

Zone J Operating Reserves Manual Updates

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ICAP Working Group/Market Issues Working Group

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Agenda

- Background
- Ancillary Services Manual
- Day-Ahead Scheduling Manual
- Transmission and Dispatch Operations Manual
- Next Steps

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Background

Zone J Operating Reserves

- **On April 26, 2019, following NYISO Board of Directors and stakeholder approval, the NYISO filed a proposal with FERC to establish a new NYC reserve region.**
 - The NYISO proposes to procure 500 MW of 10-minute reserves and 1,000 MW of 30-minute reserves in Zone J, consistent with NYSRC reliability rules for NYCA reliability.
 - The NYISO proposes to establish operating reserve demand curves that assign a \$25/MWh value to the proposed reserve requirements for Zone J.
 - Pending FERC approval, the NYISO proposes to implement the new Zone J reserve requirements in late June 2019.
- **Implementation of the Zone J reserve region requires revisions to several manuals.**
 - Certain additional revisions unrelated to the Zone J reserve requirements are also being proposed within the affected manuals.

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Previous Presentations: Zone J Reserves

Date	Working Group	Discussion points and links to materials
01-08-19	ICAPWG/MIWG	Proposed schedule for accelerating implementation of Zone J operating reserves
01-15-19	ICAPWG/MIWG	Establishing a new Zone J reserve region with a 500 MW 10-minute and 1,000 MW 30-minute reserve requirement
01-24-19	ICAPWG/MIWG	Proposed operating reserve demand curve prices for the Zone J reserve products and the proposed tariff revisions for this initiative Operating Reserve Background
03-04-19	ICAPWG/MIWG	Analysis of potential impact
03-13-19	BIC	Stakeholder vote: Establishing Zone J Operating Reserves
03-27-19	MC	Stakeholder vote: Establishing Zone J Operating Reserves

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Affected Manuals

- **The following manuals require updates to reflect the Zone J reserve region:¹**
 - Ancillary Services Manual
 - Please note that prior revisions related to automatic fuel swap testing requirements for certain generators located within NYC and voltage support service are reflected in the posted version of the manual.
 - These changes were previously reviewed at the March 25, 2019 MIWG/ICAPWG and April 4, 2019 SOAS meetings and have not been further revised.
 - Day-Ahead Scheduling Manual
 - Transmission and Dispatch Operations Manual
- **Certain additional revisions unrelated to the proposed Zone J reserve requirements are also being proposed.**

1. Following implementation of the Zone J reserve requirements, the NYISO will also update the locational reserve requirements posting, located at https://www.nyiso.com/documents/20142/3694424/nyiso_locational_reserve_reqmts.pdf/ab6e7fb9-0d5b-a565-bf3e-a3af59004672.

Ancillary Services Demand Curve Values

Ancillary Service Demand Curves

- The Ancillary Services demand curve values are presented in an identical table in each of the three affected manuals.
- This table will be uniformly updated in each manual to reflect the new reserve region.
 - Ancillary Services Manual: Section 6.8.2
 - Day-Ahead Scheduling Manual: Section 4.3.4
 - Transmission and Dispatch Operations Manual: Section 7.3.6

New York Region	Type	Demand Curve Amount (MW)	Demand Curve Price (\$)
NYCA	Regulation	25.0	\$25.00
		80.0	\$525.00
		remainder	\$775.00
	Spinning Reserve	All	\$775.00
	10 Minute Reserve	All	\$750.00
Eastern New York (EAST)	30 Minute Reserve	300.0	\$25.00
		655.0	\$100.00
		955.0	\$200.00
	remainder	\$750.00	
Southeastern New York (SENY)	Spinning Reserve	All	\$25.00
	10 Minute Reserve	All	\$775.00
	30 Minute Reserve	All	\$25.00
New York City (NYC)	Spinning Reserve	All	\$25.00
	10 Minute Reserve	All	\$25.00
	30 Minute Reserve	All	\$500.00
Long Island (LI)	Spinning Reserve	All	\$25.00
	10 Minute Reserve	All	\$25.00
	30 Minute Reserve	All	\$25.00

Ancillary Services Manual

Previously Reviewed Changes: Voltage Support and Automatic Fuel Swap

- At the March 25, 2019 MIWG/ICAPWG meeting and April 4, 2019 SOAS meeting, NYISO presented changes to the following sections of the Ancillary Services Manual:
 - Section 3 – Voltage Support Service
 - 3.2. – Supplier Qualifications
 - 3.6.5. – Allowance for Out-of-Period Testing
 - Section 8 – Automatic Fuel Swap Capability Testing
 - 8.4. – Testing Procedures
 - 8.5. – Documentation and Mitigation
- No incremental changes have been made to these previously presented revisions.
- These previously reviewed changes will be included with the revisions described in today's presentation and presented as a single package for approval at BIC and OC.

