

NYISO Consumer Interest Liaison Weekly Summary

May 24 – May 28, 2021

Notices:

- This is to inform you that a [Notice of Initial Decision Period Results to Class Year 2019 NYC Additional SDU Study Project Developers](#) is posted on the NYISO website. The notice is posted on the NYISO website at the link below under the "Notices to Market Participants" subfolder. [Link to NYISO website](#)
- The final version of the Installed Capacity Manual (M-04) has been posted to the [Manuals, Technical Bulletins & Guides webpage](#) under Manuals>Operations. All proposed changes were approved at the May 10, 2021 BIC meeting. The revisions to the ICAP Manual are in accordance with the 2021-2025 ICAP Demand Curve reset to account for changes to the maximum clearing price and reference point price calculations.
- The New York Independent System Operator (NYISO) today reported that electricity supplies in New York State are expected to be adequate this summer, with a total of 41,071 megawatts (MW) of power resources available to meet forecasted peak demand conditions. "The state's grid is well-positioned to handle forecasted summer demand," said **Wes Yeomans, Vice President of Operations for the NYISO**. "In addition to robust planning processes and thorough stakeholder engagement, the NYISO operates the grid to meet reliability rules that are among the strictest in the nation and are designed to ensure adequate supply." [View Press Release here](#)

Meeting Summaries:

Tuesday, May 25, 2021

Business Issues Committee

Time-Differentiated TCCs

Ashley Ferrer of the NYISO reviewed the 2021 project to develop a market design concept for Time-Differentiated Transmission Congestion Contracts (TCCs). The objective of this project is to work with stakeholders to develop market rule changes needed to facilitate the creation of TCC products that apply to different periods of time. The current NYISO TCC product is a 24x7 product for the applicable effective period. A stakeholder commented that the NYISO should continue to offer the 24x7 product. Ms. Ferrer noted that the discussion to include a 24x7 product will be the subject of a future working group discussion.

Another stakeholder noted that it is important to discuss additional minor changes to the market as part of this project. Ms. Ferrer responded that additional market changes may be included with this project. A third stakeholder asked that since this project is a market design concept, does that infer that implementation is a minimum of three years in the future. Ms. Ferrer noted that the timeline will depend on the stakeholder project prioritization process, but three years could be a potential timeline. During the 2021 project prioritization process, certain Market Participants advocated that time-differentiated TCC products could offer several benefits:

- *Better align TCC products with over-the-counter (OTC) energy market trading products*
- *Better align TCC products with similar products available in neighboring markets*
- *Provide improved hedging opportunities and improved ability to customize TCC portfolios to better align with specific load and/or generation profiles*

Two proposals were presented by Market Participants for time-differentiated TCC products during the 2021 project prioritization process

These proposals were as follows:

- *Option A: Consisted of 2 categories:*
 - *On-peak: defined as Monday-Friday, HB 7 – HB 22*
 - *Off-peak: defined as all other hours and holidays*
- *Option B: Consisted of 3 categories:*
 - *On-peak weekday: defined as non-holiday weekdays, Monday-Friday, HB 7 – HB 22*
 - *On-peak weekend/holiday: defined as Saturday-Sunday and holidays, HB 7 – HB 22*
 - *Off-peak: defined as all other hours, Monday-Sunday, HB 0 – HB 6, HB 23*

The difference between the options was the breakout of an on-peak weekend category from the off-peak category within Option B. A stakeholder noted that it is important for the NYISO to be aware of and consider potential changes to the PJM market currently proposed in the PJM stakeholder process. Next, Ms. Ferrer led a review of the analysis NYISO performed on the NYCA Day-Ahead Market (DAM) congestion costs. In general, the data demonstrated that patterns of DAM congestion costs in the NYCA were consistent with the conventional industry definition of on-peak and off-peak hours. NYISO's assessment concludes that time-differentiated TCC products would best be defined as:

- **On-peak: Monday – Friday, HB 7 – HB 22, except holidays**
- **Off-peak: all hours not encompassed by on-peak definition (Monday – Friday, HB 0 – HB 6, and HB 23; all hours on weekends and holidays)**

The NYISO will consider whether the time-differentiated products will supplement, or replace the current 24-hour product. Also, the NYISO will consider how the time-differentiated products will be optimized within TCC auction software (*i.e.*, simultaneously evaluated or auctioned independently). Additional considerations include the identification process and associated procedure changes that would accommodate time-differentiated product offerings. Some stakeholders opined that it would offer greater market flexibility for the NYISO to consider including an option for on-peak hours for weekends and holidays.

A Consumer Impact Analysis will be conducted on this project. The methodology for the analysis will be discussed at a future ICAP working group meeting.

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 NYISO or the discussions that take place at the meetings.

