

Proposed 2023 Market Projects

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Budget and Priorities Working Group

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Agenda

- **Stakeholder Feedback**
- **Project Timeline**
- **Project Descriptions**
- **2023 Market Project Candidates/ Project Type Recommendations**
- **Next Steps**

Stakeholder Feedback

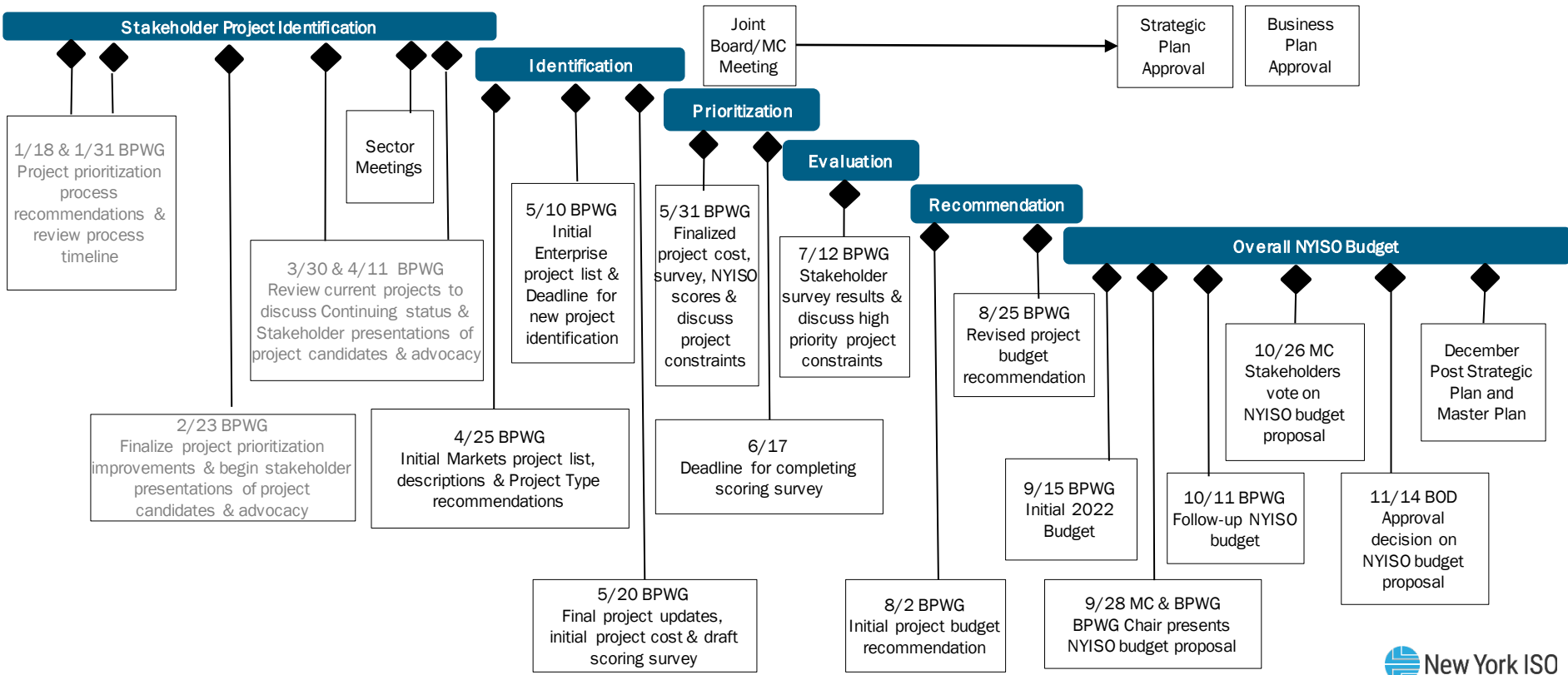
Continuing Project Recommendations

- **Stakeholder feedback:** Several stakeholders indicated they would like to see the Hybrid Aggregation Model treated as Continuing
- **NYISO Response:** The NYISO is concerned that treating the Hybrid Aggregation Model as Continuing will limit the stakeholder's ability in prioritizing other projects and the NYISO's ability to select higher-scored projects
 - Last year, stakeholders ranked 3 projects higher than Hybrid Aggregation Model based on the weighted score
 - The NYISO understands this is a high priority project for several stakeholders, but is uncertain that this project should be treated as a top priority
 - The NYISO recommends Hybrid Aggregation Model be included in the stakeholder survey

Project Prioritization Timeline

2023 Proposed Project Prioritization Timeline

Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
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Project Descriptions

Project Descriptions

- **The NYISO has developed project descriptions for 37 proposed Market projects**
 - 1 Business & Finance, 8 Capacity Market, 5 New Resource, 20 Energy Markets, & 2 TCC Market
 - 4 Mandatory, 3 Continuing, 19 Prioritize & 10 Future
- **Last year, there were 31 proposed Market projects at this time in the project prioritization process**
- **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.

