

Topics for Review During Development of Work Plan and Proposal

11/10/2017

The below set of questions are offered as an initial “brainstorming” exercise to help elicit input from stakeholders on the types of issues that should be examined when evaluating the use of carbon pricing in wholesale markets to harmonize these markets and state carbon policy goals. This draft list should not be considered complete or final. The goal is to get input to help create a proposed work plan.

#	Topic	Is it wholesale or retail topic?	What questions need to be addressed?	Methodologies, relevant existing and/or new research or studies	Sequencing and/or interrelationship with other topics
1	Leakage & Resource Shuffling	Wholesale	<ul style="list-style-type: none"> -How would a carbon charge be applied to interregional transactions? -Should specific charges be applied to each neighboring region, or should the same charge be applied to all neighboring regions? -Would crediting the carbon charge on exporting interregional transactions create incentive to sell power out-of-state? Will the biggest emitters see this as an incentive to export more energy from New York? 	-Review practices in other markets	N/A
2	Allocation of Carbon Revenues	Wholesale & Retail	<ul style="list-style-type: none"> -How should the carbon charge be refunded to LSEs? -Can the carbon charge be returned in a way to minimize bill impacts and ensure that proper tradeoffs between economic sectors (<i>e.g.</i>, electricity, transportation, heat, waste) can be retained? 		
3	Emission Rates for Generators	Wholesale	<ul style="list-style-type: none"> -What carbon charge calculation should be used? -Should it use the same emission rate/measurement as the RGGI program? -Should emissions be measured at the burner tip or consider total carbon emissions? -Should a carbon charge only apply to resources greater than 25 MW (<i>i.e.</i>, similar to RGGI)? -Should emission rates use carbon scoring or just Carbon Dioxide emissions? -How should fuel use during startup be accounted for? 		

Topics for Review During Development of Work Plan and Proposal

11/10/2017

#	Topic	Is it wholesale or retail topic?	What questions need to be addressed?	Methodologies, relevant existing and/or new research or studies	Sequencing and/or interrelationship with other topics
4	Carbon shadow price	Wholesale	-Should the marginal cost of carbon be transparent?		Related to 5
5	Carbon Charge Implementation	Wholesale	-Is there any benefit or detriment from applying the cost of carbon on the bid versus applying a carbon charge to emitting resources?		Related to 4
6	Credit Implications	Wholesale	-Are changes to the NYISO's existing credit rules and processes necessary? If so, what changes may be necessary?		
7	Capacity Market Implications	Wholesale	-Are changes needed to the Capacity market to accommodate a carbon charge?		
8	Bilateral Arrangements	Wholesale	- Are existing bilateral arrangements likely to be impacted? If so, what are the potential impacts? - Could bilateral arrangements be used to avoid the carbon charge?		Depends on 12
9	Emission Rates for DER and DR	Wholesale	-How should the emissions from DER and DR sources be considered with respect to carbon charges?		
10	Bill Impacts on different Customers	Wholesale & Retail	-Upstate vs downstate impacts -Impact on economy sectors including industrial -Impact on fleet owners -Impact on transportation sector -Impact by zone		

Topics for Review During Development of Work Plan and Proposal

11/10/2017

#	Topic	Is it wholesale or retail topic?	What questions need to be addressed?	Methodologies, relevant existing and/or new research or studies	Sequencing and/or interrelationship with other topics
11	Carbon Charge Adjustment	Wholesale	-What is the process for modifying the carbon charge? -How frequently should it change? -Should the carbon charge be designed to vary by time of day, season and/or location?		
12	Impact of a Carbon Charge on dispatch	Wholesale	-Should additional analysis be conducted to evaluate the potential impact a carbon charge could have on dispatch? - The Brattle study did not analyze redispatch.	-Study? Ranger or other software?	Needed for 8
13	Other State Policies & existing programs related to carbon emissions	Retail & Wholesale	-What are the potential impacts on: <ul style="list-style-type: none"> o The existing REC and ZEC program(s)? o RGGI prices and allowances? - What coordination with RGGI might be necessary to eliminate the potential for leakage across the RGGI region?		
14	Fuel Blends	Wholesale	-Does the NYISO need more information about what fuel blend is being used?		
15	Other Retail Programs	Retail	-How would a carbon charge impact the VDER rate? -How would a carbon charge impact retail DR?		