



Interconnection Service Capabilities

Updating the Tariff to incorporate the existing procedures for adjusting Interconnection Service amounts after market retirements

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Proposed Tariff Modifications to Describe Adjustments to Interconnection Service Following Partial Market Exits

Tentative Proposed Effective Date: January 2020

- ISO New England (the ISO) recently developed changes to [Planning Procedure 10](#) (Planning Procedure to Support the Forward Capacity Market - PP10)
 - These were approved at the February 2019 NEPOOL Participants Committee
- These changes included methodologies to update the levels of Interconnection Service for generators (and External Elective Transmission Upgrades) after the clearing of a Retirement De-List Bid, Permanent De-List Bid or substitution auction demand bid in the Forward Capacity Market (FCM)
 - Specifically, these changes were in PP10, Sections 7.7 and 7.8
- The ISO agreed to work with NEPOOL through the stakeholder process to include elements of PP10 in the Tariff



Proposed Tariff Modifications to Describe Adjustments to Interconnection Service Following Partial Market Exits, cont.

Tentative Proposed Effective Date: January 2020

- At the [May 19 Transmission Committee](#) meeting, the ISO described the current rules for Interconnection Service adjustments
- In today's discussion, the ISO will outline the proposed approach to the development of the Tariff provisions
- The tentative proposed effective date of these revisions is January 2020 (once the proposed Tariff revisions become effective following receipt of a FERC order)



UPDATING THE TARIFF

Overview of the planned updates to consolidate and organize the existing provisions of the Open Access Transmission Tariff (OATT), Interconnection Schedules, and PP-10



The existing provisions for establishing and adjusting Interconnection Service are in many locations

- The following Tariff and Planning Procedure provisions all include relevant rules:
 - The definition for Capacity Network Resource Capability (CNRC) and Capacity Network Import Capability (CNIC) contained in Schedules 22 & 23 of the Open Access Transmission Tariff (OATT) and Network Resource Capability (NRC) and Network Import Capability (NIC) contained in Schedule 25 of the OATT
 - The provisions for the establishment of Interconnection Service amounts for existing resources in Section 5.2 of Schedule 22 and Section 1.6 of Schedule 23
 - The Interconnection Service adjustment provisions in Sections 7.7 and 7.8 of PP10 (See Appendix)
- ISO is developing a comprehensive set of Tariff updates to organize and consolidate these provisions into a cohesive structure



Existing Provisions

The Defined terms for CNRC, CNIC, NRC, and NIC

- Are in OATT Schedules 22, 23, and 25 (and attachments)
- Identify the amount of capability that would be established for new facilities that complete the relevant processes
 - Facilities that complete all of the requirements of the Interconnection Procedures achieve NRC or NIC
 - Facilities that also complete all of the associated Forward Capacity Market milestones (including obtaining a Capacity Supply Obligation) achieve CNRC or CNIC
- Reference the provisions to be used to establish the service levels of existing facilities (next slide)
- Identify that service levels are reduced for activities such as terminations, retirements or permanent de-list bids
- Identify the temperature levels at which the service levels are established



Existing Provisions

Service levels for existing facilities

- Are in Section 5.2 of Schedule 22 and Section 1.6 of Schedule 23
- Were approved by FERC in January 2011
- Apply to resources that were “existing” in the fourth Forward Capacity Auction
- Identify the documents that should be used to establish the Interconnection Service amounts for existing facilities
- Identify the appropriate hierarchy to be used in the case where more than one of the relevant documents are available



Existing Provisions

Service level adjustment rules for market retirements

- Are in Sections 7.7 and 7.8 of PP10
- Identify that Interconnection Service is fully removed in the case where all of the qualified capacity is removed by the clearing of a retirement bid or permanent de-list or SA demand bid
- Provide formulas to identify the methodology for reducing the Interconnection Service amounts when a partial market exit occurs



ISO Proposal – New OATT Section

- A new section in the OATT will be proposed to capture the necessary components associated with the establishment and removal of Interconnection Service amounts
 - Establishment for new and existing resources
 - Relinquishment for market exists
- A comprehensive Tariff organization effort is necessary to create an appropriate location to move the PP10 language regarding relinquishment of Interconnection Service



Associated Tariff and Planning Procedure Changes

- Schedules 22, 23 and 25 will be updated to reflect the removal of language that will be placed in the new OATT section
- PP10 will also be updated to reflect the language removal
 - Will be discussed with the Reliability Committee



WINTER CAPABILITY ADJUSTMENTS



Winter Capability Adjustments

- During the previous discussions, stakeholders identified that there may be circumstances where the winter capability of their generating facilities after a partial market exit may not be correctly calculated by the formulas currently contained in PP10
- The ISO will provide a response to this issue as part of this effort