2023 Market Project Candidates and Project Type Recommendations

Prioritize 2023 Market Projects

Item	Project	Product Area	Project Type	2023 Proposed Deliverable	2022 Deliverable
1	5 Minute Transaction Scheduling	Energy Market	Prioritize	Market Design Concept Proposed	
2	Balancing Intermittency (SOM)	Energy Market	Prioritize	Market Design Concept Proposed	
3	Constraint Specific Transmission Shortage Pricing (SOM)	Energy Market	Prioritize	Deployment	Functional Requirements
4	CRIS Expiration Evaluation	Capacity Market	Prioritize	Functional Requirements	Market Design Complete
5	Dynamic Reserves (SOM)	Energy Market	Prioritize	Market Design Complete	Market Design Concept Proposed
6	Emissions Transparency (Requested by Stakeholders)	Energy Market	Prioritize	Functional Requirements	
7	Engaging the Demand Side	New Resource	Prioritize	Issue Discovery	

Prioritize 2023 Market Projects

Item	Project	Product Area	Project Type	2023 Proposed Deliverable	2022 Deliverable
8	Enhancing Fuel and Energy Security Refresh Study	Energy Market	Prioritize	Study Complete	
9	Evolving Financial Transaction Capabilities - Bilateral Transactions - Requested by NY-Best and Bayonne Energy Center	Energy Market	Prioritize	Software Design	
10	Hybrid Aggregation Model	New Resource	Prioritize	Software Design	Functional Requirements
11	Improve Duct-Firing Modeling (SOM)	Energy Market	Prioritize	Market Design Complete	Market Design Concept Proposed
12	LCR Optimizer Enhancements	Capacity Market	Prioritize	Market Design Complete	
13	M2M West PARs	Energy Market	Prioritize	Market Design Concept Proposed	
14	Meter Data Management Modernization	Business & Finance	Prioritize	Deployment	

Prioritize 2023 Market Projects

Item	Project	Product Area	Project Type	2023 Proposed Deliverable	2022 Deliverable
15	Mitigation Threshold Review	Energy Market	Prioritize	Market Design Concept Proposed	
16	Multi-Level References	Energy Market	Prioritize	Software Design	
17	Reserving Capacity for TCC Balance-of-Period (BOP) Auctions	TCC	Prioritize	Software Design	
18	Review of Real-Time Market Structure (SOM)	Energy Market	Prioritize	Issue Discovery	
19	Storage as Transmission - Requested by Stakeholders	New Resource	Prioritize	Market Design Concept Proposed	
20	Time Differentiated TCCs	TCC	Prioritize	Market Design Complete	

Mandatory 2023 Market Projects

Item	Project	Product Area	Project Type	2023 Proposed Deliverable	2022 Deliverable
21	Ambient Adjusted Transmission Lines Rating	Energy Market	Mandatory	Functional Requirements	
22	Demand Curve Reset	Capacity Market	Mandatory	Study Defined	
23	FERC Order 2222 Compliance	New Resource	Mandatory	Functional Requirements	
24	Long Mountain PAR Operating Protocol with ISO-NE	Energy Market	Mandatory	Market Design Complete	

Continuing 2023 Market Projects

Item	Project	Product Area	Project Type	2023 Proposed Deliverable	2022 Deliverable
25	CRIS Tracking	Capacity Market	Continuing	Deployment	Development Complete
26	Improving Capacity Accreditation (SOM)	Capacity Market	Continuing	Deployment	Market Design Complete
27	Internal Controllable Lines	New Resource	Continuing	Market Design Complete	Market Design Concept Proposed

Future 2023 Market Projects

Item	Project	Product Area	Project Type	2023 Proposed Deliverable	2022 Deliverable
28	Capacity Transfer Rights for Internal Transmission Upgrades (SOM)	Capacity Market	Future		
29	Carbon Pricing	Energy Market	Future		
30	Eliminate Fees for CTS Transactions with PJM (SOM)	Energy Market	Future		
31	Eliminate Offline GT Pricing (SOM)	Energy Market	Future		
32	Locational Marginal Pricing of Capacity (SOM)	Capacity Market	Future		
33	Long Island PAR Optimization and Financial Rights (SOM)	Energy Market	Future		
34	Long Island Reserve Constraint Pricing (SOM)	Energy Market	Future		

Future 2023 Market Projects

Item	Project	Product Area	Project Type	2023 Proposed Deliverable	2022 Deliverable
35	Monthly Demand Curves (SOM)	Capacity Market	Future		
36	More Granular Operating Reserves (SOM)	Energy Market	Future		
37	Separating Up and Down Regulation Service	Energy Market	Future		

Next Steps

Next Steps

- **Written feedback on project descriptions and project type categorization may be provided up till April 27nd for incorporation into May 10th presentation**
 - Send email to Brian Hurysz at bhurysz@nyiso.com or call his cell at (518) 461-6405 for assistance
- **May 10th 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 the May 10th BPWG along with any updates to proposed Market projects**
- **Stakeholder advocacy and draft scoring survey are scheduled for the May 20th BPWG**

Our Mission & Vision



Mission

Ensure power system reliability and competitive markets for New York in a clean energy future



Vision

Working together with stakeholders to build the cleanest, most reliable electric system in the nation

Questions?

Appendix – Milestones and Project Prioritization Phases

Milestone Definitions

Milestone	Definition
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.
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.
Study Complete	Scope of work to be performed has been completed; results and recommendations have been presented to the appropriate Business Owners and stakeholders.
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.
Functional Requirements	NYISO has completed documentation of the functional requirements and the Business Owner has approved.
Architectural Design	The architectural design document is complete and software development is ready to begin.
Projects with the following Milestones will generally be proposed as Continuing in future years, subject to Stakeholder input	
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.

Project Prioritization Process

Phase	Description
Stakeholder Project Identification	Stakeholders may present project ideas at stakeholder meetings, sector meetings, get 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 from regulatory obligations, strategic initiatives, State of the Market recommendations, infrastructure enhancements, product plans and stakeholder proposals. These 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 reflects 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, Development Complete, or Deployment. 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.