

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

Joshua Boles
ICAP Operations

NYSRC – Installed Capacity Subcommittee
Meeting #205

February 27, 2018
NYISO, Rensselaer, NY

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2018. ALL RIGHTS RESERVED



Objective

- Update the ICS on whether NYCA resources with ISO-NE forward capacity obligations tend to export capacity from the NYCA or ‘buy out’ of their position and keep their capacity in the NYCA
- Update the ICS on ISO-NE’s February 2018 FCA #12 auction
- Request 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)

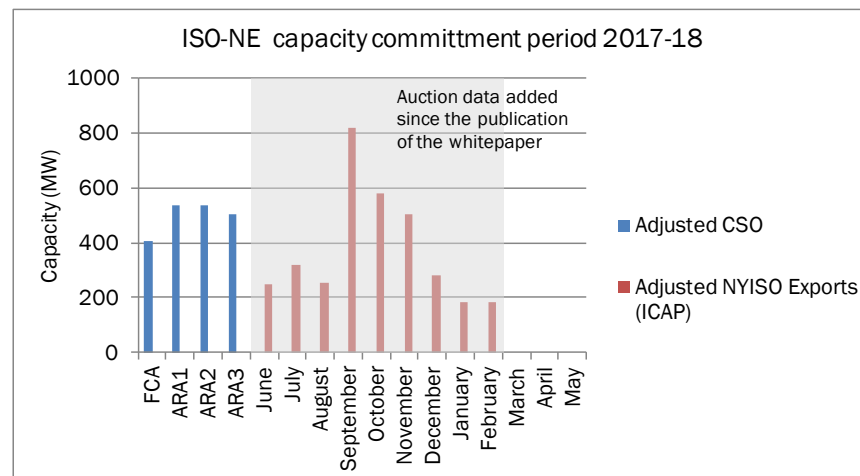
Updated Analysis

Method

- **This presentation uses the same analysis method and definitions found in the 2017 whitepaper**
 - Adjusted CSO: The net CSO over ISO-NE's "NY AC Ties" interface less the initial (i.e., FCA) CSOs of the HQ wheel and NYPA contracts (based on ISO-NE posted data).
 - Adjusted NYISO Exports (ICAP): ICAP exports to ISO-NE, as reported in the NYISO's "Monthly UCAP Reports", less the initial (i.e., FCA) CSO of the NYPA contracts.
- **Results from the whitepaper are shown in the Appendix**

Exports from NY - 2017/18

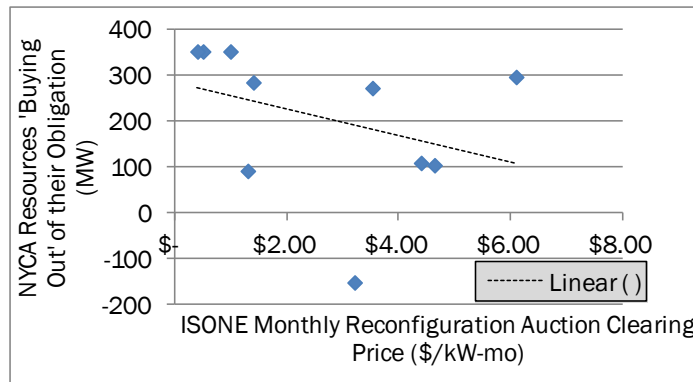
- Adjusted NYISO Exports were higher than in the previous two years
- These exports varied substantially from month to month



