

***Treatment of Capacity Wheels-Through and Exports in Summer 2010 Import Rights Study
-- DRAFT, FOR DISCUSSION PURPOSES ONLY --***

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Background

- ◆ Debate about appropriate treatment of wheels-through and exports at NYSRC-ICS
- ◆ Treatment must closely reflect NYISO's operational practices
- ◆ At the ICS, NYISO has clarified that capacity-backed WTs and exports are firm, and would not be cut absent a transmission security problem
- ◆ HQUS agrees with the NYISO's position that it has authority to cut specific transactions that degrade or aggravate a transmission security problem



Summary of proposals

- ◆ Capacity wheels-through should not be subject to import rights
- ◆ Aggregate quantity of import rights available should be increased to account for exports by internal generators



Treatment of Wheel-Throughs

- ◆ **Following clarifications from NYISO, WTs cannot create deliverability problems**
 - WT transactions cannot be curtailed simply for NY adequacy
 - However, WTs may be cut for transmission security, prior to shedding load
- ◆ **Deliverability test focuses on transmission headroom within a capacity zone**
 - WTs do not affect headroom because they can be cut
- ◆ **Requirement to secure import rights is inappropriate in this context**
 - Serves no purpose and precludes otherwise economic transactions



Treatment of Wheel-Throughs (c'd)

◆ Proposal:

- Permanent deletion of all wheel-through language in s. 4.9.2 of the ICAP manual;

- Addition of the following language in ICAP Manual:

"4.9.6. Wheel-through transactions with ICAP implications

In the event that an ICAP transaction between two neighboring control areas must pass through the NYCA, the NYISO Operator will take the steps necessary to ensure delivery of the associated energy, subject to system security limitations on the relevant interfaces. Wheel-through ICAP transactions are not subject to availability of import rights.

Participants in an external control area that have sold Unforced Capacity to serve LSE obligations in External Control Areas via wheels through the NYCA must submit MIS transaction numbers for these transactions to the NYISO via e-mail to ICAP_Info@nyiso.com by the deadline shown in the ICAP Event Calendar (i.e., in the month prior to ICAP export). The NYISO will verify this data with the appropriate External Control Areas." (based on TB 96 and ICAP Manual s. 4.9.5)

- Continued application of TB 96



Treatment of Capacity Exports

- ◆ When exporting capacity, a NYCA resource is interruptible for transmission security (same as a WT)
- ◆ Therefore, an export cannot create deliverability problems
- ◆ Assuming that exporting generators are using headroom is incorrect
 - Understates true deliverability headroom
- ◆ **Proposal:**
 - Import rights study should remove exporting grandfathered units from import deliverability test
 - i.e. treat exports as increased aggregate deliverability headroom
 - Calculate available import rights accordingly



***Other import rights study proposals
- not related to WTs and exports -***



Summary of proposals

- ◆ Cedars tie should be disaggregated from Chateauguay
- ◆ Maximum ICAP imports ("Final individual limits") at Chateauguay and Cedars should not be limited for emergency assistance
 - Should instead be kept at their actual operational limits (1200 MW and 166 MW respectively)
 - As a surrogate, it should be possible to request more import rights than the individual limit and reduce the individual limits unused interfaces accordingly (what has been referred to as "dynamic reallocation")
- ◆ Confirm that the HQCA-IESO-NYCA ICAP wheel limit increased from 350 MW to 900 MW



Treatment of the Cedars tie

- ◆ **Prior to 2009, Cedars and Chateauguay treated separately**
 - Independent import rights limits of 166 MW and 1200 MW respectively
- ◆ **In the 2009, Cedars and Chateauguay were aggregated into a single interface, with a joint import rights limit of 1095 MW**



Treatment of the Cedars tie (c'd)

- ◆ **For HQUS, this is inappropriate**
 - Cedars operated independently of Chateauguay
 - Both are controllable lines
 - Separate "bubbles" in the transmission map
 - Separate proxy buses

- ◆ **Proposal:**
 - Cedars and Chateauguay should be disaggregated



Final individual limits at Chateauguay and Cedars

- ◆ **This is a follow-up to a discussion at ICS**
- ◆ **Chateauguay and Cedars usually used at, or close to, their summer operational limits (1500 MW and 166 MW respectively)**
- ◆ **It is inappropriate to assume that emergency assistance will "bump" scheduled transactions**
 - Would be risky from a NYISO Operations point of view
 - Overstates availability of EA from HQ Control Area as energy is already sold (1200 MW + 300 MW wheel + 166 MW)
- ◆ **Proposal:**
 - Import rights study should assume no emergency assistance available from the HQCA at both Chateauguay and Cedars
 - Set Final individual limits at 1200 MW for Chateauguay and 166 MW for Cedars
 - Set Final individual limits for other interfaces accordingly, if necessary



Wheels Through IESO

- ◆ **Currently, maximum of 350 MW can be wheeled through IESO**
- ◆ **New 1250 MW Québec-Ontario HVDC tie will be fully commissioned by May 2010**
- ◆ **The amount of ICAP that can be wheeled will increase to more than 600 MW (exact number to be confirmed by NYISO)**
- ◆ **Proposal:**
 - **Increase the ICAP wheel through IESO limit accordingly**
 - **Subject to deliverability limitations in Western NY, if necessary**



Questions?

