

Rejected De-List Bids

Presented to the Transmission Committee
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Rejected De-List Bids

- The ISO is proposing to add to Attachment K of the OATT, language describing the treatment of de-list bids rejected for reliability
- The regional system planning process is specified in the Tariff, Section II – Open Access Transmission Tariff ([Section II - OATT](#)), Attachment K

NOTE: The following slides present a summarization of the regional system planning process pertinent to this topic. For specific detail please reference the tariff link above.

Regional System Planning Process

- The process is facilitated by the Planning Advisory Committee (PAC) and is open to all stakeholders
 - The ISO and the PAC discuss study proposals, scopes of work, assumptions, draft and final results, and other materials
- Every year an annual Regional System Plan (RSP) is published, summarizing
 - Short- and long-term system plans
 - Results of economic studies
 - Initiatives and other actions the ISO, state officials, regional policymakers, transmission owners, and other NEPOOL participants can take to meet the needs of the system

Regional System Plan - Scope

The Regional System Plan:

- Identifies system reliability and market efficiency needs (Needs Assessment)
- Identifies the requirements and characteristics of resources that may satisfy identified needs
 - To provide stakeholders an opportunity to develop and propose efficient market responses to meet the needs, and
 - Where market responses do not address such needs, identify regulated transmission solutions

Other Planning & RSP Parameters

- The RSP is based on a long-term (5-10 year) planning horizon
- Market responses are evaluated in consultation with the PAC, and may alleviate the need for a particular regulated transmission solution
- The ISO is working with policymakers and stakeholders to improve process to assess impacts from:
 - Impacts from demand response resources and state energy-efficiency programs
 - Ability of non-transmission alternatives to meet system needs

Participants Agreement

Section 8.2.3 Reliability Committee. *“The Reliability Committee shall provide input and advice to ISO and the Participants Committee with respect to the following:*

....

- “(o) Non-Price Retirement Requests submitted by Capacity Resources pursuant to Section 13.1.2.3.1.5 of Section III of the Tariff; and*
- (p) ISO determinations regarding Capacity Resources submitting de-list bids that were determined to be needed for reliability pursuant to Section 13.2.5.2.5 of Section III of the Tariff, initially through review of the annual as-filed Forward Capacity Market auction results report sections regarding such de-list bids and, subsequent to that review and with respect to any particular de-list bid, at a meeting of the Committee upon a request to the Chair by one or more members of the Committee.”*

Planning Procedure No. 10

Section 7.5 Stakeholder Review

7.5.1 De-list Bid Request

“The ISO will provide a summary of accepted de-list bids and the details of rejected de-list bids to the Reliability Committee at their first meeting following the ISO’s auction results filing with FERC. The Reliability Committee shall provide formal input and advice to the ISO with regard to rejected de-list bids after the relevant FCA through an advisory vote. Any member of the Reliability Committee shall provide on-going input and advice to the ISO through comment as appropriate by requesting the Chair of the Committee to include a specific rejected or accepted de-list bid as an item for discussion at a future meeting of the Reliability Committee.”

Planning Procedure No. 10

Section 7.5 Stakeholder Review

7.5.2 Non-Price Retirement Request

- *“Within two weeks after receiving a Non-Price Retirement Request, the ISO will provide written notice to each affected Transmission Owner and the Reliability Committee.”*
- *“The Reliability Committee shall provide formal input and advice to the ISO through an advisory vote regarding the review of Non-Price Retirement Requests prior to the ISO making a formal determination regarding the reliability impacts of a given Non-Price Retirement Request...”*

Market Rule

MR1, Section 13.2.5.2.5.(g) - *In instances where there is the possibility that the reliability need leading to the rejection of a Non-Price Retirement Request, Permanent De-List Bid, Export De-List Bid, Administrative Export De-List Bid, Static De-List Bid, or Dynamic De-List Bid for a Commitment Period may not be resolved before the subsequent Commitment Period, prior to the start of the New Capacity qualification period for the FCA for that subsequent Commitment Period, the ISO shall (i) review the status of the specific reliability need, identify alternatives to resolve that reliability need and the time to implement those solutions with the Reliability Committee and (ii) in instances where it is determined that the reliability need leading to the rejection of a Non-Price Retirement Request or Permanent De-List Bid cannot be resolved before that subsequent Commitment Period, make a FERC filing indicating the need to include the capacity seeking retirement in that FCA.*

