



# **Annual ICAP & Demand Response Reports**

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**Installed Capacity Working Group**  
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# Background

- ◆ **At the December 12, 2016 ICAP Working Group meeting, the NYISO initiated a discussion with stakeholders regarding filing with FERC a request to discontinue its compliance obligation to submit the Annual ICAP Report and Semi-annual Demand Response Report**
- ◆ **The annual reporting obligations were established in Docket Nos. ER01-3001 and ER03-647 and have been revised over time**
- ◆ **At the December ICAPWG meeting, stakeholders requested that the NYISO describe in further detail each section of the reports, and the NYISO's proposed elimination of the section or alternative by which to report (e.g., posting to the NYISO's website) of that information**

# Overview

- ◆ **At today's meeting, the NYISO will describe each section of the reports and the NYISO's proposal regarding future reporting**
- ◆ **The NYISO is seeking stakeholder feedback on its proposal for each section**
- ◆ **Next steps**

# **Report Sections - outline**

- ◆ **Market Developments and Regulatory Update**
- ◆ **ICAP Auction Results**
- ◆ **Capacity Withholding Analysis**
- ◆ **New Generation Projects - Interconnection Queue**
- ◆ **Net Revenue Analysis**
- ◆ **Demand Side Management (DSM)**

# Market Developments and Regulatory Updates

- ◆ This section of the report summarizes major initiatives and market developments
- ◆ NYISO proposes to discontinue this reporting and filing obligation
  - *Notice of all filings is already provided to all stakeholders*
  - *FERC filings and PSC Orders on the filings are posted to the NYISO's website*
  - *Information on upcoming and on-going initiatives is provided in*
    - Stakeholder process, including through posting of materials prior to meetings
    - BPWG process, regarding upcoming initiatives
    - NYISO's 5-year Strategic Plan
    - Consumer Interest Liaison Weekly Summary posted to the NYISO website
    - MMU State of the Market Report, describes changes to the market and trends

# ICAP Auction Results

- ◆ **This section of the report provides:**
  - *The most recent 12 months of ICAP auction results*
  - *States the percent of LSE Capacity requirements met through bilateral transactions by Capability Period*
  - *A comparison of the results to those from prior years*
  - *An explanation of the results*
  - *A description of trends*
- ◆ **Currently posted on NYISO website**
  - *Monthly auction results are posted under ICAP Documents and resources → Monthly Reports → Monthly UCAP Reports*
  - *Other data is provided in the MMU's SOM except bilaterals*
- ◆ **MMU State of the Market Report provides:**
  - *Average spot auction capacity prices for the capability year*
  - *Percent change in the average spot capacity prices compared to the previous capability year*
  - *Year-over-year changes in the Load Forecast, IRM/LCRs, ICAP Requirement, Generation, and SCR*
  - *Explanation of the change in capacity prices*

# Capacity Market Withholding Analysis

- ◆ This section of the report provides information on amounts of unoffered, and offered and unsold capacity.
- ◆ The methodology that triggers a further analysis of certain behavior for purposes of the annual report was developed in 2010. That methodology was accepted by the Commission to resolve pleadings then-pending before the Commission regarding prior annual reports
- ◆ *The limited feedback received after the last ICAPWG presentation stated a preference that the NYISO continues to perform and post the Capacity Withholding Analysis*
- ◆ The NYISO proposes to:
  - *Continue to provide the Capacity Withholding Analysis*
    - As part of MMU's State of the Market Reports or
    - Prepared by NYISO in a manner to be developed with stakeholders, and posted
  - *Discontinue compliance filing obligation*

# New Generation Projects

- ◆ This section of the annual report and the same section of the June semi-annual report (filed with the June DSM semi-annual report) provides a very brief and high-level description of the NYISO's interconnection process
- ◆ The NYISO proposes to discontinue this filing obligation
  - *Interconnection Queue is already available on the NYISO's website under the planning section*
  - *The Queue is updated frequently*



# Net Revenue Analysis

- ◆ This section of the report provides a net revenue analysis designed to show the effectiveness of the ICAP Demand Curves on developing new generation
  - *Revenue requirements: Calculates revenue required by hypothetical plant using Demand Curve parameters*
  - *Net E&AS Revenue: Calculates Net E&AS revenue for the hypothetical peaking plant using simplistic model*
  - *Capacity Revenue: Calculates Capacity revenue for the hypothetical peaking plant using historical spot market prices*
  - *Revenue Margins: Reports the quantity of total revenue received from E&AS and capacity as a percentage of required revenue*
- ◆ The NYISO proposes to discontinue this filing and reporting obligation
  - *A significant portion of this or similar information is provided in the MMU's State of the Market annual report*
    - MMU's State of the Market annual report utilizes a model that produces more robust and representative results than what is used to produce the information in the Annual ICAP Report
    - Provides graphs of the capacity market results for NYCA, NYC, LI, and G-J

# Semi-Annual Report on Demand Response Programs

- ◆ **NYISO submits two semi-annual reports on its demand response programs. Both reports provide an overview of the four DSM programs that the NYISO administers – the Emergency Demand Response Program, the Installed Capacity – Special Case Resource program, the Day-Ahead Demand Response Program, and the Demand-Side Ancillary Services Program**
  - ***January Report:***
    - Program enrollment statistics
    - List of demand response events and performance tests
    - Analysis of resource response in demand response events and performance tests
    - Provides an update on NYISO’s ongoing demand response initiatives
  - ***June Report:***
    - Condensed summary program enrollment statistics
    - Provides an update on NYISO’s ongoing demand response initiatives

# Demand Side Management

- ◆ **The NYISO proposes to**
  - *Post on its website, a single annual report containing all information currently included in the annual (January) report to FERC*
  - *Discontinue the obligation to file with FERC the annual report and to file and prepare the semi-annual (June) report*
- ◆ **The June report duplicates significant information in the January report**
- ◆ **Most of this information is relatively static from report to report. For instance, the four DSM programs have evolved, and are updated by the NYISO from time-to-time, but any changes to those programs tend to be fairly incremental**
- ◆ **It would be more efficient to annually post the information on DSM now contained in the annual DSM rather than filing a reports**

# Next Steps

- ◆ The NYISO will consider input received during today's ICAPWG meeting
- ◆ Stakeholders can also provide additional comments in writing by February 27<sup>th</sup> to [deckels@nyiso.com](mailto:deckels@nyiso.com)
- ◆ Before filing with FERC, the NYISO will discuss with stakeholders its planned motion based at a future ICAPWG meeting

**The mission of the New York Independent System Operator, in collaboration with its stakeholders, is to serve the public interest and provide benefit to consumers by:**

- *Maintaining and enhancing regional reliability*
- *Operating open, fair and competitive wholesale electricity markets*
- *Planning the power system for the future*
- *Providing factual information to policy makers, stakeholders and investors in the power system*

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