

Peer ISO Survey of Project Prioritization Process

Brian Hurysz

Manager, Market Products

Budget and Priorities Working Group

January 30, 2019, Krey Corporate Center

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Agenda

- Background
- Peer ISO Review
 - PJM
 - CAISO
 - SPP
 - ERCOT
- Summary/Next Steps

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Background

Review of ISO/RTO Processes

- During the 2019 BPWG project prioritization discussions, stakeholders and the NYISO supported surveying other ISO/RTO processes
- Stakeholders provided feedback on survey focus
 - Evaluate how other ISOs/RTOs engage stakeholders throughout process
 - Include review of PJM problem statement process

Peer ISO/RTO Survey Focus

- The NYISO investigated other ISO/RTO practices for project prioritization
- Principally focused on stakeholder engagement
 - Identification
 - Prioritization
 - Defining scope, deliverables, and schedules
 - Problem Statements
 - Approval
- PJM, ERCOT, CAISO, & SPP, and ERCOT feedback
- The statements in this presentation reflect the NYISO's understanding of the external processes

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Peer ISO/RT0 Reviews

PJM Review

- Market rules and how PJM Operates documented in operating agreement
- Member committee must approve all changes to operating agreement
- Utilizes problem statement and issue charge for changes to operating agreement
 - Developed and approved by stakeholder committees at any time
 - PJM is a stakeholder in process – does not advocate or lead efforts
 - Stakeholders responsible for developing consensus
 - PJM conducts education session on problem to bring stakeholders to minimum understanding level
 - Problem statements almost always pass– stakeholders generally do not advocate against other stakeholders' problem statements

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PJM Review Continued

- **Approved problem statements**
 - PJM sets schedule - reports back to stakeholder committees on expected start and progress
 - PJM currently has a significant number of approved problem statements
 - PJM stakeholders are requesting PJM develop a prioritization process because some stakeholders have reported they are overwhelmed by the significant number of problem statements
- **A project to perform a study would not fit as a problem statement as not a rule or how PJM operates**
 - Stakeholder would advocate to PJM management to perform study

CAISO Review

- CAISO'S Policy group has regular meetings with stakeholders
- Policy group develops white papers & solicits stakeholder input to develop final proposal
- CAISO determines feasibility, scope, and timeline
- Final proposal presented to and approved by Board of Governors
 - Includes significant stakeholder participation
 - Continuous process
- CAISO develops priority score per approved project which is used to set budget

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CAISO Review Continued

- Executive team approves scope, budget, and timeline
- Works towards single fall release with all policy changes bundled together
- Internal projects that do not directly affect stakeholders are not shared
- Release planning call every week with stakeholders
 - Provides progress on projects
 - Call is open to the public
- Stakeholders' recourse if they do not agree with CAISO's executive team on a policy change is to raise the issue with the Board of Governors

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SPP Review

- **Member requests submitted to Request Management System**
 - Large projects must be approved by Board
- **SPP encourages requestor to present at stakeholder meetings**
- **SPP spends considerable time educating members on how to bring an item forward**
- **Requests are reviewed / prioritized at various stakeholder committees – Market & Operations Policy Committee (MOPC) is top**
 - SPP Portfolio Report tracks stakeholder requests
 - All projects reviewed quarterly at MOPC with input from many stakeholders
 - SPP posts adjustments to Portfolio Report after consideration of input

SPP Review Continued

- **Stakeholder quarterly prioritization meeting at MOPC**
 - One month before meeting draft material provided to stakeholders
 - Defined stakeholder comment period
 - Stakeholders can request any item be put up for discussion
 - Comments and incorporated and schedules adjusted as appropriate
 - Perpetual backlog member approved requests reviewed – After 2 years items reviewed for removal
- **MOPC does not approve portfolio projects nor the prioritization**
- **Recently, stakeholders taking interest in more internal facing projects**

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ERCOT Review

- **Stakeholders develop revision requests (market changes, system enhancements, etc.) at stakeholder meetings**
 - Developed and approved by working groups at any time
 - ERCOT is a stakeholder in process – not advocate or lead
 - Stakeholders responsible for developing consensus
- **ERCOT performs impact analysis on request**
 - Includes a budget range for project
 - When effort could start – Not when it will complete
- **Internal projects presented for transparency only**
- **Approval required by Technical Advisor Committee (TAC) & Board**

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ERCOT Review Continued

- **ERCOT allocates \$4M for member-requested items – 20% project budget**
 - Once approved by TAC, projects typically can start in 4-6 months
 - Implementation efforts – not market design
 - Typical spend is only \$2.5-3.0M
 - Process runs continuously
- **ERCOT can present objections to any project at TAC**
 - Might still be approved by TAC
 - Board can reject any item
- **TAC and Board approval does not include a delivery date**
 - No approval is required to change delivery date

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Summary/Next Steps

Peer ISO/RTO Considerations

- Agreement on problem statement prior to issue charge
 - Separate problem description from what the project will do about it
- Stakeholders responsible for developing consensus
- Education sessions to bring stakeholders up to minimum understanding on particular issue
- Approve project start – not completion
- Request Management System for tracking stakeholder requests
- Educate stakeholders on how to bring a request through stakeholder process
- Present internal projects for transparency only

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Next Steps

- Propose process improvements for 2020 Project Prioritization Process

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Questions?

The Mission of the New York Independent System Operator, in collaboration with its stakeholders, is to serve the public interest and provide benefits to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policy makers, stakeholders and investors in the power system



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