

NYISO Consumer Interest Liaison Weekly Summary

August 10 – August 14, 2020

Notices:

- The NYISO now has a [web posting](#) that provides historical data representing the sum of 6-second regulation movement MW in real-time, aggregated at 5-min intervals. The data is representative of regulation movement MW for the years 2017, 2018 and 2019
- The **monthly Generator Status Update document** has been posted on the NYISO's website. The posting is located in the Generator Status Update folder under the Planning Documents & Resources section at the following link: [Generator Status Update](#)
- The NYISO has [posted](#) an announcement regarding updates to the securing of certain facilities starting with the September 2020 Balance-of-Period Auction. This posting can be found on the NYISO website under Markets > [Transmission Congestion Contracts](#) > Information and Announcements > 2020.

Meeting Summaries:

Monday, August 10, 2020

Joint Installed Capacity/Market Issues/Price Responsive Load Working Group

NYISO 2019/2020 ICAP Demand Curve Reset: Updates for Initial Final Report

Paul Hibbard and Todd Schatzki of The Analysis Group and Kieran McInerney of Burns & McDonnell (B&M) presented updates to the NYISO 2019/2020 ICAP Demand Curve Reset (DCR) Report. Mr. Hibbard opened the presentation and noted that only changes from the preliminary report would be discussed.

Mr. McInerney presented updates to the Gross Cost of New Entry (CONE) cost inputs. In response to stakeholder input, B&M revised costs on the following factors:

- *Gas Interconnection*
 - *Increased equally for all zones with the exception of NYC (Zone J)*
- *Raw Water Cost*
 - *Increased*

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- *Cost per Start*
 - *Increased*
- *Land Lease Costs*
 - *Increased*
- *PILOT Rate*
 - *Set the PILOT Rate to .05%*

Stakeholders requested additional data on the increases to the gas interconnection and land lease costs for further review.

Mr. Schatzki continued the presentation with a discussion on the Day-Ahead Reserve Position costs. In consideration of feedback from the NYISO Market Monitoring Unit, Potomac Economics, AG has updated its initial recommendation to a Day-Ahead reserve opportunity cost of \$2.00/MWh for dual fuel peaking plants. This is the only change to the Energy and Ancillary Services cost for the DCR. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/14404876/Presentation%20Analysis%20Group%20Interim%20Final%20Demand%20Curve%20Reset%20Report.pdf/1c3584df-7157-32d3-f250-30bb25aa9f99>

2021-2025 ICAP Demand Curve Reset: NYISO Staff Draft Recommendations

Zachary T. Smith of the NYISO presented the draft staff recommendations to the 2021-2025 ICAP Demand Curve Reset. Analysis Group (AG), together with its subcontracted engineering consulting firm Burns & McDonnell (Burns), were selected to serve as the independent consultant (Consultant) for this reset.

In general, the NYISO concurs with all of the Consultant's recommendations. The NYISO is continuing to evaluate certain recommendations, such as the maximum clearing price and the Level of Excess Adjustment Factors (LOE-AF).

Mr. Smith explained that the NYISO is further examining the methodologies for translating annual values into monthly values for the maximum clearing price. The NYISO is considering whether to better align the methodology by applying a translation factor as part of determining the monthly value for gross CONE used to determine the maximum clearing price values.

Mr. Smith next explained that the NYISO believes that developing LOE-AFs accounting for potential Peaker Rule retirements to apply to all years covered by the DCR (2021-2022 Capability Year through the 2024-2025 Capability Year) does not fairly reflect the expected system that will be reflected in the historic data periods used for determining net EAS revenue offset estimates for this period.

Written feedback is encouraged through August 24, 2020 for consideration in the Final Recommendations, currently scheduled for September 9, 2020.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/14404876/2019-2020%20NYISO%20Staff%20Draft%20Recommendations%2008102020%20ICAPWG%20Final.pdf/17113790-92b9-f12f-1711-d171f889b166>

Ancillary Services Shortage Pricing

Pallavi Jain of the NYISO provided an update on the analysis performed on the Ancillary Services Shortage pricing project.

