New Capacity Zones: NCZ Study Inputs and Assumptions; Information

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ICAPWG
October 1, 2012
Rensselaer, NY

DRAFT – FOR DISCUSSION PURPOSES ONLY

Topics:

- **New Capacity Zone (NCZ) Study**
  - ***Tariff Process Established***
  - ***Inputs and Assumptions***
    - **Matrix**
    - **Discussion**
  - ***Schedule***
  - ***Additional NCZ Information***
- **Next Steps**

NCZ Study – Tariff Process

- **FERC's August 30,2012 Order *(Docket No. ER12-360)* accepted the NYISO's November 7, 2011 tariff compliance filing with no modifications, effective January 9, 2012.**
- **The accepted tariff provisions:**
  - ***A triennial process to evaluate the need for NCZ(s) – aligned with the triennial ICAP Demand Curve reset process***
  - ***Generally utilizes Highways Deliverability Test (from OATT Section 25.7.8)***
    - **Only considers projects in completed Class Years**
    - **Byway facilities will not be evaluated**
  - ***Tariff Sections pertinent to the NCZ Study and procedures:***
    - **New Section 5.16 of the Services Tariff**

NCZ Study

- **Purpose of the NCZ Study is to identify constrained Highways.**
- **If the NCZ Study identifies a constraint, the NYISO will identify the boundary of an NCZ(s).**
- **If a constraint is not identified, the tariff does not require the NYISO to propose an NCZ.**
  - ***A constraint would not be identified if there is sufficient transmission capacity, as identified in the NCZ Study, available.***
  - ***If sufficient transfer capacity is not available, the process of developing a new capacity zone would be triggered.***

Inputs and Assumption Matrix

- **Section 5.16.1.1 of the Services Tariff specifies the inputs and assumptions that will be included in the NCZ Study case.**

#	Parameter	Description	Reference
1	Installed Capacity Requirement	NYCA Installed Capacity Requirement to achieve LOLE less than 0.1 day per year	2012 IRM report
2	IRM Emergency Transfer Limits	Emergency transfer limits on ROS interfaces corresponding to IRM study	
3	Locational Minimum Capacity Requirement	Lowest feasible capacity requirement for each capacity region to satisfy the ICAP Requirement	2012 LCR report, approved by OC on Jan. 12, 2012
Load model			
4	Peak Load Forecast	NCZ Study Capability Period peak demand forecast contained in the latest ISO's Load and Capacity Data report	2017 Summer peak load conditions from 2012 Gold Book
5	Load Forecast Uncertainty	Uncertainty relative to forecasting NYCA loads for any given year, which is sensitive to different weather and economic conditions.	2012 IRM report

Inputs and Assumption Matrix cont.

#	Parameter	Description	Reference
Generator model			
6	Existing CRIS generators and projects with Unforced Capacity Deliverability Rights	Existing generators in-service on the date of the latest ISO's Load and Capacity Data report	2012 Gold Book
7	Planned generation projects or Merchant Transmission Facilities	Project that have accepted either (a) Deliverable MW or (b) a System Deliverability Upgrade cost allocation and provided cash or posted required security pursuant to OATT Attachment S, which for (a) and (b) is from a Class Year Final Decision Round that occurs prior to the NCZ Study Start Date	
8	ICAP/UCAP translation	Convert ICAP to UCAP based on derated generator capacity incorporating availability	2012 IRM
9	Deactivated CRIS units	Units retaining CRIS rights for three years after being considered "deactivated" unless the ability to transfer those rights has expired	Generator units deactivated before September 1, 2009

Inputs and Assumption Matrix cont.

