

Consumer Impact Analysis: 2014 Project List

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KCC



Update on 2013 Projects

- ◆ **Additional Capacity Zones**
 - *Completed*
- ◆ **Coordinated Transaction Scheduling: With PJM**
 - *Completed*
- ◆ **Provisional and Incremental ACL**
 - *Completed*
- ◆ **Demand Response: Real-Time Energy Market**
 - *Moved to 2014*

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 2014 Projects

- ◆ **Significant Market Design Concepts**
 - *Approved in the budget process*
- ◆ **FERC directives (compliance filings) where the NYISO has implementation flexibility**
- ◆ **Emergent stakeholder issues**

2014 Proposed Projects

- ◆ **Demand Response: Real-Time Energy Market**
- ◆ **Criteria for When to Include Mothballed Units in the Forecast in Buyer-Side Mitigation Determinations**
- ◆ **Possible Mechanisms to Determine Need to Eliminate Capacity Zones**
- ◆ **Predefine Capacity Zones**
- ◆ **Market Rule Changes for DR Performance Obligations**

Demand Response: Real-Time Energy Market

- ◆ ***Description:*** Develop market rules to integrate demand response resources into NYISO's real-time energy markets.
- ◆ ***Benefit:*** Real-time participation by demand response resources may provide benefits as it will provide an alternative source of supply
- ◆ ***Screen:*** Allows or encourages a new type or category of market product

Criteria for When to Include Mothballed Units in the Forecast

- ***Description:*** FERC asked the NYISO to consider, in consultation with stakeholders, the need to modify the current Buyer-Side Mitigation (BSM) Rules with regards to mothballed units. Evaluate and recommend the criteria for determining the set of resources included when forecasting capacity and energy revenues for BSM

- ***Benefit:*** Improved accuracy in the forecast of capacity and energy revenues that are expected to be available will improve the BSM test

- ***Screen:*** Emergent stakeholder issue

Possible Mechanisms to Determine Need for Elimination of Capacity Zones

- ◆ ***Description:*** Consistent with the August 2013 NCZ Order, the NYISO will work with stakeholders to consider if a mechanism is needed to eliminate zones
- ◆ ***Benefit:*** This process will lead to the development of a mechanism to eliminate zones if it is determined that such a mechanism is necessary
- ◆ ***Screen:*** FERC directive where the NYISO has implementation flexibility

Predefine Capacity Zones

- ◆ ***Description:*** Create a dynamic framework for reflecting locational planning requirements in the capacity market, by predefining a set of interfaces that address potential resource adequacy needs and highway deliverability constraints
- ◆ ***Benefit:*** Pre-Defining capacity zones may increase the ability to quickly send location specific price signals to reflect changes in market conditions
- ◆ ***Screen:*** Significant Market Design Concept

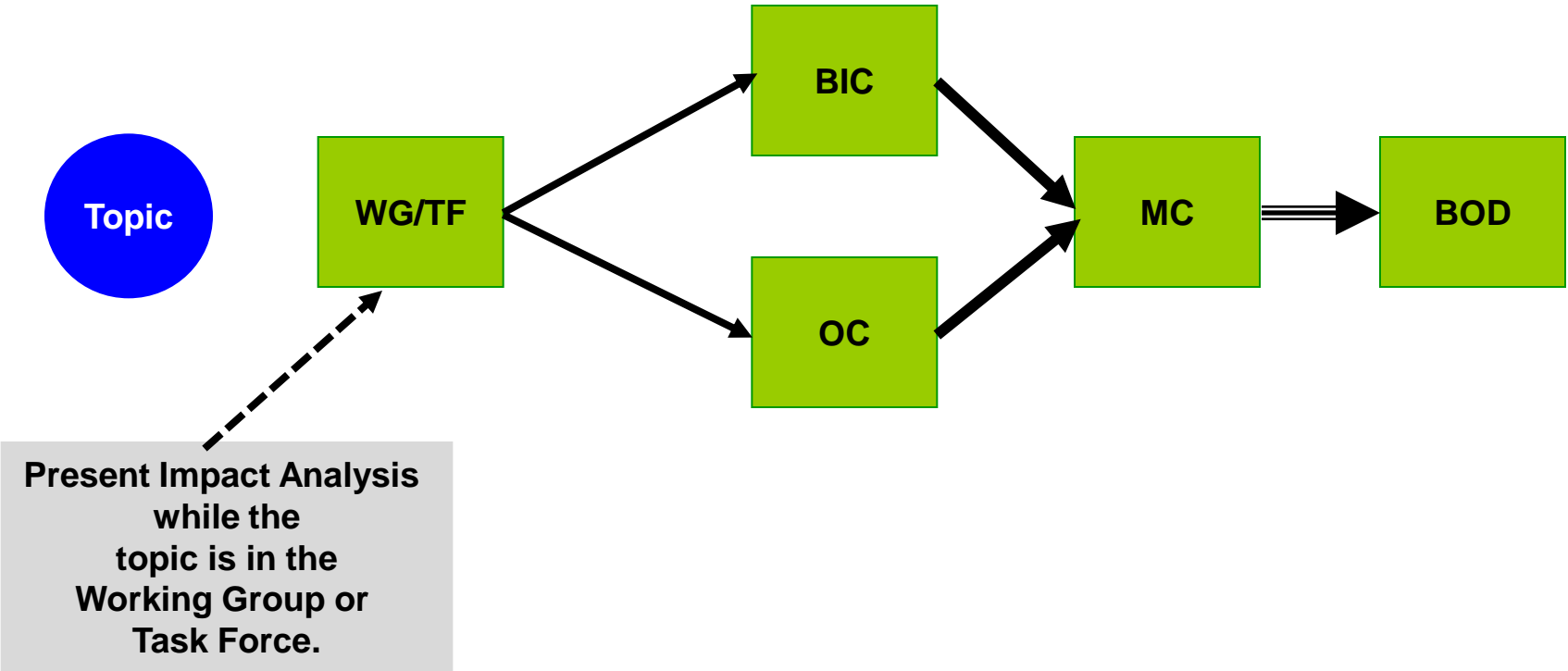
Market Rule Changes for DR Performance Obligations

- ◆ ***Description:*** Develop market rules to revise the performance obligation requirements of demand response resource that sell into NYISO's capacity market
- ◆ ***Benefit:*** Improved reliability through clarification of performance requirements. The market rule changes have the potential to allow additional demand response resources to participate in the NYISO markets
- ◆ ***Screen:*** Significant Market Design Concept

Impact Analysis - Process Map

NYISO SHARED GOVERNANCE PROCESS

IA prepared prior to BIC/OC Vote.



Present Impact Analysis while the topic is in the Working Group or Task Force.

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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