DRAFT - FOR DISCUSSION PURPOSES ONLY

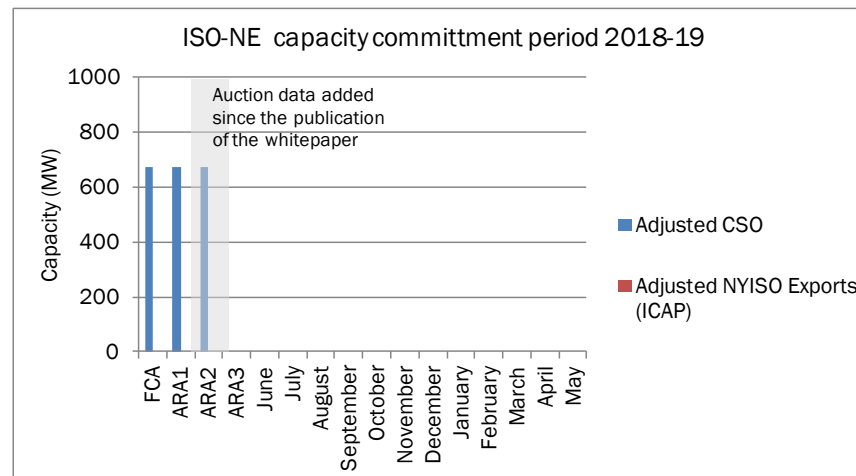
Export dynamics – 2017/18

- Exporters cleared in all buy out auctions from 6/17 through 3/18 (i.e., monthly reconfiguration/bilateral auctions, NY AC ties interface)
 - On average bought out of more than 200 MW of capacity obligations
 - Offered to buy out of nearly twice as much capacity as cleared in the monthly reconfiguration auctions
 - Were price sensitive and kept more of their capacity in the NYCA as it became cheaper to do so



Exports from NY - 2018/19

- Only one auction has occurred since the 2017 whitepaper was published



DRAFT - FOR DISCUSSION PURPOSES ONLY

ISONE FCA #12

https://www.iso-ne.com/static-assets/documents/2018/02/fca_12_result_report.pdf

FCA #12 (delivery June 2021 – May 2022)

- **524 MW obligation to ISO-NE over the NY AC Ties**
 - Similar to the 539MW of obligations in FCA #11
 - Lower than the 1,045MW of obligations in FCA #10
- **NY AC Ties price cleared at \$4.631/kW-mo and did not bind (i.e., was the same as the ISO-NE rest-of-pool price)**
- **The NYCA resources that received an obligation are not currently posted but will be posted by ISO-NE in the coming months**

DRAFT – FOR DISCUSSION PURPOSES ONLY

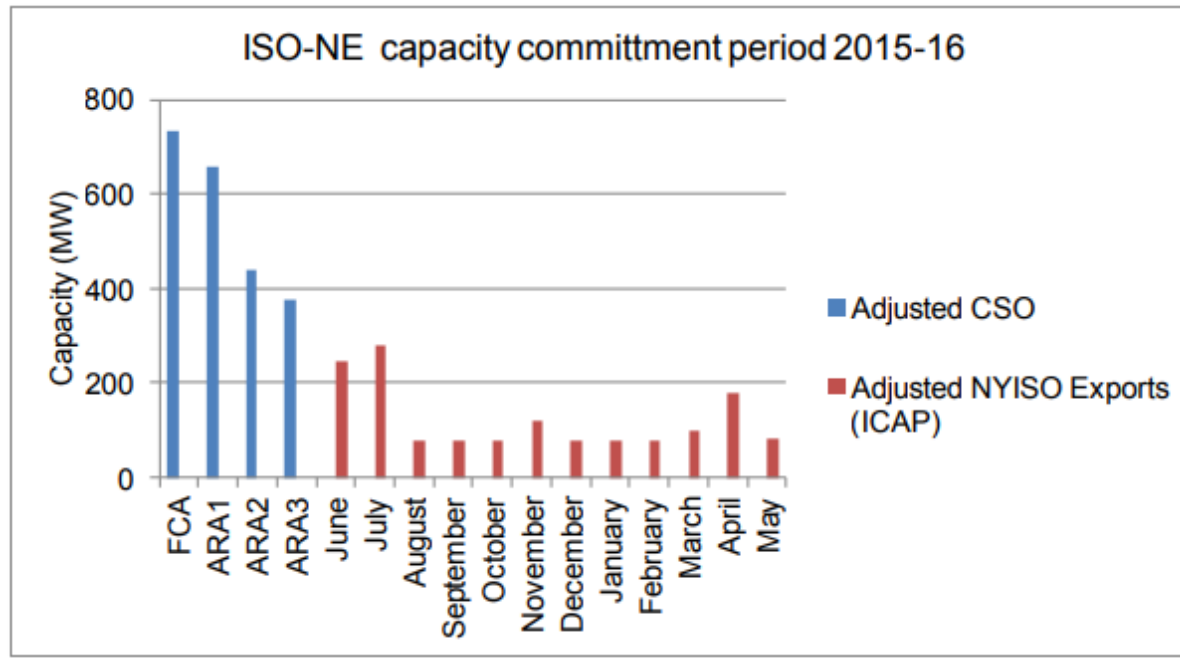
Questions?

