

# Alternative Methods for Determining LCRs

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**New York State Reliability Council – Installed Capacity Subcommittee**

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# Agenda

- **ICS Submitted Questions**
- **Next Steps**
- **Questions**

# ICS Questions

# Question #1

- Describe the NYISO's proposed methodology for determining optimized LCRs
  - Economic optimization of the LCRs given the NYSRC approved IRM and subject to a reliability constraint of  $LOLE \leq 0.1$  days/year
  - Methodology was discussed with the ICS-NYSRC on Nov. 2, 2016
  - See ICAPWG Presentation for more information on methodology:  
[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2016-11-09/LCR%20presentation%2011%2009%2016%20\\_ICAP.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-11-09/LCR%20presentation%2011%2009%2016%20_ICAP.pdf)

## Question #2

- **What other methods, including non-economic methods, have been explored?**
  - Currently has focused only on economic optimization

# Question #3

- **What is the basis and source of cost assumptions for the NYISO optimized LCR study?**
  - Currently using net CONE curves for each locality
  - Net CONE curves are developed using GE MAPS in a process comparable to that used in the Demand Curve reset
  - Evaluate net EAS at -6%, -3%, +3%, and +6% to develop curve

# Question #4

- Using the NYSRC 2017-2018 IRM Study base case assumptions and IRM (18.1%), compare NYC and LI optimized LCRs with the NYSRC base case LCRs (81.6% for NYC and 103.5% for LI)

Scenario	Zone J LCR (%)	Zone K LCR (%)	G-J LCR (%)
Optimized Base Case (Updated)	77.5	107.0	91.0
Base Case (Current LCR)	81.4	103.2	91.3

- NYISO has conducted the analysis with the NYISO final 2017-2018 Capability Year LCR base case

# Question #5

- For the NYSRC base case vs. the NYISO optimized case in Question #4:
  - Compare the LOLEs for the NYC and LI localities
  - Compare the costs of the NYSRC base case vs. optimized case LCRs. How would these costs change if locality customer interruption costs (cost of unserved energy) were included?
  - Compare the frequency of EOP steps.
  - Compare the amount of emergency assistance for the NYSRC base case vs. optimized case LCRs
- These results are still being developed with GE



# Question #6

- **NYISO staff has stated that a new NYISO LCR methodology may require NYSRC Policy 5 changes. What kind of changes?**
  - No changes to NYSRC Policy 5 will be required since the NYISO's methodology performs an economic optimization of the LCRS while utilizing the NYSRC approved IRM

# Question #7

- **Conduct a sensitivity study that examines how the optimal LCRs would change for reasonable cost and other assumptions changes.**
  - This analysis was presented on May 11<sup>th</sup> at the ICAPWG and is continuing to be evaluated and discussed at future ICAPWGs
  - See following presentation (Slides 27-34):  
[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2017-05-11/ICAPWG\\_5-11-17\\_AlternativeMethodsforLCRs\\_vFinal.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-05-11/ICAPWG_5-11-17_AlternativeMethodsforLCRs_vFinal.pdf)

# Next Steps

# Other Next Steps

- The NYISO will consider input received during today's NYSRC-ICS meeting
- Additional comments sent to [zstines@nyiso.com](mailto:zstines@nyiso.com) will be considered
- The NYISO will return to a future ICS meeting to discuss its progress and adjustments to the plan after considering comments or results

# Questions?

# 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



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