Comments and questions are encouraged and can be sent to aferrer@nyiso.com. To see the complete presentation, please go to: <https://www.nyiso.com/documents/20142/21734667/Time-Differentiated%20TCCs%20MIWG%2005252021.pdf/0f84070e-d544-a421-24c5-93ec4084b64c>

Wednesday, May 26, 2021

Management Committee

Motion #1

Motion to approve the draft April 28, 2021 Management Committee meeting minutes

The motion passed unanimously.

Motion #2

The Management Committee (“MC”) hereby approves changes to the Market Administration and Control Area Services Tariff as more fully described in the presentation titled “Regulation Movement Multiplier Update” made to the MC on May 26, 2021 and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed unanimously.

Thursday, May 27, 2021

Budget and Priority Working Group

Budget Vs Actual Update

Patrick Kelly of the NYISO presented the 2021 year-to-date budget vs. actual status, updated for April 2021. Rate Schedule 1 recoveries are \$3.3M above budgeted revenues through April. Year-to-date budgeted costs vs. actual costs through April reflect a \$1.7M budget under-run. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/21831057/02%20Budget%20versus%20Actual%20Results.pdf/33c643a9-b1df-7d2e-b424-15bc7e4eeb22>

Rate Schedule 1 – Allocation of NYISO Budget

Chris Russell of the NYISO notified stakeholders of the language included in Rate Schedule 1 (RS1) requiring a vote by the Management Committee in Q3 2021 to determine whether a new “*Cost of Service Study*” should be conducted to evaluate the Rate Schedule 1 allocation between withdrawals and injections. Mr. Russell reviewed the history of past votes on this topic as a reference for stakeholders.

NYISO staff recommends that a new Cost of Service Study be conducted in 2021-2022 in order to consider the RS1 impact of the most significant market design changes to be implemented since 2005, including:

- *Integration of Renewable Resources*
 - *Co-located Storage Resources – Deployment Q4 2021*
 - *Hybrid Resources – Market Design 2021, Projected Deployment 2023*
 - *Large Scale Solar – Deployment Q2 2021*
- *Distributed Energy Resource Roadmap – Deployment Q4 2022*
- *Energy Storage Integration and Optimization – Deployed Q3 2020*

It is anticipated that these market design changes will result in a significant increase in market participants and resource types that have not previously participated in the NYISO markets. A vote is required to determine whether stakeholders authorize such a study. The vote will be held at the July 28, 2021 Management Committee meeting. A stakeholder requested that the NYISO present the methodology for the study, if authorized. To see the complete presentation, please go to:

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 NYISO or the discussions that take place at the meetings.

<https://www.nyiso.com/documents/20142/21831057/03%20RS1%20Study%20Vote.pdf/39ae861a-247c-4c30-bc57-5925dd25b6ad>

NYS Utility Intervention Unit Comments on 2022 Market Project Candidates

Justice Nyarko of the New York State Utility Intervention Unit presented several comments and questions concerning the proposed market project candidates. To see the specific comments, please go to:

<https://www.nyiso.com/documents/20142/21831057/04%20Stakeholder%20Comments%20on%202022%20Market%20Project%20Candidates.pdf/a277706c-6984-65f0-faea-e4df4fff1be4>

2022 Project Prioritization Process

Brian Hurysz of the NYISO updated the 2022 Project Prioritization Process. Mr. Hurysz reviewed prior steps in the process and discussed the upcoming stakeholder scoring survey.

Project descriptions for the enterprise and market projects were updated and posted with the cost and benefit information for stakeholder review. Redline copies of the documents were posted with the meeting materials. NYISO personnel were on hand to assist in project description clarification.

A draft copy of the stakeholder survey was posted with names of the market participant recipients identified to receive it. Stakeholders are encouraged to review the draft survey and verify the survey recipients are up to date.

A stakeholder requested that the list of project candidates be posted in an excel file to assist in stakeholder review and internal discussion. The NYISO agreed to the additional posting.

To see the complete presentation, please go to: <https://www.nyiso.com/bpwg?meetingDate=2021-05-27>

FERC Filings

May 28, 2021

NYISO-National Grid joint Section 205 filing of an Executed Small Generator Interconnection Agreement among the NYISO, National Grid, and Rock District Solar, SA No. 2662

May 27, 2021

NYISO, NYSEG joint 205 filing of an Executed Amended and Restated Small Generator Interconnection Agreement Among the NYISO, NYSEG, and Orangeville Energy Storage LLC, SA No 2562

May 27, 2021

NYISO filing of tariff revisions in compliance with the FERC Order issued April 29, 2021, to clarify that municipally owned electric systems created by local governments are eligible for the self-supply exemption

May 25, 2021

Compliance notice establishing a June 8, 2021 effective date for tariff revisions to implement Southeastern New York Reserve enhancements

May 25, 2021

NYISO compliance notice of June 8, 2021 effective date for Services Tariff revisions to enhance operational control of solar resources

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.

FERC Orders

May 24, 2021

FERC order accepted NYISO compliance filing re: ICAP Demand Curves for the 2021-2025 reset period, effective April 9, 2021

ER21-502-002

Filings and Orders:

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