

# Consumer Impact Analysis: 2012 Project List

**Tariq N. Niazi**

*Consumer Interest Liaison*

*New York Independent System Operator*

**Business Issues Committee**

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**KCC**

# Analysis Guidelines

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

# Identification of 2012 Projects

## **2012 Projects**

- ❖ *Identified by*

- ❖ **Significant Market Design Concepts**

- ❖ *approved in the budget process*

- ❖ **Emergent stakeholder issues**

- ❖ **FERC directives (compliance filings) where the NYISO has implementation flexibility**

# 2012 Proposed Projects

- ◆ Demand Response Aggregations in DSASP
- ◆ Additional Capacity Zones
- ◆ Ancillary Services Mitigation
- ◆ Scheduling and Pricing: Enhanced Scarcity Pricing

# Demand Response Aggregations in DSASP

- ◆ ***Description:*** Develop market rules to allow small demand response resources to aggregate in providing ancillary services
- ◆ ***Benefit:*** Reduce barriers to entry for demand resources to become ancillary service providers
- ◆ ***Screen:*** Allows or encourages a new type or category of supplier

# Additional Capacity Zones

- ◆ **Description:** Conduct an analysis of possible new capacity zones demarcated by south of the UPNY-SENY Interface.
- ◆ **Benefit:** Reflect more efficiently through prices capacity values both inside and outside SENY
- ◆ **Screen:** Significant market design change

# Ancillary Services Mitigation

- ◆ **Description:** Evaluate two mitigation provisions that may limit competitive 10-minute reserves offers in the DAM and identify appropriate modifications, if necessary
- ◆ **Benefit:** Improve convergence between day-ahead and real time reserve prices during peak load hours\*
- ◆ **Screen:** Significant market design change.

\*\$1.4 – \$4.4 million in production cost savings estimated by David Patton

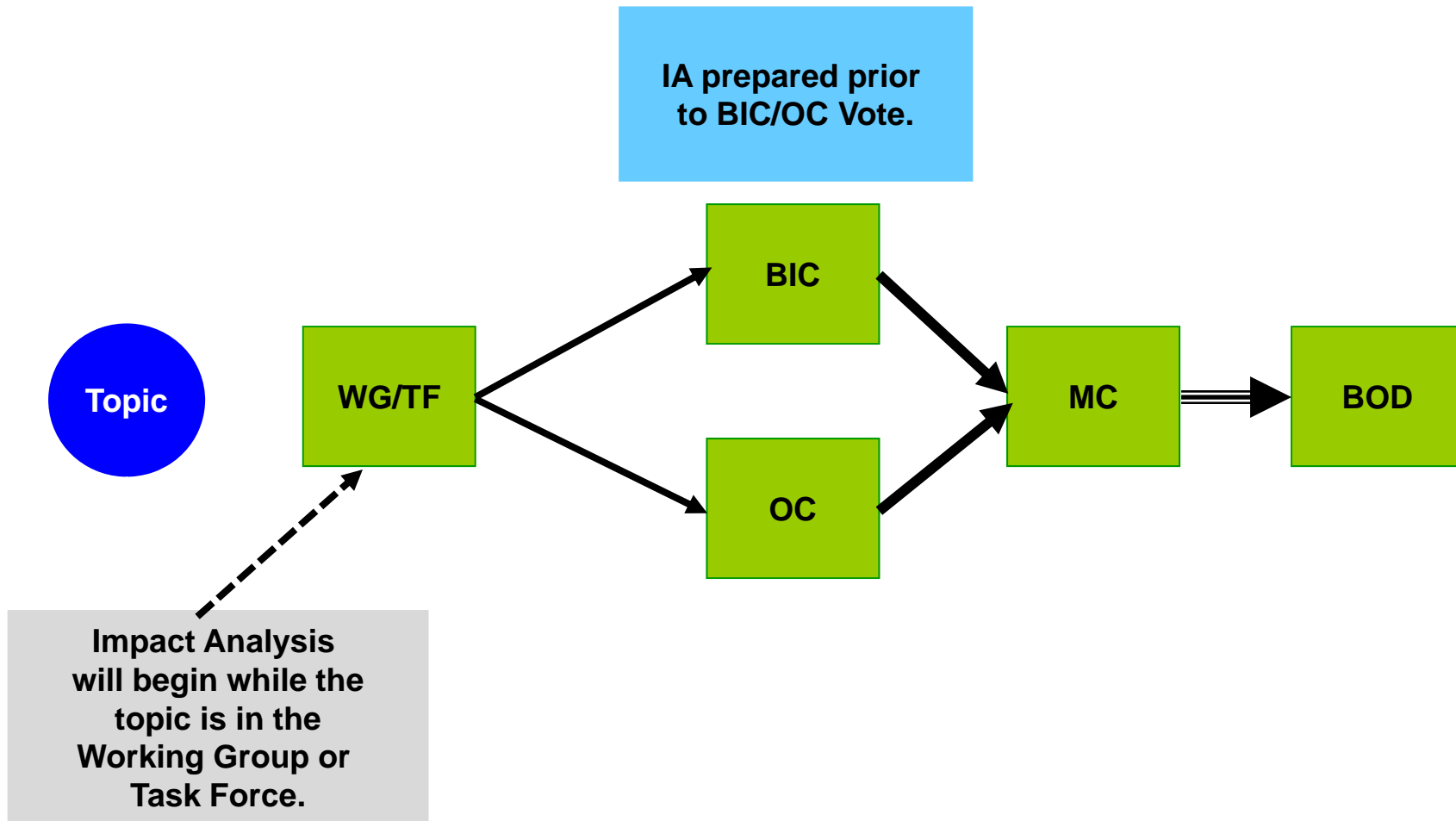
# Scheduling and Pricing: Enhanced Scarcity Pricing

