

Proposed 2022 Market Projects

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Agenda

- **Project Prioritization Phases, Milestones, and Timeline**
- **Project Descriptions**
- **2022 Market Project Candidates**
- **Next Steps**

Project Prioritization Phases, Milestones, and Timeline

Project Prioritization Process

Phase	Description
Stakeholder Project Identification	Stakeholders may present project ideas at stakeholder meetings and sector meetings, receive feedback, and refine their proposal during this phase before the NYISO provides a comprehensive list of candidate projects for consideration.
Identification	The NYISO develops a Markets and Enterprise project candidate lists based on regulatory obligations, strategic initiatives, State of the Market recommendations, infrastructure enhancements, product plans, and stakeholder proposals. These project candidates are presented and further refined with stakeholder input during this phase.
Prioritization	This phase involves a stakeholder survey and the NYISO prioritization of projects. The stakeholder survey will facilitate an assessment of the relative priority of the topic within the portfolio and is used to determine stakeholder appeal. The NYISO prioritization incorporates the stakeholder appeal into objective criteria that reflect strategic alignment, expected outcomes, risks, and ability to execute in development of a priority score for each Market project.
Evaluation	This phase involves performing a feasibility assessment based on detailed cost and labor estimates, dependencies, priority scores, and stakeholder feedback.
Recommendation	This phase involves proposing a feasible set of project deliverables and related budget requirements. The proposal is refined as needed based on stakeholder feedback.

Project Type

Project Type	Description
Mandatory	Strategic Initiatives and FERC Orders. These projects will be included in the budget
Continuing	Approved in a prior year and have progressed to either Software Design or Development Complete. Additional projects may be classified as Continuing based on stakeholder feedback. These projects will be included in the budget
Future	Consensus from stakeholder discussions of this projects priority relative to other projects has resulted in these projects NOT being prioritized and initiated in the coming budget year. Resources, time constraints, stakeholder feedback, and other project dependencies have been taken into consideration
Prioritize	Projects to be prioritized and included in the budget based on a feasibility assessment taking into consideration resources, time constraints, stakeholder feedback, priority score, and other project dependencies. Market projects are included in the stakeholder survey

Project Category

Project Category	Description
Enterprise	Includes internal-facing technology and back office support projects that have no market rule changes. This list includes projects that may be noticeable to Market Participants. These projects are NOT included in the stakeholder survey
Market	Projects associated with market rule(s) including market design and study projects as well as any project implementing market rule changes. These projects are included in the stakeholder survey unless they are Mandatory, Continuing, or Future

