



---

### NYISO Process for Determining Secured Facilities in the Market Models

Consistent with the NYISO's responsibility to ensure reliable operation and efficient market outcomes, the following process is utilized to identify and evaluate facilities that should be secured in the Business Management System (BMS) Day-Ahead and real time market models. The NYISO is the Transmission Operator (TOP) responsible for operating and securing the transmission system 230kV and above, which is typically done in the market models. The NYISO has worked with Con Ed and LIPA to include their respective 138 kV facilities in the BMS market models to facilitate congestion management improvements in those franchise areas. The NYISO expects there may be additional congestion management opportunities to modeling other 100+ kV facilities throughout the state for those facilities that often require manual action to secure.

- 1) Identify candidate transmission facilities to be secured including expected contingencies
  - a. The NYISO shall evaluate all transmission facility thermal constraints that require out of market actions to operate reliably including, but not limited to, DARU/SRE/Out of Merit operation of a NYCA generating resource, Applications of Reliability Rules (ARRs), modification of external TTC limits, Phase Angle Regulator (PAR) adjustments, or interchange transaction contract curtailments.
  - b. The NYISO shall review with the local Transmission Operator (TOP) the facility constraints to be secured in the BMS market models. The NYISO and local TOP will determine whether additional operating actions are used to secure the facility (e.g. load switching, station bus sectionalizing, phase angle regulator action, etc.).
    - i. If the actions that the local TOP will take to secure the facility cannot be adequately represented in the BMS market models, then the facility under consideration shall not be secured in the BMS market models until such actions can be adequately represented
  - c. Before considering a facility to be modeled as secured in the market models, the NYISO shall verify that facility constraint flow development in the BMS market models is consistent with expected EMS actual constraint power flows. This step shall ensure that the market models accurately reflect expected power flows over the transmission facilities to be secured (e.g. market model flows are expected to be within 5% of EMS flows).
    - i. If constraint flow development in the BMS market models is not consistent with EMS actual constraint power flows, then the facility under consideration shall not be secured in the BMS market models until such constraint flows can be adequately represented

- 2) Confirm efficient solution options are expected to be available to the BMS market models to secure the thermal constraints in the market model.
  - a. The NYISO shall verify that NYCA resources are available with a greater than or equal to 5% generator shift factor on the constraint in either direction (i.e., dispatch generation up or dispatch generation down), and that those resources are capable of establishing an appropriate shadow price in the BMS market models.
    - i. A generation shift factor of 5% is consistent with the North American Electric Reliability Corporation (NERC) Transmission Loading Relief (TLR) procedure that is used for interchange transaction contract curtailments and is considered by the NYISO to provide effective relief of a constraint
  - b. The NYISO shall evaluate whether any NYCA resources necessary to solve the facility constraint could result in an exercise of market power if the facility is implemented in the BMS market models. If so, the NYISO shall determine if there are existing mitigation rules in place to effectively address the market power issues. If the existing mitigation rules are insufficient to address the market power concerns, the facility will continue to be secured using local TOP operating actions and be subject to the NYISO's existing market power mitigation rules (e.g. Rest-of-State Reliability Mitigation Rules).
    - i. If existing mitigation rules are insufficient to address the market power concerns, then the facility under consideration shall not be secured in the BMS market models until further mitigation rules are developed
- 3) Identify system changes that could trigger the removal of a facility as secured in the market models
  - a. The NYISO shall consider topology changes that make it no longer necessary to secure a given facility within the market models. No longer securing a facility in the market models in these instances ensures that solve times are kept within acceptable limits while ensuring that the most important facilities are included.
    - i. For example, the frequent OOMs that originally triggered securing of the facility in the market models could be resolved by transmission facility or generator upgrades.
- 4) Communicate to stakeholders that the transmission facility thermal constraints are now being secured, or is no longer secured, within the BMS market models.
  - a. The NYISO shall include an additional column within Attachment A of the Outage Scheduling Manual to indicate that a given facility is secured within the market models
  - b. Future TCC auctions shall normally represent the facility as ISO Secured after the facility is modeled as secured in the Day-Ahead Market.