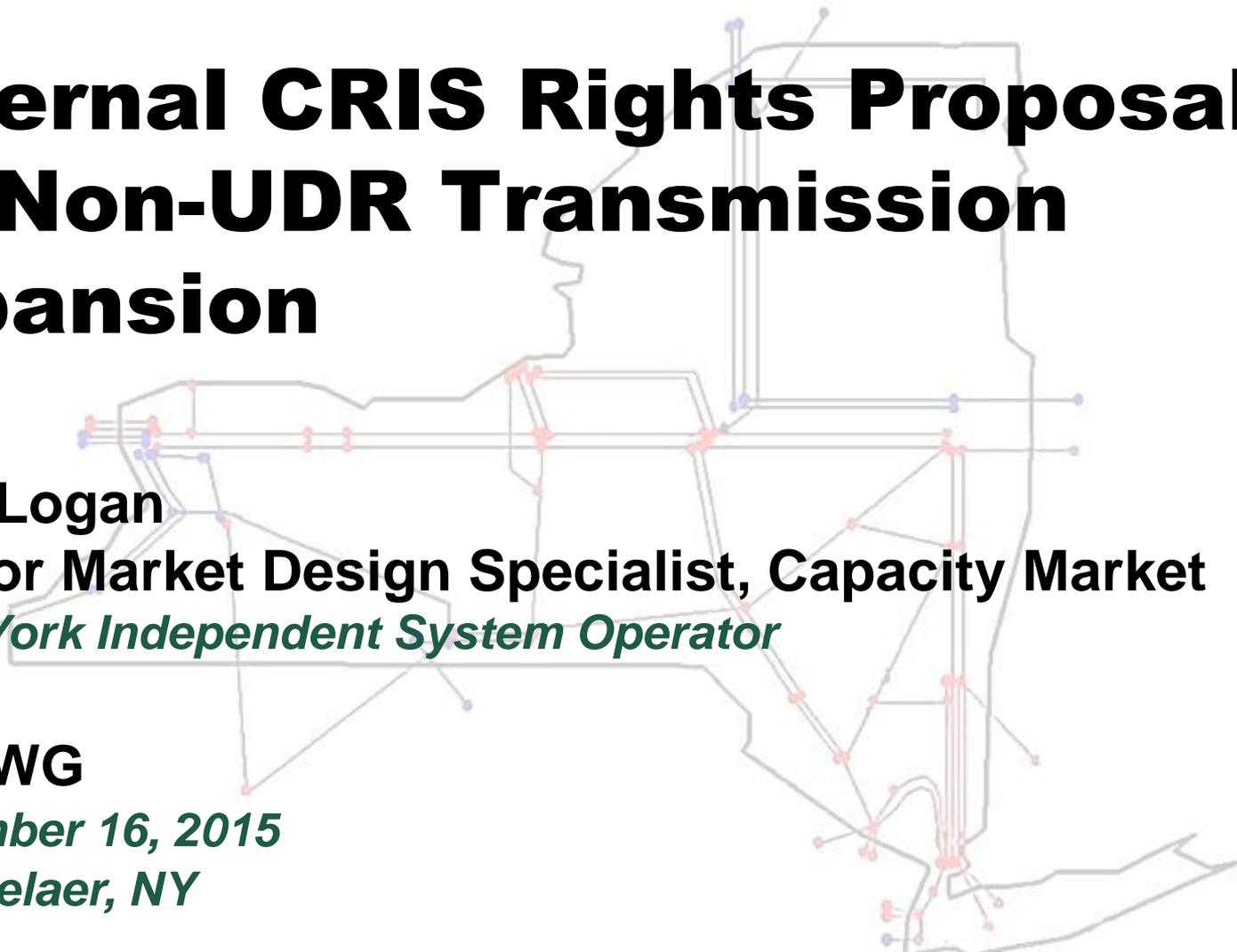


External CRIS Rights Proposal for Non-UDR Transmission Expansion



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Topics

- ◆ **Objective**
- ◆ **Background**
- ◆ **HQ External CRIS Rights Proposal**
- ◆ **Options**
- ◆ **Next Steps**

