

Economic Planning: Tariff Improvement Strawman

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Agenda

- **Objectives & Timeline**
- **Review of Tariff Improvement Areas**
- **Proposed Tariff Adjustments**
 - Phase 1
 - Phase 2
 - Additional CARIS Studies
- **Next Steps**
- **Q & A**

Objectives & Timeline

- Discussion of potential areas for improvement in the economic planning process
 - Discussion of ideas on process improvements to resolve inefficiencies
 - **Summary of strawman proposal & feedback session for process changes to be incorporated into tariff**
 - NYISO OATT Attachment Y revision review
 - BIC & MC vote on tariff amendments to be implemented through a Federal Power Act Section 205 filing
 - Economic Planning Manual update
- 8/20 ESPWG
- 8/31 TPAS
- Today & 10/5 TPAS
- Oct-Nov
- Dec
- 2021
- 

Review of Tariff* Improvement Areas

Phase 1

- Base Case Study Period
- # of Transmission Paths Evaluated
- Generic Solutions
- ICAP Metric
- Public Information Session
- Energy Deliverability

Phase 2

- Energy Deliverability (Informational Only)
- ~~Voting Criteria by Project Beneficiaries~~
- ~~Scenario Analysis~~
- ~~Resource Mix Assumptions~~

Other

- Economic Planning Process Name

Additional CARIS Studies

*For this presentation “Tariff” will reference NYISO OATT Attachment Y

Phase 1 Tariff Adjustments

Base Case Study Period

■ Proposed Tariff Change

- Expand Phase 1 to 20-year study period

■ Tariff Implication

- Adjust tariff sections in §31.3 to define a 20-year evaluation
- Adjust tariff section in §31.3.1.3.2 to address reliable system
- Adjust tariff sections in §31.5 to remove the need for a 10-year database extension as part of Phase 2

of Transmission Paths Evaluated

■ Proposed Tariff Change

- Remove restriction of studying only three (3) transmission paths

■ Tariff Implication

- Adjust §31.3 to remove reference to “three studies”
- Adjust §31.3.1.2.2 as to not pre-determine the number of congested paths evaluated

Generic Solutions

■ Proposed Tariff Change

- Eliminate generic solution evaluation in Phase 1

■ Tariff Implication

- Adjust §31.3 to remove reference to “generic solutions” and provide for transmission relaxation case
- Add potential for generic technology solutions to §31.5 for Phase 2 evaluations

ICAP Metric

■ Proposed Tariff Change

- Eliminate ICAP cost metric set forth in Economic Planning Process as it is informational only, does not align with other capacity market evaluations and NYISO planning processes, and is burdensome to calculate

■ Tariff Implication

- Remove §31.3.1.3.5.6

Public Information Session

■ Proposed Tariff Change

- No Change
 - Significant turnout at 2019 CARIS Phase 1 Public Information Session held on August 13th, 2020
 - Effective mechanism for communicating economic planning study to wider audience and to help inform public policy

■ Tariff Implication

- No Change

Energy Deliverability Assessment

■ Proposed Tariff Change

- Include an energy deliverability calculation to be performed to identify transmission elements adversely impacting new and existing generation energy curtailment and economics

■ Tariff Implication

- Add new tariff description of energy deliverability as a new informational metric and its application in the Economic Planning study

Phase 2 Tariff Adjustments

Energy Deliverability (Informational Only)

■ Proposed Tariff Change

- Include an energy deliverability calculation to be performed and results provided in report

■ Tariff Implication

- Include Energy Deliverability as an optional informational metric for Phase 2 in §31.5.4.3.6
- Reference new energy deliverability tariff section in §31.3 for calculation method

Other Tariff Adjustments

Economic Planning Process Name

■ Proposed Tariff Change

- Rename Congestion Assessment and Resource Integration Study (CARIS) to reflect updated scope
- Proposed name TBD

■ Tariff Implication

- Entire Attachment Y will need to be reviewed and adjusted
 - Including §31.1.4 & §31.5.4
- Other tariff documents may also be impacted