Ms. Jain explained that the NYISO evaluated RTC re-run cases with different demand curve values to determine a pricing level at which re-dispatch occurs to help reduce or fully resolve historically observed shortages. The analysis indicates that a shortage price of \$40/MWh facilitates re-dispatch to resolve or minimize otherwise observed shortages for various products and locations that currently

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utilize a \$25/MWh shortage pricing value. The NYISO also evaluated whether increasing the \$25/MWh shortage price value to \$40/MWh would present any market power/mitigation concerns for any of the applicable reserve regions and/or products and identified potential concerns for NYC and LI due to limited number of eligible suppliers in these reserve regions. The NYISO proposes to increase the current \$25/MWh value to \$40/MWh for all applicable products and reserve regions other than NYC and LI.

Ms. Jain next led a review of the pending enhancements to Scarcity Pricing. With consideration of input provided by Transmission Owners, the NYISO proposes to align the treatment of the applicable Scarcity Reserve Requirement within the MW quantities assigned to the “steps” of the NYCA 30-minute reserve demand curve during all SCR/EDRP activations (statewide and for reserve regions). The NYISO will discuss procuring additional reserves for system uncertainty within the scope of this project. Procuring additional reserves beyond minimum requirements should be considered along with the potential adjustments to the existing reserve demand curves. Procuring additional reserves has also been identified as potential solution to address a number of reliability gaps in the Grid in Transition whitepaper. Ms. Jain provided examples of uncertainty products used in other ISO/RTOs for reference. The NYISO does not propose to add any additional reserve requirements at this time, but instead provides a methodology/procedure for increasing these requirements when warranted in the future.

In reference to the NYISO increasing the amount of reserves procured, Ms. Jain noted that the NYISO is continuing to evaluate the appropriate shortage pricing values to support procurement of the additional reserves, as well as conversion of such reserves to energy when required to meet system needs. Stakeholders requested that the NYISO continue to consider the consumer cost impact of the combined product enhancements.

Tariq Niazi of the NYISO responded to the stakeholder request noting that analysis for the Consumer Impact Analysis of the Ancillary Services Shortage Pricing is currently underway and is expected to be included in a late August or early September 2020 ICAP working group. The analysis will review historic data and present a range of values for additional reserves along with reflecting the \$40/MWh price increase.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/14404876/Ancillary%20Services%20Shortage%20Pricing_08102020_MIWG_final.pdf/8e436ea5-8061-8dc6-f0dd-b27d14acc7bc

Hybrid Storage: Market Design for Co-located Storage Resources

Kanchan Upadhyay and Amanda Myott of the NYISO presented updates to the market design rules for Co-located Storage Resources (CSRs). Ms. Upadhyay began the presentation with a review of the market design and provided links to past presentations for stakeholder reference.

Ms. Upadhyay provided updates to the CSR option and noted that only the ESR unit will be eligible to provide Reserves and Regulation. Voltage Support Service eligibility for CSRs to provide was also discussed.

Ms. Upadhyay next explained the Energy market scheduling rules for CSRs, noting that when the total CSR schedules are near its injection limit, the solar or wind IPR unit shall not exceed its real-time dispatch schedule. The “Do Not Exceed” limit on the Intermittent Power Resource (IPR) was discussed with stakeholders. Stakeholders requested additional information on how the percentage of the total CSR injection limit for setting up the “Do Not Exceed” limit on the IPR will be determined. Metering requirements were presented. A CSR will be required to have a dual channel Revenue Grade Meter (AC) at the Point of Interconnection. 6-second telemetered data from the ESR and IPR

units will be required. Examples were provided to illustrate the allocation of Energy injections and Energy withdrawals to ESR and IPR units.

The settlement rules for ESR and IPR units are proposed to be same as those applicable to standalone ESR and IPR units, with some exceptions noted.

Ms. Myott continued the presentation with an update on the ICAP mitigation measures for CSRs. NYISO is not proposing changes to the existing Capacity Market mitigation rules. Each co-located unit that comprises a CSR in a Mitigated Capacity Zone would be subject to all existing rules.

