

Short-Term Reliability Process – Tariff Language Review

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Background

- At the September 23, 2019 ESPWG/TPAS the NYISO discussed with stakeholders ‘concepts’ regarding a proposed, new Short-Term Reliability Process (STRP) including, among other topics:
 - Improved management of workload for the NYISO and Transmission Owners
 - Opportunity to address Short-Term Reliability **Process** Needs beyond those that arise from generator deactivations
- The purpose of this presentation is to present to stakeholders the tariff language changes for the Short-Term Reliability Process and to respond to stakeholder questions and comments
 - Primarily reviewed in this presentation are the updates to OATT Section 38
- ‘**Blue**’ text denotes text changes compared to the September 23 presentation, including additions, clarifications and corrections
- ‘**Red**’ text identifies sections of the tariff that include the proposed update

Short-Term Reliability Process

- The STRP would start with quarterly Short-Term Assessment of Reliability (STAR) (38.1, 38.2)
- A Short-Term Reliability Process Need will be comprised of (38.1)
 - Generator Deactivation Reliability Needs (as currently defined in Attachment FF) and other Reliability Needs (as currently defined in Attachment Y) on the BPTF that are identified in a STAR (38.1)
 - Reliability criteria violations identified on non-BPTF will only be Short-Term Reliability Process Needs if the Need can be resolved, in whole or in part, by an Initiating Generator (38.1)
 - Other criteria violations that do not qualify as Short-Term Reliability Process Needs may be included for informational purposes-only in the STAR report (38.10.1.2)
- The study period for the STAR is the five years following each quarterly start date (38.2, 38.3.5.1)
 - The STAR will cover the 365-day notice period + 4 years instead of the 365-day notice period + 5 years used in the Generator Deactivation Process today (38.3.5.1)
 - The Year 1 representation would be the summer peak period in the first calendar year following the start of the quarterly STAR
- The STRP and the longer term Reliability Planning Process (RPP) will include an overlap in assessing years 4-5 of the current Study Period
- Once the STRP is implemented, the RPP will focus on Years 4–10 of the Study Period

Short-Term Reliability Process

- The STAR evaluations will include an evaluation of all Initiating Generators and will include other model updates in accordance with ISO procedures **(38.1, 38.2)**
 - Generators will still be required to have a “complete” Generator Deactivation Notice (GDN), including their proposed deactivation date, to enter into the next quarterly STAR **(38.1)**
- For the STAR, the NYISO will assess the BPTF and, to address generator deactivations, the Responsible Transmission Owner(s) will assess the impact on their non-BPTF transmission facilities **(38.3.5.1)**
 - As part of the STAR, the NYISO will designate the Responsible Transmission Owner(s) to assess the impact of completed GDNs on their non-BPTFs, consistent with the process described in Attachment FF **(38.3.5.1)**
 - The NYISO will also make the STAR study model available to other NYCA Transmission Owners if they wish to evaluate the impact of the included model updates on their non-BPTF

Short-Term Reliability Process

- An assessment for an IIFO (OATT 38.3.4) may be performed in either the current (including ongoing) STAR, or the next STAR, or on an ad-hoc resource-specific basis. The NYISO will use its judgment to determine whether and how long it can wait to perform a study and identify solutions (38.3.2)
- An ad-hoc IIFO Generator Deactivation Assessment would use the key study assumptions presented for the current quarters STAR (38.3.5.1)
 - Any need identified in an ad-hoc study of an IIFO Generator would be a Generator Deactivation Reliability Need (38.3.2)
 - The NYISO may elect to address a Generator Deactivation Reliability Need identified in an ad-hoc study immediately, in the next STRP or in the RPP, depending on the nature and timing of the identified need (38.3.2)
- To address the Short-Term Reliability Process Needs observed in each STAR, a single solicitation for solutions will be issued by the NYISO (38.4.1)
 - The solutions solicited in the STRP will address Short-Term Reliability Process Needs (38.4.1)
 - The NYISO will follow the process outlined in Attachment FF for the solicitation and selection of the solution to identified Short-Term Reliability Process Needs (38.4)
- Although the STAR allows for a more frequent assessment of the reliability of the transmission system, the STAR process may prove insufficient to respond to an imminent threat to the reliability of the Bulk Power Transmission System
 - The current Gap Solution process allows the NYISO to request Gap Solutions outside of its normal planning cycle if there appears to be an imminent threat to the reliability of the New York State Transmission System arising from causes other than deactivating generation
 - Therefore, the GAP Solution Process will remain in place (OATT 31.2.11)

