

Economic Planning Update

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Agenda

■ 2020 CARIS Phase 2 Update

- Target Schedule
- Updated Representative System Proposal
- Manual Change Proposal

■ Attachment Y Tariff Revision Update

- Timeline
- List of Revisions
- Energy Deliverability & ICAP Cost Revision Proposal

■ Next Steps

2020 CARIS Phase 2 Update

Phase 2 Target Schedule

- **Study Kickoff**
 - August 20th ESPWG - Kickoff Presentation
- **Database Development**
 - September 24th ESPWG - Assumptions Review
 - October 5th TPAS – Reliability Assumptions Review
- **Review of Results**
 - October 23rd ESPWG – Manual Change Review
 - November 19th ESPWG – Preliminary Results
 - December 11th ESPWG – Final Results
- **Final CARIS Phase 2 Database**
 - Presentation at BIC for “conceptual approval”
 - “Additional CARIS Study” and “Specific Project” studies will be able to use 2020 CARIS Phase 2 database

*All stakeholder meeting dates are based on preliminary estimates and are subject to change

Treatment of 2020 RNA Reliability Needs in the Representative System

- Update Economic Planning manual to address the treatment of Reliability Needs including resource adequacy and transmission security
 - Due to the nature of the potential solutions, dynamic stability needs from the 2020 RNA will not be addressed in 2020 CARIS Phase 2

Study Year	Bulk Facilities			Non-Bulk Facilities	
	Resource Adequacy (Zone J, MW)	Transmission Loading (Zone J, MW)	Dynamic Instability (Zone J, MVA)	ConEdison Astoria East/Corona 138 kV (MW)	ConEdison Greenwood/Fox Hills 138 kV (MW)
2024	below criterion	below criterion	490	115	below criterion
2025	below criterion	700	1,020	110	360
2026	below criterion	760	1,080	115	350
2027	100	820	1,140	120	360
2028	150	900	1,210	125	360
2029	300	990	1,300	170	370
2030	350	1,075	1,390	180	370

Source: 2020 RNA Draft Report – 10/5 TPAS

Tariff and Manual on CARIS 2 Reliability

- **OATT Section 31.3.1.3.2 states: “The CARIS will assume a reliable system throughout the Study Period”**
- **Requires transmission system reliability to be maintained for the 10-year Study Period**
- **Current Economic Planning Manual does not address how to maintain resource adequacy and transmission security for CARIS Phase 2, to account for needs identified in the RNA.**
 - Manual does not address transmission security
 - Procedure begins maintaining Installed Capacity Level (ICL) in 2027 and would not directly address resource adequacy needs identified in RNA for 2028-2030

Updated Proposal

- Consider both transmission security & resource adequacy needs in representative system buildout, instead of forecasting the system to be built out to meet an assumed level of resource margin under current manual language
 - Include generic capacity additions, when applicable, to meet both needs
 - Site generic capacity in a manner that helps to meet local needs, when feasible
- Model annual “representative MW additions” defined by *max(resource adequacy need, transmission security need)* for each locality for overlapping years between CARIS Phase 2 and the most recent Reliability Planning Process (RPP) Base Case; here the current RNA (2020-2030)
- For years beyond RPP evaluation (2031-2038):
 - **Resource Adequacy:** maintain static level of representative MW additions at levels in horizon year 10 of Study Period (2030)
 - **Transmission Security:** maintain static level of representative MW additions at levels in horizon year 10 of Study Period (2030)

Proposed Method Results

MW	Previously Proposed Method				New Proposed Method			
	G	J	K	Total	G	J	K	Total
2025		720		720		720		720
2026		360		360		360		360
2027								
2028								
2029								
2030								
2031		360	720	1,080				
2032								
2033		360		360				
2034								
2035								
2036		360	360	720				
2037								
2038								
Total	-	2,160	1,080	3,240	-	1,080	-	1,080

- 1x0 GE 7HA.02 reserve proxy unit from latest NYISO DCR Report
- ICAP (MW) reported

Added for Transmission Security

Added for Target Reserve Proxy

Manual Update

- **Redlined manual version included in ESPWG posting**
- **Changes include:**
 - Remove target reserve proxy, Installed Capacity Level (ICL) method
 - Add “latest Reliability Planning Process base case” as source for compensatory MW to meet resource adequacy and transmission security needs
 - This could include compensatory MW identified in the STRP in quarterly STARs or STRP Reports.
 - Prescribe that needs beyond the ten-year RPP Study Period are not evaluated and therefore no additional generic capacity additions are included

Attachment Y Tariff Revision Update

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

Tariff Sections to Be Updated

Phase 1

- Base Case Study Period
- # of Transmission Paths Evaluated
- Generic Solutions

Today

- ICAP Metric

- Public Information Session

Today

- Energy Deliverability

Phase 2

Today

- Energy Deliverability (Informational Only)

Other

- Economic Planning Process Name

Additional CARIS Studies

- Additional CARIS Study Clarifications

*“Tariff” refers to NYISO OATT Attachment Y

Tariff Revisions

- **Partial Redline for §31.3 and §31.5 included in ESPWG posting**
- **Full tariff changes are under internal drafting and review**
- **Changes for initial review include:**
 - Include energy deliverability as an informational benefit metric
 - Specify energy deliverability calculation
 - Remove current ICAP cost metric methodology (§31.3.1.3.5.6)
 - Tariff allows ICAP costs to be considered as an informational metric
 - The calculation of the ICAP cost metric will be determined in accordance with NYISO procedures and in consultation with interested parties in the NYISO stakeholder process

Next Steps

- **Additional tariff revisions will be presented in November TPAS/ESPGWG meetings**
- **Approval for limited EPP manual update at 11/11 BIC**
- **CARIS Phase 2 preliminary results at 11/19 ESGPWG**

Feedback/Comments?

- Email additional feedback to: JFrasier@nyiso.com

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

