

Valuing Transmission Security: Project Kick Off

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Agenda

- Project Overview
 - \circ Background
 - $\circ~\text{Scope}$
 - \circ Deliverables
- Schedule
- Next Steps



Today's Objective

- Today's objective is to discuss the Valuing Transmission Security 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



Background

- Locational Minimum Installed Capacity Requirements (LCRs) currently ensure there are sufficient resources in the Localities to meet both resource adequacy and transmission security
- The LCR setting process incorporates transmission security by utilizing transmission security limits (TSLs) as minimum LCR floors
 - When a TSL binds in the LCR setting process, the market is indicating that transmission security limitations are driving the need for ICAP in that Locality rather than strictly resource adequacy needs



Background

- A resource can have different contributions to transmission security than resource adequacy
 - Due to these potential differing contributions, ICAP Suppliers may not be appropriately valued when an LCR is set by the TSL rather than strictly by resource adequacy needs



Scope

- This project will:
 - evaluate if and how transmission security should be valued in the capacity market; and
 - investigate the effectiveness of ICAP market price signals when transmission security limitations are reflected in the capacity market
 - Analysis will be conducted under different resource adequacy and transmission security requirements
- Examination of the Reliability Planning transmission security assessments and TSL floor calculations are not in scope for this project
- Discussion of transmission security methodology will be occurring at ESPWG outside the scope of this project



Deliverables

- Q4 Issue Discovery
- Written report and presentation to be delivered at a Q4 ICAPWG



Schedule



Schedule

• Q1-Q2

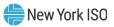
• Stakeholder education on existing practices and market structure

• Q2-Q3

- Identify and research issues
- Discuss issues with stakeholders

Q3-Q4

• Assess stakeholder feedback and finalize Issue Discovery report/presentation

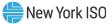


Next Steps

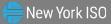


Next Steps

 Return to a March ICAPWG to review the differences between Transmission Security and Resource Adequacy and the current Capacity Market design's inclusion of the reliability criteria



Questions?



Our Mission & Vision

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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