Objective

- ◆ **2015 Business Plan project commitment**
 - *A Market Design Concept Proposal was prioritized as a 2015 project during last year's BPWG process*
 - *The NYISO has developed the following market concept options to facilitate discussion and is seeking stakeholder input*

Background

- ◆ **HQUS has requested the NYISO consider tariff revisions to allow it to obtain External CRIS Rights tied to proposed transmission expansion**
 - *Specifically, HQUS is seeking to obtain External CRIS Rights over the HQ Cedars-Dennison intertie, which is currently energy only (i.e., over which no External CRIS Rights have been awarded and for which no import rights are available)*
 - *HQUS is the proponent of and proposes to fund a transmission expansion project (Queue #430)*
- ◆ **Currently, requests for new External CRIS Rights are limited to the import limit in effect when the Class Year Study begins (i.e., if the incremental transfer capability created by the transmission expansion project is not already reflected in the import limit in effect when the Class Year begins, then External CRIS Rights would not be available)**

HQUS Proposal for External CRIS Rights

- ◆ **HQUS requests the NYISO pursue a tariff change that would allow an entity to request External CRIS Rights tied to incremental, non-UDR transmission upgrades that increase the external interface's capabilities**

HQUS Proposal for External CRIS Rights

- ◆ Under HQ's proposal, the entity proposing the transmission expansion project would be permitted to obtain External CRIS Rights related to the increased transfer capability the transmission expansion project creates
- ◆ Specifically HQ proposes the following:
 - *Seasonal import limits should be set as if there is a contract commitment for the incremental portion of transfer capability*
 - *Proponent/Funder should have priority access to External CRIS Rights at that interface for the incremental MW, subject to deliverability headroom*
 - *Proponent/Funder should be allowed to request External CRIS Rights for the incremental portion.*
 - *Proponent/Funder should be able to obtain External CRIS Rights for incremental transfer capability on an external tie created by Transmission upgrades to the intertie itself or on a downstream TO-owned line.*

Options Related to External CRIS Rights Tied to Non-UDR MP-Funded Transmission Expansion

Option 1: Make no tariff changes. ICAP manual changes only

- *Follow current tariff under which there is no ability to link a request for External CRIS Rights in a Class Year Study to a proposed transmission expansion project that would increase transfer capability over an external tie*
- *Risk that increased transfer capability created by the transmission expansion project would be modeled as Emergency Assistance in the IRM Study. This could mean that some or all of the increased capability could not be available as import rights or External CRIS Rights*
- *To the extent additional import rights become available, they are subject to the “first come, first served” annual import rights process and available to be requested CRIS Rights*
- *May require significant and complicated software changes*

Options Related to External CRIS Rights Tied to Non-UDR MP-Funded Transmission Expansion (continued)

Option 2: Link the incremental transfer capability created by the transmission expansion process to the External CRIS Rights request in the CY Deliverability Study process

- *Requires tariff changes to Attachment S, including, but not limited to the following:*
 - Changing the Class Year Deliverability Study methodology to allow the “transmission upgrades funded by an Eligible Customer” to be modeled in the Class Year base case in which the associated External CRIS Rights request is modeled
 - Changing the manner in which the import limit caps the award of new requests for External CRIS Rights in the Class Year Deliverability Study
- *May require additional tariff revisions/process considerations:*
 - Would have to determine how the incremental transfer capability would be measured
 - May require modifications to the current import rights limits optimization process
 - May need to consider interaction and impacts with IRM modeling done for NYSRC
 - May require significant and complicated software changes

Options Related to External CRIS Rights Tied to Non-UDR MP-Funded Transmission Expansion (continued)

Option 3: Obtain CRIS through a “UDR-like” model

- *Requires tariff change for a new definition of new product :*
 - A UDR-like right that is permitted to sink in Rest of State instead of in a “Locality”
 - Studied in Class Year process
 - Annual Election
 - Not necessarily subject to External CRIS rules – Import limits, 4 strike rule
 - May require significant and complicated software changes

Next Steps

- ◆ **The NYISO will consider input received during today's meeting**
- ◆ **Stakeholders can also provide additional comments in writing to deckels@nyiso.com**

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