

ICS Report to Executive Committee

March 28th, 2023 ICS Meeting #275

Prepared for: April 7th, 2023 EC Meeting
Prepared by: Brian Shanahan, ICS Chairperson

4.1.1 Preliminary PBC Assumptions Matrix

ICS reviewed preliminary PBC Assumptions Matrix and initial parametric results. Much of the Matrix is yet to be populated. The parametric calculations did not reveal any unexpected results at this point.

4.1.2 Policy 5 Interface Transition Rate Modification Discussion / PSEG/LI Transition Rate Proposal

PSEG/LI opted to not pursue further discussion of this item at this time. NYISO and ICS Consultants position remains that the existing Policy 5 methodology for determining cable (and generator) transition rates should remain as-is.

4.1.3 Policy 5 - IRM/LCR Rounding Issue Discussion

- During the Tan45 process, regression analysis is performed between the IRM and the preliminary LCRs, to select the anchor point of the 45-degree tangent (i.e., the Tan45 point) to establish the IRM. The mathematical process, conducted via MS Excel, yields the precision of 5 decimal point for margin calculation (e.g. IRM of 0.19932 or 19.932%).
- In order to facilitate the implementation in the ICAP Markets, the IRM and LCRs need to be rounded to 3 decimal point or 0.1 percentage point (e.g. IRM of 0.199 or 19.9%).
- Currently, Policy 5 does not provide guidance on a methodology for rounding results during the process of determining the IRM. However, the IRM is rounded in practice to provide needed input for subsequent LCR study and ICAP Market procedures. The precision/methodology is specified for the LCRs in the NYISO's LCR procedure.
- With inputs received from the ICS, the NYISO will work with the NYSRC consultants to draft proposed language updates to Policy 5 at the May ICS meeting.