

Analysis update: NYCA resources' capacity obligations to ISO-NE

Nathaniel Gilbraith

ICAP Operations

NYSRC – Installed Capacity Subcommittee

Meeting #206

April 1, 2019

NYISO, Rensselaer, NY

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2018. ALL RIGHTS RESERVED



Objective

- Update the ICS on the reconfiguration auction and bilateral activity of NYCA resources for the upcoming ISO-NE capability year beginning June 1, 2019
- Update the ICS on ICAP sales from New York to New England from May 2018 through March 2019
- Provide the ICS additional detail on ISO-NE's February 2019 FCA #13 auction
- Receive comments and feedback

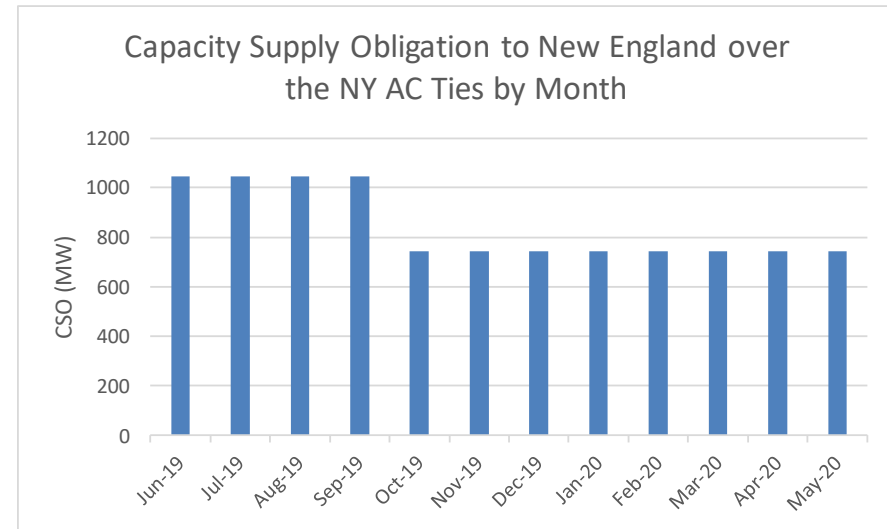
Background

- **ICS previously considered the question of NYCA resource's forward capacity obligations to ISO-NE**
 - Modeling of export sales from a NYCA Locality in IRM Studies, 5/30/17
 - [http://nysrc.org/pdf/MeetingMaterial/ICSMeetingMaterial/ICS_Agenda%20196/ICS_Locality%20Sales%20Paper_final%20\(002\).pdf](http://nysrc.org/pdf/MeetingMaterial/ICSMeetingMaterial/ICS_Agenda%20196/ICS_Locality%20Sales%20Paper_final%20(002).pdf)
- **NYISO recommended the IRM study should continue to not model these forward capacity obligations, noting**
 - Forward obligations often did not materialize as actual exports from NY
 - ISO-NE's reconfiguration auctions cleared varying quantities of capacity at varying prices and thus resulted in uncertain export obligations
 - Sales from Rest of State (Load Zones A-F) have very little impact on securing the supply since they come from zones with excess capacity
 - Forecasting exports to ISO-NE is uncertain and will likely depend on a variety of unobservable factors (e.g., future market conditions)

Capacity supply obligations from New York to New England for June 2019 – May 2020

