

Proposed changes to Monthly Regional Network Load calculation

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Introduction

- Why are we here?
 - TO's responding to the Internal Market Monitor's spring 2020 Quarterly Markets Report: Transmission Cost Allocation Issues for Behind-the-Meter Generation (Markets Committee, August 13, 2020)*
- Why is it an issue?
 - Affects cost allocation for transmission.
 - Inconsistent interpretation of tariff language

*IMM Quarterly Markets Report: <https://www.iso-ne.com/staticassets/documents/2020/07/2020-spring-quarterly-markets-report.pdf>

Changes from previous proposal

Background

- Regional Network Load (RNL) defined in Section I of the Tariff
- Monthly Regional Network Load (Monthly RNL) defined in Section II.21.2 of the Tariff
- Monthly RNL used to calculate RNS payments in Section II.21.1

Change from previous proposal to focus on definition of Monthly RNL

- Add additional specificity to definition of Monthly RNL rather than definition of RNL
- Eliminate “behind-the-meter” term from definition of RNL
 - Eliminates need for a new defined term
 - Avoids potential conflicts with usage of “behind-the-meter” elsewhere in tariff
- Better aligns RNL definition to FERC *pro forma* OATT language

No change to substance of prior proposal

Proposed tariff changes to RNL

Section I General Terms and Conditions

Regional Network Load is the load that a Network Customer designates for Regional Network Service under Part II.B of the OATT. The Network Customer's Regional Network Load shall include all load designated by the Network Customer (including losses). ~~and shall not be credited or reduced for any behind the meter generation.~~ A Network Customer may elect to designate less than its total load as Regional Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Transmission Customer has elected not to designate a particular load at discrete Points of Delivery as Regional Network Load, the Transmission Customer is responsible for making separate arrangements under Part II.C of the OATT for any Point-To-Point Service that may be necessary for such non-designated load. **A Network Customer's Monthly Regional Network Load shall be calculated in accordance with Section II.21.2 of the OATT.**

Tariff language to Monthly RNL

- **II.21.2 Determination of Network Customer's Monthly Regional Network Load:** Network Customer's "Monthly Regional Network Load" is its hourly load (including its designated Regional Network Load not physically interconnected with the PTF under Section II.18.3 of this OATT) coincident with the coincident aggregate load of all Network Customers served in each Local Network in the hour in which the coincident load is at its maximum for the month ("Monthly Peak"). **Network Customer's Monthly Regional Network Load shall exclude (i) load offset by any resource that is not a Generator Asset, and (ii) load offset by the portion of the output of a Generator Asset that serves load located behind the same retail customer meter as the Generator Asset.** For Regional Network Load located within the New England Control Area, the Monthly Regional Network Load of all Network Customers within a Local Network shall be calculated by the associated PTO. For Regional Network Load located outside of the New England Control Area, the Monthly Regional Network Load of all Network Customers shall be calculated by the associated PTO (in consultation with the ISO and the associated Balancing Authority).

Generator Asset is a device (or a collection of devices) that is capable of injecting real power onto the grid that has been registered as a Generator Asset in accordance with the Asset Registration Process.

History

- When *pro forma* was written, resource mix was different
- We now have:
 - More customer-owned small-scale generation, especially renewables
 - More focus on state energy policies

TO Proposal More Closely Aligns Monthly RNL with other load calculations

- Same loads will be used to calculate Monthly RNL and energy market settlement
- Monthly RNL will more closely align with load used for FCM cost allocation
- Monthly RNL will more closely align with transmission system planning models
 - Transmission system planning models currently include reductions for energy efficiency and PV

TO Proposal Minimizes Impact to Existing and Future Resources

Existing resources

- No additional metering required for existing resources
- No impact to energy efficiency or demand response resources

Anticipated treatment of distributed energy resource aggregations (DERAs) under FERC Order No. 2222

- Energy market load is calculated from positive net output from registered generation and tie line flows
- DERA with positive net output is akin to a registered generator with positive net output, receives payment from energy market, and would contribute to load calculation
- DERA positive net output will be included in the Monthly RNL calculation
- Load reductions included in a DERA load asset would continue to reduce Monthly RNL, as they do today

Schedule

- Nov 17: PTO-AC discussion
- Dec 10:
 - Introductory discussion at Transmission Committee
- Jan:
 - Introductory discussion at Markets Committee
 - 1/26: Follow-up discussion at TC
- Feb:
 - Feedback from TC
 - Revised proposal at MC
- Mar 23: Revised proposal at TC
- April 6&27:
 - 4/6 Discussion at MC
 - 4/9 Vote at PTO-AC
 - 4/27 Vote at TC
- May 11: Vote at MC
- June:
 - 6/3 Vote at NPC
 - File at FERC
- August: Effective date

Questions/Comments