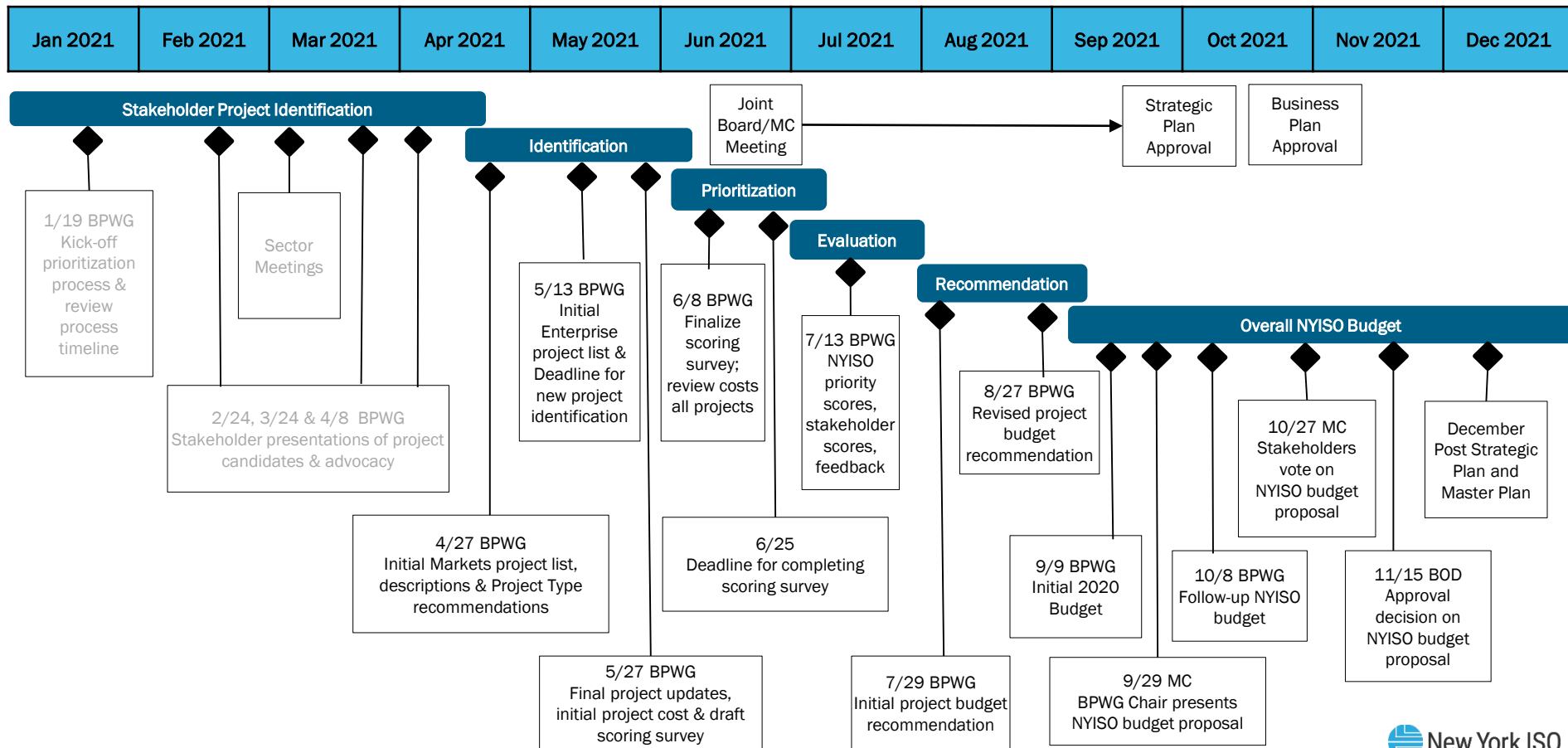
Project Scoring

Project Scoring	Description
NYISO Only	Enterprise projects that are not Mandatory, Continuing, or Future types are scored by the NYISO Only during the Prioritization phase. These projects are included in the budget based on a feasibility assessment taking into consideration resources, time constraints, priority score and other project dependencies.
Stakeholder Scored	Market projects that are not Mandatory, Continuing, or Future are included in the stakeholder survey and scored by the NYISO during the Prioritization phase. These projects are included in the budget based on a feasibility assessment taking into consideration resources, time constraints, stakeholder feedback, priority score, and other project dependencies.

Milestone Definitions

Milestone	Definition
Market Design Concept Proposed	NYISO has initiated or furthered discussions with stakeholders that explore potential concepts to address opportunities for market efficiency or administration improvements.
Market Design Complete	NYISO has developed with stakeholders a market design concept such that the proposal can be presented for a vote at the BIC or MC to define further action on the proposal.
Architectural Design	The architectural design document is complete and software development is ready to begin.
Functional Requirements	NYISO has completed documentation of the functional requirements and the Business Owner has approved.
Software Design	The software design document is complete and software development is ready to begin.
Development Complete	Development has been completed, packaged and approved by the Supervisor.
Deployment	Required software changes to support commitment have been integrated into the production environment.
Study Complete	Scope of work to be performed has been completed; results and recommendations have been presented to the appropriate Business Owners and stakeholders.
Study Defined	The scope of work for the study has been presented to stakeholders, including a discussion on the necessary input(s), assumption(s) and objective(s) of the study.
Issue Discovery	NYISO has facilitated education session(s) for stakeholder knowledge development of problem/issue, conducted stakeholder solicitation of potential solutions to address problem/issue, and summarized findings at a working group meeting for potential ranking and future project identification.

2022 Proposed Project Prioritization Timeline



Project Descriptions

Project Descriptions

- **The NYISO has developed project descriptions for 31 proposed Market projects**
 - 0 Business & Finance, 11 Capacity Market, 6 New Resource, 12 Energy Markets, 1 Planning & 1 TCC Market
 - 4 Mandatory, 2 Continuing, 20 Prioritize & 5 Future
- **Project descriptions are included with today's posted meeting materials**

Market Project Descriptions

■ Problem / Opportunity

- This section describes the business problem to be addressed or opportunity to be studied by the proposed project. Supporting background information, prior work, and analysis to the extent it is available should be included.