#	Parameter	Description	Reference
Transmission model			
10	Existing transmission facilities	As identified as existing in the ISO's Load and Capacity Data report most recently published prior to the NCZ Study Start Date.	2012 Gold Book
11	Firm plans for changes to transmission facilities by TOs	Planned changes of facilities in the latest ISO's Load and Capacity Data report that are scheduled to be in-service prior to the NCZ Study Capability Period	
12	System Upgrade Facilities and System Deliverability Upgrades	Facilities associated with planned projects identified in (7) above, except that System Deliverability Upgrades will only be modeled if the construction is triggered	
Import/Export model			
13	External System Import/export	NYCA scheduled imports from HQ/PJM/ISO-NE	NYISO Tariffs - OATT Section 25, Attachment S
14	Base case interchange schedules between NYCA Capacity Regions	Actual flow scheduled from ROS to NYC and LI to satisfy LCR	- ROS to NYC: 2425 MW - ROS to LIPA: 780 MW

NCZ Study and Related Processes Schedule

Date	Description
9/1/2012	NCZ Study start date
10/1/2012	NYISO Establishes inputs and assumptions for the NCZ Study
10/1/2012	ICAP WG meeting to discuss inputs and assumptions with stakeholders
1/15/2013	Report to stakeholders on results of NCZ Study
3/1/2013	Determine Indicative Locational Capacity Requirements for each Load Zone or group of Load Zones identified in the NCZ Study as having a constrained Highway Interface
March 2013	Stakeholders review and comment on Indicative Locational Capacity Requirement
March 2013	MMU review and comment on the NCZ Study and any proposed tariff revisions
3/31/2013	File tariff changes with FERC to establish NCZ (e.g., OATT Att. S revisions, NCZ Study results, revise Locality definition to include NCZ boundary)
11/30/2013	ICAP Demand Curve reset filing (establish ICAP Demand Curves for next 3 Capability Years including for the NCZ(s))
1/15/2014	2014/15 Locational Minimum Installed Capacity Requirement established for all Localities, including the NCZ (s)
5/1/2014	Capability Year begins, with NCZ, and new ICAP Demand Curves

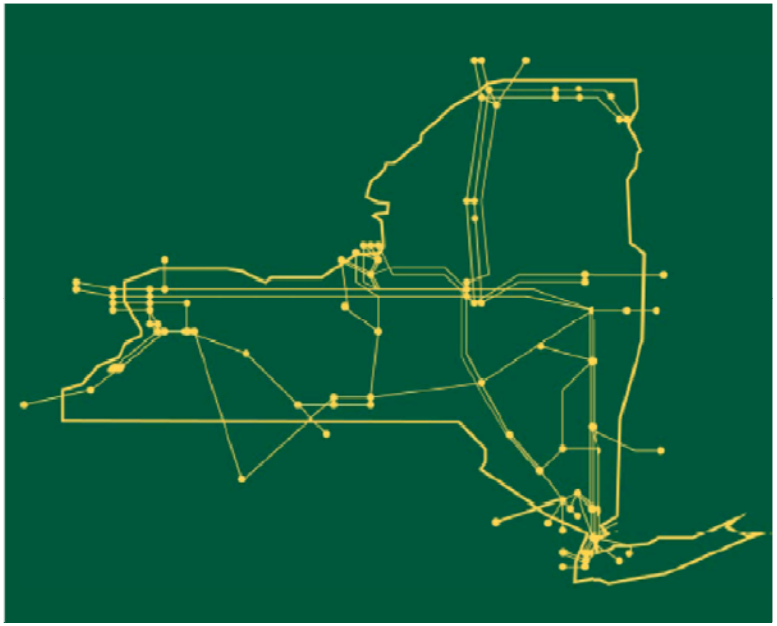
Additional NCZ Information

- **Some stakeholders inquired how the Locational Capacity Requirement for NCZs will be determined, and how they impact the IRM**
  - ***The NYISO is evaluating methods for computing the LCR for a newly accepted nested NCZ (i.e., an NCZ that contains an existing Locality)***
  - ***The NYISO will be prepared to review the LCR methodology for NCZs with the ICAPWG after review with the ICS***
  - ***The NYISO cannot speculate on whether an NCZ will impact the results of a study performed for the IRM***

Next Steps

- **In addition to considering comments received during this meeting, the NYISO will also consider written comments. Written comments can be sent to lbullock@nyiso.com by October 15, 2012.**
- **Results of the NCZ Study will be presented to Stakeholders by January 15, 2013.**

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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