

Economic Planning Process: Attachment Y Tariff Revision Update

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Agenda

- **Timeline**
- **New Tariff Revisions**
 - Economic Planning Process Study Names
 - Other Cleanup
- **Additional Definitions under Discussion**
- **Next Steps**
- **Appendix with Previous Tariff Revisions**

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 Period²
- # of Transmission Paths Evaluated²
- Generic Solutions²
- ICAP Metric¹
- Energy Deliverability¹

Phase 2

- Energy Deliverability¹

Other

- Economic Planning Process Names³

Additional CARIS Studies

- Additional CARIS Study Clarifications^{2,3}

¹ Provided at the [10/23 ESPWG](#)

² Provided at the [11/6 ESPWG](#)

³ Provided today (11/19 ESPWG)

Economic Planning Process Studies

1. System & Resource Outlook, “The Outlook”

- §31.3.1, previously referred to as CARIS Phase 1
- 20-year study of system & congestion

2. Economic Transmission Project Evaluation (ETPE)

- §31.3.2, previously referred to as CARIS Phase 2
- Study of actual transmission project proposals

3. Requested Economic Planning Study (REPS)

- §31.3.3, previously referred to as additional CARIS study
- Stakeholder or other interested party requested study

Study Definitions in §31.1

- **System & Resource Outlook:** The study for the Economic Planning Process that the ISO performs pursuant to Section 31.3.1 of this Attachment Y by which it summarizes the current assessments, evaluations, and plans in the biennial Comprehensive System Planning Process; identifies present and future congestion on the New York State Transmission System; identifies, ranks, and groups congested elements; and assesses the potential benefits of addressing the identified congestion.
- **Economic Transmission Project Evaluation:** The evaluation by the ISO of a Regulated Economic Transmission Project pursuant to Sections 31.3.2 and 31.5.4 of this Attachment Y.
- **Requested Economic Planning Study:** A study performed solely for information purposes by the ISO pursuant to Section 31.3.3 of this Attachment Y at the request of a Market Participant or other interested party at their expense, the scope and deliverables of which are agreed upon by the ISO and the requesting entity.

Other Definitions in §31.1

- **Economic Planning Process:** Pursuant to Sections 31.3 and 31.5.4 of this Attachment Y, the process by which the ISO: (i) develops the System & Resource Outlook and identifies current and future congestion on the New York State Transmission System; (ii) evaluates any Regulated Economic Transmission Project proposals to address any identified congestion in an Economic Transmission Project Evaluation, 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; and (iii) conducts any Requested Economic Planning Studies. In conducting the process, the ISO will conduct a base line analysis, and scenario analyses which are developed in consultation with stakeholders.
- **Regulated Economic Transmission Project ("RETP"):** A transmission project or a portfolio of transmission projects proposed by Developer(s) to address congestion identified in the System & Resource Outlook, which transmission project(s) are evaluated in the Economic Transmission Project Evaluation and 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 31.5.4 of this Attachment Y.

Relocate Study Procedures and Agreement

- **The Requested Economic Planning Study (REPS) provisions and agreement are currently located in the Economic Planning Manual**
- **The NYISO is relocating the procedures and agreement to the tariff to align with the Public Policy Transmission Planning Process and prior FERC directives**
 - §31.13 – Requested Economic Planning Study Request Form
 - §31.14 – Requested Economic Planning Study Agreement Form

Changes to Requested Economic Planning Study Request & Agreement

- **Bill for study work monthly and pay only actual interest earned on study deposits**
 - Aligns with Public Policy Transmission Planning Process
 - Initial study deposit remains to be \$25K
- **Multiple study scopes will require multiple request forms and agreements**
 - No longer tied to number of “monitored elements”
- **Adjust agreement to reflect base case and other study inputs from tariff**
- **Scope & deliverables now captured in agreement**
- **Clarify that agreement terminates upon completion of study**
- **Streamline request form because study requirements moved to tariff**

Other Tariff Cleanup

- **Integrate new study naming in §31.1, §31.3, §31.5, §31.13, & §31.14**
 - NYISO will post other tariff section revisions for naming for 12/1 TPAS/ESPWG
- **Remove “ten-year” reliability reference, align directly with RPP and STRP Study Period**

Next Steps

- **12/1 TPAS/ESPWG – 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**
- **Q1/Q2 2021 Economic Planning Process Manual update**

Appendix

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 System & Resource Outlook will assume a reliable system throughout the Study Period covered by the most recent Reliability Planning Process and Short Term Reliability Process.

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 Economic Transmission Project Evaluation (ETPE) and (§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 NYISO 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.

Feedback/Comments?

- Email additional feedback to: JFrasier@nyiso.com
- Verbal feedback encouraged otherwise please provide written comments by 11/20

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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

