

# Summary and Next Steps

IPSAC Webex  
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# Joint ISO/RTO Planning Committee

- Prepare and post draft NCSP
- Conduct high level production cost studies of the three ISO/RTOs
  - Continue refining IREMM data base and conduct studies
  - Include environmental emission analysis
- Conduct a detailed production cost analysis of the three ISO/RTOs
  - Coordinate a detailed production cost data base and conduct studies using PROMOD, MAPS, or Gridview

# Joint ISO/RTO Planning Committee

- Identify need for strengthening ties and related neighboring interfaces
- Update studies and continue coordinating planning activities
  - Data bases
  - Generation interconnections
  - Transmission improvements
  - Reliability studies
  - Economic studies
- Coordinate on FERC Mandates and Initiatives, including cost allocation of transmission improvements

# FERC Mandates and Initiatives

- Eastern Interconnection Planning Collaborative (EIPC)
  - Formed September 2009
  - Will address Eastern Interconnection-wide (national and international) planning issues
  - Conduct studies
  - Support future DOE study activities
  - Will have an open and transparent stakeholder process
  - Formation of Economic Working Group

# IPSAC

- Tentative Meeting scheduled for ??????
  - Finalize scope of work on Next Steps

# Next Steps to a Final NCSP

- Review stakeholder comments
- Improve, correct or clarify the report.
- Issue the final report in May

# Next Steps

- **FERC has not directed any other ISO/RTO to develop a cross-border cost allocation methodology for either reliability or economic projects**
  - **Docket AD09-8 and FERC's Strategic Plan indicate that FERC continues to be interested in how inter-area cost allocation issues can be addressed**
- **In light of the above, and now that cost allocation has been substantially finalized within their respective regions, NYISO and PJM have agreed to begin discussions regarding cross-border cost allocation following completion of the planning studies discussed earlier today**
- **ISO-NE Status**
  - **To date, a need for Market Efficiency Upgrades has not been identified within the region**
  - **Several interregional Merchant Transmission Upgrades and Elective Upgrades are in various stages of the planning process**
- **The process of cost allocation discussion will be transparent and open to interested parties**

# Next Steps Production Cost Modeling



# Objectives

- Coordinate modeling databases
  - Continued improvement to be completed 2010
- IREMM analysis
  - Compare IREMM and more detailed production cost models by mid-2010
  - Complete IREMM screening analysis during 2010
- Refine modeling approach
  - Northern New Jersey – Southeast New York interface by 2010
- Conduct nodal production cost analysis for future year
  - After completing IREMM analysis

# Validation Metrics Across Production Cost Programs

- Compare metrics on zonal, monthly, on/off peak basis
- ISO/RTO-to-ISO/RTO average interchange values and seasonal patterns
- Average production cost
- Interchange LMP spreads across ISO/RTO boundaries
- Average LMPs
- Interface flow duration curves and congestion hours

# Production Cost Analysis for Future Year

- After satisfactory validation of production cost models
- Updated production cost analysis of combined systems
  - Identify congested elements
  - Identify significant price spreads
  - Extend IREMM analysis of potential inter-ISO/RTO benefits

# Background JIPC Economic Studies

- Year 2013 interregional analysis
  - Conducted by the Joint ISO/RTO Planning Committee (JIPC)
  - Analyzing the effects of increasing the transfer capability between New York and New England
- Identify potential physical barriers to more efficient economic operation of the inter-regional system
- Quantify changes to economic and environmental metrics resulting from relaxing transmission constraints
- First cut analysis is a “high level” model of the three Northeast ISO/RTOs using IREMM
  - PJM
  - NYISO
  - ISO New England

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# Background JIPC Economic Studies

- Not intended to advocate for IREMM over other models, such as PROMOD, GridView, MAPS, etc.
  - Each model has its own place
  - Experience and comfort with an existing model is valuable
- Preliminary economic analyses to be followed by a more detailed analysis
- Transmission planning
  - Identification of conceptual solutions
- Detailed production cost analysis
  - Affirmation of economic analysis results
  - Including effects of conceptual solutions



# Open Discussion