

Economic Planning Process: Attachment Y Tariff Revision Update

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Agenda

- **Timeline**
- **Tariff Revisions**
 - Energy Deliverability
 - Study Period
 - Study Path Limitation
 - Generic Solutions
 - ICAP Metric
 - Additional CARIS Study Clarifications
- **Additional Definitions under Discussion**
- **Next Steps**

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
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- 8/20 ESPWG
- 8/31 TPAS
- Today & 10/5 TPAS
- Oct-Nov
- Dec
- 2021

Background

- **The NYISO staff recognizes the limitations of the existing process, and proposes to streamline the approach and expand the scope to provide a more comprehensive analysis of the rapidly changing New York energy landscape.**
- **The revisions aim to:**
 - (1) expand the assessments that provide critical information, such as extending the study period to 20 years, and conducting generator energy deliverability analyses; and
 - (2) remove overly restrictive language, such as introducing the flexibility to study all congested transmission paths and not just three paths as currently prescribed

Proposed NYISO OATT Att. Y Revisions

Phase 1

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

Phase 2

- Energy Deliverability*

Other

- Economic Planning Process Name

Additional CARIS Studies

- Additional CARIS Study Clarifications

* Provided at the 10/23 ESPWG

Energy Deliverability Metric Language

§ 31.3.1.3.5.7 The energy deliverability metric set forth in this section will be used for purposes of the study phase of the Economic Planning Process, and will not be used for Regulated Economic Transmission Project cost allocation under Section 31.5.4.4 of this Attachment Y. This metric will include quantification of the energy projected to be produced by each Resource considering the impact of applicable local, statewide, and interregional transmission constraints as compared to the total amount of energy that such Resource is capable of producing in the absence of transmission constraints, and accounting for fuel availability of each Resource type including wind, solar, and water. The metric may be expressed as a percentage of such total amount of energy or as the amount of curtailed energy.

Base Case Study Period

- Redlines for §31.3.1.1, §31.3.1.3.1, §31.3.1.3.2, §31.5
- Extended study period to twenty (20) years

§31.3.1.3.2 The [Study] will assume a reliable system throughout the first ten years of the Study Period covered by the most recent RPP and STRP.

Study Path Limitation

- Redlines for §31.3.1.1, §31.3.1.2.2
- Removed limitation of three study paths
- Expanded description and application of “relaxed” limit simulations (§31.3.1.3.4)

Generic Solutions

- Redlines for §31.3.1.3.3, §31.3.1.3.4
- Removed generic solution analysis
- Generic solutions remain available for analysis under additional CARIS studies and actual project proposals (§31.3.2.2)

ICAP Metric

- Redlines for §31.3.1.3.5.6
- Previous methodology removed
- Language added to align with methods in existing NISO Market Services Tariff 5.11.4

ICAP Metric Language

31.3.1.3.5.6 The calculation of the ICAP cost metric will be determined in accordance with ISO Procedures and in consultation with interested parties in the ISO stakeholder process. Where practicable, the ICAP requirement calculation will be consistent with the tools and methods pursuant to Section 5.11.4 of the ISO Market Services Tariff.

Additional Definitions Under Discussion

- **Economic Planning Process**: The process by which the ISO: (i) identifies in the [Study] current and future projected congestion on the New York State Transmission System and conducts [any requested] [Additional [Study]] pursuant to Section 31.3 of this Attachment Y, and (ii) evaluates any Regulated Economic Transmission Project proposals to mitigate any identified congestion, which transmission projects are eligible for cost allocation and cost recovery under the ISO OATT if approved by a vote of the project's Load Serving Entity beneficiaries pursuant to Section 31.5 of this Attachment Y.
- **Regulated Economic Transmission Project**: A transmission project or a portfolio of transmission projects proposed by Developer(s) to seek cost allocation and cost recovery in ISO's Economic Planning Process.
- Tariff revisions to 31.1, including definitions and revisions to align timing of the Economic Planning Process within the biennial planning cycle, will be posted for the next ESPWG meeting.

Deliverables of the Economic Planning Process: 3 studies

- 1. Study (name pending): currently referred to as CARIS Phase 1, §31.3.1.1**
- 2. Regulated economic transmission project study (name pending): currently referred to as CARIS Phase 2 study of actual project proposals, § 31.3.2**
- 3. Additional [Study] (name pending): currently referred to as additional CARIS study, § 31.3.1.2.3, to be relocated with study procedures and agreement**

Study Names and Definitions under Discussion

- [Study] (name pending): The ISO shall prepare and publish the [Study] as described below. Each [Study] shall develop a twenty-year projection of congestion and shall, based on the metrics set forth in Sections 31.3.1.3.4 and 31.3.1.3.5, identify, rank, and group the congested elements on the New York State Transmission System, and assess the potential benefits of mitigating the identified congestion.
- RETP assessment study (name pending): As discussed in Section 31.3.1 of this Attachment Y, the [Study] analyzes system congestion over the Study Period. If, in response to the [Study], a Developer proposes an actual project, including an Interregional Transmission Project, to address specific congestion identified in the [Study], then the ISO will: (i) process that project proposal in accordance with the relevant provisions of Sections 31.5.1, 31.5.4 and 31.5.6 of this Attachment Y, and for informational purposes, provides benefit/cost analysis and other analysis of potential generic solutions to the congestion identified (ii) for Interregional Transmission Projects, jointly evaluate the project proposal with the relevant adjacent transmission planning region(s) in accordance with Section 7.3 of the Interregional Planning Protocol.

Study Names and Definitions under Discussion

Additional [Study] (name pending):

- Propose to relocate to Section 31.3.3. Definition remains unchanged, except updating the [Study] name
- Proposed definition: As discussed in Section 31.3.1 of this Attachment Y, the [Study] analyzes system congestion over the Study Period and, for informational purposes, provides benefit/cost analysis and other analysis of potential generic solutions to the congestion identified. If, in response to the [Study], a Developer proposes an actual project, including an Interregional Transmission Project, to address specific congestion identified in the [Study], then the ISO will: (i) process that project proposal in accordance with the relevant provisions of Sections 31.5.1, 31.5.4 and 31.5.6 of this Attachment Y, and (ii) for Interregional Transmission Projects, jointly evaluate the project proposal with the relevant adjacent transmission planning region(s) in accordance with Section 7.3 of the Interregional Planning Protocol.

Additional Economic Planning Study Procedures and Agreement

- The additional CARIS study provisions and agreement are currently located in the Economic Planning Manual
- The NYISO will relocate the procedures and agreement to the tariff to align with the Public Policy Process and prior FERC directives
- The NYISO will revise the study process to bill for study work monthly and to pay only actual interest earned on study deposits
 - Aligns with Public Policy Process
- Tariff provisions will be posted for review at next ESPWG meeting

Next Steps

- **11/19 ESPWG – Tariff Revision Review**
- **12/1 TPAS – Tariff Revision Final Review**
- **12/9 BIC – Tariff Revision Vote at the Business Issue Committee**
- **12/16 MC – Tariff Revision Vote at the Management Committee**
- **January 2021 – Board of Directors consideration for approval of Section 205 tariff filing**

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

