance incentives to follow dispatch to ensure they are adequate for generators and assess what enhancements, if any, may be needed to prepare for significant renewable generation. Among other comments, Ms. Dobert noted a stakeholder comment that the NYISO should fully examine incentives, rather than penalties, to encourage suppliers to maintain basepoints. Additional stakeholder feedback is encouraged and can be sent to deckels@nysio.com. To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2018-04-10/RT%20Performance%20Incentives%20MIWG%204_10_SD.pdf

Wednesday, April 11, 2018

Business Issues Committee

Motion #1

Motion to approve the January 17, 2018 BIC meeting minutes.

Motion passed unanimously

Wednesday, April 11, 2018

Budget and Priorities Working Group

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2019 Project Prioritization and Budgeting Process

Brian Hurysz of the NYISO provided a response to stakeholder feedback on the Project Prioritization Process prior to presenting updates for the 2019 Project Prioritization Process. In response to a stakeholder suggestion concerning sector support for projects, Mr. Hurysz noted that the NYISO will use twenty-five percent of the customers in a sector applying points with an average across the sector of 5 points as the threshold for sector support.

Project prioritization codes for projects were identified and explained to inform stakeholders on which projects would be subject to voting. The NYISO agreed to a stakeholder suggestion that the 2018 Project Candidate List be re-posted for stakeholder review. It was re-posted shortly after the meeting concluded.

Mr. Hurysz then led a review of the project candidates by product area for stakeholder clarification and discussion. In response to a stakeholder question, the NYISO explained that through the course of the year, some projects may need reprioritization due to extenuating circumstances. In this event, the NYISO would notify stakeholders and explain the reasons for the action. To see the complete presentation and a list of the 2019 Project Candidates, please go to:

http://www.nyiso.com/public/committees/documents.jsp?com=mc_bpwg

Thursday, April 12, 2018

Operating Committee

Motion #1:

The Operating Committee (OC) hereby approves the meeting minutes from March 16, 2018.

Motion passed unanimously

Motion #2a:

The Operating Committee (OC) hereby approves the Q#448 Alps HVDC System Impact Study (SIS) report as presented and discussed at the April 12, 2018 OC meeting.

Motion passed unanimously with abstentions

Motion #2b:

The Operating Committee (OC) hereby approves the Q#566 NYPA Moses-Adirondack 1 & 2 Rebuild System Impact Study (SIS) report as presented and discussed at the April 12, 2018 OC meeting.

Motion passed unanimously with an abstention

FERC Filings

April 13, 2018

NYISO Motion to Intervene and Comment on Brookfield Energy Marketing's Petition for Limited Waiver of NYISO's rules regarding External CRIS rights

FERC Orders

There were no Orders issued by FERC to the NYISO for this week.

Filings and Orders:

http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp