

Economic Planning Manual Update

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Business Issues Committee (BIC)

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Agenda

- Background
- 2020 RNA Reliability Needs
- Manual Change Proposal
- Comparison of Methods
- Next Steps

Background

- **2020 Reliability Needs Assessment (RNA) has identified reliability needs**
 - Resource Adequacy
 - Transmission Security
 - Dynamic Stability
- **2020 CARIS Phase 2 database update requires a reliable system for the first 10-year study period**
- **Existing Economic Planning Manual does not fully address reliability needs from RNA**

2020 RNA Reliability Needs

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 – approved by Management Committee on 10/29

Tariff and Manual

- **OATT Section 31.3.1.3.2 states:**
 - “The CARIS will assume a reliable system throughout the Study Period”
- **OATT designates Study Period as first 10-year period**
- **Economic Planning Manual**
 - Does not address transmission security needs
 - Procedure begins maintaining Installed Capacity Level (ICL) in 2027 and would not directly address resource adequacy needs identified in RNA for 2028-2030

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
- Due to the nature of the potential solutions, dynamic stability needs will not be addressed
- 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	Current Manual Method				New Proposed Method			
	G	J	K	Total	G	J	K	Total
2020								
2021								
2022								
2023								
2024								
2025		*				720		720
2026		*				360		360
2027		*360	360	720				
2028		*360	360	720				
2029		*						
2030		*						

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

*Violates transmission security needs

Added for Target Reserve Proxy

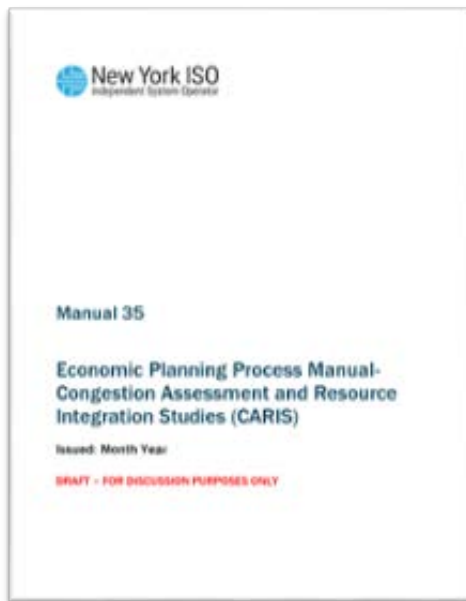
Added for Transmission Security

Manual Update

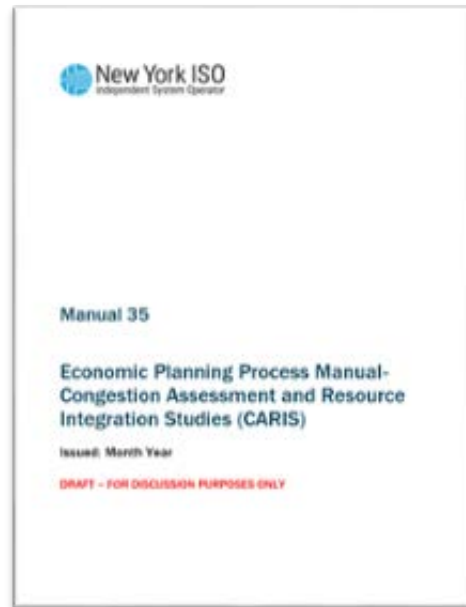
- **Redlined manual version included in BIC posting**
- **Changes include:**
 - Remove target reserve proxy, Installed Capacity Level (ICL) method
 - Add “latest Reliability Planning Process base case” as source for compensatory MW to meet resource adequacy and transmission security needs
 - This could 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

Manual Update Links

Clean



Redline



Next Steps

- **Motion for Approval**
- **CARIS Phase 2 model development**
- **Preliminary results at 11/19 ESPWG**

Feedback/Comments?

- Email additional feedback to: JFrasier@nyiso.com

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- 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

