

Current and Continuing Project Discussion

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March 29, 2023, KCC

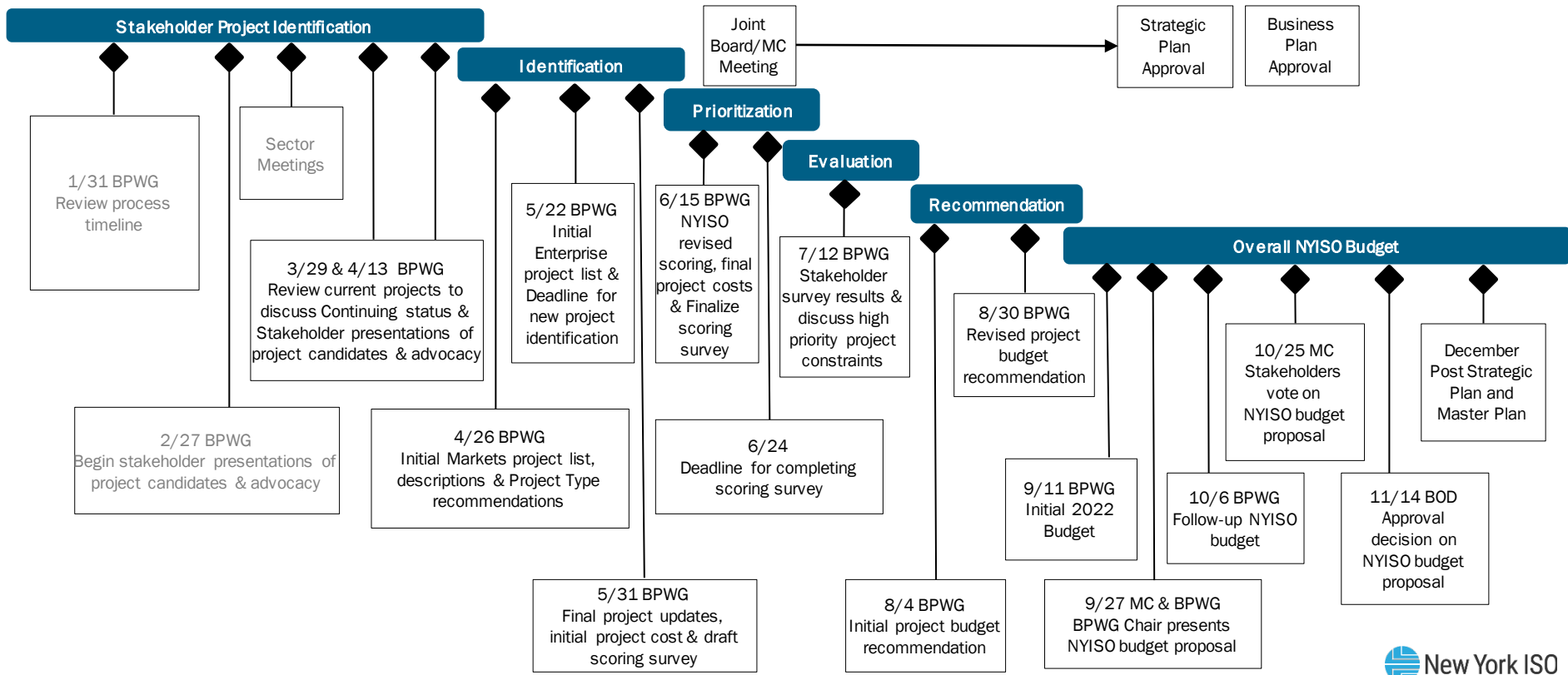
Agenda

- **Project Prioritization Timeline**
- **Project Type Updates**
- **Mandatory Market Projects**
- **Continuing Project Discussion**
- **Next Steps**

Project Prioritization Timeline

2024 Proposed Project Prioritization Timeline

Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023
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Project Type Updates

Updated Project Type Definitions

- **Based on stakeholder feedback during the 2023 prioritization process, the NYISO has made the following updates to project type descriptions:**
 - **Mandatory** – Projects that are key to support Strategic Initiatives, comply with FERC Orders, or sustain the operation of the NYISO business. These projects will be included in the budget.
 - **Continuing** – Projects that are included in the NYISO’s budget for the current year, are not Mandatory, and the NYISO has classified as Continuing after considering stakeholder feedback. These projects will be included in the budget.

