

# CRIS for External-to-ROS Transmission Investment

External-to-ROS Deliverability Rights (EDR)

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# Agenda

- **Background**
- **Response to Stakeholders' Question**
- **EDR Features**
- **EDR Enhancements**
- **Next Steps**

# Background

# Background

- **Joint IITF/TPAS Meetings**
  - HQUS proposed that NYISO develop a method of awarding CRIS to entities that create increased transfer capability into Rest of State (ROS) via transmission upgrades over external interfaces (e.g., the Queue No. 430 Cedars Rapids Transmission intertie project)
- **January 19, 2011 ICAPWG**
  - The NYISO committed to reviewing the interaction between requests for External CRIS Rights from new non-UDR transmission and the current process for optimizing annual import limits
- **NYISO 12/16/2015 ICAPWG presentation**
  - Options presented:
    - Link the incremental transfer capability created by the transmission expansion process to the External CRIS Rights request in the CY Deliverability Study process, or
    - Obtain CRIS through a “UDR-Like” Model
    - Stakeholders commented that developing market rules surrounding External to ROS Deliverability Rights would incentivize transmission expansion and may provide significant benefits
- **HQUS requested and FERC granted a waiver that permits HQUS to request, and be eligible to receive, CRIS corresponding to the incremental transfer capability (in MW) created by its Queue No. 430 Cedars Rapids Transmission intertie project , see H.Q. Energy Services (U.S.) Inc., FERC Docket No. ER17-505-000; Order Granting Tariff Waiver, 58 FERC ¶ 61,098 (2017)**
- **The NYISO presented its market design concept proposal at the August 22, 2017 ICAPWG/TPAS\***

\*Link to the 8/22/2017 ICAPWG/TPAS presentation: [http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2017-08-22/agenda%20%20M163\\_ICAPWG\\_8\\_22.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-08-22/agenda%20%20M163_ICAPWG_8_22.pdf)

# Project Overview

- **This project will allow an entity to receive CRIS corresponding to incremental transfer capability on external interfaces that sink into ROS created by transmission upgrades**
  - The project must meet all of the other External-to-ROS Deliverability Rights (EDRs) qualification requirements
- **The NYISO will be presenting to stakeholders proposed draft tariff revisions to establish the applicable interconnection procedures for obtaining CRIS for such transmission upgrades and market rules for participation using EDRs**

# Market Principle

- Foster a market environment conducive to new investments

# Response to Stakeholders' Question

# Stakeholder Feedback

- **At the October 24, 2017 ICAPWG/TPAS meeting, stakeholders asked why the NYISO would consider Dennison a Scheduled Line, but not consider it Controllable Transmission**
  - The controllability of any proposed EDR was at issue because the NYISO proposed in prior stakeholder meetings that an eligible EDR would become a UDR if a Locality was created where the EDR was sinking
  - The NYISO has revised its proposal to first create the EDR participation option and then, as part of a project candidate for the future, to include discussion of the transition from EDRs to UDRs
  - Scheduled Line is currently defined by the Services Tariff (see the following slide)



## Response to Stakeholders' Question (con't)

- A Scheduled Line is currently defined in Section 2.19 of the Services Tariff as follows
  - “A transmission facility or set of transmission facilities:
    - (a) that provide a distinct scheduling path interconnecting the ISO with an adjacent control area,
    - (b) over which Customers are permitted to schedule External Transactions,
    - (c) for which the ISO separately posts TTC and ATC, and
    - (d) for which there is the capability to maintain the Scheduled Line actual interchange at the DNI, or within the tolerances dictated by Good Utility Practice.
  - Each Scheduled Line is associated with a distinct Proxy Generator Bus.
  - Transmission facilities shall only become Scheduled Lines after the Commission accepts for filing revisions to the NYISO’s tariffs that identify a specific set or group of transmission facilities as a Scheduled Line.
    - The transmission facilities that are Scheduled Lines are identified in Section 4.4.4 of the Services Tariff.”

