

NYISO Consumer Interest Liaison Weekly Summary

August 30 – September 3, 2021

Notices:

- Updated versions of **Appendices A through G of the Economic Planning Process Manual (M-35)** have been posted to the [Manuals, Technical Bulletins & Guides](#) webpage under *Manuals > Planning*. The Appendices have been updated to reflect recent changes to Attachment Y of the OATT, which were approved by FERC on April 9, 2021 and became effective April 11, 2021. The changes include the adoption of the new System & Resource Outlook (“The Outlook”) replacing the previous Congestion Assessment & Resource Integration Study (CARIS) and other process improvements.
- The **redline and clean versions of the Ancillary Services Manual (M-02)** have been posted to the [Manuals, Technical Bulletins & Guides webpage](#) under *Manuals, Under Review*. The proposed changes are posted in anticipation of the upcoming September 14, 2021 BIC meeting. Revisions include language covering requirements for the Ancillary Service Shortage Pricing project, Reserve for Resource Flexibility project, and Co-Located Storage Resources (CSR) participation model project.
- The NYISO has posted a **Supplemental FAQ document** [here](#) to address questions received following the solicitation of solutions for the **Long Island Offshore Wind Export PPTN**. Developers should especially note Question 13 as this provides further clarification on facilities that are excluded from the Sufficiency Criteria.

Meeting Summaries:

Monday, August 30, 2021

Joint Installed Capacity/Market Issues/Price Responsive Load Working Group
ELCC Concepts and Considerations for Implementation

Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYSIO or the discussions that take place at the meetings.

Arne Olson, Zach Ming and Ben Carron of Energy and Environmental Economics presented concepts and considerations for implementing effective load carrying capability (ELCC). ELCC is an alternative methodology for determining and planning for peak demand of the electrical system. Mr. Carron explained that the Loss of Load Probability (LOLP) modeling requires at least 10 years of renewable generation data and a long period of load-driven weather extending approximately 30 years. The use of data over an extended period of time ensures that the modeling would capture the probability of all sorts of system conditions to occur.

The LOLP analysis produces a range of useful metrics that measure the size, duration, and frequency of reliability events. The analysis also produces a Planning Reserve Margin (PRM) that measures the quantity of capacity needed above the median year peak load to meet the LOLE standard.

Mr. Carron explained the calculation and application of the ELCC methodology. The flexibility of incorporating renewable resources into the system was highlighted.

Some stakeholders recommended that the NYISO investigate alternative methodologies and facilitate further discussion.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/24172725/NYISO%20ELCC_210820_August%2030%20Presentation.pdf/8ac7b020-206e-6dff-4e0f-756bc215ecc0

NYISO Capacity Accreditation: Continued Discussion of Marginal and Average Approaches

Pallas LeeVanSchaick and Joseph Coscia of Potomac Economics (Potomac) continued the discussion of a conceptual framework for designing efficient accreditation rules, first presented at the [August 9, 2021 ICAPWG](#) meeting. In the Market Monitoring Unit (MMU) 2020 State of the Market report, Potomac recommended that NYISO revise its capacity accreditation rules. The presentation addressed the difference between marginal and average accreditation methods.

This presentation addressed the following topics:

- *Key principles and product definition*
- *Approaches to estimating capacity value*
- *Illustration of marginal accreditation approaches*

Mr. Coscia highlighted the Average vs. Marginal approaches to calculating capacity values. After defining Marginal Reliability Improvement (MRI) and Marginal Effective Load Carrying Capability (M-ELCC), Mr. Coscia compared and contrasted the methodologies.

Mr. LeeVanSchaick summarized the advantages of using Marginal Accreditation as:

- *Compensates each resource based on effectiveness at reducing load shedding, regardless of technology or new/existing.*
- *Recognizes diminishing returns to correlated resources and synergies between resources that have zero/negative correlation.*
- *Provides efficient incentives to:*
 - *Avoid saturation by a particular technology*
 - *Invest in a diverse mix of complementary resources*
 - *Pair storage with intermittent resources or invest in standalone storage as intermittent penetration rises*
 - *Efficiently choose between storage project durations and augment duration of storage over time*
 - *Maintain flexible conventional resources if they are needed*

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/23645207/20210730%20Potomac%20->

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Tuesday, August 31, 2021

Joint Installed Capacity/Market Issues/Price Responsive Load Working Group

Co-Located Storage Resource(CSR) Bidding Changes

Padam Singh of the NYISO led a review of the bidding parameter changes for Co-Located Storage Resources (CSR).

Mr. Singh highlighted the bidding screen that stakeholders will encounter when placing bids into the NYISO market system. CSR bids will be managed using the same bidding screens and templates as existing generator bids. The new bidding parameters were highlighted and detailed. Mr. Singh noted that the format of the upload/download templates for bidding is being revised to accommodate new fields for CSR.

Market trials for the CSR bidding software will be opened on September 7, 2021.

To see the complete presentation, please go to:

[https://www.nyiso.com/documents/20142/24130223/Co-Located%20Storage%20Resource\(CSR\)%20Bidding%20and%20UploadDownload%20Changes%20Clean.pdf/5bbd6bb0-f5cf-f8db-35f0-5eae4295b94f](https://www.nyiso.com/documents/20142/24130223/Co-Located%20Storage%20Resource(CSR)%20Bidding%20and%20UploadDownload%20Changes%20Clean.pdf/5bbd6bb0-f5cf-f8db-35f0-5eae4295b94f)

Grid Services from Renewable Generators

Amanda Myott of the NYISO reviewed the highlights of the “*Grid Services from Renewable Generators*” report. The NYISO conducted this study by reviewing industry literature and conducting industry interviews.