Short-Term Reliability Assessment Start Dates

- The STAR will be performed on a quarterly basis with the following start dates specified in the Reliability Planning Process Manual (38.3.5):

Deactivation Notice Complete by	STAR Start Date	STAR Completed:
January 14	January 15	90 days from January 15
April 14	April 15	90 days from April 15
July 14	July 15	90 days from July 15
October 14	October 15	90 days from October 15

- The 180-day Interim Service Provider (“ISP”) rate paid to deactivating Generators will be triggered from the later of (38.13):
 - 180 days after the Generator Deactivation Notice is complete; (38.13)
 - 10 days after the completion of the STAR; or (38.13)
 - The Deactivation Date noted in the Generator Deactivation Notice (38.13)
- The 365-day notice date (for Generator Deactivations) will be triggered from the STAR Start date (38.3.1.4, 38.24.1.4)

Short-Term Assessment of Reliability Study Assumptions

- Each STAR will incorporate model updates made in accordance with ISO procedures, including system updates such as (38.3.5.1):
 - Generator Deactivations and other Generator additions/removals (based on RPP inclusion rules)
 - Load forecast updates
 - Transmission/topology updates, including changes to Firm Local Transmission Plans (that are presented to Market Participants prior to the quarterly STAR start date) and transmission element forced outages that are expected to be in-effect occur during the peak period
 - Any other significant changes to the system that could impact the BPTF
- The key study assumptions for each STAR will be reviewed with ESPWG and TPAS (38.3.5.1)

Short-Term Reliability Process Solution Solicitation

- The Responsible Transmission Owner(s) for a Short-Term Reliability **Process** Need on the BPTF shall be designated as the sole party/parties to provide transmission solutions on the BPTF and must submit permanent transmission solutions for each of the Short-Term Reliability **Process** Needs identified **(38.3.6)**:
 - Within 3 years of the completion of the STAR for BPTF Reliability Needs, or **(38.3.6)**
 - Within 3 years after the conclusion of the 365-day notice period for a Generator Deactivation Reliability Need **(38.3.6)**
- BPTF Short-Term Reliability **Process** Needs that occur in the fourth year or later from **the posting of a completed STAR** will be addressed in the Reliability Planning Process (RPP) if **the NYISO determines that the identified needs can be timely addressed in the RPP (38.2)**
 - If solutions are solicited for BPTF Short-Term Reliability **Process** Needs observed in year 4 or 5 as part of the STRP, the NYISO will follow the process outlined in Attachment FF for the evaluation and selection of solutions **(38.4)**
- The full set of Generator Deactivation Solutions will be available to address BPTF Short-Term Reliability **Process** Needs **(38.4.1)**

Short-Term Reliability Process Solution Solicitation

- The Responsible Transmission Owner(s) for an observed Short-Term Reliability **Process** Need on the non-BPTF (*i.e.*, a non-BPTF Generator Deactivation Reliability Need) shall be designated as the sole party or parties to provide a transmission solution to the Need and must submit a permanent transmission solution **(38.3.5.3, 38.4.2.1, 38.10.1.2)**
 - All non-BPTF Short-Term Reliability **Process** Needs, regardless of the observed year of Need, will be addressed in the STRP
 - The full set of Generator Deactivation Solutions for non-BPTF Short-Term Reliability **Process** Needs will be available **(38.3.5.3, 38.4.2.1, 38.10.1.2)**
- In the course of performing their STAR analyses, Transmission Owners might observe criteria violations on their non-BPTF that are not resolved, in whole or in part, by the continued operation of an Initiating Generator **(38.10.1.2)**
 - The STAR report may identify these criteria violations for information, but NYISO will not solicit for solutions or provide cost allocation and recovery in the STRP **(38.10.1.2)**
- If a Short-Term Reliability **Process** Need is found where two or more Initiating Generators could each resolve the identified Short-Term Reliability **Process** Need, then the Initiating Generator(s) with the latest completed notice date(s) would be the one(s) that would not be allowed to deactivate before the completion of the 365-day notice period **(38.3.5.4)**