Questions or comments can be sent to Nathaniel

Gilbraith: ngilbraith@nyiso.com

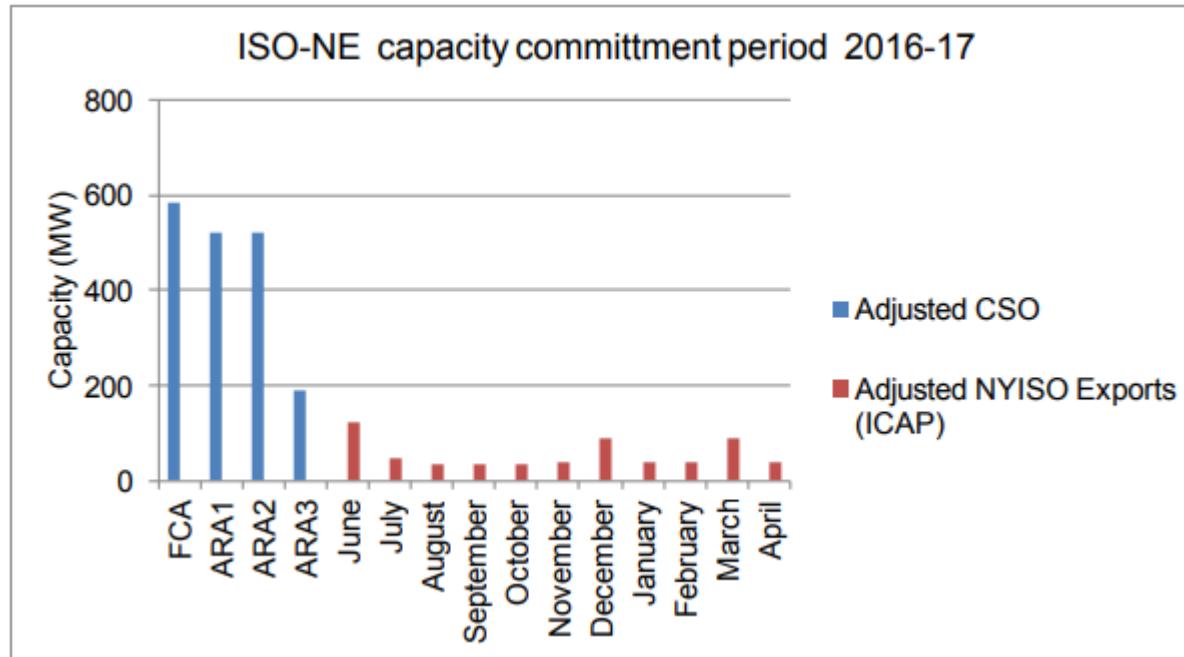
Appendix

Whitepaper results (1)



