

Enhanced Fast-Start Pricing: Tariff Clarification Proposal for DAM

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January 17, 2024

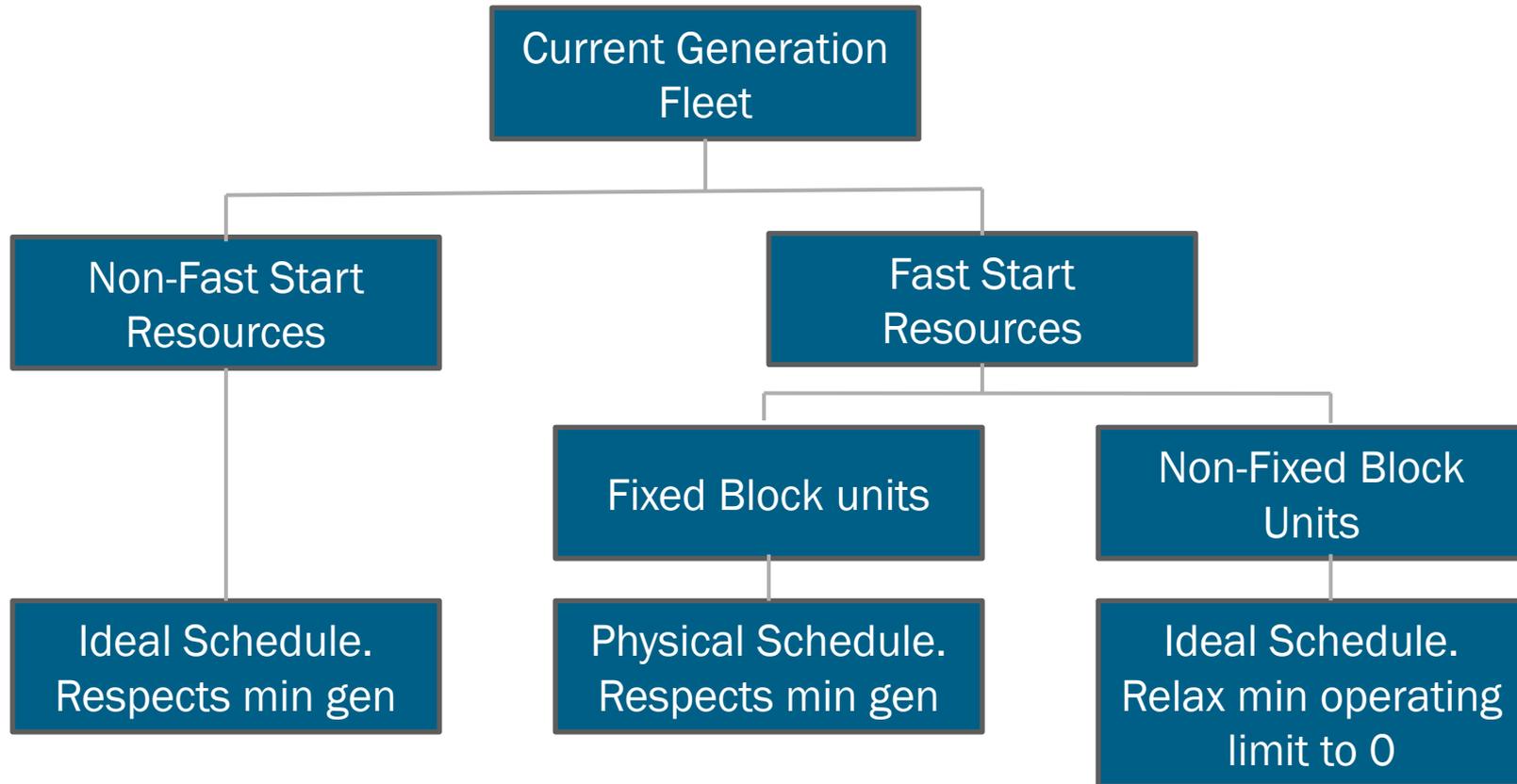
Agenda

- Background
- Problem Definition
- Proposed Clarifications
- Next Steps

Background

Background

- **In 2017 FERC issued an order for Fast Start Resources that would more accurately reflect the marginal cost of serving load in periods where Fast Start Resources are needed.**
 - On April 18, 2019, FERC issued an Order concerning fast-start pricing in the NYISO's energy markets. FERC required the NYISO to:
 1. Modify pricing logic to allow fast-start resources' commitment costs (*i.e.*, start-up costs and no-load costs) to be reflected in prices; and
 2. Allow the relaxation of all dispatchable fast-start resources' economic minimum operating limits (or upper operating limits in case of pumping) by up to 100 percent for the purpose of setting prices.
- **The NYISO implemented the enhanced fast start pricing on Dec. 15, 2020.**



