

# Consumer Impact Analysis: 2015 Project List

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# Analysis Guidelines

- ◆ **Anticipated net production cost impact of \$5 Million or more**
- ◆ **Expected consumer impact from changes in energy or capacity market prices is greater than \$50 Million per year**
- ◆ **Incorporates new technology into NY Markets for first time**
- ◆ **Allows or encourages a new type or category of market product**
- ◆ **Creates a mechanism for out-of-market payments for reliability**

# Identification of 2015 Projects

- ◆ **Significant Market Design Concepts**
  - *Approved in the budget process*
- ◆ **FERC directives (compliance filings) where the NYISO has implementation flexibility**
- ◆ **Emergent stakeholder issues**

# 2015 Proposed Projects

- ◆ **Scheduling & Pricing: Comprehensive Scarcity Pricing**
- ◆ **Fuel Assurance: Market Design Concepts**
- ◆ **Behind the Meter: Net Generation Model**
- ◆ **Possible Mechanisms to Determine Need to Eliminate Capacity Zones**

# 2015 Proposed Projects

- ◆ **SCR Performance Obligations:  
Change Minimum Performance  
Obligation from Four to Six Hours**
- ◆ **Criteria for Including Mothballed Units  
in the Forecast for Buyer-Side  
Mitigation Determinations**

# Scheduling & Pricing: Comprehensive Scarcity Pricing

- ◆ ***Description:*** Improvements in the implementation of scarcity pricing and its application at external locations; specifically, through the modeling of a scarcity reserve product in pricing optimization during reliability Demand Response calls
- ◆ ***Benefit:*** Moving scarcity pricing into real-time scheduling and pricing optimization will better align scheduling decisions with pricing outcomes
- ◆ ***Screen:*** Significant Market Design Concept

# Fuel Assurance: Market Design Concepts

- ◆ ***Description:*** Explore market design changes that provide generators incentives to be available, especially during times when the risk of reduced real-time resource availability is high due to interchange and fuel supply uncertainty
- ◆ ***Benefit:*** Provide incentives for intra-day operational flexibility and promote increased resource availability and performance
- ◆ ***Screen:*** Significant Market Design Concept

# Behind the Meter: Net Generation Model

- ◆ ***Description:*** Evaluate market design concepts that allow participation of generation whose primary purpose is to serve onsite load to sell its excess generation in wholesale energy, ancillary and capacity markets
- ◆ ***Benefit:*** Allow surplus energy and capacity to participate in the wholesale market
- ◆ ***Screen:*** Allows or encourages a new type or category of market product



# Possible Mechanisms to Determine Need for Elimination of Capacity Zones

- ◆ ***Description:*** Consistent with the August 2013 NCZ Order, the NYISO will work with stakeholders to consider if a mechanism is needed to eliminate zones
- ◆ ***Benefit:*** This process will lead to the development of a mechanism to eliminate zones if it is determined that such a mechanism is necessary
- ◆ ***Screen:*** Significant Market Design Concept. FERC directive where the NYISO has implementation flexibility

# SCR Performance Obligations: Change Minimum Performance Obligation From Four to Six Hours

- ◆ ***Description:*** Develop market rules to revise the performance obligation requirement of demand response resource that sell into NYISO's capacity market
- ◆ ***Benefit:*** Improved reliability through increase in the Minimum Performance Obligation From Four to Six Hours
- ◆ ***Screen:*** Significant Market Design Concept

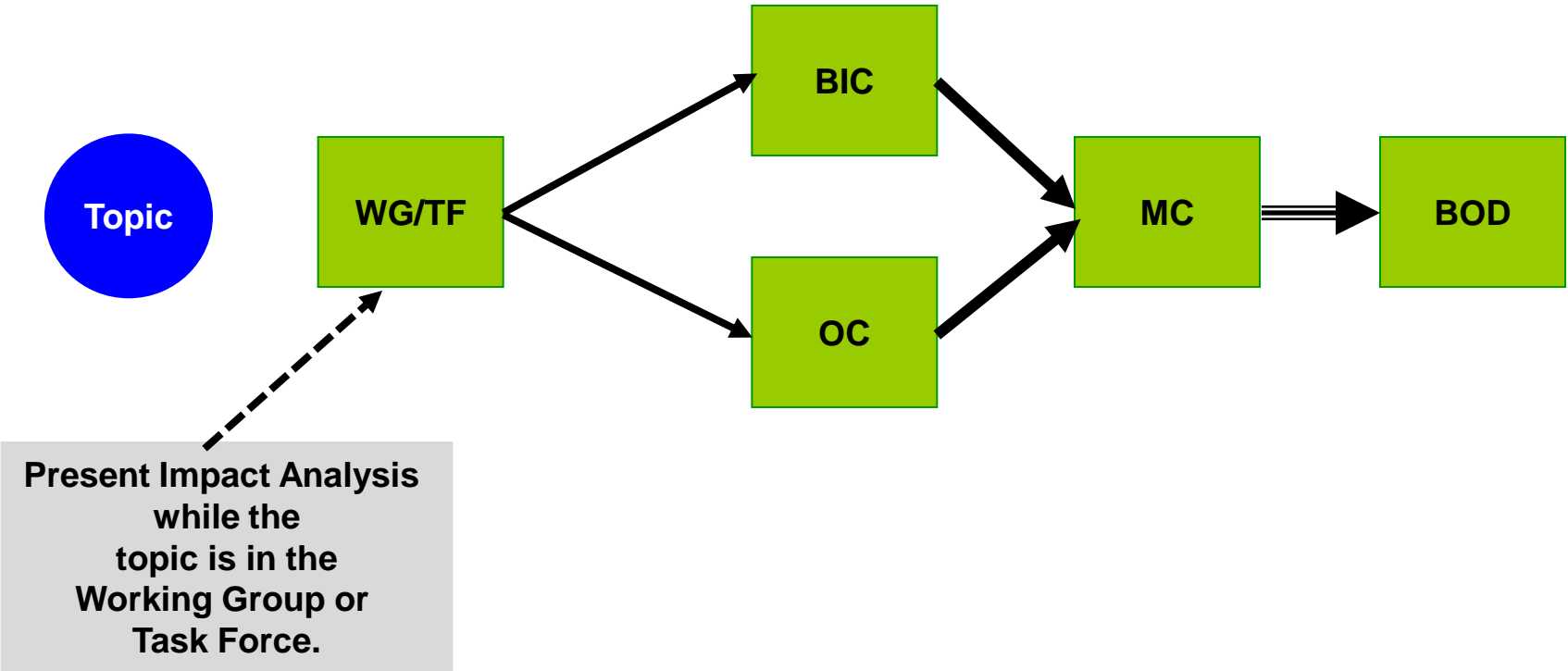
# Criteria for Including Mothballed Units in the Forecast for Buyer-Side Mitigation Determinations

- ***Description:*** FERC asked the NYISO to consider, in consultation with stakeholders, the need to modify the current Buyer-Side Mitigation (BSM) Rules with regards to mothballed units. Evaluate and recommend the criteria for determining the set of resources included when forecasting capacity and energy revenues for BSM
- ***Benefit:*** Improved accuracy in the forecast of capacity and energy revenues that are expected to be available will improve the BSM test
- ***Screen:*** Emergent stakeholder issue

# Impact Analysis - Process Map

NYISO SHARED GOVERNANCE PROCESS

IA prepared prior to BIC/OC Vote.



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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