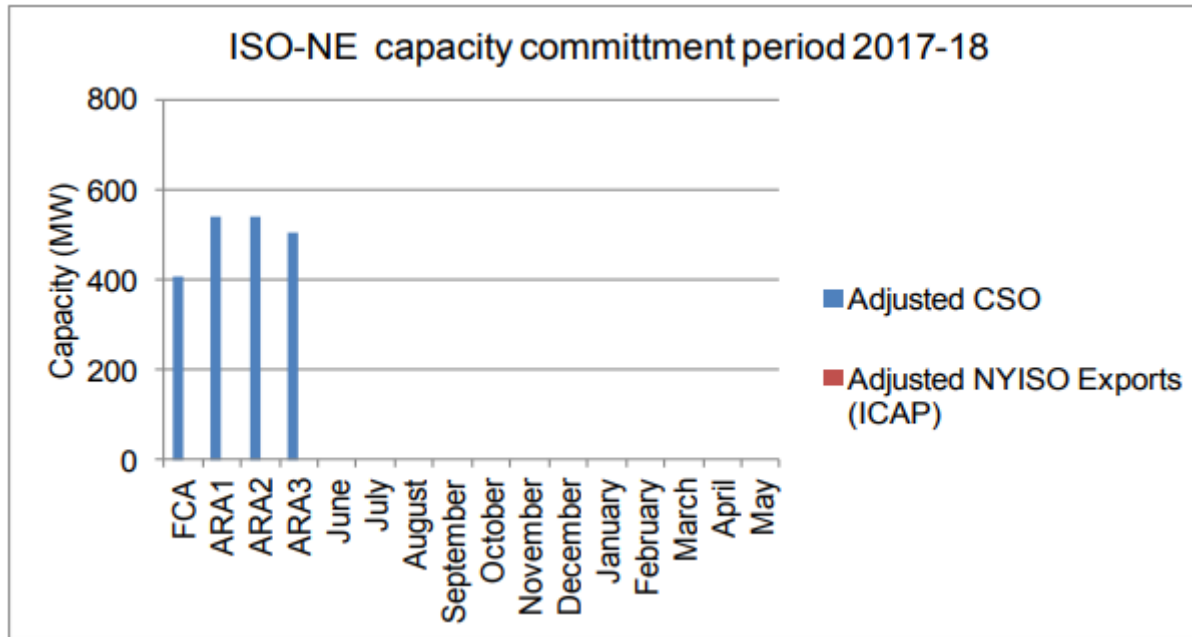
DRAFT – FOR DISCUSSION PURPOSES ONLY

Whitepaper results (2)



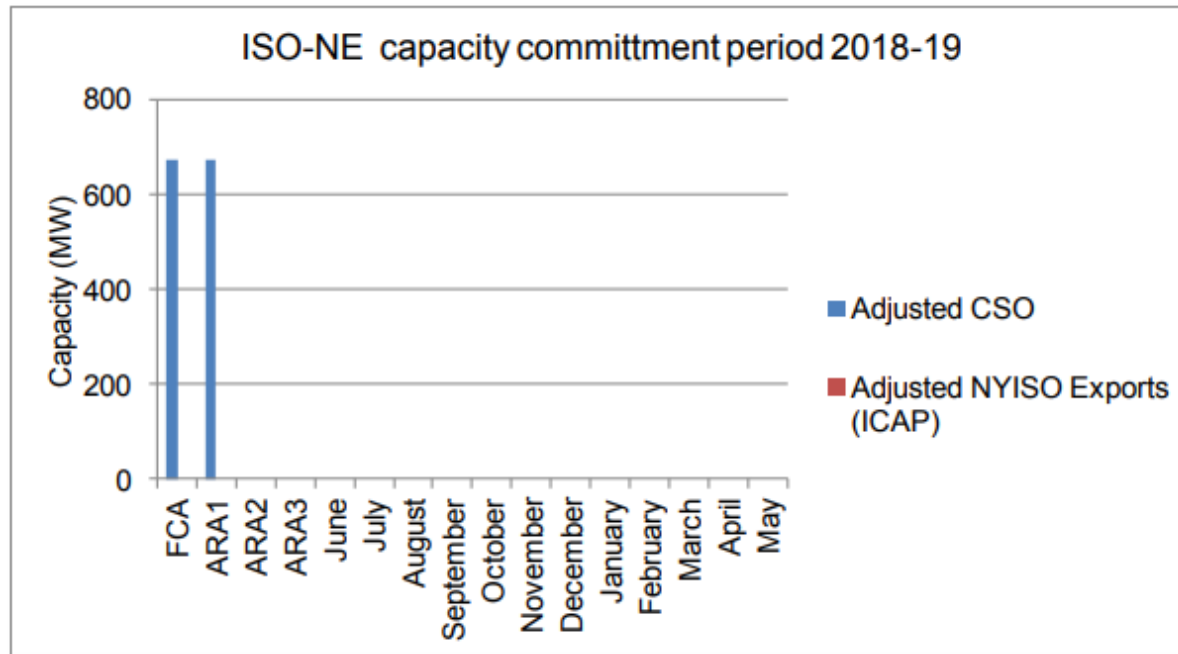
DRAFT – FOR DISCUSSION PURPOSES ONLY

Whitepaper results (3)



DRAFT – FOR DISCUSSION PURPOSES ONLY

Whitepaper results (4)



DRAFT – FOR DISCUSSION PURPOSES ONLY

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