

NYISO Consumer Interest Liaison Weekly Summary

June 14 – June 18, 2021

Notices:

- *The NYISO is pleased to announce that the NYISO’s Market Training team is **offering an online-narrated presentation to detail Wholesale Solar Resource Participation in NYISO administered markets**. Topics being covered in this presentation include salient and distinguishing features of how solar intermittent power resources participate in NYISO’s various wholesale markets. The module will cover pertinent information about qualifications and requirements to participate in the Energy and Installed Capacity Markets, rules of participation and Energy Market settlements associated specifically with Solar resources. Please find the presentation for “[Wholesale Solar Intermittent Power Resources Participation Model](#)” on the Training page of the NYISO website, under [Online Learning](#)*
- *The June 14-15, 2021, **Joint Board of Directors and Management Committee Discussion Summary** has been posted to the NYISO website. [2021 Joint BOD-MC Discussion Summary](#)*

Meeting Summaries:

Tuesday, June 15, 2021

Management Committee

There were no voting issues for this Management Committee meeting.

Thursday, June 17, 2021

Joint Installed Capacity Working Group/Load Forecasting Task Force

Time-Differentiated TCCs

Ashley Ferrer of the NYISO updated the initiative to develop market rule changes needed to facilitate the creation of Transmission Congestion Contract (TCC) products that apply to different periods of time. The purpose of this meeting was to discuss stakeholder input to determine desired market functionality.

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Ms. Ferrer began by reviewing the current TCC market structure, highlighting the functional differences of coupled and de-coupled mode functionality. It was noted that use of the coupled mode could facilitate a multi-period solution for time-differentiated TCCs in which MPs could submit a single bid for multiple periods. Ms. Ferrer provided an example of a potential de-coupled bid to illustrate the bidding flexibility. While coupled mode is not currently used in conducting Balance of Period (BoP) Auctions, the NYISO and its software vendor believe that this previously developed functionality could be used to facilitate time-differentiated TCCs. Testing and prototyping would still be required during the software design/implementation phase before this auction structure would be production ready.

Stakeholders raised questions about the amount of time required for a coupled mode solution. The NYISO explained that the computation time currently takes an hour or less, but noted that the computation time is only part of the total time required for an auction. Additional time would also be required for reviewing and finalizing the process and the amount of time this change could add to the final solution is not clear at this time in the project development process. It was suggested by a stakeholder that this discussion should be resumed after the NYISO determines the time required for the coupled mode solution.

A stakeholder asked if the change in functionality could lead to a change in the individual entity volume of bids limitation. Ms. Ferrer responded that the NYISO has not yet approached the question, but will consider the issue.

Additional market design considerations for discussion include auction procedures and auction revenue and surplus/shortfall cost allocation.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/22365153/Time-Differentiated%20TCCs%20MIWG%2006172021%20final.pdf/1ded3fb9-c8b0-87e2-f95e-8cabddcffb8c>

FERC Order No. 2222 – NYISO Compliance Discussion

Francesco Biancardi and Harris Eisenhardt of the NYISO presented a summary of the NYISO compliance filing in response to FERC Order 2222. FERC Order 2222 (Participation of Distributed Energy Resource {DER} Aggregations in Markets Operated by RTOs and ISOs) requires ISOs and RTOs to permit DER participation alongside traditional resources in the organized wholesale markets through aggregations.

The NYISO has identified FERC Order No. 2222 directives that necessitate updates to the previously approved NYISO DER market design. The updates were highlighted and discussed with stakeholders for the NYISO to gather feedback. Following consideration of stakeholder input, the NYISO will try to return to a future ICAP working group for further discussion to submitting the compliance filing to FERC on July 19, 2021.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/22365153/FERC%20Order%202222%20-%20NYISO%20Compliance%20External.pdf/62fa78cf-4006-26d9-f5da-da385c1ea660>

Constraint Specific Transmission Shortage Pricing: Updated Analysis and Proposal

Kanchan Upadhyay of the NYISO updated the proposal to develop enhancements to the current transmission shortage pricing logic to better align the graduated transmission demand curve mechanism with the severity of transmission constraints.

The NYISO proposes to implement a revised approach to the current TCP logic consisting of the following components:

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- Establish a revised six-step transmission demand curve mechanism for facilities currently assigned a non-zero CRM value
 - Each step corresponds to a specified percentage of CRM value. The final step will price all shortages in excess of the CRM
- Apply a non-zero CRM value to internal facilities currently assigned a zero value CRM, with a separate two-step transmission demand curve mechanism for such facilities
- Maintain the current single value \$4,000 shadow price capping method for external interface facilities (zero value CRM) permitting the continued use of constraint relaxation for external interfaces

Ms. Upadhyay reviewed the rationales for the six steps of the proposed demand curve to explain the NYISO proposal. The proposed treatment of internal and external facilities was detailed and contrasted. The NYISO will continue discussion with stakeholders throughout Q2 and Q3 prior to a completed market design proposal for Q4.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/22365153/CSTSP%20MIWG%2006172021%20final.pdf/9bd5447d-9959-0ee3-ef7e-2a2f12f848af>

Highlights from the 2020 State of the Market Report for the NYISO Markets: Capacity Market Issues

Pallas LeeVanSchaick of Potomac Economics (Potomac) presented highlights from the 2020 State of the Market (SOM) Report for the NYISO Markets. Every year, Potomac Economics in their capacity as the Market Monitoring Unit (MMU) for the NYISO, produces an annual SOM Report to:

- *Evaluate the performance of the markets;*
- *Identify market flaws or market power concerns;*
- *Recommend improvements in the market design.*

Given the breadth of the report, Mr. LeeVanSchaick presented the highlights from the 2020 SOM Report pertinent to the Capacity Market issues. Capacity Market price trends were reviewed and discussed with stakeholders.

An evaluation of the Capacity Market performance indicates that in the future, certain resources may be under or over-compensated due to changes in the resource mix. Mr. LeeVanSchaick explained the principle and importance that all resources that provide the same benefits should be compensated the same, under Capacity Accreditation, and noted potential issues for future markets.

MMU recommendations for market design improvements were identified and reviewed with stakeholders for future consideration. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/22365153/2020%20NYISO%20SOM%20Report%20Presentation_ICAP.pdf/80c0752b-e918-f395-be70-6e89788ec73e

To see the complete SOM report, please go to:

<https://www.nyiso.com/documents/20142/2223763/NYISO-2020-SOM-Report-final-5-18-2021.pdf/c540fdc7-c45b-f93b-f165-12530be925c7>

FERC Filings

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

FERC Orders

June 17, 2021

FERC letter order accepted NYISO filing establishing effective date for Operational Control of Solar Resources enhancements, effective 6/8/21 as requested

ER21-892-001

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June 14, 2021

Letter Order accepting NYISO Implementation Agreement with Helix Ravenswood to govern cost recovery for using fuel oil
ER21-1754-000

Filings and Orders:

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