# EDR Features

# EDR Features

- **Allow entities to request CRIS associated with EDRs by undergoing a Deliverability evaluation in a Class Year Study**
  - Before requesting CRIS in a Class Year Study, however, a Developer would need to propose a transmission upgrade to increase transfer capability by submitting an application under the Transmission Interconnection Procedures (TIP)
    - A System Impact Study and a Facilities Study would be performed as part of the TIP
    - The TIP evaluations would be limited to the reliability impacts of the proposed transmission upgrade
  - The project would be evaluated for CRIS in a Class Year
    - The Class Year evaluation would be limited to the evaluation of the transmission upgrade's incremental transfer capability under the Deliverability Interconnection Standard
    - The Developer must have a completed System Impact Study of the transmission upgrade that creates the incremental transfer capability before entering a Class Year to request CRIS
  - The CRIS requested can be no greater than the MW of the incremental transfer capability determined by the NYSIO in the SIS to be created by the transmission upgrade

# EDR Features

- **External to ROS Deliverability Rights (EDR)**
  - Used for new or incremental transfer capability on a Scheduled Line over an External interface, caused or created by investment in transmission facilities
  - Must sink in ROS (*i.e.*, not a Locality)
- **External capacity will sink in ROS and will be treated like other imports into ROS**
  - Does not require the addition of interfaces in the ICAP auction

# EDR Features

- **As a Scheduled Line**
  - Provides a measurable and knowable increase in transfer capability
  - Will not apply to AC tie lines into ROS
- **No obligation to offer capacity associated with the EDRs**
- **No minimum price offer**
- **The NYISO will account for line availability and line losses**

# EDR Features

- **CRIS can be transferred to an EDR project from either a generator, UDR, or another EDR project**
- **The Developer/holder of the CRIS associated with an EDR can change (subject to ISO Procedures)**
  - The holder of the CRIS will have the same opportunity as other ICAP Suppliers to identify a different billing organization or bidding organization
- **EDRs would not be limited in duration**

# EDR Features

## ■ Annual Election

- Rightsholder may elect to return a MW amount of their EDRs, up to the maximum MW awarded
- MW returned will be available to be treated as emergency assistance in the IRM and LCR studies
- UCAP associated with the MW of EDRs “returned” cannot be offered in the ICAP market

# EDR Features

- If a new Locality (New Capacity Zone (NCZ)) is created including the Load Zone in which the EDR sinks, then the EDR will no longer be an EDR; *i.e.*, it will not be eligible to qualify to offer capacity



# EDR Enhancements

# EDR Enhancements

- **The NYISO will continue with the limited scope of allowing only incremental transfer capability on Scheduled Lines sinking into ROS to be an EDR**
  - However, the NYISO plans to propose the potential additional enhancements described in the following slide for a 2019 project

# EDR Enhancements

- **The NYISO has revised its proposed EDR rules that would apply in the event a Locality is created where an EDR sinks**
  - Revised proposal: If a new Locality (New Capacity Zone (NCZ)) is created that includes the Load Zone in which the EDR sinks, then it will no longer be an EDR; *i.e.*, it will not be eligible to qualify to offer capacity
  - Original NYISO proposal would have allowed for an EDR to be converted into a UDR
    - An EDR is formed from incremental transfer capability created by the project, whereas a UDR is created from newly built transmission or increased capability to an existing UDR project
  - Treatment of EDRs that sink into a Load Zone that later becomes a Locality is an enhancement the NYISO will consider as part of a proposed 2019 project described on the following slide (*i.e.*, as an add-on to the rules established in this proposal)

# 2019 Project Prioritization

- The following are draft project prioritization descriptions for potential 2019 projects to accommodate proposed enhancements/expansions of the 2018 project, should the EDR concept be approved by stakeholders and FERC in 2018:

## **External-to-ROS Deliverability Rights (EDRs) for External Transmission Upgrades**

This project will consider expanding upon the External-to-ROS Deliverability Right (EDR) participation model. As part of this endeavor, the NYISO will examine the potential for a Market Participant to receive EDRs to participate in the Capacity market by funding transmission system upgrades external to the NYCA that increase transfer capability at an external interface.

## **External-to-ROS Deliverability Right (EDR)/ Unforced Capacity Deliverability Right (UDR) Coordination**

This project will consider expanding upon the External-to-ROS Deliverability Right (EDR) participation model. As part of this effort, the NYISO will consider rules governing allowing an EDR to sink into a Locality, and the transition between EDRs and UDRs.

# Next Steps

# Timeline

Date	Targeted Event
Q1 2018 ICAPWG/TPAS Meetings	ICAPWG/TPAS to present draft tariff language
Targeting 3/15/2018	BIC vote
Targeting 3/28/2018	MC vote
Q2 2019	Implementation

# The Mission of the New York Independent System Operator, in collaboration with its stakeholders, is to serve the public interest and provide benefits 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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