

Uneconomic Production and Uneconomic Withdrawal

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Agenda

- Previous Presentations
- Proposed Enhancements
- Next Steps

Previous Presentation

Date	Working Group	Links to Materials
12-19-19	ICAPWG/MIWG	https://www.nyiso.com/documents/20142/9869531/12-19-19_Stines_UneconomicProduction_Final.pdf/e6e60e7f-217b-9bae-e252-b19fad5624e7
11-16-20	ICAPWG/MIWG	https://www.nyiso.com/documents/20142/16896725/11-16-20_MIGW_Stines_UneconomicProduction_Final.pdf/8fc3abeb-6325-9ff8-a9bc-c1dc7a9d746b
03-02-21	ICAPWG/MIWG	https://www.nyiso.com/documents/20142/19599294/03-02-21_MIWG_UneconomicProduction_Final2.pdf/c3276295-c59a-5f0c-5d52-069907d1dfa3
03-29-21	ICAPWG/MIWG	https://www.nyiso.com/documents/20142/20285352/03-29-21_MIWG_UneconomicProduction_Final.pdf/a9126201-983e-872d-5f33-3c1093d2e080

Proposed Enhancements

Proposed Enhancements

- **The following proposal incorporates the feedback we received at the March 2nd and March 29th MIWG presentation**
 - Definition of uneconomic production and uneconomic withdrawal
 - MST 23.2.4.1.3
 - Conduct for uneconomic production and uneconomic withdrawal
 - MST 23.3.1.3.1.1
 - MST 23.3.1.3.2.1
 - Impact for uneconomic production and uneconomic withdrawal
 - MST 23.3.2.1.1.1
 - MST 23.3.2.1.2.1
 - Mitigation Measure
 - MST 23.4.3.3.2

Definition: MST 23.2.4.1.3

- The proposed definition of uneconomic production and uneconomic withdrawal utilizes language from the definition of physical withholding
- Following stakeholder discussions and feedback, the clarifying language that was presented at the March 29th MIWG was removed from the proposed definition

Conduct: MST 23.3.1.3

- **Conduct based on having an energy schedule at an LBMP that is lower than the applicable reference by the greater of \$25/MWh or 80% of the applicable reference**
- **Uneconomic production will not be evaluated for resources running during intervals when the LBMP is greater than \$25/MWh**
- **Following discussions with stakeholders, the NYISO is recommending using a cost-based reference when evaluating renewable generators for uneconomic production**

Impact Test: MST 23.3.2.1

- **Impact for uneconomic production or uneconomic withdrawal is:**
 - A change of 200 percent or \$100/MWh, the lower, in the hourly Day-ahead LBMP, Real-time LBMP, Day-ahead congestion component, or Real-time congestion component
 - Requires a minimum change in price of \$25/MWh
 - An increase of 200% or 50% for Generators in a Constrained area, in Bid Production Cost guarantee payments or Day-ahead Margin Assurance Payments to a Market Party or an Affiliate

Mitigation Measure: MST 23.4.3.3.2

- **Clarify the applicable mitigation measure for uneconomic production or withdrawal is a financial sanction determined by:**
 - 1.5x the increase in Guarantee Payment(s) (*i.e.*, BPCG or DAMAP) to the conduct-failing Generator and all affiliated Generators
 - 1.5x the absolute value of the congestion component of the LBMP, times the quantity of MW produced by the conduct-failing Generator
- **Provide opportunity for consultation between NYISO and MP prior to applying mitigation**

Questions?

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

