

2018 CARIS CO₂ Forecast

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ESPWG

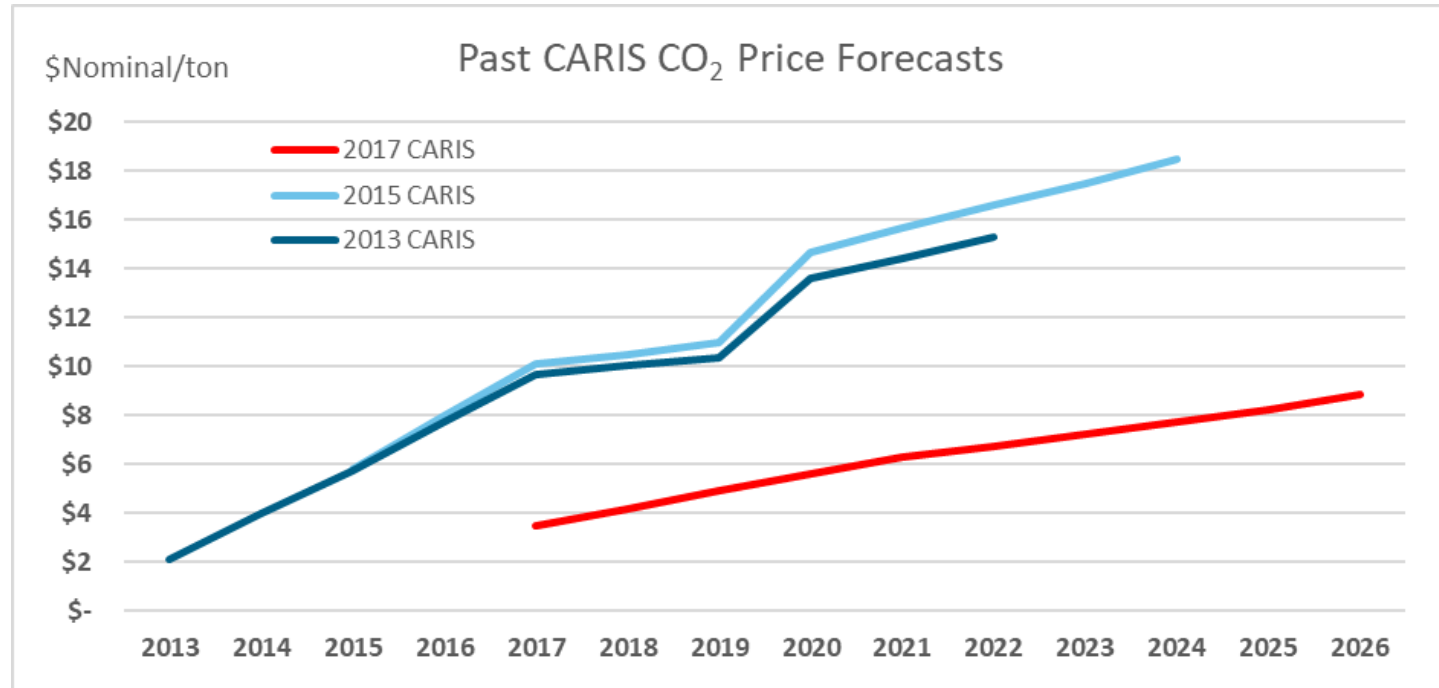
August 22, 2018, KCC

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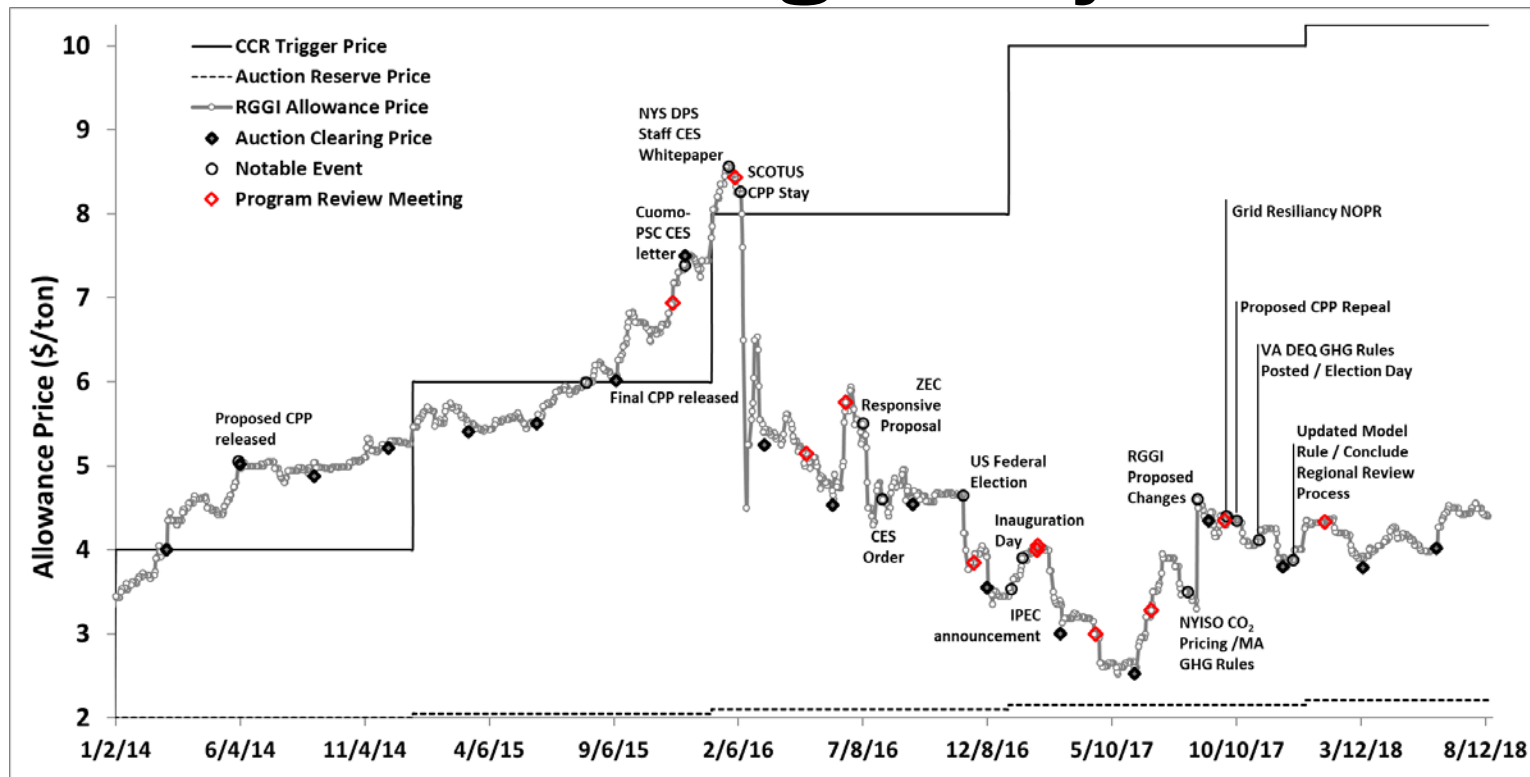


CO₂ Forecasts were recently reduced from prior studies



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Market Prices Change Daily



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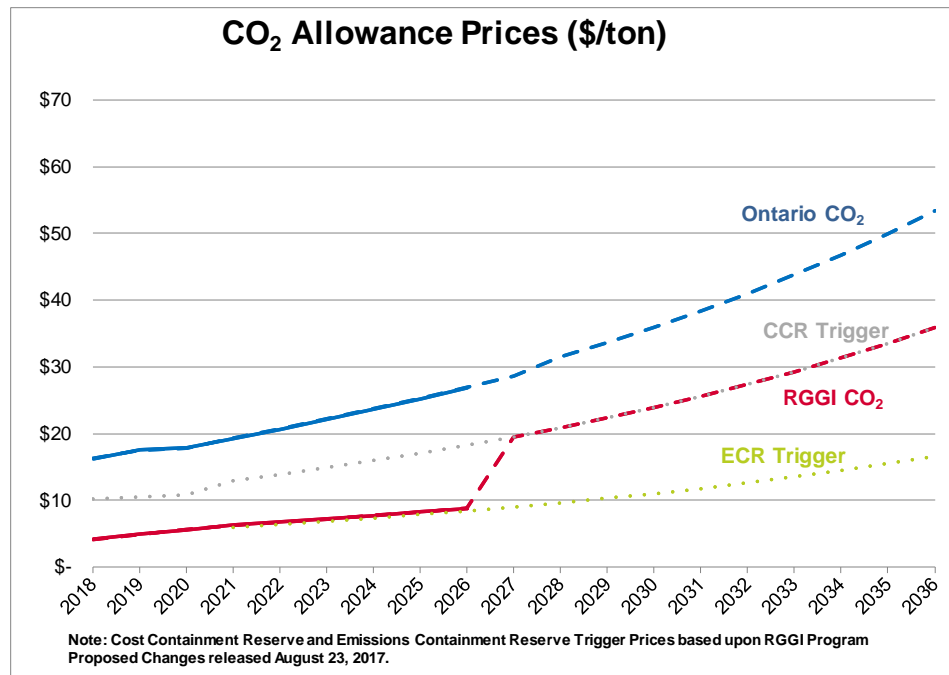
CO₂ Forecast Development

- Presented forecasts at prior ESPWG meetings
 - 2017 CARIS Emission Price Forecast Development – June 22, 2017
(https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-06-22/EmissionPriceForecast%20for%20CARIS%20internal%20June%202016_Updated.pdf)
 - AC Transmission PPTN: Phase 2 Assumptions – November 17, 2017
(https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-11-17/AC_Transmission_Ph2_Assumptions.pdf)
- Presentations included description of methodology and consideration in development of emission price forecasts
- Uncertainty in future rules and market expectations

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CO₂ Emission Forecast

- 2017 CARIS1 forecast retained through 2026
- Price increase from soft floor to ceiling due to bank of surplus allowance reduced to zero in 2025, load growth, and decline in the allowance cap
- Same forecast was used for AC Transmission modeling
- Forecast consistent with model assumptions of generation mix in CARIS database



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The Mission of the New York Independent System Operator, in collaboration with its stakeholders, is to serve the public interest and provide benefits 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 policy makers, stakeholders and investors in the power system



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