

# New Capacity Zone: Indicative LCR Update, Pivotal Supplier Threshold, Tariff Revisions

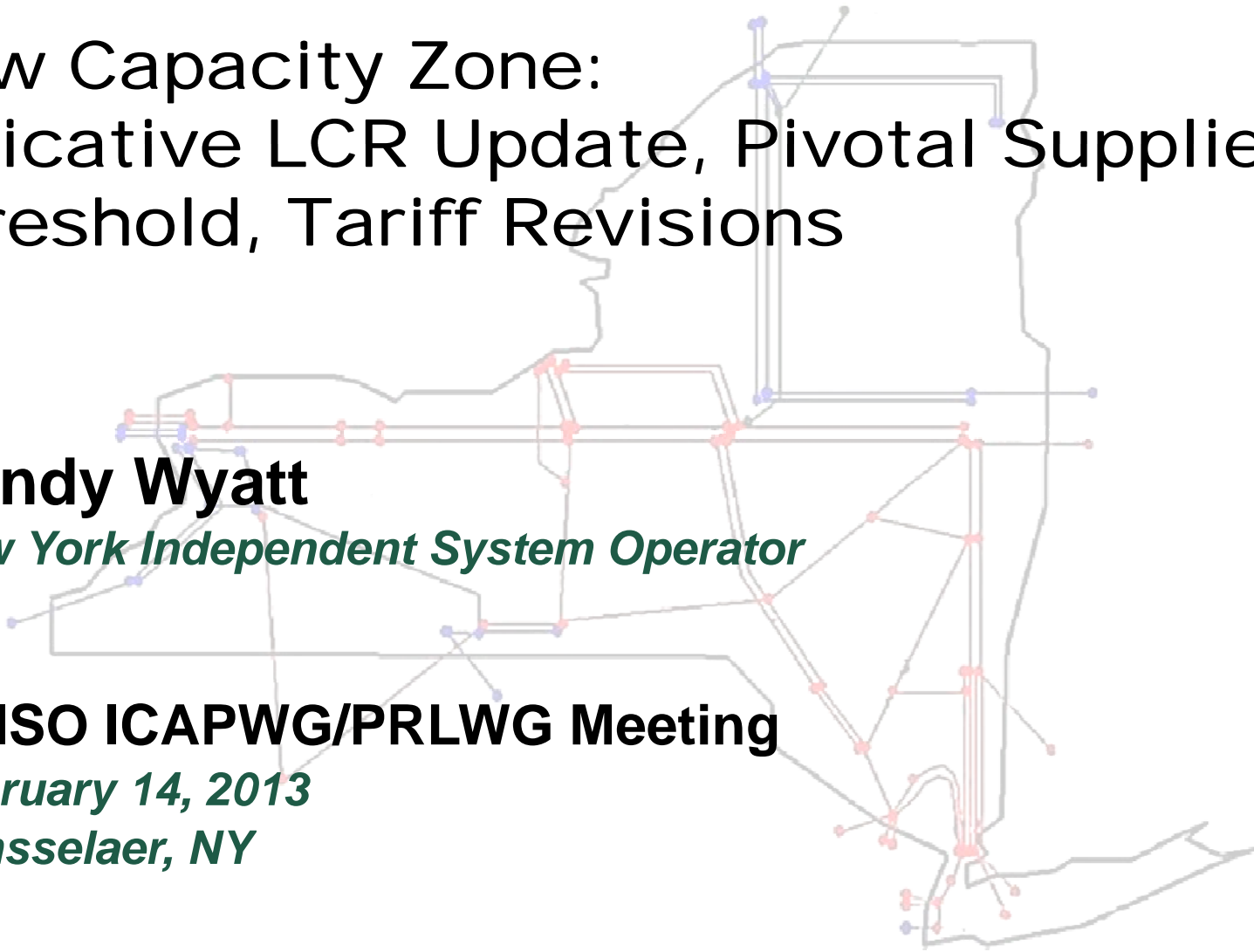
**Randy Wyatt**

*New York Independent System Operator*

**NYISO ICAPWG/PRLWG Meeting**

*February 14, 2013*

*Rensselaer, NY*



# Agenda

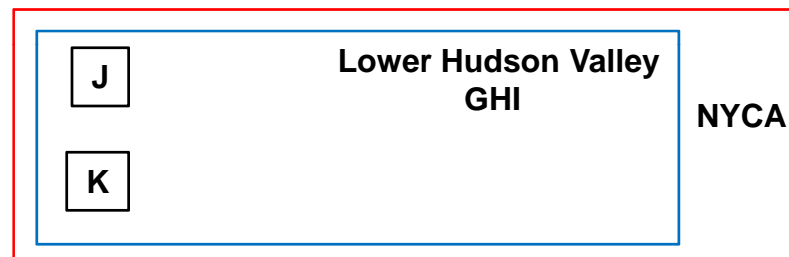
## ◆ **Background**

- *Proposed NCZ Boundary*
- *Preliminary Indicative for NCZ*
- *NCZ Pivotal Supplier Threshold*
- *NCZ Schedule*

# Background

- ◆ **January 14, 2013 ICAPWG – NYISO presented the NCZ Study (Highway deliverability constraint test) results, triggering the Services Tariff requirement for the creation of an NCZ**
- ◆ **January 30 , 2013 ICAPWG - NYISO presented candidate zone configurations, and proposed an NCZ boundary of G-K**
  - *If Excess capacity in an individual Load Zone within the region of consideration for an NCZ can improve the reliability of a potential NCZ, it is the sole consideration for including that Load Zone as part of the NCZ*
  - *Adding Capacity in Zone J, and adding capacity in Zone K , improved the reliability of GHI, hence both Zones J and K should be included in the NCZ*
  - *Analysis to determine the Indicative LCR for GHIJK does not change the existing process used for the NYCA IRM studies or the existing process to determine Zones J and K LCRs*
  - *Preliminary indicative LCR was based on Danskammer in the base case*

# Proposed G-K NCZ Configuration



**G-K = GHI with Zones J and K**

# Updated Preliminary Indicative LCR for G-K\*

**J LCR = 86%**

**K LCR = 105.0%**

**G-K LCR = 93.0%**

**\*The NYISO revised the analysis to remove Danskammer consistent with the base case used to establish the LCRs approved by the OC on January 17, 2013.**

## NCZ Pivotal Supplier Threshold

- ◆ **NYISO proposes to calculate the NCZ Pivotal Supplier threshold based on how large a portfolio a supplier must control in order to profit by withholding capacity, and to conservatively set the pivotal supplier threshold slightly below that level**
