

# EDRP/SCR Scarcity Pricing Rules Issues and Concerns

**NYISO Scheduling & Pricing Working Group Meeting**

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*Draft – for discussion purposes only*

# Background

- When the NYISO First Developed EDRP/SCR The Expectation Was That The Programs Would Be Called To Address Conditions Of Widespread Reserve Shortages
- A Couple Years After The Programs Were Developed The NYISO Developed Rules To Assure Prices That Appropriately Represented The Scarcity Conditions Were Set When EDRP/SCR Was Called
  - These Rules Were Designed To Be Triggered By Conditions Where EDRP/SCR Was Called And There Would Be Shortages In Eastern or Statewide 30 Minute Reserves In The Absence Of Calling The Programs

# Last Summer's EDRP/SCR Events

- On Some Occasions Last Summer The NYISO Called EDRP/SCR To Address Reliability Issues On A More Targeted Scale
  - EDRP/SCR Was Called On Long Island To Address An Expected Shortage in Meeting The Long Island 30 Minute Reserve Requirement
  - EDRP/SCR Was Called In NYC To Meet Local Reliability Rule Requirements
  - EDRP/SCR Were Called To Address Voltage Issues

# Pricing Concerns

- Our Current EDRP/SCR Pricing Rules Are Not Designed To Provide Appropriate Scarcity Prices For These More Targeted Calls
- The Current Rule That We Call All EDRP/SCR Resources In A Zone At Once May Make Result In An Inappropriate Response When The Program Is Used To Address A Much More Finely Focused Problem.

These Issues Can Only Be  
Addressed By A Thorough  
Review Of Our Recent Program  
Operation And Other Ways In  
Which The Programs Might Be  
Used Combined With A Review  
Of Whether The Calls Resulted  
In Appropriate Prices

# Questions Associated With Last Summer's Long Island Calls

- Would The Long Island 30 Minute Reserve Requirement Have Been Met In The Absence Of The EDRP/SCR Resources That Responded To The Call?
- If There Would Have Been A Failure To Meet The Long Island Reserve Requirement In The Absence Of The Call:
  - Should We Set Up A Pricing Rule That Triggers Off The Long Island Reserve Requirements In Addition To The Eastern and Statewide Requirements?
  - If We Are Not Going To Revise Our Pricing For Long Island Reserve Based Calls then should We Allow Calls Of EDRP/SCR on Long Island To Avoid A Shortage Of Long Island Reserve Requirements?
  - If We Are Going To Make Calls Based On Long Island Reserve Requirements and We Are Not Going To Correct The Pricing, What Is The Explanation For Not Providing Appropriate Prices?

# Questions Associated With Last Summer's NYC Calls

- Were The Reliability Rules Violations Across The Entire City Or Only In Some Of The Load Pockets In The City?
- If We Are Going To Call EDRP/SCR for Local Reliability Then Should We Make Revisions So That Resources Can Be Called On A More Targeted Basis?
- Would We Have Been Able To Meet The Load In NYC Or Any Of The Pockets In The Absence Of The EDRP/SCR Resources?
  - If We Couldn't Meet The Load Without The EDRP/SCR Resources Then Is It Appropriate To Not Include Them In The Pricing?

# Questions Associated With Last Summer's Voltage Based Calls

- Could We Have Met Load In All Locations On The System In The Absence Of The EDRP/SCR Resources?
  - If We Couldn't Meet The Load Without The EDRP/SCR Resources Then Is It Appropriate To Not Include Them In The Pricing?