

Consumer Impact Analysis: Coordinated Transaction Scheduling (CTS) – NY/NE

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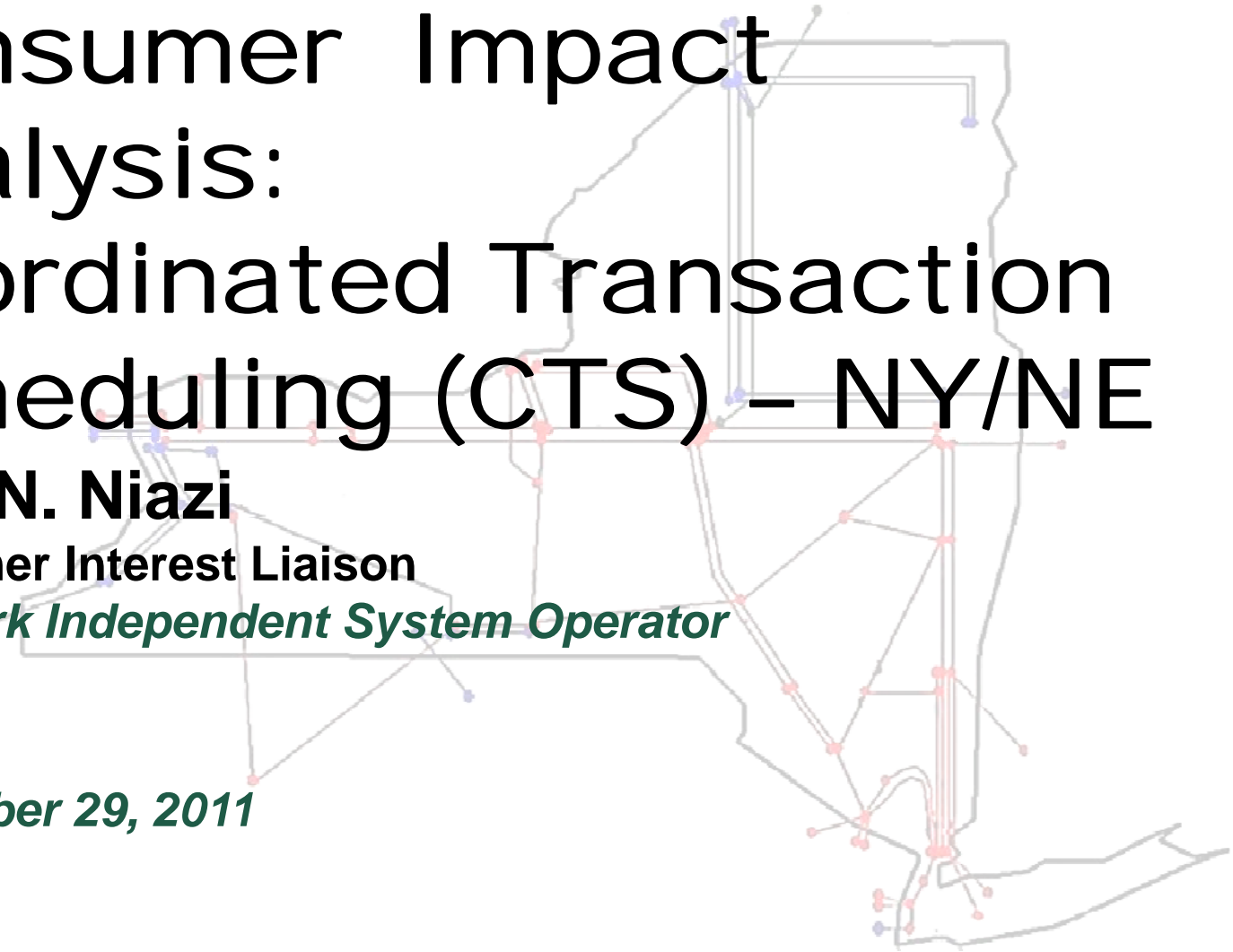
Consumer Interest Liaison

New York Independent System Operator

MC

November 29, 2011

KCC



Consumer Impact Analysis Development

Part of the consumer empowerment initiatives

Product of Analysis Group recommendations

- ❖ **Identify threshold criteria for Impact Analysis (IA) and generally limit undertaking to those situations**
- ❖ **Include quantitative and qualitative analysis**
- ❖ **Formal process with flexibility to respond to stakeholders needs and changing circumstances**
- ❖ **Present stakeholders with analysis dashboard and provide back-up data on analysis, within the limits of the tariffs' confidentiality requirements**

