

SCR Performance Obligations

Stacia Wilcox

*Market Product Specialist, Demand Response Products Design
New York Independent System Operator*

**Joint Installed Capacity and Price-Responsive Load
Working Groups**

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NYISO, Rensselaer, NY

Topics

- ◆ **Existing Program Rules**
 - *Purpose of Performance Test*
 - *Project Objective*
- ◆ **Stakeholder Feedback**
- ◆ **Revised proposal for using event response to satisfy the mandatory test requirement for SCRs based on stakeholder feedback at the July 8 ICAPWG**
- ◆ **August 20 ICAPWG: follow-up on proposal for changing the minimum performance obligation for SCRs**
- ◆ **Next Steps**

Purpose of Performance Test

- ◆ The purpose of the performance test is
 - *To evaluate the ability of the SCR to provide the maximum enrolled MW capability of the SCR in the Capability Period*
- ◆ This differs from how SCR performance is measured during a mandatory event
 - *Evaluated against the SCR's enrolled MW capability contribution to the aggregation's UCAP sold in the capacity market for that month*

Sample Enrollment and Sales

A	B	C	D	E	F	G	H	I
SCR Resource	Enrolled Capability kW							Max Enrolled Capability kW
	May	June	July Enrolled kW	July Sales	Aug	Sept	Oct	
1	50	50	40	40	40	55	55	55
2	100	100	100	95	90	90	90	100
3	45	45	45	45	45	45	45	45

- ◆ **Performance in a July event is measured against the SCR’s enrolled capability contribution to the aggregation’s UCAP sold in the capacity market for that month, shown in column E**
- ◆ **A July performance test is measured against the maximum enrolled capability of each SCR in the Capability Period, shown in column I**

Sample Event and Test

A	B	C	D	E	F	G	H	I
SCR Resource	Capacity Reduction kW					July Sales	Max Enrolled Capability kW	Capacity Reduction Value used in Performance Calculations for the Test
	July Evt HB13	July Evt HB14	July Evt HB15	July Evt HB16	July Test (first performance test)			
1	35	40	45	37	55	40	55	55
2	90	95	95	92	99	95	100	99
3	40	45	45	47	40	45	45	40

- ◆ Each event hour of capacity reduction, shown in columns B-E, is measured against the SCR’s July enrolled capability contribution to the aggregation’s UCAP sold in the capacity market for that month, shown in column G
- ◆ The capacity reduction of the performance test hour, shown in column F, is measured against the SCR’s maximum enrolled capability in the Capability Period, shown in column H

Project Objective

- ◆ **Eliminate the redundancy of requiring a SCR to perform in a performance test after it has been required to respond to a mandatory event in the Capability Period while *maintaining* the purpose of the performance test**

Stakeholder Feedback

- ◆ **Eliminate the need for a proxy test value**
- ◆ **Use the greatest capacity reduction of the individual SCR from all mandatory event hours as the proxy test value**
- ◆ **Allow the option to retest in the first performance test when a SCR is required to respond in a mandatory event**
- ◆ **Assess whether or not the NYISO can apply the proposed changes related to the mandatory test for Summer 2014**

Eliminate Proxy Test Value

- ◆ **Eliminate the need for a proxy test value and measure the SCR performance based solely on response(s) to mandatory events**
 - *A test value is required for evaluating the SCR's ability to provide the maximum enrolled MW capability of the SCR in the Capability Period*
 - *The NYISO's proposal is to allow the capacity reduction during a mandatory event hour to be used as the test value*

Revised Proposal for Selection of Proxy Test Value

- ◆ **Use the higher of the greatest capacity reduction of the individual SCR from all mandatory event hours as the proxy test value or the capacity reduction of the SCR in the first performance test**
- ◆ **Using the greatest capacity reduction of an individual SCR provides ability of the SCR “to demonstrate its maximum registered megawatt value”**

Proxy Test Value Greater than 100% of Maximum Enrolled MW

- ◆ The NYISO will continue to allow the proxy test value to exceed 100% of the SCR's maximum enrolled MW value in the Capability Period
 - *Continuing to allow the over performance of individual SCRs may potentially result in over stating the aggregation performance factors*
 - *The NYISO will monitor event response values assigned as the proxy test value for significant over performance of individual SCRs leading to potential overstatement of aggregation performance factors*

Option to Retest

- ◆ **Allow SCRs the option to retest in the first performance test of the Capability Period after being required to respond to a mandatory event**

