

Emissions Reporting, Billing, and Bilateral Transactions

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Agenda

- Presentation Objective
- Background
- Emissions Reporting
- Billing
- Bilateral Transactions

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Presentation Objective

- Provide a high level explanation of resource emissions reporting and billing under carbon pricing.
- Discuss bilateral transactions.

Background

Background

- The NYISO straw proposal* proposes that internal NYCA generators with CO₂ emissions would be charged for those emissions (the “CO₂ Emitting Resources”), and these resources would also incorporate this charge into their bids.
 - The carbon charge will be equal to the product of the applicable carbon price and the resource’s point-of-production carbon emissions, with some exceptions:
 - Tier 1 resources under the Clean Energy Standard will not be assessed carbon charges
 - Cogeneration resources will only be assessed carbon charges on the portion of their carbon emissions associated with electrical generation
 - Behind-the-Meter Net Generation Resources will be charged based on their net injections into the grid

*Link to the NYISO straw proposal:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg_ipptf/meeting_materials/2018-04-23/Carbon%20Pricing%20Straw%20Proposal%2020180430.pdf

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Emissions Reporting

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Reporting

- **The NYISO would develop a process for generators to report how much carbon they are emitting.**
 - CO₂ Emitting Resources would then true-up this data based on actual emissions.
 - Applicable charges and/or credits would be issued to adjust payments based on reported actual emissions.

Reporting

- **Some CO₂ Emitting Resources submit emissions data to EPA, some submit emissions data to NYSDEC, while others do not submit emissions data.**
 - EPA emissions data submission deadline is 60 days after the end of the quarter.
 - NYSDEC emissions data submission deadline is annual.
- **The majority of CO₂ Emitting Resources reporting data should already have data collection processes in place that would enable them to provide emissions data to the NYISO.**

Reporting

- **The NYISO will have to develop a method for resources that do not submit data to the EPA or to the NYSDEC to determine their emissions so that the NYISO may calculate the carbon charge.**
 - This methodology would be developed as part of the NYISO stakeholder process (MIWG).
- **The NYISO requests feedback from stakeholders regarding an appropriate methodology to determine emissions from such resources.**
 - The NYISO is especially interested in feedback from owners of CO₂ Emitting Resources that are not currently required to report emissions data.

Billing

Billing – Overview

- CO₂ Emitting Resources would be able to provide the NYISO with weekly emissions data or emissions estimates during the billing month.
- CO₂ Emitting Resources would also provide updated emissions data when available.
 - Bills from the NYISO are final roughly 8 months from the initial monthly invoice.¹
 - The initial monthly invoice is posted the fifth business day directly following the billing month.
 - Billing results can currently be challenged up to 5 months after the initial monthly invoice (the “billing challenge period”).

¹NYISO Invoicing Schedule is located at the following link:
www.nyiso.com/public/webdocs/markets_operations/services/financial_services/billing_settlements/Processing_and_Invoice_Schedule/Monthly_Invoicing_Schedules/2018%20NYISO%20Monthly%20Invoicing%20Schedule.pdf

Billing - Overview

- The NYISO envisions that adjustments to the carbon charge would be paid to or collected from CO₂ Emitting Resources who provide emissions data updates before a specified deadline for emissions reporting.
 - This deadline could be consistent with the current billing challenge period.
 - The billing deadline for emissions reporting is still under consideration.

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Billing – Emissions Updates after the Billing Deadline for Emissions Reporting

- If revised emissions data is supplied after the billing deadline for emissions reporting, then:
 - CO₂ Emitting Resources would be charged if the emissions are greater than the amount for which the resource was billed.
 - If emissions are less than the amount for which the resource was billed, then the resource would not receive a credit.

Emissions Reporting and Billing

- **The billing process outlined on the previous slides is complementary to the EPA reporting process utilized by some CO₂ Emitting Resources.**
 - This process would allow resources reporting only to NYSDEC, or resources without a reporting obligation, to provide emissions estimates to the NYISO, and to revised those estimates as needed.

Billing - RGGI

- In order for the NYISO to accurately apply the carbon charge, resources will have to report to the NYISO whether a given resource is subject to RGGI.
 - This information will be essential for the NYISO to accurately calculate a carbon charge, as stated in the NYISO Straw Proposal:

“Suppliers covered by RGGI...would be charged the Gross SCC *minus* the most recently posted quarterly RGGI price. Suppliers not covered by RGGI would incur a carbon price equal to the Gross SCC.”

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Bilateral Transactions

Bilateral Transactions

- **CO₂ Emitting Resources injecting into the grid would be subject to the carbon charge (see slide 5).**
 - CO₂ Emitting Resources operating to fulfill a bilateral transaction would thus also be subject to the carbon charge.
- **Transmission Customers purchasing energy through bilateral transactions would receive an allocation of the carbon residual.**
 - This treatment will be similar to how other billing residuals are allocated to Transmission Customers' Actual Energy Withdrawal.

Questions?

We are here to help. Let us know if we can add anything.

Feedback?

- Questions and/or comments can be sent to IPP_feedback@nyiso.com

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- 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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