Conclusion

- The ISO will propose a new Interconnection Service Capabilities section of the OATT to capture the rules associated with the establishment and relinquishment of Interconnection Service amounts
- The ISO plans to present the proposed Tariff revisions at the August 21, 2019 Transmission Committee meeting
- The tentative proposed effective date of these revisions is January 2020



Tentative Stakeholder Schedule

Stakeholder Committee and Date	Scheduled Project Milestone
<u>Transmission Committee</u> May 16, 2019	Review the effect of new entry and retirements on the level of Interconnection Service
Reliability & Transmission Committee July 16-17, 2019	Discussion of proposed framework
Reliability Committee August 20, 2019	Discussion of proposed PP10 revisions
Transmission Committee August 21, 2019	Discussion of proposed Tariff revisions
Transmission Committee September 17, 2019	Further discussion of proposed Tariff revisions
Reliability Committee September 25, 2019	Further discussion of proposed PP10 revisions
Transmission Committee October 10, 2019	Vote on proposed Tariff revisions
Reliability Committee October 23, 2019	Vote on proposed PP10 revisions
Participants Committee November 1, 2019	Vote on proposed Tariff revisions

[illegible]

PARTIAL AND FULL RETIREMENTS, PERMANENT DE-LIST BIDS AND SUBSTITUTION AUCTION DEMAND BIDS

Current PP-10 Language



PP10, Section 7.7

- When a partial Retirement De-list Bid, partial Permanent De-list Bid or partial Substitution Auction (SA) demand bid clears in a Forward Capacity Auction or when a full Retirement De-list Bid, full Permanent De-list Bid or full SA demand bid only clears a portion of the bid in a Forward Capacity Auction, the resource's Capacity Network Resource Capability or Capacity Network Import Capability shall be adjusted to account for the amount of the Qualified Capacity reduction resulting from the cleared bid, as further described below...



PP10, Section 7.7, continued

(capacity interconnection service level adjustments)

- The Summer Capacity Network Resource Capability (SCNRC) or Summer Capacity Network Import Capability (SCNIC) shall be adjusted using the following formula:
 - $SCNRC \text{ (or SCNIC) MW Post-reduction} = \text{Summer Qualified Capacity MW Pre-reduction} - \text{Reduction MW}$
- The Winter Capacity Network Resource Capability (WCNRC) or Winter Capacity Network Import Capability (WCNIC) shall be adjusted using the following formula:
 - $WCNRC \text{ (or WCNIC) MW Post-reduction} = SCNRC \text{ (or SCNIC) MW Post-reduction} \times (\text{Winter Qualified Capacity MW Pre-reduction} / \text{Summer Qualified Capacity MW Pre-reduction})$
- To adjust the WCNIC for an External ETU, the total of the winter and summer Qualified Capacity values for all Import Capacity Resources associated with the External ETU are applied for the calculation specified above



PP10, Section 7.7, continued (the full De-List outcome)

- When all price-quantity pairs of a full Retirement De-List Bid, full Permanent De-List Bid or full SA demand bid clears in a Forward Capacity Auction, the Summer and Winter Capacity Network Resource Capability or Summer and Winter Capacity Network Import Capability shall be removed in its entirety from the resource



PP10, Section 7.8

- When a partial Retirement De-List Bid or partial SA demand bid clears in a Forward Capacity Auction or when a full Retirement De-List Bid or full SA demand bid only clears a portion of the bid in a Forward Capacity Auction, the resource's Network Resource Capability or Network Import Capability shall be adjusted to account for the amount of the Qualified Capacity reduction resulting from the cleared bid, as further described below....



PP10, Section 7.8, continued

(energy interconnection service level adjustments)

- The Summer Network Resource Capability (SNRC) or Summer Network Import Capability (SNIC) shall be adjusted using the following formula:
 - $SNRC \text{ (or SNIC) MW Post-reduction} = SCNRC \text{ (or SCNIC) MW Post-reduction} \times (SNRC \text{ (or SNIC) MW Pre-reduction} / SCNRC \text{ (or SCNIC) MW Pre-reduction})$
- The post-reduction value of SCNRC or SCNIC applied in the above formula shall be the value calculated in accordance with Section 7.7 of the Planning Procedure
- The Winter Network Resource Capability (WNRC) or Winter Network Import Capability (WNIC) shall be adjusted using the following formula:
 - $WNRC \text{ (or WNIC) MW Post-reduction} = SNRC \text{ (or SNIC) MW Post-reduction} \times (WNRC \text{ (or WNIC) MW Pre-reduction} / SNRC \text{ (or SNIC) MW Pre-reduction})$



PP10, Section 7.8, continued (the full De-List outcome)

- When all price-quantity pairs of a full Retirement De-List Bid or full SA demand bid clears in a Forward Capacity Auction, the Summer and Winter Network Resource Capability or Summer and Winter Network Import Capability shall be removed in entirety from the resource