■ Project Objective(s) & Anticipated Deliverable(s)

- This section describes what the project should do to address the business problem or opportunity. It summarizes the approach and desired outcome, and may build on project work in a prior year. It includes the expected deliverables to satisfy the project objective and is tied to the proposed project milestone. The NYISO will work with the stakeholder(s) proposing a project to formulate what may be feasibly delivered in a particular time frame based on resourcing estimated for the effort.

■ Project Justification

- This section provides reason(s) why the candidate project should be considered. Examples would include addressing a FERC Order, Tariff requirements, automate manual processes, mitigate risk, market enhancements, State of the Market recommendations.

2022 Market Project Candidates

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Item	Project	Product Area	Project Type
1	CRIS Tracking	Capacity Market Products	Mandatory
2	Comprehensive Mitigation Review	Capacity Market Products	Continuing
3	CRIS Expiration Evaluation	Capacity Market Products	Prioritize
4	Capacity Transfer Rights for Internal Transmission Upgrades (SOM)	Capacity Market Products	Future
5	Locational Marginal Pricing of Capacity (SOM)	Capacity Market Products	Prioritize
6	Demand Curve Translation Enhancement (SOM)	Capacity Market Products	Prioritize
7	Monthly Demand Curves (SOM)	Capacity Market Products	Prioritize

2022 Market Project Candidates

Item	Project	Product Area	Project Type
8	Capacity Demand Curve Adjustments	Capacity Market Products	Prioritize
9	Enhanced BSM Forecasts Assumptions (SOM)	Capacity Market Products	Prioritize
10	Capacity Value Study	Capacity Market Products	Mandatory
11	Transmission Security in the ICAP Market	Capacity Market Products	Prioritize
12	Carbon Pricing	Energy Market Products	Future
13	Constraint Specific Transmission Shortage Pricing (SOM)	Energy Market Products	Prioritize
14	Dynamic Reserves (SOM)	Energy Market Products	Prioritize

Note: As discussed at 4/20/2021 ICAPWG, the NYISO will include a separate project to evaluate improvements to capacity accreditation.

2022 Market Project Candidates

Item	Project	Product Area	Project Type
15	Grid Services from Renewable Generators	Energy Market Products	Prioritize
16	Long Island Reserve Constraint Pricing (SOM)	Energy Market Products	Prioritize
17	Eliminate Fees for CTS Transactions with PJM (SOM)	Energy Market Products	Future
18	Enhanced PAR Modeling (SOM)	Energy Market Products	Future
19	Long Island PAR Optimization and Financial Rights (SOM)	Energy Market Products	Future
20	More Granular Operating Reserves (SOM)	Energy Market Products	Prioritize
21	Multi-Level References	Energy Market Products	Prioritize

2022 Market Project Candidates

Item	Project	Product Area	Project Type
22	Adjustment of Energy Offer/Bid Floor (SOM)	Energy Market Products	Prioritize
23	Lines in Series Constraint Pricing	Energy Market Products	Prioritize
24	DER Participation Model	New Resource Products	Mandatory
25	Engaging the Demand Side	New Resource Products	Prioritize
26	Grid in Transition	New Resource Products	Continuing
27	Hybrid Aggregation Model	New Resource Products	Prioritize
28	Internal Controllable Lines	New Resource Products	Prioritize

2022 Market Project Candidates

Item	Project	Product Area	Project Type
29	Support TSO and DSO Coordination Efforts	New Resource Products	Mandatory
30	Coordination of Interconnection and Transmission Expansion Study	Planning Products	Prioritize
31	Reserving Capacity for TCC Balance-of-Period (BOP) Auctions	TCC Products	Prioritize

Next Steps

Next Steps

- Written feedback on project descriptions and project type categorization may be provided up till May 4th for incorporation into May 13th presentation
 - Send to Brian Hurysz at bhurysz@nyiso.com or cell (518) 461-6405 for assistance
- May 13th BPWG is the deadline for stakeholders to identify new projects and still have them included in the scoring survey
- Proposed 2021 Enterprise projects to be reviewed at May 13th BPWG along with any updates to proposed Market projects
- Stakeholder advocacy and draft scoring survey are scheduled for May 27th BPWG

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



Questions?