Proposed Mandatory Market Projects

Proposed Mandatory Market Projects

- 2023 Market Projects continuing into 2024 as Mandatory

Project	Product Area	2023 Proposed Deliverable
Modeling Improvements for Capacity Accreditation (SOM)	Capacity Market	Functional Requirements Specification
Demand Curve Reset	Capacity Market	Study Defined
CRIS Expiration Evaluation	Capacity Market	Functional Requirements Specification
Ambient Adjusted Transmission Line Rating	Energy Market	Functional Requirements Specification
FERC Order 2222 Compliance	New Resource	Market Design Concept Proposed

Continuing Project Discussion

Continuing Project Recommendations

- **The NYISO agreed, as part of process improvements, to discuss with BPWG the NYISO's Continuing Project Type recommendations of prior-year approved Market projects**
- **Eleven Market projects in the current year could be considered as Continuing**
 - The NYISO will consider requests to designate each project as Continuing on a case-by-case basis
 - The 2023 project descriptions are being provided to facilitate discussions on each project

2023 Projects

Project	Product Area	2023 Proposed Deliverable
Dynamic Reserves (SOM)	Energy Market	Market Design Complete
Emissions Transparency	Energy Market	Functional Requirements Specification
Evolving Financial Transaction Capabilities - Bilateral Transactions	Energy Market	Software Design Specification
Engaging the Demand Side	New Resource	Issue Discovery
Internal Controllable Lines	New Resource	Market Design Complete
Storage as Transmission	New Resource	Issue Discovery
Interconnection Process Enhancements	Planning	Market Design Complete
Hybrid Aggregation Model	New Resource	Software Design Specification
Balancing Intermittency (SOM)	Energy Market	Market Design Concept Proposed
LCR Optimizer Enhancements	Capacity Market	Market Design Complete
Coordinated Grid Planning Process (CGPP) Support	Planning	Issue Discovery

Next Steps

Next Steps

- Review of stakeholder-identified project candidates and advocacy at upcoming BPWG meetings
- April 13th the NYISO will respond to stakeholder feedback on those projects stakeholders would like to see proposed as Continuing
- April 26th the NYISO will share the Initial Markets project list, descriptions & Project Type recommendations

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 – Milestone Definitions

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	Projects that are key to support Strategic Initiatives, FERC Orders, maintain reliable operations, or sustain the operation of the NYISO business. These projects will be included in the budget.
Continuing	Projects included in the NYISO's budget for the current year, that are not mandatory, and have been 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.

Appendix – Scoring

Scoring Criteria

PRIORITIZATION CRITERIA			
Category	Category Score	Criteria Supported	Category Weight
Strategy (Leader in Reliability, Leader in Market Design & Performance, Leader in Application of Technology, Robust System Planning, Excellence In Execution, & Authoritative Source of Information on Key Issues)	How well does the project support the strategic objectives where 10 is highest and 0 is lowest	Identify what primary strategic objective the project supports, none to several	40%
Operational or Market Issue (The category focuses on the need to include a project to address an operational or market issue including sustaining NYISO systems)	How well does the project address operational or market issue where 10 is highest and 0 is lowest	Identify what primary operational or market issue criteria the project supports, none to several	40%
Cost & Complexity (This category considers current & future year project cost, complexity and sustainability of the proposed solution)	Scores project form a cost and complexity standpoint where 10 is lowest cost, simplest project; and 0 is highest cost, most complex	Identify if project has a significant multi-year dependency	20%

Scoring Results Example

- Using mock test data, the below table shows how results would be presented in a NYISO rank order

Product / Project	Product portfolio	Strategy	Operational or Market Issue	Cost & Complexity	Score (1-100)	Rank
		4	4	2		
Improving Capacity Accreditation (SOM)	Capacity Market	9.5	4.0	6.0	66	1
Dynamic Reserves (SOM)	Energy Market	8.5	4.0	6.0	62	2
Coordination of Interconnection and Transmission Expansion Study	Planning	6.5	5.0	6.5	59	3
Improve Duct-Firing Modeling (SOM)	Energy Market	7.0	5.0	4.0	56	4
Constraint Specific Transmission Shortage Pricing (SOM)	Energy Market	6.5	4.0	6.0	54	5
Internal Controllable Lines	New Resource	6.0	2.0	2.0	36	6
Hybrid Aggregation Model	New Resource	5.5	2.0	2.0	34	7
Monthly Demand Curves (SOM)	Capacity Market	4.0	2.0	2.0	28	8
Expanding Application of Peak Hour Forecasts	Capacity Market	1.0	2.0	6.0	24	9