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Proposed Revisions: Zone J Operating Reserve Requirements

- **Section 6.2: General Responsibilities and Requirements**
 - 6.2: Add reference to Zone J reserve requirements
- **Section 6.5: Operating Reserve Settlements – General Rules**
 - 6.5.1 and 6.5.3: Add reference to Zone J reserve requirements and update numerical references to reflect Zone J reserve requirements
- **Section 6.8: Operating Reserve Demand Curves**
 - 6.8:
 - Update to include Zone J reserve requirements and associated reserve demand curves
 - Add clarifying language to address reserve demand curves applicable in real-time during SCR/EDRP activations
 - 6.8.1: Update to include Zone J reserve requirements and add a new example addressing real-time reserve demand curve impacts of a Zone J only activation of SCR/EDRP
 - Changes to charts in Section 6.8.1 are reflected by red text, as graphics do not support “red-lined” changes
 - 6.8.2: Update table to reflect reserve demand curve values for Zone J reserves

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Additional Proposed Revisions

- **The following revisions unrelated to the proposed Zone J reserve requirements are also being proposed**
 - Sections 2.2, 2.3, 3.4, 3.5, 3.7.2, 4.5, 4.6, 4.7, 4.8, 4.9, 6.6, 6.7, 6.10 and Attachment B
 - Corrections to provide for consistent use of references to the Market Administration and Control Area Services Tariff
 - Section 4.8
 - Update description of the Regulation Service Demand Curve to reflect the current \$525/MWh value assigned to the middle “step” of the curve
 - Section 6.1
 - Corrections to reflect current reserve procurement targets
 - Removal of language siting example types of reserve providers
 - Section 6.5.4
 - Non-substantive, clarifying revision to address pricing of reserve products
 - Update URLs to reflect NYISO’s website redesign

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Day-Ahead Scheduling Manual

Proposed Revisions: Zone J Operating Reserve Requirements

- NYISO is proposing the following changes to the Day-Ahead Scheduling Manual to reflect the Zone J reserve region:
 - Section 2.3.3: Add reference to Zone J reserve requirements
 - Section 4.3.4: Update table to reflect the reserve demand curve values for the Zone J reserve requirements

Additional Proposed Changes

- The following additional updates unrelated to the Zone J reserve requirements are also being proposed:
 - Section 2.1, 2.3, 2.3.1, 4.1, 4.3.1, 4.4.3
 - Remove obsolete references to non-firm transactions
 - Section 2.3.2, 3.2.5, 4.2.7, 4.3.5.1, 4.4, 5.1, 8.2, 8.4
 - Update URLs to reflect NYISO's website redesign
 - Section 4.2.4
 - Remove provision describing Real-Time Market activities that are not applicable to the Day-Ahead Market
 - Section 4.3.5.1
 - Update to reflect the ability to assign non-zero constraint reliability margin values less than 20 MW
 - Attachment A
 - Update to reflect consistent treatment of internal and external incremental losses

Transmission and Dispatch Operations Manual

Proposed Revisions

- **NYISO is proposing changes to the following sections of the Transmission and Dispatch Manual to reflect the Zone J reserve region:**
 - Section 2.3.3: Add reference to Zone J reserve requirements
 - Section 7.3.6 : Update table to reflect the reserve demand curve values for the Zone J reserve requirements
- **Revisions unrelated to the Zone J reserve requirements include:**
 - Section 7.3.7.1: Update to reflect the ability to assign non-zero constraint reliability margin values less than 20 MW
 - Update URLs to reflect NYISO's website redesign

Next Steps

- A clean and redlined version of each manual is posted with today's meeting materials and also on the NYISO website, under the “Manuals, Technical Bulletins, & Guides”
- NYISO's proposed stakeholder process is as follows:
 - June 20, 2019: Seek stakeholder approval at BIC
 - June 21, 2019: Seek stakeholder approval at OC

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Feedback/Questions?

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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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