Additional CARIS Studies

Additional CARIS* Studies

■ Background

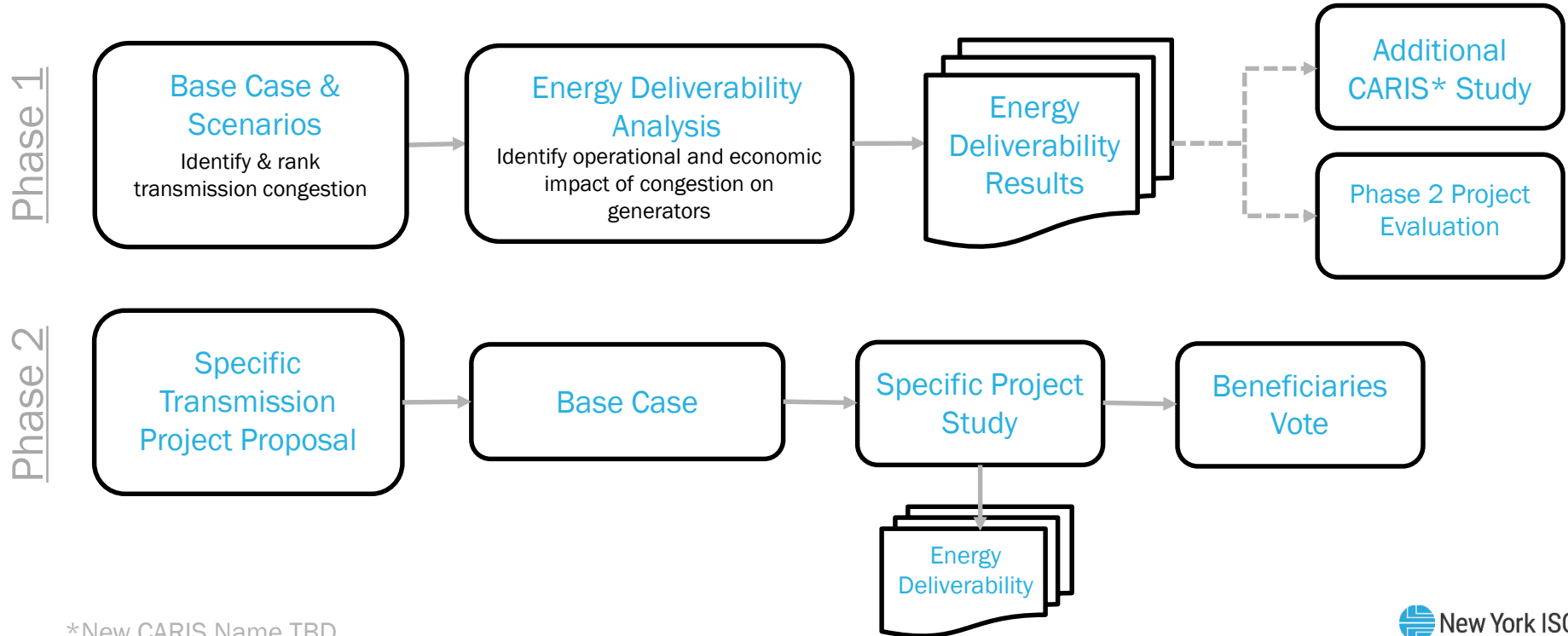
- §31.3.1.2.3 states that:
 - “The ISO, in conjunction with ESPWG, will develop a process by which interested parties can request and fund other congestion and resource integration studies, in addition to those included in each CARIS.”
- §31.3.1.2.4 states that
 - “The ISO shall post all requests for congestion and resource integration studies on its website.”
 - Based on FERC Order 890 & Order 1000 principles of “openness and transparency”, NYISO considering requiring final Additional CARIS* Study results to be posted publicly
- Additional CARIS* Studies can be performed anytime during the Economic Planning process
- Additional CARIS* Studies could be used for Energy Deliverability analysis

■ Tariff Implication

- Amend §31.3.1.2.4 to include posting of final study results

*New CARIS Name TBD

Proposed Application of Energy Deliverability



*New CARIS Name TBD

Next Steps

- **10/23 ESPWG – Draft Tariff Language Review**
- **11/19 ESPWG – Finalize Tariff Language Review**

Questions?

Our mission, in collaboration with our stakeholders, is to serve the public interest and provide benefit to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system



ISO Economic Study Benchmark

ISO	Economic Planning Process	Study Horizon (years)	Years Simulated	B/C Term (years)	B/C Threshold	Benefit Metric (s)	# Approved Projects
<u>NYISO</u>	Congestion Assessment and Resource Integration Study (CARIS)	10	10	10	1.0	Production Cost	0
<u>ISO-NE</u>	Regional System Plan – Economic Studies	10	1	-	-	-	-
<u>PJM</u>	Regional Transmission Expansion Plan (RTEP) Market Efficiency	10	4	15	1.25	Production Cost	<u>12</u>
<u>IESO</u>	Annual Planning Outlook (APO)	20	20	-	-	-	-
<u>MISO</u>	Market Congestion Planning Study (MCPS)	15	3	20	0.9/1.0	Production Cost	3
<u>SPP</u>	Integrated Transmission Plan (ITP10/ITP20)	10/20	2	40	1.0	Production Cost	<u>3+</u>
<u>ERCOT</u>	Regional Transmission Plan (RTP) & Long Term System Assessment (LTSA)	10	3	*	1.0	Production Cost	<u>1</u>
<u>CAISO</u>	Transmission Plan	10	1	40-50	1.0	Production Cost	<u>2</u>

*annual production cost savings are compared to the first-year annual revenue requirement of the proposed project