- ◆ **To estimate the profit, utilize data from the G-K Locality ICAP Demand Curve information being developed by FTI**
- ◆ **Results will be reviewed with Stakeholders at a March ICAPWG meeting**

# Proposed Tariff Revisions

- ◆ **Review of draft tariff revisions in separate documents**
  - *MST Sections 2.7, 2.12, 2.18 2.21*
  - *MST Sections 5.11, 5.12, 5.14*
  - *MST Att H Section 23.2*
  
- ◆ **Proposed credit policy revisions to the Services Tariff (Section 26, Att K) will be presented at the CPWG on February 22.**

# NCZ Schedule

Date	Description
9/1/2012	NCZ Study start date
10/1/2012	ICAPWG meeting:
	NYISO establishes Inputs and Assumptions for the NCZ Study
10/15/2012	Stakeholders' comments on NCZ Study Inputs and Assumptions
11/19/2012	ICAP WG meeting:
	Finalized NCZ Study Inputs and Assumptions
12/11/2012	ICAPWG meeting :
	Conceptual Methodology for determining NCZ LCR
1/14/2013	ICAPWG meeting:
	Report to Stakeholders on results of NCZ Study
1/30/2013	ICAPWG meeting:
	Proposed NCZ Indicative LCR and NCZ Boundaries
	NCZ-Impact Analysis
2/14/2013	ICAPWG meeting presentation/stakeholder discussions
	Proposed NCZ Indicative LCR
	Proposed NCZ Boundaries
	NCZ Pivotal Supplier Threshold
2/22/2013	Credit Policy Working Group Meeting
	New Capacity Zones Credit Policy
3/1/2013	ICAPWG meeting:
	Determine Indicative LCR for NCZ
	Identified NCZ Boundaries for 3/29 FERC Filing
3/31/2013	NYISO files proposed tariff changes with FERC to establish NCZ (e.g., NCZ Study



# Comments

- ◆ **The NYISO will consider comments during today's ICAPWG meeting, and any written comments submitted no later than February 22 to [deckels@nyiso.com](mailto:deckels@nyiso.com)**

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