FCA #10 results

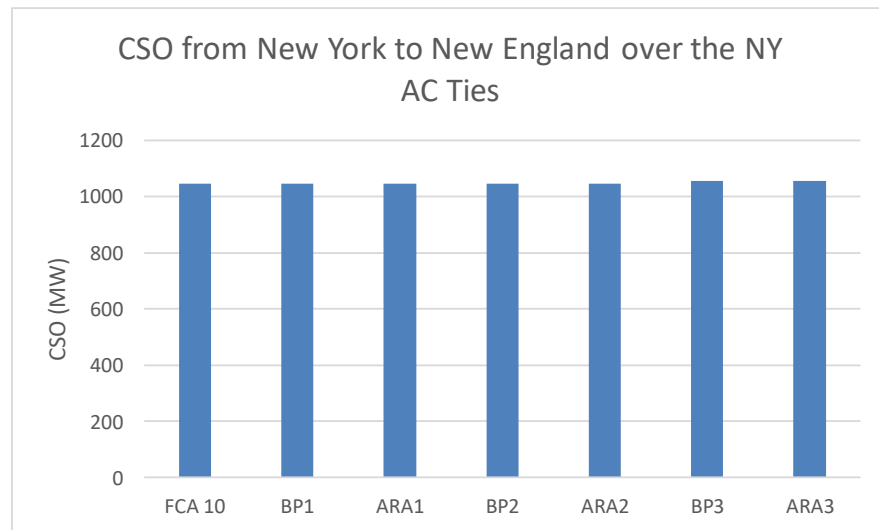
- The Forward Capacity Auction (FCA) CSOs over the NY AC Ties from New York to New England varied by month between 1044.8 MW and 744.8 MW
 - Hydro Quebec obtained a 300MW obligation in the months of June, July, August, and September and did not obtain an obligation in other months



DRAFT – FOR DISCUSSION PURPOSES ONLY

Annual Reconfiguration Auctions and Annual Bilateral Period results

- The CSO from New York to New England increased by 9.2 MW over the course of the three annual reconfiguration auctions and three annual bilateral periods
 - Resources in NY exchanged approximately 370 MWs of CSOs; New England does not publically identify the resources that sell or transfer obligations after the FCA
 - No additional annual bilateral or annual reconfiguration auctions will occur prior to the start of the capability year
 - Capacity obligations may still be sold/transferred on a monthly basis (i.e., the monthly bilateral and reconfiguration auctions)

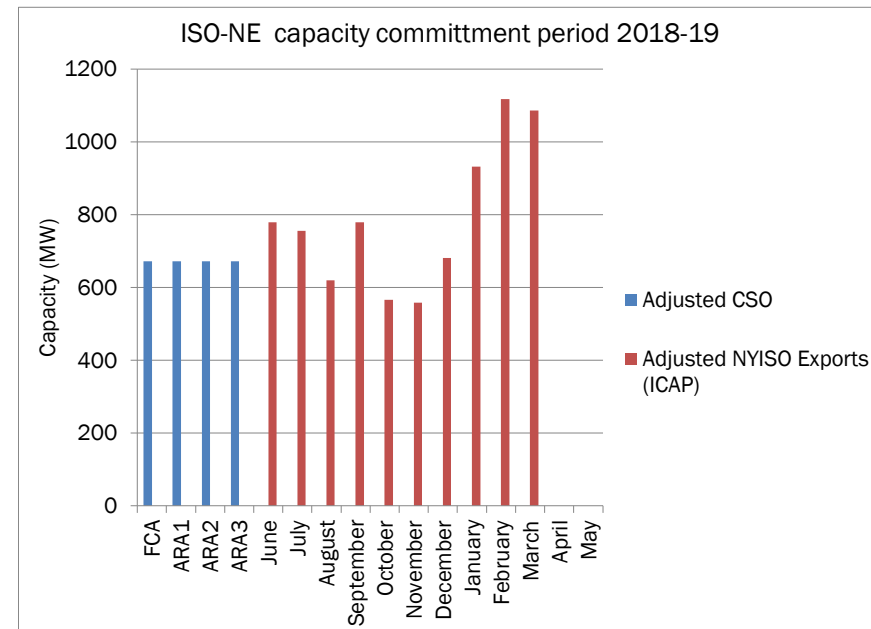


DRAFT – FOR DISCUSSION PURPOSES ONLY

Capacity sales from New York to New England from June 2018 – March 2019

NY resources generally retained their capacity obligations

- No capacity sales from a NYISO Locality to ISO-NE occurred over the NY AC Ties from June 2018 through March 2019
- Sales to ISO-NE, net of the initial HQ and NYPA obligations, generally met or exceeded the net obligation obtained in the FCA #9
 - Sales exhibited volatility from month to month, ranging from ~550 MW to over 1,100 MW
 - Market conditions were not conducive to NY resources selling or transferring their CSOs to resources in New England (i.e., capacity prices in New England were generally higher than capacity prices in New York)



DRAFT – FOR DISCUSSION PURPOSES ONLY

ISO-NE FCA #13

FCA #13 (delivery June 2022 – May 2023)

