New York ISO
Independent System Operator

NYISO-HQ Interconnection Agreement

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Agenda

- Background
- Stakeholder feedback
- Next Steps

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Background

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NYISO-HQ Interconnection Agreement Summary Review

- **In place since 2002, this document comprises a set of operating provisions that HQ and NYISO have agreed upon**
  - Although it is called an Interconnection Agreement, its provisions are similar to the provisions of NYISO's Joint Operating Agreement with PJM and the NYISO's Coordination Agreement with ISO-New England
- **NYISO's Interconnection Agreements with HQ and IESO have not been filed with FERC, whereas NYISO's analogous agreements with PJM and ISO-NE have been filed with FERC and are each attachments to the NYISO OATT**
  - For purposes of consistency, the NYISO will now seek to file the HQ and IESO agreements with FERC, as the NYISO has not identified a basis for distinguishing the treatment of the agreements with Hydro Quebec and IESO
  - The NYISO intends to focus on filing the HQ agreement first, recognizing the priority to have this agreement in place when CHPE enters service

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Stakeholder Feedback

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Stakeholder Feedback

- During the November 17 ICAPWG/MIWG discussion, the NYISO received stakeholder questions pertaining to whether language addressing capacity coordination and/or priority should be included in the NYISO-HQ IA
  - Stakeholders suggested that these topics are addressed in the NYISO's analogous agreements with ISO-NE and PJM
- In order to respond to the stakeholder comments, the NYISO reviewed its JOA with PJM and Coordination Agreement with ISO-NE

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NYISO Response

- **The capacity coordination provisions in the ISO-NE and PJM agreements address congestion management and market to market flow entitlements**
  - As explained below, these provisions are appropriate for synchronously connected areas, where dispatch in one area changes power flows in the neighboring area, but are not applicable to the controllable (e.g., HVDC, VFT) nature of the NYISO-HQ interface

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Interface Descriptions

- **The NYISO's interface with Hydro Quebec is fundamentally different than the NYISO's interfaces with ISO-NE and PJM**
  - The interface with HQ contains 2 HVDC lines and 1 VFT line (including CHPE)
    - On these facilities, actual deliveries should not and do not vary significantly from scheduled deliveries
  - The NYISO's scheduling interface with ISO-NE includes 7 AC lines, 1 PAR controlled line, and 1 HVDC line
    - Coordinated Transaction Scheduling only applies to the 7 AC lines
  - The NYISO's scheduling interfaces with PJM include 25 AC lines, 2 HVDC lines, and 1 VFT line
- **Therefore, the NYISO's agreements with HQ, ISO-NE, and PJM appropriately address different topics and include different terms**

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Agreements with ISO-NE and PJM

- **Both agreements address interchange scheduling and congestion management in detail to support the nature of an interface that includes several AC transmission lines**
  - ISO-NE and NYISO utilize Coordinated Transaction Scheduling (CTS) as an external transaction scheduling process to facilitate energy transactions between the areas and to maintain a reliable interface
  - PJM and NYISO utilize a Market-to-Market (M2M) Coordination Process and CTS to jointly manage transmission congestion, to facilitate energy transactions between the areas, and to maintain a reliable interface
- **CTS and M2M were market coordination efforts to address seams issues at the control area boundaries**
  - Each required years of effort and coordination to develop just and reasonable rules that supported the needs of each region and accommodated the various existing market structures of each region

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CTS with ISO-NE

- **CTS is an external transaction scheduling process to allow real-time energy transactions to be scheduled based on a Market Participant's willingness to purchase energy in one Control Area and to sell in the other Control Area**
  - CTS considers net interchange over a set of A/C transmission facilities (the Sandy Pond interface) subject to congestion and constraints
  - CTS considers the transfer limits imposed by either Control Area and developed based on several factors, including but not limited to: ramp limits, reliability conditions, operating reserve limits, minimum generation limits, and capacity requests by either Control Area,
- **Coordination of generation resources must be a consideration when scheduling net interchange over these A/C transmission facilities**

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Market-to-Market (M2M) Coordination with PJM

- **M2M is a set of procedures to allow transmission constraints that are significantly impacted by generation dispatch changes and/or Phase Angle Regulator control actions in both markets to be jointly managed in the security-constrained economic dispatch models of both RTOs**
  - An “M2M Entitlement” is one entity’s share of a flowgate’s total capability
  - This real-time coordination produces a more efficient economic dispatch solution across both markets to manage the real-time transmission constraints that impact both markets, focusing on the actual flows in real-time
- **Coordination of generation resources is required when managing energy flows in real-time over A/C transmission facilities that can experience congestion and constraints based on dispatch of resources in the neighboring Control Area and a shared responsibility to address transmission congestion**

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Interface with HQ

- The NYCA is not synchronously connected to Quebec
- HQ controls the supply MWs that are scheduled to support energy transactions from HQ to New York
  - These energy transactions over HVDC and VFT lines between HQ and NY are not impacted by transactions over other transmission facilities
    - “Loop flows” caused by the dispatch of Generators in New York do not cause congestion in Quebec (or vice-versa). Power flows in New York can’t pass on an uncontrolled basis over the D/C facilities at the NYISO-HQ interface
- Coordination of generation resources operating in either region to support the energy transfer over the HVDC and VFT facilities is not required

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Next Steps

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Next Steps

- Targeting December BIC, OC, and MC for the NYISO-HQ IA
- Targeting BOD and FERC filing in early Q1 2026

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Questions?

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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

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