

LCR Process Updates

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Agenda

- Review and Compare Various LCR Results
- Potential enhancements and schedule
- Next steps



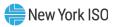
IRM Final Base Case Results

- Results from LCR Optimizer using the IRM Final Base Case compared to final LCRs
 - 2020 Results

	NYCA IRM	G-J	NYC	LI
2020 FBC LCRs	18.9%*	89.4%	86.4%	103.3%**
2020 Final LCRs	18.9%*	90.0%	86.6%	103.4%**
deltas	-	0.6%	0.2%	0.1%

Optimized LCRs

* Determined by ICS Tan 45 Process



IRM Final Base Case Results

• Results from LCR Optimizer using the IRM Final Base Case

- October Forecast used
- Informational Only

	NYCA IRM	G-J	NYC	LI
2021 PBC LCRs	20.1%*	88.5%	81.5%	102.7%**
2021 FBC LCRs	20.7%*	88.7%	80.6%	102.9%**
deltas	0.6%	0.2%	-0.9%	0.2%

Optimized LCRs

* Determined by ICS Tan 45 Process



IRM Final Base Case Comparison

Results from LCR Optimizer using the IRM Final Base Case compared to Final LCRs

Optimized LCRs

	NYCA IRM	G-J	NYC	LI
2021 FBC LCRs	20.7%*	88.7%	80.6%	102.9%**
2021 Final LCRs	20.7%*	87.6%	80.3%	102.9%**
deltas	0.0%	-1.1%	-0.3%	0.0%

* Determined by ICS Tan 45 Process



Comparison of Final LCR Results

• Results from 2020 Final LCRs vs 2021 Final LCRs

Optimized LCRs

	NYCA IRM	G-J	NYC	LI
2020 Final LCRs	18.9%*	90.0%	86.6%	103.4%**
2021 Final LCRs	20.7%*	87.6%	80.3%	102.9%**
deltas	1.8%	-2.4%	-6.3%	-0.5%

* Determined by ICS Tan 45 Process



Stakeholder Request for Process Enhancements

- Stakeholder requests to review and enhance LCR process
 - 1/12/21 ICAPWG
 - 1/14/21 OC
- NYISO agreed to review the process and consider enhancements to would improve stability and transparency



LCR Procedure

- Consider updates to LCR Procedures to better align the LCR process with the IRM process
- Potential changes for discussion:
 - Handling updates to load forecasts after October IRM Study lockdown date
 - Whether updates should be made only if changes are also made to the data and assumptions used to calculate the IRM
 - Provide additional review of year-over-year changes, and drivers of those changes, as part of the informational LCR results presented to stakeholders in Q4 of each year

Potential improvement in transparency/stability

- Alignment with IRM database
- Update IRM database for the LCR Study but utilize an earlier lockdown of assumptions provides stakeholders greater certainty of study inputs



Next Steps

Return to ICAPWG with updates in April

- Further discussion on ideas and review recommendations
- Current procedure: <u>https://www.nyiso.com/documents/20142/1408199/LCR-determination-process.pdf/2854dc25-301e-c506-1d88-2b13e0284ca1</u>



Questions?

Questions or comments can be sent to IRM@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