Short-Term Reliability Process Solution Solicitation

- Exacerbation of Short-Term Reliability **Process** Needs beyond the needs originally identified in the solicitation for solutions may be observed in subsequent STARs (38.4.8)
- If the scope of a Short-Term Reliability **Process** Need for which NYISO has already solicited solutions changes in subsequent STRP or RPP processes, then the NYISO may either (a) **select a proposed solution it received in its initial solicitation addresses the changed need,** or (b) withdraw the original solicitation and issue a solicitation to address the updated Short-Term Reliability **Process** Need, or (c) issue a second solicitation for solutions to the unaddressed additional, incremental need (38.4.8.1)
- If a solution that was initially selected by the NYISO is determined to be insufficient based on a change in scope of a Short-Term Reliability **Process** Need (38.15), then the NYISO will solicit solutions to the unaddressed need, which may be the incremental additional need or the entire updated need
 - This may require invoking the halting process on a solution under development in order to consider different solutions that are better able to address the increased scope of the identified Short-Term Reliability **Process** Need (38.15)
- Solutions selected in the STRP or RPP process will be included in subsequent STARs or RNAs, subject to the RPP inclusion rules contained in the RPP Manual (38.4.7)

Other Changes to Attachment FF

- NYISO will propose rules to preclude it from entering into an RMR Agreement if the only need identified can be addressed by retaining **step-up transformer and/or other system protection equipment**, such as the step-up transformer, and does not require the Generator's operation (**38.1, 38.13.1**)
 - NYISO proposes to revise the Interim Service Provider rules to permit it to retain a step-up transformer and other system protection equipment after an Initiating Generator that submitted a notice to be Retired deactivates (**38.13.1 - 38.13.2.1.1.1**)
 - Necessary **step-up transformer and/or other system protection equipment** will be required to remain in place for up to 365 days (the notice period) (**38.13.1**)
 - The Transmission Owner will be responsible for working with the Generator to acquire or replace the necessary facilities
- NYISO will **not** propose changes to post a public notice when it receives a Generator Deactivation Notice, before the notice is complete

Additional Changes to Attachment FF

- **Immediate Reliability Need (38.3.4)**
 - To address an Immediate Reliability Need, the ISO may pay costs in excess of \$100,000 that a Market Party or Generator Owner incurs to repair or replace a damaged step-up transformer and/or other system protection equipment
 - These costs may be recovered by the Generator as Capital Expenditures
- **ISO and Responsible Transmission Owners costs shall be charged to Market Participants that fail to timely deactivate a Generator or that rescind their Generator Deactivation Notice (38.14.2.1)**
 - Example: Generators A and B within a Transmission Owners Area are assessed in the same STAR. Generator B rescinds its notice after the ISO and Transmission Owner incurred costs to perform assessments
 - Under the rules proposed in 38.14.2.1, the cost to Generator B would be $\frac{1}{3}$ the costs incurred by the ISO + $\frac{1}{2}$ the costs incurred by the Responsible Transmission Owner
- **NYISO will propose to expand rules to include non-Market Participants that possess ultimate authority to decide whether/when to deactivate a Generator**

Next Steps

- Presentation of additional Tariff language at November 1 TPAS/ESPWG
- Please submit questions/comments to kburrell@nyiso.com by October 28th

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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 policymakers, stakeholders and investors in the power system

