

Economic Planning Process Tariff Revisions

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Management Committee (MC)

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Agenda

- Background
- Timeline
- Tariff Revisions
- Management Committee Approval
- Next Steps

Background

- **The NYISO staff and stakeholders have recognized the limitations of the existing Economic Planning Process**
- **As part of our continuous improvements to the planning processes, the NYISO staff proposes to streamline the existing approach for the Economic Planning Process and to expand the scope to provide a more comprehensive analysis of the rapidly changing New York energy landscape**
- **The revisions aim to:**
 1. Enhance the information provided to market participants, developers, and policymakers regarding the transmission system's ability to efficiently deliver energy from the future generation resource mix to the forecasted load across the state;
 2. Enhance the assessments to cover a more expansive and informative study period of 20 years consistent with the study period for any proposed transmission projects in the Economic or Public Policy Transmission Planning Processes; and
 3. Remove overly restrictive language that requires substantial labor by NYISO staff that is not commensurate with the value provided.

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 votes on tariff amendments to be implemented through a Federal Power Act Section 205 filing**
 - Board approval of tariff filing
 - Economic Planning Manual update & Implementation
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- 8/20 ESPWG
- 8/31 TPAS
- 10/5 TPAS
- Oct-Nov
10/23, 11/2, 11/6,
11/19, 12/1
- Dec 9th BIC
Dec 16th MC
- Jan 2021
- 2021

Proposed NYISO OATT Att. Y Revisions

Phase 1

- Base Case Study Period Expanded
- # of Transmission Paths Evaluated Removed
- Generic Solution Analysis Relocated & Optional
- ICAP Metric Revised
- Energy Deliverability Metric Added

Phase 2

- Energy Deliverability
- Treatment of Regulated Projects Unchanged

Other

- Economic Planning Process Names

Additional CARIS Studies

- Additional CARIS Study Clarifications
- Agreements Added to the Tariff

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 biennial report that the ISO produces 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; produces a twenty-year projection of 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 in an Economic Transmission Planning Evaluation any Regulated Economic Transmission Project proposals to address any constraint(s) on the BPTFs identified in the Economic Planning Process, 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 analyze a base case and scenarios that 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 constraint(s) on the BPTFs identified in the Economic Planning Process, 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.

Energy Deliverability Metric Language

- § 31.3.1.3.5.7
- **The metric provides information about the ability of each Resource, individually and taken collectively with other Resources, to be able to deliver its full energy capability to the system**
- **The metric may be expressed as a percentage of such total amount of energy or as the amount of curtailed energy. The scope of information will include, but not be limited to:**
 - (i) 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;
 - (ii) quantification of the collective impact of Resources on energy deliverability at locations on the system that are identified as being constrained in whole or in part; and
 - (iii) providing such additional information resulting from the study analysis, where available, concerning capability remaining on the transmission system to support energy deliverability.

Base Case Study Period

- **Extended study period to twenty (20) years**
 - Impacts §31.3.1.1, §31.3.1.3.1, §31.3.1.3.2, §31.5
- **Reliability linked directly to RPP & STRP:**
 - §31.3.1.3.2 The base case for 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

- **Removed limitation of studying only three transmission paths**
 - Impacts §31.3.1.1, §31.3.1.2.2
- **Expanded description and application of “relaxed” transmission limit simulations**
 - Impacts §31.3.1.3.4

Generic Solutions

- **Removed mandatory generic solution analysis from System & Resource Outlook**
 - Comparison of generic transmission, generation, demand response and energy efficiency solutions with assumed costs consumed a lot of resources, but delivering limited value based on stakeholder feedback
 - Impacts §31.3.1.3.3, §31.3.1.3.4
- **Generic solutions remain available for analysis under an Economic Transmission Project Evaluation (ETPE) and a Requested Economic Planning Study (REPS)**
 - Impacts §31.3.2.2 and §31.3.3

ICAP Metric

- **Previous methodology removed because out-of-date**
 - Impacts §31.3.1.3.5.6
- **Language added to align with tools and 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.

Relocate Study Procedures and Agreement

- **The Requested Economic Planning Study (REPS) provisions and agreement are currently located in the Economic Planning Manual**
- **Procedures and agreement relocated 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

BPTF Transmission Clarifications

- **Included clarifications to identify Transmission Owner coordination for non-BPTF**
 - “For the non-BPTF portion of the New York State Transmission System, the ISO will coordinate with the Transmission Owners in the development of the System & Resource Outlook. The ISO will incorporate the Transmission Owners’ Local Transmission Owner Plans into the Economic Planning Process.”
 - Impacts §31.1.4 & §31.3.1.1
- **Adjusted language throughout tariff to clarify that Regulated Economic Transmission Projects are to address BPTF constraint(s)**
 - “...constraint(s) on the BPTFs...”
 - Impacts §31.1.1, §31.1.4, §31.3.2.1, §31.3.2.2, §31.5.1, §31.5.4.3, and §31.5.5

Other Tariff Cleanup

- Defined term capitalization and cleanup
- Clarify Requested Economic Planning Study (REPS) scoping, study deposit, deposit interest, invoicing, and study completion process
- Full integration of new study naming in: OATT (§6.10, §22, §25.5, §25.7, §31.1, §31.3, §31.5, §31.7, §31.13, §31.14, §31.2-31.2.7) & MST §30.4
- New Economic Planning mailbox added for ETPE and REPS study requests (EconomicPlanning@nyiso.com)

Additional Cleanup Since BIC Posting

- NYISO scrubbed tariffs again and identified non-substantive clarifications and corrections
- Posted incremental redlines on BIC versions of Sections 31.1, 31.3, 31.5, 31.13 and 31.14. Main changes:
 - Replaced outdated language missed in earlier reviews, e.g. replaced “CARIS” with Economic Planning Process and “phase” with “studies”
 - Spelled out “Regulated Economic Transmission Project”
 - Used defined terms, e.g., “Local Transmission Owner Plans,” vs. “LT,” “ISO” vs. “NYISO”
 - Fixed signals/conjunctions, e.g., “or” “also”
 - Typos, e.g. “Requestor” to “Requested” Study
 - Corrected language and tariff references in study request form and agreement

Requesting MC Approval

- **Motion of Management Committee to recommend Board of Directors approval of tariff changes for Federal Power Act Section 205 filing**

Next Steps

- **January 2021 – Board of Directors consideration for approval of Section 205 tariff filing**
- **Q1/Q2 2021 - Economic Planning Process Manual update**
- **Q2/Q3 2021 – Begin 2021 System & Resource Outlook**

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

