

External Capacity Performance & Obligations

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March 25th, 2019

Agenda

- Project background
- Project Objectives
- Next steps

Project Background

- **2017 AG Report: Capacity Resource Performance in the NYISO Markets**
 - The Report suggests various measures that the NYISO could evaluate further that might better align internal and external capacity resource performance
 - Today the NYISO is initiating a discussion on deliverability to the NYCA border, which is one of the topics identified in AG's Report
 - The External SRE Penalty proposal, which is currently in the stakeholder process, is also a component of this project

Project Background (con't)

- **In the Report, AG highlights that the deliverability of external capacity to the NYCA border has not been tested during periods when neighbors are in critical operating conditions**
 - The current language in the Market Services Tariff requiring external capacity resources to demonstrate delivery is as follows:
 - MST 5.12.2.1: “External Generators, External System Resources, and Control Area System Resources qualify as Installed Capacity Suppliers if they demonstrate to the satisfaction of the NYISO that the Installed Capacity Equivalent of their Unforced Capacity is deliverable to the NYCA or, in the case of an entity using a UDR to meet a Locational Minimum Installed Capacity Requirement, to the NYCA interface associated with that UDR transmission facility and will not be recalled or curtailed by an External Control Area to satisfy its own Control Area Loads, or, in the case of Control Area System Resources, if they demonstrate that the External Control Area will afford the NYCA Load the same curtailment priority that they afford their own Control Area Native Load Customers.”

Project Background (con't)

- **NYISO requirements for resources in PJM effective since May 2018**
 - From the 1/17/18 BIC presentation:
 - Capacity resources in PJM are now required to provide, in addition to the documentation at registration, documentation proving that resources with capacity awards have firm transmission service for the obligation month
 - Additional details on PJM requirements are available in the ICAP Manual

Project Objectives

- **Gain a better understanding of obstacles that may exist preventing external resources from delivering to the NYCA border, and what external control area rules or products may exist to moderate those obstacles**
 - The aim of this inquiry is to understand the level of certainty with which capacity resources in the neighboring Control Areas can demonstrate that energy associated with a capacity-backed resource will be delivered the NYISO if called
- **Determine if there are ways to increase comparability between internal and external capacity suppliers with regard to assurance of energy delivery**
- **Evaluate if enhancements are necessary to the Tariff and/or ICAP Manual language to enhance the rules on the document requirements for External Capacity Suppliers to demonstrate deliverability**

Next Steps

- Return to future working groups to continue discussion
- Q3 Market Design Complete
- Questions? Email acarney@nyiso.com

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- 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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