- ◆ **Description:** Evaluate the need for more efficient price setting when energy within the NYCA is scarce
- ◆ **Benefit:** Improved price signals; more efficient scheduling
- ◆ **Screen:** Significant market design change



# Impact Analysis - Process Map

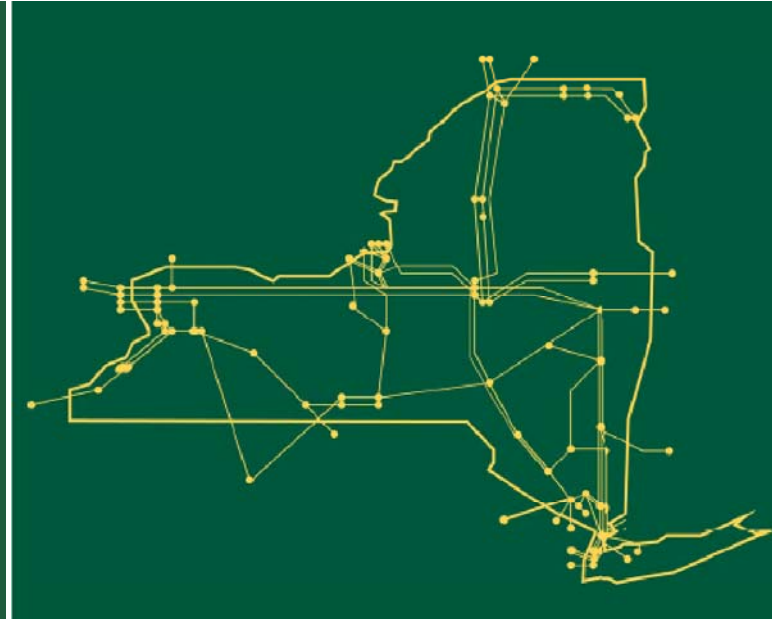
NYISO SHARED GOVERNANCE PROCESS



# Next Steps

- ◆ **Stakeholder Feedback**
- ◆ **Presentation to Dec. 21 MC**

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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