

# Capacity Accreditation: Consumer Impact Analysis Methodology

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# Agenda

- **Background**
- **Capacity Accreditation Objectives**
- **Consumer Impact Analysis Evaluation Areas**
- **Cost Impact Methodology and Assumptions**
- **Next Steps**

# Background

# Background

- **The Commission in its May 10<sup>th</sup>, 2022 Order accepted the NYISO's proposal, filed with overwhelming support of its stakeholders, to reform its Buyer Side Mitigation (BSM) to address new resources that are required to satisfy the goals specified in the Climate Leadership and Community Protection Act (CLCPA) and to establish a new framework of capacity accreditation for all resource types in the NYISO's ICAP Market.**
- **The NYISO is currently working on Phase 2 of this project to develop the implementation details, technical specifications, and procedures associated with establishing Capacity Accreditation Resource Classes and calculating the applicable locational Capacity Accreditation Factors (CAFs) for each class of resources**

# Capacity Accreditation Objectives

# Phase 2 Capacity Accreditation Objectives

- **Select technique for calculating CAFs**
  - Utilizing GE MARS, the NYISO is evaluating Effective Load-Carrying Capability (ELCC) and Marginal Reliability Improvement (MRI) techniques for calculating CAFs of Capacity Accreditation Resource Classes
- **Develop CAF implementation procedures**
- **Develop process for establishing Capacity Accreditation Resource Classes**
- **Conduct sensitivity analyses to calculate CAFs under possible future system conditions**
  - The ELCC and/or MRI technique to be used in calculating CAFs in the sensitivity analyses
- **Develop procedural steps for assigning ICAP Suppliers to Capacity Accreditation Resource Classes**
- **Develop a process to annually assess the Peak Load Window**
- **Address other necessary conforming procedural changes required for administering the ICAP Market**
- **Identify and prioritize future projects to enhance the capacity accreditation process**

# Consumer Impact Analysis Evaluation Areas

# Consumer Impact Analysis (IA) Evaluation Areas

- Present the potential impact on all four evaluation areas



# Cost Impact Methodology and Assumptions

# Consumer Impact Methodology and Assumptions

- **The NYISO proposes to compare the capacity market procurement costs of using:**
  - The existing market approach of applying derating factors to generating resources; and
  - The Marginal Reliability Improvement (MRI) technique for developing CAFs of Capacity Accreditation Resource Classes
- **The analysis will focus on impacts for a 2030 resource mix**
- **The analysis will also provide other information such as utilized capacity accreditation values**

# Consumer Impact Methodology and Assumptions

## ■ Assumptions

- The NYISO will utilize the 2030 resource mix from the 2022 RNA Base Case Model Year 2030 in all cases
- Analysis will be based on the load forecast, IRM, LCRs, and supply mix assumptions from the 2022 RNA Base Case Model Year 2030
- Capacity values comparing the existing market approach and the MRI methodologies will be utilized
  - The existing market approach will use today's effective Derating Factor calculations, Duration Adjustment Factors, and Peak Load Window weightings
    - The existing market approach will no longer be effective starting May 1<sup>st</sup>, 2024 with the implementation of the Capacity Accreditation project
  - MRI values will be derived from the GE Analysis for Improving Capacity Accreditation
  - For more information on how MRI values are calculated, please see the March 31<sup>st</sup>, 2022 GE presentation: [https://www.nyiso.com/documents/20142/29607069/3%20GE-Support%20for%20NYISO%20Capacity%20Accreditation%20Project\\_0331.pdf](https://www.nyiso.com/documents/20142/29607069/3%20GE-Support%20for%20NYISO%20Capacity%20Accreditation%20Project_0331.pdf)

# Next Steps

# Next Steps

- **October 19, 2022 ICAPWG**
  - Consumer Impact Analysis Presentation

# Questions?

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- 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