Example of Revised Proposal

A	B	C	D	E	F	G
SCR Resource	Capacity Reduction kW					Test Value = Higher of greatest capacity reduction in mandatory event hour OR capacity reduction in first performance test
	July Evt HB13	July Evt HB14	July Evt HB15	July Evt HB16	July Test (first performance test)	
1	35	40	45	37	opted out	45
2	90	95	95	92	re-tested: 99	99
3	40	45	45	47	re-tested: 40	47

- ◆ SCR Resource 1: Does not retest in first performance test, proxy test value selected is the greatest capacity reduction in mandatory event hour, shown in column D
- ◆ SCR Resource 2: Retests in first performance test, greatest capacity reduction is in test hour, shown in column F
- ◆ SCR Resource 3: Retests in first performance test, proxy test value selected is the greatest capacity reduction in mandatory event hour shown in column E

Additional Performance Test Provisions

- ◆ **The first performance test will still be required for all SCRs that were not required to perform in a mandatory event prior to the first performance test of the Capability Period**
 - *All SCRs enrolled for one or more months in a Load zone where no mandatory event was called during the month(s) of enrollment and all the SCRs that were enrolled after a mandatory event*
 - *First performance test will continue to be administered according to ISO Procedures described in Section 4.12.4.5 of the ICAP Manual*
- ◆ **No changes to second performance test**
 - *Captures SCRs enrolled after the deadline for the first performance test and SCRs required to test again due to enrollment change for an Incremental ACL or reported SCR Change of Status*
 - *No option for a second retest for SCRs that were required to respond to an event or the first performance test*

Implementation Timeline - 1

- ◆ The NYISO has received several requests to implement the modifications proposed for the mandatory test for Summer 2014
- ◆ Although the Tariff does not preclude implementation, the ICAP Manual is explicit that each SCR is required to test once in each Capability Period on the date and time specified by the NYISO (Section 4.12.4.5)
 - *“Each SCR is required by the NYISO to demonstrate its maximum registered megawatt value in a test once in every Capability Period, such test not to exceed one clock hour on the date and at the time specified by the NYISO.”*
- ◆ Conceptual agreement on the going forward approach and the associated updates to the ICAP Manual are required prior to implementation

Implementation Timeline - 2

- ◆ **The NYISO would like to work through the remaining conceptual decisions with stakeholders expeditiously and bring the changes forward, including any necessary manual changes, for vote as soon as practically possible**
- ◆ **The NYISO would also want to make sure SCR participants are well aware of this change prior to implementation**
- ◆ **In conjunction with the stakeholder timeline, the NYISO will pursue solutions for the software modifications to allow for implementation on an expedited basis**

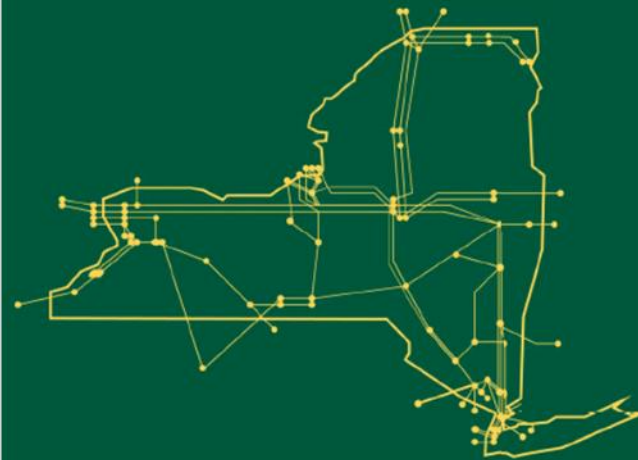
Next Steps

- ◆ **August 20 ICAPWG:**
 - *Discuss language revisions related to performance test proposal for the ICAP Manual*
 - *Follow-up discussion related to minimum performance obligation*
- ◆ **September 2014: BIC and MC votes**
- ◆ **October 2014: Board approval and file Tariff**
- ◆ **June 2015: Deployment to be effective for the Summer 2015 Capability Period**

Proposal from 7/8/14 ICAPWG

- ◆ **Substitute an event hour's response for the test response**
 - *This proxy test value will be treated like a test value in the calculation of all performance factors*
- ◆ **The capacity reduction of the SCR during the Load zone's greatest hour of capacity reduction during a mandatory event hour**
- ◆ **First performance test would still apply to SCRs that were not obligated to perform in the mandatory event**
 - *Includes SCRs in zones not deployed, SCRs not enrolled or with no capacity obligation in the month*
- ◆ **SCRs that were obligated to respond to a mandatory event would not have the option to participate in the performance test (no option to retest)**

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