

2025 - 2029 ICAP Demand Curve Reset

Maddy Mohrman, Market Design Specialist

ICAPWG/MIWG

March 07, 2023

Agenda

- **Updates to Demand Curve reset (DCR) Schedule**
- **Updates to RFP Documents for Stakeholder Review**
- **Next Steps**
- **Appendix**

Updates to DCR Schedule

Updates to DCR Schedule

- In response to stakeholder feedback on the draft DCR schedule,¹ the NYISO has clarified that the March 2024 BIC and MC dates are the last BIC and MC meetings in 2024 to consider process-related tariff changes intended to apply for this DCR

¹ Draft DCR schedule included as Exhibit B in the [RFP Materials](#) posted to the 02/21/23 ICAPWG

Updates to RFP Documents for Stakeholder Review

Updates to Draft SOW for RFP

- **In response to stakeholder feedback on the draft SOW for the RFP,¹ the NYISO has clarified the peaking plant technology types to be considered by the independent consultant(s). These include:**
 - Combustion turbines (including consideration as to the viability to operate using fuels to comply with the 2040 zero-emission requirement for electricity generation specified in New York’s Climate Leadership and Community Protection Act)
 - 4-hour, 6-hour, and 8-hour energy storage resources

¹ Discussed in the [02/21/23 ICAPWG presentation](#) and included in the [RFP Materials](#) posted to the 02/21/23 ICAPWG

Standalone Storage as a Peaking Plant

- Standalone storage was evaluated as a viable peaking plant technology in the last DCR and the NYISO believes that this technology option should again be considered by the independent consultant in this DCR
- Consistent with past resets, the independent consultant will conduct a viability assessment of various potential technology options to determine candidate technologies for in-depth review
- Concerns/positions regarding technology options should be raised during the DCR for consideration as part of the technology screening and evaluation process

Hybrid/Co-located Resource

- **Given the prior assessment of stand-alone storage as a potential viable technology option, assessment of a hybrid/co-located resource does not appear warranted at this time**
 - Such resources are expected to have higher fixed costs compared to stand-alone storage
 - Assessment of a similar but higher cost resource presents concerns regarding the scope of technology options evaluated as part of the DCR and ensuring the ability to timely complete the DCR within the budgetary constraints for the process
- **The NYISO has not proposed to specifically identify hybrid/co-located resources as a technology that must be considered by the independent consultant for this DCR**

Updates to Exhibit A

- **Exhibit A is intended to provide a very high-level background regarding the NYISO's capacity market and the ICAP Demand Curves**
 - In response to stakeholder feedback, the NYISO has proposed revisions in Exhibit A to reference the recent changes involving the use of the Capacity Accreditation Factor of the peaking plant in the translation of the maximum allowable clearing price and reference point price from ICAP to UCAP terms

Next Steps

Next Steps

- **March 31st ICAPWG meeting (if needed): review any additional proposed revisions to the DCR Schedule in response to stakeholder feedback**
- **RFP is expected to be issued to potential bidders on or before on March 27, 2023**

Questions?

Appendix

Background

Background

- **The Market Services Tariff requires, every four years, the NYISO and its stakeholders undertake a comprehensive review, referred to as the DCR, to determine the necessary inputs and assumptions for developing the ICAP Demand Curves for the four-year period covered by the reset**
 - Each ICAP Demand Curve is based on the estimated cost to construct and operate a hypothetical new capacity supply resource in various locations throughout New York
- **The 2023 project deliverable is a Q3 Study Defined**

Previous Discussions

Previous Discussions

Date	Working Group	Discussion Points and Links to Materials
February 7, 2023	ICAPWG	DCR Kickoff: https://www.nyiso.com/documents/20142/36079056/2%202023-02-07%20ICAPWG%20DCR%20Kickoff.pdf/90011547-9c0b-bead-ac10-f56ff479415d
February 21, 2023	ICAPWG	Overview of draft DCR schedule, RFP schedule, draft RFP sections, and ICAP Demand Curve Reference Point Price Proposal: https://www.nyiso.com/documents/20142/36339783/2023-02-21%20ICAPWG%20-%20Demand%20Curve%20Reset.pdf/75b586ad-7725-e47a-8f34-89705e5004f4

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