- Available at
 - https://www.iso-ne.com/static-assets/documents/2018/02/fca_obligations.xlsx
 - Unit specific results are “Forward Capacity Auction Obligations” (XLSX file) posted on 03/06/2019
- **521.7 MW of obligations to ISO-NE over the NY AC Ties**
 - Wheels and long term firm sales were the majority of these obligations (379.3 MW or 73%)
 - Similar to the 54MW of obligations in FCA #12
- **The NY AC Ties price cleared at \$3.80/kW-mo and was the same as the ISO-NE rest-of-pool price (i.e., did not bind)**

FCA #13, cont'd

- The HQ wheel and NYPA long term firm sales accounted for 379.3 of the 521.7 MW of total obligations (~73%) on the NY AC Ties
- Roseton, located in the G-J Locality qualified over 1,200 MW but did not clear any MWs in the auction
- Offers included 879 MW of anonymous resources with unknown locations
 - As in FCA #12, only 2MW of these offers cleared
- Resources from the NYCA – Rest of State capacity region comprise 140.4 of the 142.4 MW of the remaining obligations

FCA #13, cont'd

FCA 12 Offers	Offer	CSO	FCA 13 Offers	Offer	CSO
Carr Street Generating Station Import 2021-22	84	0	Bethlehem	265	0
Chaffee FCA12	5.9	5.9	Carr Street Generating FCA 2022-23	87	0
Erie Boulevard HYDRO Import 2021-22	323	0	Chaffee FCA13	6	6
High Acres 1 FCA12	2.8	0	Empire_CC	581.7	0
High Acres 2 FCA12	5.6	0	Erie Boulevard Hydro Import 2022-23	351.19	0.19
HQ_NY_Yearly_21-22	300	300	HQ_NY_Yearly_22-23	300	300
Madison County FCA12	0.7	0.7	Millseat FCA13	6.1	6.1
Millseat FCA12	6	6	NYPA - CMR	68.8	68.3
NYPA - CMR	68.8	68.3	NYPA - VT	11	11
NYPA - VT	13	13	Oneida Herkimer FCA13	2.9	2.9
Oneida Herkimer FCA12	2.9	2.9	Rensselaer 22-23	77	77
Rensselaer Cogen 21-22	77	77	Roseton 1 22-23	607.7	0
Roseton 1 21-22	610.5	0	Roseton 2 22-23	599.5	0
Roseton 2 21-22	597	0	Seneca Grandfathered FCA13	45	45
Seneca Grandfathered FCA12	45	45	Seneca NonGrandfathered FCA13	3.2	3.2
Seneca NonGrandfathered FCA12	3.2	3.2	NY_2022-23_01	2	2
NY_2021-22_01__Consolidated Edison Energy, In	2	2	NY_2022-23_02	81.1	0
NY_2021-22_02__Consolidated Edison Energy, In	80.8	0	NY_2022-23_03	61	0
NY_2021-22_03__Consolidated Edison Energy, In	61	0	NY_2022-23_04	355.5	0
NY_2021-22_04__Consolidated Edison Energy, In	351.1	0	NY_2022-23_06	80.2	0
NY_2021-22_06__Consolidated Edison Energy, In	80.7	0	NY_2022-23_07	83.3	0
NY_2021-22_07__Consolidated Edison Energy, In	84.1	0	NY_2022-23_13	61.2	0
NY_2021-22_10__Consolidated Edison Energy, In	54.9	0	NY_2022-23_14	48.8	0
			NY_2022-23_15	50.4	0
			NY_2022-23_16	55.5	0
Subtotal - HQ	300.0	300.0		300.0	300.0
Subtotal - NYPA	81.8	81.3		79.8	79.3
Subtotal - all other offers	2,478.2	142.7		3,295.4	142.4
TOTALS	2,860.0	524.0		3,891.1	521.7

Gray highlight indicates an offer in FCA 12 without a corresponding offer in FCA 13

Purple highlight indicates an offer in FCA 13 without a corresponding offer in FCA 12

Questions?

Questions or comments can be sent to Nathaniel

Gilbraith: ngilbraith@nyiso.com

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



www.nyiso.com

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2018. ALL RIGHTS RESERVED