

Constraint Specific Transmission Shortage Pricing: Manual Updates

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Market Issues Working Group

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Agenda

- **Background**
- **Draft Manual Updates**
- **Next Steps**

Background

Previous Presentations

Date	Working Group	Discussion Points and Links to Materials
06-30-2022	MC	Constraint Specific Transmission Shortage Pricing: Multiple Active Transmission Constraints Proposal https://www.nyiso.com/documents/20142/31859086/02%20CSTSP%20MATC%20Proposal.pdf
06-22-2022	BIC	Constraint Specific Transmission Shortage Pricing: Multiple Active Transmission Constraints Proposal https://www.nyiso.com/documents/20142/31589128/4%20CSTSP%20-%20MATC%20Proposal%2006222022%20BIC.pdf
05-24-2022	ICAPWG/MIWG	Constraint Specific Transmission Shortage Pricing: Pricing Proposal for “Multiple Active Transmission Constraints” https://www.nyiso.com/documents/20142/30888946/4%20CSTSP%20-%20MATC%20Proposal%2005242022%20MIWG.pdf
05-03-2022	ICAPWG/MIWG	Constraint Specific Transmission Shortage Pricing: Multiple Active Transmission Constraints https://www.nyiso.com/documents/20142/30342744/CSTSP%20-%20MATC%20Same%20Facility%20Proposal%2005032022%20MIWG%20Draft%20v5_final%20(002).pdf
04-5-2022	ICAPWG/MIWG	Constraint Specific Transmission Shortage Pricing: Multiple Active Transmission Constraints https://www.nyiso.com/documents/20142/29688278/CSTSP%20-%20MATC%20Topology%20Proposal%2004052022%20MIWG_final.pdf
01-20-2022	ICAPWG/MIWG	Constraint Specific Transmission Shortage Pricing: Introduction on Multiple Active Transmission Constraints https://www.nyiso.com/documents/20142/27799605/20220120%20NYISO%20-%20CSTSP%20Managing%20Multiple%20Transmission%20Constraints%20vFinal.pdf
10-27-2021	MC	Constraint Specific Transmission Shortage Pricing: Market Design Proposal https://www.nyiso.com/documents/20142/25598577/06%20CSTSP.pdf
10-13-2021	BIC	Constraint Specific Transmission Shortage Pricing: Market Design Proposal https://www.nyiso.com/documents/20142/25263575/6%20CSTSP%20BIC%2010132021%20presentation.pdf

Manual Updates

Overview

- The Constraint Specific Transmission Shortage Pricing project introduces several enhancements to the current transmission constraint pricing logic
 - Six-step transmission demand curve mechanism for facilities and interfaces assigned a non-zero constraint reliability margin (CRM) value
 - Two-step transmission demand curve mechanism and assignment of non-zero CRM value for internal facilities the facilitate flows out of export-constrained areas (referred to as “Identified Facilities”)
 - Elimination of transmission constraint “relaxation” logic for facilities/interfaces that utilize a transmission demand curve mechanism
 - This logic remains applicable to external interfaces assigned a zero CRM value and remain subject to a single value (\$4,000/MWh) shadow price cap
 - Enhancements to address the operation of transmission demand curves in assisting to resolve multiple active transmission constraints and redundant transmission constraints on in-series and parallel facilities

Draft Manual Updates

- Revisions are proposed to the Day-Ahead Scheduling Manual and the Transmission and Dispatch Operations Manual to address the Constraint Specific Transmission Shortage Pricing project
 - Consistent revisions are proposed for each manual
- Updates to each manual are limited to the respective sections that describe the current transmission constraint pricing logic
 - Section 4.3.5 of the Day-Ahead Scheduling Manual
 - Section 7.3.7 of the Transmission and Dispatch Manual

Draft Manual Updates (cont.)

- Revisions include acknowledgement of Identified Facilities that are subject to a different pricing logic (i.e., two-step transmission demand curve mechanism) than other facilities/interfaces assigned a non-zero CRM value
 - Section 4.3.5 of the Day-Ahead Scheduling Manual
 - Section 7.3.7 of the Transmission and Dispatch Operations Manual
- Proposed updates add the obligation to include all Identified Facilities and their associated CRM values within the current posting that identifies all facilities/interfaces assigned a CRM value other than 20 MW
 - Section 4.3.5.1 of the Day-Ahead Scheduling Manual
 - Section 7.3.7.1 of the Transmission and Dispatch Operations Manual

Draft Manual Updates (cont.)

- Revisions identify the transmission constraint pricing logic that applies for each facility/interface type (i.e., non-zero CRM value other than Identified Facilities, Identified Facilities, and external interfaces [zero CRM value])
 - Section 4.3.5.2 of the Day-Ahead Scheduling Manual
 - Section 7.3.7.2 of the Transmission and Dispatch Operations Manual
- The table of Transmission Shortage Cost values has also been updated (see following slide)
 - Section 4.3.5.3 of the Day-Ahead Scheduling Manual
 - Section 7.3.7.3 of the Transmission and Dispatch Operations Manual

Updated Transmission Shortage Cost Values

NY Region	Type	Demand Curve (MW)		Demand Curve Price(\$/MWh)	
All	Facilities/Interfaces other than Identified Facilities with a non-zero CRM value	1)	MW value equivalent to 20% of the applicable CRM	1)	\$200
		2)	MW value equivalent to an additional 20% of the applicable CRM	2)	\$350
		3)	MW value equivalent to an additional 20% of the applicable CRM	3)	\$600
		4)	MW value equivalent to an additional 20% of the applicable CRM	4)	\$1,500
		5)	MW value equivalent to the remaining 20% of the applicable CRM	5)	\$2,500
		6)	Any MW value greater than the applicable CRM	6)	\$4,000
All	Identified Facilities	1)	MW value equivalent to the applicable CRM	1)	\$100
		2)	Any MW value greater than the applicable CRM	2)	\$250
All	Facilities/Interfaces with a zero CRM value			\$4,000	

Next Steps

Next Steps

- **SOAS (9/7/2023): review draft manual updates**
- **September MIWG (if necessary): review incremental revisions to manual updates in response to stakeholder feedback**
- **September/October 2023 BIC: seek approval of proposed manual updates**
- **September/October 2023 OC: seek approval of proposed manual updates**
- **Proposed manual updates will not become effective until implementation of the Constraint Specific Transmission Shortage Pricing enhancements**
 - Enhancements are currently anticipated to become effective in the early to mid-October 2023 timeframe following deployment of the enabling software revisions
 - NYISO will submit a notice to FERC (Docket No. ER23-1863) to specify the anticipated effective date for the enhancements at least two weeks in advance

Questions?

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