

Internal Controllable Lines: TCC Market Considerations

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Agenda

- **Project Review**
- **Market Design Concept Review**
- **Draft Tariff Revisions**
 - Attachment M of the OATT (Sections 19.2, 19.8 and 19.9)
 - Attachment N of the OATT (Sections 20.1 and 20.2)
 - Next Steps

Project Review

Project Review

- **NYSERDA's Tier 4 REC initiative has driven the prioritization of this project to develop market participation rules for an Internal Controllable Line (ICL)**
- **The 2022 project reached Market Design Concept Proposed (MDCP)**
 - ICL MDCP Presentation
- **The 2023 project milestone is Market Design Complete (MDC)**
 - Today's presentation summarizes proposed changes to the OATT to address the treatment of ICLs in the TCC market and auction models
 - Additional Tariff sections to be presented on October 26 MIWG

Previous Discussions

Date	Working Group	Discussion Points and Links to Materials
February 21, 2023	ICAPWG/MIWG	Internal Controllable Lines: 2023 Kickoff: https://www.nyiso.com/documents/20142/36339783/ICL_MIWG_022123.pdf/3859d78e-68aa-e5fc-3a7a-fba6f1ed552d
June 27, 2023	ICAPWG/MIWG	Internal Controllable Lines: Proposed Energy Market Tariff Revisions https://www.nyiso.com/documents/20142/38423065/7%20ICL_Energy%20MarketTariff%20Revisions_ICAPWG_MIWG_6.27.23.pdf/c97ff397-07d3-7897-99f1-d7817688623a
August 9, 2023	ICAPWG/MIWG	Internal Controllable Lines: Proposed Energy Market Tariff Revisions 2 https://www.nyiso.com/documents/20142/39257338/ICL_Energy%20MarketTariff%20Revisions_ICAPWG_MIWG_8.9.23.pdf/92824fa6-cfdb-52da-71cf-b1828791ece1
September 18, 2023	ICAPWG/MIWG	Internal Controllable Lines: Proposed Energy Market Tariff Revisions 3 https://www.nyiso.com/documents/20142/40044890/4%20ICL_Energy%20MarketTariff%20Revisions_ICAPWG_MIWG_9.18.23_final.pdf/ef3f459f-ffc6-31f7-9e14-d7674931edda
October 12, 2023	ICAPWG/MIWG	Internal Controllable Lines: Proposed Energy Market Tariff Revisions 4 https://www.nyiso.com/documents/20142/40559142/ICL_Energy%20Market%20Tariff%20Revisions%20final.pdf/effe6135-aacd-d15d-ccf8-9fbcf0ef2d34

Market Design Concept Review

Energy Market Participation

- **The Energy bid by an Internal Controllable Line represents its willingness to supply at one of its terminal (the “injection bus”), net of the cost of purchasing Energy at its other terminal (the “withdrawal bus”) and transmission losses incurred on the Internal Controllable Line**
 - ICLs will be charged or paid for their scheduled Energy withdrawals and paid or charged for their scheduled Energy injections
 - The ICL owner retains congestion rents (the LBMP differential) created by the operation of the line

TCC Market Participation

- In Energy Market Settlement the ICL is paid or pays the congestion rent, if any, for its flows between its point of withdrawal and point of injection
- ICLs will not be awarded TCCs

TCC Market Implications

- **The proposed settlement structure provides for payment of the full congestion value difference between the injection bus and withdrawal bus for all scheduled energy flows in the Day-Ahead Market without the award of Incremental TCCs to the ICL or other participation thereof in the TCC market**
- **To account for the proposed Day-Ahead Market settlement rules for ICLs and to minimize the potential for inadvertent impacts to other TCC market-related processes, the NYISO proposes to exclude consideration of ICLs from the TCC auction models**

Draft Tariff Revisions

OATT Revisions for ICL

- **The NYISO proposes revisions to Attachment M of the OATT to clarify the proposed treatment of ICLs in the TCC market**
 - Section 19.2.4.1: revisions proposed to clarify that ICLs are not eligible to be awarded Incremental TCCs
 - Section 19.8: proposed revisions to clarify that the transmission capacity available to support the sale of TCCs in NYISO-administered TCC auctions will exclude transmission capacity associated with ICLs (see Sections 19.8.3.4, 19.8.4, and 19.8.5)
 - Section 19.9: revisions proposed to clarify that the NYISO will not secure ICLs as part of the TCC auction models (see Sections 19.9.5, 19.9.7, and 19.9.8)

OATT Revisions for ICL (cont.)

- **The NYISO also proposes complementary revisions to Attachment N of the OATT to account for the proposed treatment of ICLs**
 - Section 20.1: revisions proposed to: (1) account for the Day-Ahead Market settlements for ICLs (see Section 20.1.1); and (2) clarify that ICLs will not be secured in the TCC auction models (see Sections 20.1.1 and 20.1.2)
 - Section 20.2: proposed clarifying revisions to account for Day-Ahead Market settlements for ICLs (see Sections 20.2.1 [including Formula N-1] and 20.2.2)

Next Steps

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- **Plan to present additional Draft Tariff at October 26th ICAPWG/MIWG meeting, including:**
 - Updated Deviation Charges
 - Revisions to OATT 6.1 and 6.2
 - Updated Section 32 (new “Attachment Q”)
- **Q4 Market Design Complete**

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