Consumer Impact Analysis (IA) Evaluation Areas

RELIABILITY

**COST IMPACT/
MARKET EFFICIENCIES**

**ENVIRONMENT/
NEW TECHNOLOGY**

TRANSPARENCY

Analysis Guidelines

- ❖ **Anticipated net production cost impact of \$5 Million or more**
- ❖ **Expected consumer impact from energy or capacity market prices changes 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**

Impact Analysis Project List

2011 Projects

- ❖ ***Inter- Regional Interface Scheduling (IRIS) – ISO NE / NYISO***

2012 Projects

- ❖ ***Identified by***
 - ❖ **Significant Market Design Concepts**
 - ❖ *approved in the budget process*
 - ❖ **Emergent stakeholder issues**
 - ❖ **FERC directives where the NYISO has implementation flexibility**
 - ❖ **PSC proposals**

Impact Analysis Development : CTS

Reliability

- ❖ Review and discuss with NYISO System and Resource Planning

Cost Impact/Market Efficiencies

- ❖ David Patton, “Benefits of Coordinating the Interchange between NY and NE”, January 21, 2011

Environment/New Technology

- ❖ Review and discuss with NYISO System and Resource Planning

- ❖ Review and Discuss with NYISO Market Structures

Transparency

- ❖ Review and Discuss with NYISO Market Structures

Consumer Impact Analysis: CTS

Cost Impact/Market Efficiencies

- ❖ ***Up to \$11.4 million annual Production Cost Savings****

- ❖ ***Up to \$139.2 million annual Consumer Savings through reducing wholesale price****
 - ❖ ***Up to a \$66 million annual NY Consumer Savings***

- ❖ ***Counter Intuitive Flows improved***

*67% and 71% of the Ideal Dispatch as calculated in David Patton "Benefits of Coordinating the Interchange between NY and NE", January 21, 2011

Consumer Impact Analysis for CTS

Reliability

- ❖ *No negative impact*
- ❖ *Reduces check out failures by improving consistency between planned and actual flow on the interface*

Consumer Impact Analysis: CTS

Environment/New Technology

- ❖ *More efficient dispatch across the interface using a broader supply of resources to serve load*
- ❖ *15-minute scheduling will provide a wider range of resources/loads over which to absorb variations in wind as well as other generation*

Consumer Impact Analysis: CTS

Transparency

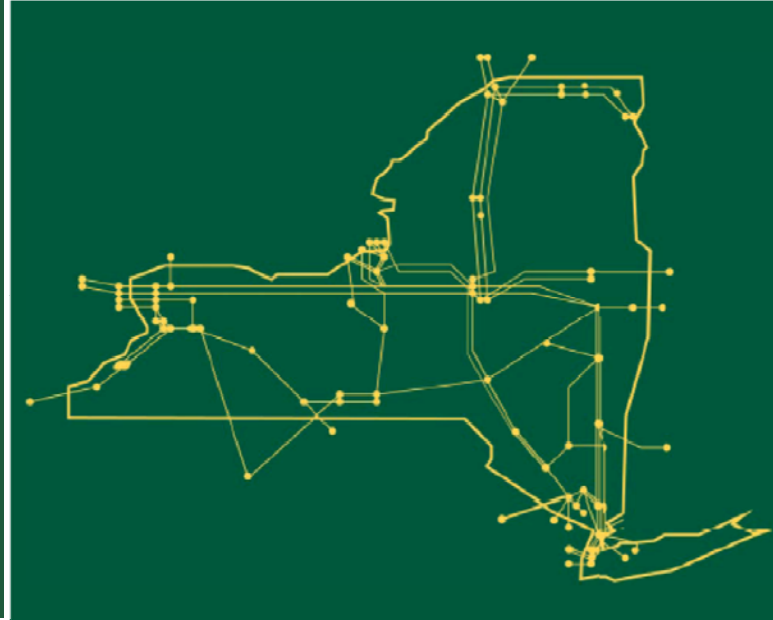
- ❖ *Improves economic direction of the flow schedule*
- ❖ *Consolidates rules and procedures between ISO's*

Next Steps

❖ **Presentations also planned for:**

❖ ***December BOD***

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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