

NYISO Consumer Interest Liaison Weekly Summary

November 1 – November 5, 2021

Notices:

- As discussed at the October 29, 2021, ICAP meeting, clarifying revisions were made to slides 10 and 18 of the CMR presentation. [Material](#)
- The final Analysis Group Report, “**Modifications to the BSM Construct in the NYISO Capacity Market**” has been posted with the November 8, 2021 meeting material. [Material](#)

Meeting Summaries:

Monday, November 1, 2021

Transmission Planning Advisory Subcommittee

Study Scopes Under Consideration for Recommendation for OC Approval

Queue #1081

KCE NY 28 Project

Battery Energy Storage System

45 MW W/S 8 Hour

Suffolk County, NY

Recommended to the OC for approval

Queue # 1158

Gravel Road Solar

Solar Photovoltaic Generation Plant

125 MW W/S

Seneca County, NY

Recommended to the OC for approval

Tuesday, November 2, 2021

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

Consumer Impact Analysis: Comprehensive Mitigation Review Proposal

Tariq Niazi of the NYISO presented the Consumer Impact Analysis of the “*Comprehensive Mitigation Review (CMR) Proposal*”. Mr. Niazi began with a review of the background and development of the proposal. As with all consumer impact analyses, the impacts to Reliability, Cost Impact, Environment and Transparency were evaluated.

Mr. Niazi explained that the consumer impact analysis compared the status quo to the CRM proposal and an average accreditation approach.

The assumptions used for the analysis were provided and discussed with stakeholders.

Mr. Niazi noted that compared to status quo, the average accreditation approach resulted in savings of \$5M. When the status quo is compared to marginal accreditation, the cost savings approach \$119 million. Mr. Niazi noted that cost savings may potentially be greater than shown when marginal accreditation is applied to fossil units rather than EFORD that was used in the analysis to determine fossil UCAP in all cases.

The analysis also noted that by more accurately valuing each resource’s contribution to reliability, Marginal accreditation maintains an efficient and well-functioning ICAP Market, which supports reliability and the achievement of public policy goals.

In evaluating the Environmental Impact, the use of marginal accreditation results in the most economically efficient resources needed to reduce carbon emissions and helps guide future state and LSE procurement decisions to achieve the CLCPA.

In terms of Transparency, the marginal accreditation approach is critical in informing efficient public and private investment decisions by properly signaling which resources are best suited to support grid reliability.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/25835955/CIA%20-%20Comprehensive%20Mitigation%20Review.pdf/36d447d4-5b33-8ab1-2654-90a529ff1dfe>

NYISO Capacity Accreditation: Consumer Impact Analysis

Pallas LeeVanSchaick and Joseph Coscia of Potomac Economics (Potomac) presented the results of an analysis of the consumer impact analysis of the NYISO Capacity Accreditation proposal. The NYISO has proposed tariff changes related to capacity accreditation as part of its “*Comprehensive Mitigation Review (CMR)*” proposal. Potomac, as the Market Monitoring Unit (MMU), conducted an analysis of the long-term impacts of capacity accreditation on consumer costs and the NYISO-administered markets. The analysis considers the dynamic impact of accreditation on resource investment decisions. This analysis can be used to address many of the questions being raised by stakeholders ahead of the November BIC and MC meetings.

Mr. Coscia reviewed the approach for the analysis and discussed the assumptions and methodology used. Capacity credit was discussed in depth with stakeholders. The Capacity Expansion Model was detailed for stakeholder clarity.

The results revealed that in each of the three cases, the system satisfies the requirements determined using the unserved energy model and the State targets are achieved, including 70% renewable energy and 3 GW energy storage. Changes to consumer payments were determined for:

- *Status Quo vs. Marginal*
- *Marginal vs. Average*

Results in graphic form were also provided for:

- Intermittent Renewable Capacity
- Energy Storage Capacity

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- Retirements
- Capacity Requirements
- Capacity Credit – Intermittent Renewables
- Capacity Credit – Energy Storage
- Over-investment in Average Case

The results were summarized as consumer costs being lower in the Marginal case when compared to the Status Quo and Average cases, net of out-of-market payments. Also, Marginal accreditation favors a balanced mix of intermittent resources, while Average and Status Quo accreditation heavily favor one resource type. Marginal accreditation incentivizes longer-duration storage more than Average and Status Quo accreditation.

A sensitivity was provided to illustrate the consumer cost differences for a scenario with higher capacity prices in all three cases.

Mr. Coscia summarized the conclusion of the analysis by stating:

“A marginal accreditation approach results in more efficient signals for investment and lower consumer costs than the status quo or an average approach. Capacity market signals can help guide investment in policy resources at the lowest cost to consumers when RECs supplement wholesale market revenues. Efficient accreditation will become more impactful as the CLCPA requires larger quantities of investment. We support NYISO’s proposal to apply a marginal accreditation approach to all resources.”

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/25835955/MMU%20ICAP%20Accreditation%20Consumer%20Impact%20Analysis%2011-02-2021.pdf/637ba21e-db75-a4c1-5b41-f770dd26e529>

Thursday, November 4, 2021

System Operations Advisory Subcommittee

NYISO Operations Report – October 2021

Peak Load

The peak load for the month was 19,594 MW, which occurred on Friday, October 15, 2021, HB16. Reserve requirements were as follows:

Reserve Requirement	10 Sync	Non-Sync	30 Min
For Hour	655	1,310	1,965
DSASP Cont.	1,234	3,437	4,290
	158	0	158

Major Emergencies:

None

Alert States -- Alert State was declared on 15 occasions:

- 2 – ACE Greater than +/- 500 MW
 - 1 – System Frequency High
 - 9 – Emergency Transfer Declared
 - 3 – Exceeding Central East Voltage Contingency Limit
- Alert state was declared 4 times during October of 2020

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Thunder Storm Alerts

1 TSA was declared in October 2021 for a total of 3.0 hours

Reserve Activations – 8

There were 4 Reserve Activations during October of 2020

Emergency Actions

None

TLR3 Declared – 1 for a total of 5.0 hours

FERC Filings

November 3, 2021

NYISO answer to the Flint Mine Solar Complaint for Refund of Milestone Deposit

FERC Orders

November 4, 2021

Letter Order accepting EPC Agreement Among NYISO, NYSEG and Cassadaga Wind LLC, Arkwright Summit Wind Farm LLC, and Ball Hill Wind Energy, LLC SA No.2642

ER21-2851-000

Filings and Orders:

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