



Non-Adjacent Area Capacity Wheel
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Background

- ▶ In late 2008 Brookfield asked the ICS to consider modeling the Midwest ISO (“MISO”) in the IRM assumptions
- ▶ Request was made in order to have MISO’s capacity offered in the NYISO capacity market
- ▶ Concerns were raised as to the impact this would have on the IRM and the state wide LOLE
- ▶ ICS directed the NYISO to model a 100 MW MISO transaction to quantify impact
- ▶ Results showed no impact to IRM or state wide LOLE



Request

- ▶ Based on the result of the ICS directed study which showed no impact to the IRM or the state wide LOLE and
- ▶ Lack of tariff specificity to non-adjacent area capacity participation in the NYISO capacity market
- ▶ NYISO should take steps necessary to allow non-adjacent area capacity (mainly MISO) to be offered into its capacity market



NYISO's Concerns

- ▶ Tariffs are silent on non-adjacent area capacity participation in NYISO's capacity market
- ▶ Ops' requiring dispatch communication protocol be in place
- ▶ Non-adjacent area to afford NYCA Load the same curtailment priority that it affords its own control area Native Load



Ex: MISO Capacity Wheel

- ▶ Currently there is no memorandum of understanding (MOU) between the Midwest ISO (MISO) and the NYISO for the wheeling of capacity.
- ▶ Broader Regional Market provides an opportunity for NYISO to establish agreement with MISO



What's Needed to Ensure Delivery via PJM?

- ▶ Firm transmission from MISO to PJM and PJM to NYISO border
- ▶ MISO confirms that transactions with Firm transmission would have priority to available transmission
- ▶ Section 15 of the MISO Physical Scheduling BPM states:
“In order to identify an export schedule that is sourced from a resource that is counted as a Capacity Resource for an external BA, insert the following message into the Miscellaneous column on the E-Tag, on the row where external BA is listed as the GCA. The Token portion should be listed as “XXXCR”, where XXX refers to the applicable external BA. The Value portion would be the name of the MISO-internal resource that is being identified. All characters must be capitalized, and there will be no spaces. These transactions are seen to be Firm exports during energy emergency declarations by the BA where the transaction is sinking. **These export transactions would not be curtailed by the Midwest ISO if the external BA declared an energy emergency.**”
- ▶ Import Rights



What's Needed to Ensure Delivery via IESO?

- ▶ Firm transmission from MISO to Ontario and Ontario to NYISO border
- ▶ Ontario has modified Part 7.4 of its Grid Operating Policies to allow linked wheel transactions.
- ▶ Language reads “ the IESO will not curtailed linked wheel transaction to support the overall adequacy of the IESO controlled grid.”
- ▶ Import Rights



ICAP Manual Reference on Participation & Requirements

- ▶ Section 4.9 of the ICAP Manual states “ External Generators, System Resources, Control Area System Resources, and entities purchasing Installed Capacity from them may participate in the NYCA Installed Capacity market.”
- ▶ No restriction to adjacent control area capacity
- ▶ Currently able to wheel capacity from HQ via the IESO to NY
- ▶ Section 4.9.1 states the requirements to qualify as an External Installed Capacity Supplier



Benefits

- ▶ Provides a broader capacity pool for NYISO.
- ▶ Hedge against failure to deliver from some suppliers.



Questions ????