

Critical Electric System Infrastructure Load and NYISO Demand Response Programs

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Purpose

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- **Discuss Services Tariff modifications to support Critical Electric System Infrastructure Load (CESIL)**
- **Discuss CESIL implementation timeline**
- **Identification of ministerial edit to OATT Sec. 1.4**

Background

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- On October 6, 2021, NERC submitted a Standard Authorization Request to address Extreme Cold Weather Grid Operations, Preparedness, and Coordination.¹
- The NYISO is evaluating the recommended Standards, and specifically how they relate to the NYISO's role as a Balancing Authority and Transmission Operator.

¹Link to NERC SAR: https://www.nerc.com/pa/Stand/Project202107ExtremeColdWeatherDL/2021-07%20Extreme%20Cold%20Weather%20Grid%20Operations%2c%20Preparedness%2c%20and%20Coordination%20Cold%20Weather%20SAR_112221.pdf

Background (cont'd)

- **Standard Recommendation No. 8: “Balancing Authorities’ operating plans (for contingency reserves and to mitigate capacity and energy emergencies) are to prohibit use of critical natural gas infrastructure loads for demand response.”**
 - Recommended Implementation: Before Winter 2022/2023
- **This presentation proposes a tariff modification to address Standard Recommendation No. 8 as it relates to the NYISO demand response programs.**

Proposed Tariff Modification

New Definition of CESIL

- **MST Section 2.3:**

Critical Electric System Infrastructure Load: Load that is necessary to maintain the delivery of natural gas, fuel oil, and other fuels used by Generators (including Local Generators) to generate electricity and Load otherwise likely to impact Generator operation and/or the supply of natural gas, fuel oil, and other fuel to Generators located in the New York Control Area. Critical Electric System Infrastructure Load does not include Load that is consumed for other purposes such as heating and cooling unless those purposes are necessary to maintain delivery of natural gas, fuel oil, and other fuels used by Generators (including Local Generators) or Load that is likely to impact Generator operation and/or the supply of natural gas, fuel oil, and other fuels to Generators located in the New York Control Area.

Updated Definition of Demand Reduction

- **MST Section 2.4**

Demand Reduction: A quantity of reduced electricity demand from a Demand Side Resource that is bid, produced, purchased or sold over a period of time and measured or calculated in Megawatt hours. Demand Reductions of Critical Electric System Infrastructure Load shall not be bid, produced, purchased, or sold, unless such Demand Reductions are facilitated by use of a Local Generator. Demand Reductions offered by a Demand Side Resource as Energy in the LBMP Markets may only be offered in the Day-Ahead Market, and shall be offered only by a Demand Reduction Provider. The same Demand Reduction may not be offered by a Demand Reduction Provider and by a customer as Operating Reserves or Regulation Service.

Implementation Schedule

Critical Electric System Infrastructure Load Implementation Schedule

- **NYISO intends to implement these rules on November 1, 2022, the first day of the 2022-2023 Winter Capability Period**

Ministerial Revision to OATT Sec. 1.4

Updated Definition of Day-Ahead Reliability Unit

- NYISO identified textual inconsistency in definition of “Day-Ahead Reliability Unit” in the OATT and Services Tariff
- NYISO will modify the definition in OATT Sec. 1.4 to be consistent with the Services Tariff definition

Next Steps

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- **June/July BIC & MC**
 - Vote on proposed tariff language.
- **Targeting August 2022 to file the applicable Tariff language with FERC**

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