Open Transmission Access: Scope, Dimensions, and Meaning

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Open Access: Minimal and Full Points of View

Minimal Access View:
- Permits All Physically Interconnected Generators and Buyers to do Transactions

Full Access View:
- Enables Market Based Opportunities and Flexibility for Generators
Common Characteristics of Minimal and Full Open Access

- Independent System Operator
- Transparent Operating Protocols
- Centralized System Planning
- Non Economic Security Constraints
- Opportunity for Non-Traditional Investment in Grid
Characteristics of Minimal Open Access

- Administrative Management of Congestion/Redischpash
- Administrative Management of Ancillary Services
- Top Down Planning Model
- Socialized (Partial or Total) Transmission Costs
- Base Rates (Various Formulations)
- Contract Model
- Emphasizes Price at Bus Bar
Characteristics of Full Open Access

- Locational Marginal Cost Pricing
- Congestion Pricing/Financial Transmission Rights
- Re-dispatch for Security Only
- Competitive Ancillary Services Market
- Base Rates (Various Formulations) Plus Congestion Rents
- Pool Model
- Participatory Planning Model
- Facilitates Demand Response Market
- Emphasizes Price at Delivery Point
General Conclusions on Minimal vs. Full Open Access

- Both Enable Competition, but Full OA Enables More Robust and Varied Market
- Full OA Produces More Sophisticated Price Signals and Incentives
  - Location Specific
  - Siting Incentives
  - Provide Economic Signals for Optimizing System Enhancements
General Conclusions on Minimal vs. Full Open Access (Cont.)

- Full OA Provides More Business Opportunities for Generators
  - Ancillary Services
  - Trading FTRs
  - Swaps, Buy/Sell, Trading
- Full OA Provides More Opportunities for Buyers
  - Demand Response
  - Local Generation (e.g. Economic DG)
- Full OA is Less Dependent on Administrative Intervention in Market