



# Transmission service and market scheduling priorities discussion

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## Initiative background

- The *Transmission Service & Market Scheduling Priorities* initiative seeks to develop a durable design for establishing market scheduling priority associated with wheels through the ISO system
- Current *interim* design establishing wheeling through scheduling priority expires ahead of Summer 2024
- Wheels through the ISO system can establish scheduling priority equal to load by meeting the following requirements at least 45 days ahead of the month for which are seeking priority:
  - Firm power supply contract to serve external load; and
  - Firm transmission to the ISO border, for the month
- To the extent criteria above is not met, wheels through the ISO system have a low scheduling priority

## Overview of proposed design

- ISO will calculation of Available Transfer Capability (ATC) on the interties which can be reserved in advance to establish wheeling through scheduling priority
  - ATC calculation across 13-month horizon and daily (7-day) horizon
- Calculation of ATC requires set-aside of transmission capacity at interties for native load needs
- Ability to reserve ATC in advance by demonstrating firm power supply contract is in place
  - Ability to compete for limited ATC based on duration of underlying supply contract

# Overview of proposed design

- Introduction of process to study requests to establish wheeling through scheduling priority for a year or longer and ability to pursue transmission upgrades
  - Leveraging existing study processes (i.e., GIDAP)
- Transmission charge for wheeling through scheduling priority is based upon the underlying duration of the supply contract for which ATC was reserved
  - A wheeling through customer pays for transmission (WAC) whether or not the reserved prioritization is exercised
  - For example, a wheel through supported by a 6x16 contract would pay the WAC for that horizon (full month) whether or not the transaction was scheduled

# ATC Methodology – calculating existing commitments

$$ATC = TTC - ETC - TRM - CBM$$

- Existing transmission commitments (ETC) represented by set asides of transmission capacity for:
  - Existing transmission contracts (legacy);
  - Reservations of ATC (as part of this future process); and
  - Forecasted native load needs, including load growth
- For the ISO, existing contracts are represented by “ETCs/TORs” that may exist across different interties
- Native load needs are an estimation or forecast of transmission set aside to serve native load
  - Reasonable estimation, not tying up transmission capacity

# Calculating native load needs

- Proposed methodology for deriving native load needs at the ISO interties is based upon:
  - Resource adequacy (RA) shown imports at individual interties – “higher of” showings for the month being calculated over the previous two years; and
  - Non-RA shown contracted imports at individual interties – “higher of” showing for the month being calculated over the previous two years.
    - Requires LSEs to share information on contracted imports not shown on RA plans
- For example, if deriving native load needs for September 2023 consider RA showings and non-RA contracted import volumes from September 2022 and 2021 (higher of)
- At T-30 timeframe, once current final RA plans are submitted, “true up” set aside for native load with contracted import supply
  - Includes shown non-RA contracted import supply

# Accounting for load growth and uncertainty

- Methodology sets aside transmission capacity for native load growth
  - Based on load growth year over year, CEC load forecast
  - Attributing portion of that load growth as served by imports
  - Derive ratio of RA imports shown to total RA shown
    - Example: if RA imports are 10% of total RA shown, then 10% of load growth attributed to being served by imports
- Accounting for a level of uncertainty through the Transmission Reliability Margin (TRM) set aside of transmission capacity
  - Up to 6% of TTC set aside at interties to account for uncertainty related to:
    - Transmission system topology (outage risk)
    - Variations in generation dispatch
    - Aggregate load forecast

# Accessing ATC to establish scheduling priority

- In accessing ATC, retention of contractual requirement to establish wheeling through scheduling priority
  - Executed firm power supply contract or contract where execution contingent on establishing priority
- Introduction of reservation windows and competition for limited ATC
  - Monthly horizon: two week window each month where requests for ATC are received
  - Daily horizon: five hour period each day where requests for ATC are received
- Requests within the windows may compete for limited ATC based upon duration of the underlying supply contract
- Once ATC is granted coming out of the window, wheeling through customer has certainty that they have the ATC and wheeling through priority (cannot be outcompeted later)



## Other design elements

- Study and System Expansion Process
  - Wheeling through customers can submit requests to establish priority for a year or longer (long-term)
  - Leveraging current deliverability study process to study requests for deliverability with other like requests in an annual cluster study
  - Ability to pursue and fund transmission upgrades
- Transmission charges for wheeling through priority
  - Based upon underlying duration of supply contract supporting wheeling through priority
  - ATC reserved for a month, based on a 6x16 supply contract, pays transmission 6x16 (whether or not scheduled)