

Granular Capacity Zones: Project Kick Off

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Agenda

- **Project Overview**
 - Issue Discovery
- **Project Timeline**
- **Initial List of Education Areas**
- **Next Steps**

Today's Objective

- Today's objective is to discuss the Granular Capacity Zones Issue Discovery project including the scope, deliverables and high-level timeline
- Discussions on specific topic areas related to this project will be reserved for future ICAPWG meetings

Project Overview

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- **The Granular Capacity Zones project is slated for 2024 Issue Discovery**
- **Issues potentially addressed via more granular capacity zones primarily involve understanding the differences in the value of capacity where intra-zonal transmission constraints (import/export) exist**
 - As a result, existing units that are not deliverable to the rest of their zone may not be accurately valued based upon their reliability value while new capacity additions may be barred from entry due to elevated deliverability upgrades
- **Eliminating potential barriers to entry, and more accurate valuations would help promote power system reliability at the lowest cost to consumers**

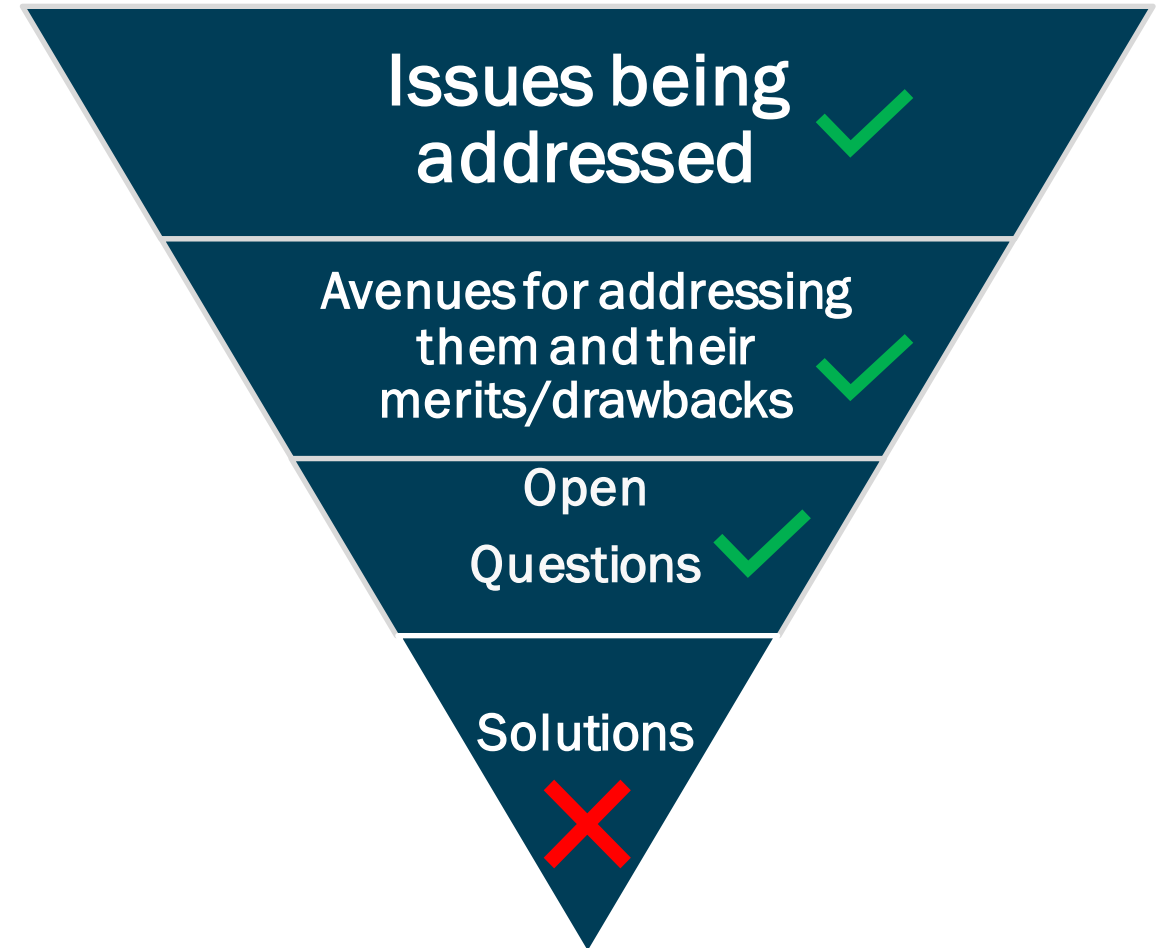
Project Overview

■ The goals:

- Understand the considerations and potential impacts of creating a new process for evaluating what capacity zones are needed
- Explore the frequency that zones should be re-examined
- Evaluate what demand curves may be needed

Issue Discovery

- **What is Issue Discovery?**
 - We will be attempting to understand:
 - The issues more granular zones are thought to be able to solve
 - Issues related to the current process for creating Capacity Zones and the merits/drawbacks of possible avenues for reform
 - What are the open questions for each avenue explored
 - We will not be proposing solutions but will rather look to identify open questions under different avenues for reform



Issue Discovery

■ Deliverables:

- Written report and presentation to be delivered at a Q4 ICAPWG detailing the potential benefits of more granular capacity zones, background on issues related to current processes, identified issues related to a potential market design, and a recommendation for future work related to this project

Project Timeline

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■ Q1-Q2

- Stakeholder education on existing practices and market structure

■ Q2-Q3

- Identify and research issues
- Discuss issues with stakeholders

■ Q3-Q4

- Assess stakeholder feedback and finalize Issue Discovery report/presentation

Initial List of Education Areas

Initial List of Education Areas (Q1-Q2)

- **New Capacity Zone Study**

- The New Capacity Zones study has been identified as potentially contributing to some of the deficiencies

- **Transmission Constraints**

- **CRIS**

- **Demand Curves**

- **Anything Missing?**

Next Steps

Next Steps

- Return to a late February/early March ICAPWG to begin education discussions on the current market structure and processes related to capacity zones
- For any questions or comments please email ntubbs@nyiso.com

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