Problem Definition

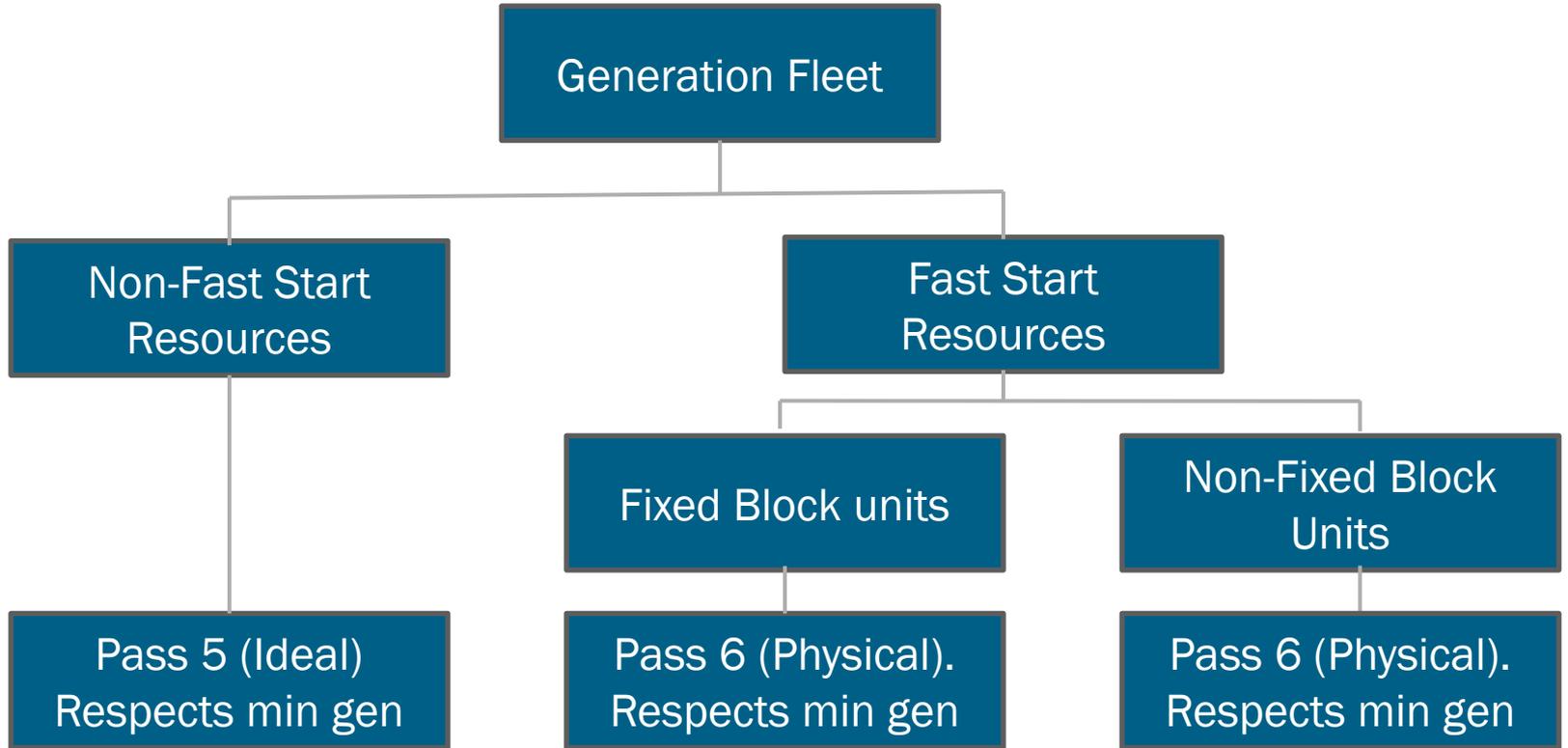
Problem Definition

- **The Enhanced Fast-Start Pricing Project extended the units eligible for price setting that may include minimum generation and start-up costs to all fast-start units, in addition to Fixed Block Units (GTs), therefore it may include units that can provide spinning reserve.**
- **Today, Non-Fixed Block Fast Start units receive ideal schedules in the DAM. There may be instances where these units receive schedules below their minimum generation level.**

Proposed Clarifications

Draft Tariff Revisions: Summary

- **MST 17.1.3**
 - Minor edits proposed to allow Fast Start Resources that are not Fixed Block Units to receive their physical schedule for the DAM. (Refer to attached Tariff draft)



Next Steps

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- Present to the MC at the end of January.
- Bundle the changes to the tariff with other changes the NYISO is considering and file at FERC following MC vote and NYISO BOD approval.
- Deploy changes after FERC accepts the proposed Tariff revisions.

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