The final study report discusses several key topics, including:

- *Description of the selected grid services*
- *Relevant reliability rules and their impact on the ability of renewable technologies to provide certain grid services*
- *Technological capabilities of the selected renewable resource types to provide the selected grid services*
- *Possible market rule changes in response to study findings*

The [report](#) was included with the meeting materials for stakeholder review.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/24130223/Grid%20Services%20from%20Renewable%20Generators_MIWG_083121.pdf/411ec110-47ad-43f2-9f2c-f359edc3f957

Capacity Accreditation

Zachary Smith, Ryan Patterson and Emily Conway of the NYISO continued the discussion on capacity accreditation. At the August 9, 2021 ICAPWG, the NYISO presented an initial Straw Proposal to address each of the elements that will be further discussed within the Capacity Accreditation project.

Mr. Smith noted that in devising a new set of capacity accreditation rules, the NYISO is considering the following guiding principles:

- *Should establish comparable capacity accreditation values for resource types with the similar characteristics*
- *Should send efficient market signals to procure needed characteristics*

- *Should consider the impact of other resources and the reliability of the resource fleet as a whole*
- *Should be evaluated frequently enough to account for rapid changes in the resource mix or system conditions*
- *Should be transparent, predictable, and understandable*
- *Should be aligned with resource adequacy studies*

The NYISO is proposing to implement a revised study process to determine the incremental reliability contribution of capacity resource types in order to establish, and then update, capacity accreditation values. Effective Load Carrying Capability (ELCC) or Marginal Reliability Improvement (MRI) studies are two potential vehicles to achieve this. ELCC and MRI studies will produce capacity accreditation values that are dependent on the inputs that will be updated each time the study is run. Mr. Smith reviewed the six elements of the straw proposal that the NYISO believes will be important to establish in the broader Buyer-Side Mitigation (BSM) proposal to demonstrate how reforming BSM will continue to result in just and reasonable ICAP Market outcomes.

Mr. Patterson provided an example to illustrate how the ICAP Market would clear under both a marginal and average capacity accreditation methodology for discussion and clarity. The example was developed to show the relationship between payments to resources and capacity accreditation methodologies.

In order to complete the Capacity Accreditation project in the most efficient manner, the NYISO plans to roll out changes to the project in different phases:

- Phase 1 will discuss tariff changes for the new framework through the end of 2021
- Phase 2 will discuss more details on how capacity accreditation changes could be applied after the completion of Phase 1 and throughout 2022
- Phase 3 will cover the implementation of the Capacity Value Study using the updated framework

Ms. Conway provided and discussed timelines for the completion of the three phases.

Please send comments to ztsmith@nyiso.com. Additional discussion will occur at a future ICAPWG.

To see the complete presentation, please go to:

[https://www.nyiso.com/documents/20142/24130223/20210830%20NYISO%20-%20Capacity%20Accreditation_v10%20\(002\).pdf/b12b55d4-7aa9-644a-d803-05ae8df1877c](https://www.nyiso.com/documents/20142/24130223/20210830%20NYISO%20-%20Capacity%20Accreditation_v10%20(002).pdf/b12b55d4-7aa9-644a-d803-05ae8df1877c)

PJM MOPR Filing Overview

Michael DeSocio of the NYISO led an overview of the Minimum Offer Price Rule (MOPR) revisions recently filed with FERC by PJM. Some stakeholders requested that the NYISO consider the proposed PJM rules in the development of the Comprehensive Mitigation Reform proposal.

Mr. DeSocio noted that FERC approved PJM's Effective Load Carrying Capability (ELCC) construct on the same day the PJM Filing was made. The ELCC construct is PJM's capacity accreditation improvements for wind, solar, and storage resources, and, as a result, PJM expects the entry of these subsidized resources having a smaller auction price impact as the number of these resources increase. PJM points to the ELCC construct in its filing as a factor allowing it to move to the focused MOPR without undermining the capacity market.

Mr. DeSocio discussed the proposed rule revisions with market participants prior to providing an overview of PJM's arguments for FERC approval. PJM argued that the recently approved ELCC construct will result in more accurate capacity valuations for solar, wind and storage.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/24172725/20210830%20NYISO%20-%20%20PJM%20MOPR.pdf/99ea62e9-81e5-a336-614e-09b19c3d9ac7>

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Thursday, September 2, 2021

Transmission Planning Advisory Subcommittee

Study Scopes Under Consideration for Recommendation for OC Approval

Queue #1008

KCE NY 26, LLC Project

Battery Energy Storage System

60 MW W/S – 8-hour duration

Suffolk County, New York

Recommended for OC Approval

Queue #1107

Buchanan Point BESS III Project

Battery Energy Storage System

300MW W/S – 6-hour duration

Westchester County, New York

Recommended for OC Approval

FERC Filings

There were no filings to FERC by the NYISO for this week.

FERC Orders

September 3, 2021

FERC order denied the Transmission Owners' complaint regarding the funding approach for Upgrades specified in the NYISO tariffs

EL21-66-000

September 3, 2021

FERC letter order accepted NYISO notice of an August 6, 2021 effective date for OATT revisions to implement enhancements to its credit requirements for Transmission Congestion Contracts

ER21-486-001

Filings and Orders:

http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp