

# Valuing Transmission Security: Project Kick Off

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# Agenda

- **Project Overview**
  - Background
  - Scope
  - 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

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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

# Next Steps

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- **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



## 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