Market Rule Interpretation

This section of the market rule requires the ISO, for any type of rejected de-list bid wherein the corresponding reliability need may not be resolved before the subsequent Commitment Period, to do the following before the New Capacity qualification period of the next FCA

- Review the status of the specific reliability need with the Reliability Committee including:
 - Identifying alternatives to resolve that reliability need, and
 - The time to implement those solutions

Market Rule Interpretation - continued

- If the reliability need from a Non-Price Retirement Request or Permanent De-List Bid cannot be resolved before the subsequent Commitment Period, **the ISO will make a FERC filing indicating the need to include the capacity seeking retirement in the FCA**

Problem Areas

- ‘for any type of rejected de-list bid’
- ‘before the New Capacity qualification period of the next FCA’
- ‘Identifying alternatives to resolve that reliability need’
- ‘time to implement those solutions’
- ‘the ISO will make a FERC filing indicating the need to include the capacity seeking retirement in the FCA’

Solution

- Formally include guidelines for studying rejected de-list bids in the regional system planning process, and
- Remove the corresponding section from the market rule

This would formalize and ensure that:

- A reasonable and effective methodology is used to frame the evaluation of the various types of rejected de-list bids
- A solution to the reliability needs from each rejected de-list bid studied would be well considered and transparent to stakeholders (e.g., market responses, other alternatives, and potential synergies with other projects would be considered)

Section 4, Attachment K, OATT

- Section 4 – *Procedures for the Conduct of Needs Assessments, Treatment of Market Responses and Evaluation of Proposed Solutions*
- Subsection 4.1 - *Needs Assessments*
- New subsection C (with current sections moved down – the current subsection C becomes subsection D, etc.)

(c) Conduct of a Needs Assessment for Rejected Non-Price Retirement Requests and De-List Bids

New Section 4.1 (c), Attachment K, OATT

- (i) Where a Needs Assessment is ~~either planned or~~ underway for an area affected by a rejected Permanent De-List Bid or Non-Price Retirement Request, the Needs Assessment will represent the resource with the rejected Permanent De-List Bid as being interconnected, but unavailable for reliability purposes, and the Non-Price Retirement as being retired in the base representation being used to assess the system to identify reliability needs that must be addressed.

New Section 4.1 (c), Attachment K, OATT

- (ii) Where there is not a Needs Assessment underway ~~or planned~~ for an area affected by a rejected Permanent De-List Bid or Non-Price Retirement Request, the ISO will initiate a Needs Assessment for that area.

New Section 4.1 (c), Attachment K, OATT

- (iii) In the case of a rejected Static De-List Bid or Dynamic De-List Bid, the ISO may as warranted, with advisory input from the Reliability Committee, examine the ~~temporary~~ unavailability of the resource(s) with the rejected bid as a sensitivity in a Needs Assessment, or. ~~Where warranted by other factors, which the ISO determines create a likelihood that a resource with a Dynamic De-List or Static De-List may not be able to operate on an extended basis, the ISO may~~ examine the sustained unavailability of the resource(s) ~~with the rejected de-list bid in the base representation in a Needs Assessment being used to assess the system to identify reliability needs that must be addressed.~~ The ISO may as warranted, with advisory input from the Reliability Committee initiate a Needs Assessment for the purpose of modeling the rejected Static De-List Bid or Dynamic De-List Bid where the ISO believes that the initiation of such a study is warranted.

New Section 4.1 (c), Attachment K, OATT

(iv) Prior to the start of each new capacity qualification period the ISO shall present to Reliability Committee the status of any prior rejected de-list bids or Non-Price Retirement Requests being studied in the regional system planning process.

Schedule

- Reliability Committee / Transmission Committee
 - 1st meeting, May 25, 2011
 - 2nd meeting, June 21, 2011
 - 3rd meeting, July 25-27, 2011 & vote
- Markets Committee
 - 1st meeting, August 17-19, 2011
- NEPOOL Participants Committee
 - TBD
- File with Commission
 - TBD

Questions

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