In response to a stakeholder question, Ms. Myott explained that deployment requirements for the Option 1 configuration will not slow the development of Options 2 and 3, as different resources will be used for both.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/14404876/Hybrid%20Storage%20ICAPWG%20MIWG%20081020%20final.pdf/f414f66a-eee0-3a3c-393d-6b075fe5a1ba>

Methodology for the Hybrid Storage Resource Consumer Impact Analysis

Tariq Niazi of the NYISO presented the methodology that will be employed in the Hybrid Storage Resource (HSR) and Co-located Storage Resource (CSR) Consumer Impact Analysis. Mr. Niazi began with a review of the HSR participation model for stakeholder reference.

A range of additional MWs will be used in the analysis as there are no firm estimates of how many HSRs will be developed. The values of 100 MW, 250 MW and 500 MW were selected as representative amounts of the resources for analysis. Each MW value will have a distinct price adder. The analysis will use a 4-hour duration resource with injections during the summer and winter peak hours. A constant resource availability factor of 20%, 50%, or 80% will then be applied to provide the estimated consumer impact range.

The distribution of HSR development will be 90% Zone J (NYC) and 10% of resources upstate. A default capacity factor based on the ICAP Manual will be applied to the resources. Sensitivities will model CSRs and HSRs having a 0%, 25%, and 50% impact on capacity requirements.

Short term and long term impacts were defined for stakeholders.

A stakeholder suggested that avoidance of renewable resource curtailments should be considered as a factor in the impact analysis. Mr. Niazi noted the suggestion for further evaluation.

As in all Consumer Impact Analyses, the impacts on system reliability, transparency and the environment will be evaluated and presented.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/14404876/CIA%20-%20Methodology%20for%20Hybrid%20Storage%20Participation%20Model_Final%20Draft.pdf/828a1928-6925-ce1e-73ee-68b03dd08831

Wednesday, August 12, 2020

Business Issues Committee

Motion #1:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s Market Administration and Control Area Services Tariff related to the “Reserves for Resource Flexibility” proposal, as more fully described in the presentation titled “Reserves for Resource Flexibility” made to the BIC on August 12, 2020.

Motion passed unanimously.

Motion #2:

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The Business Issues Committee (“BIC”) hereby approves revisions to the Ancillary Services, Day-Ahead Scheduling, and Transmission and Dispatch Operations Manuals regarding Energy Storage Resources as described in the presentation made to the BIC on August 12, 2020. The revisions will become effective on the effective date of the tariff revisions accepted by the Federal Energy Regulatory Commission in Docket No. ER19-467-000, et al.

Motion passed unanimously with abstentions.

Thursday, August 13, 2020

Operating Committee

Motion #1:

The Operating Committee (“OC”) hereby approves the meeting minutes from June and July 2020.

The motion passed unanimously by show of hands.

Motion #2:

The Operating Committee (“OC”) hereby approves the proposed modifications to the Second Contingency Operation for the Con Edison system as discussed at the August 6, 2020 System Operations Advisory Subcommittee meeting and presented at the August 13, 2020 Operating Committee meeting.

The motion passed unanimously by show of hands.

Motion #3:

The Operating Committee (OC) hereby approves the revisions to the Emergency Operations Manual as presented and discussed at the August 13, 2020 OC meeting to become effective October 29, 2020.

The motion passed unanimously by show of hands.

Motion #4:

The Operating Committee (“OC”) hereby approves revisions to the Ancillary Services, DayAhead Scheduling, and Transmission and Dispatch Operations Manuals regarding Energy Storage Resources as described in the presentation made to the OC on August 13, 2020. The revisions will become effective on the effective date of the tariff revisions accepted by the Federal Energy Regulatory Commission in Docket No. ER19-467-000, et al.

The motion passed unanimously by show of hands.

Motion #5:

The Operating Committee (OC) recommends that the Management Committee approve the proposed tariff revisions regarding a Class Year Regulatory Milestone as presented and discussed at the August 13, 2020 OC meeting.

The motion passed unanimously by show of hands with an abstention.

Motion #6a:

The Operating Committee (OC) hereby approves the Q#717 Morris Ridge Solar Interconnection System Reliability Impact Study report as presented and discussed at the August 13, 2020 OC meeting.

The motion passed unanimously by show of hands.

Motion #6b:

The Operating Committee (OC) hereby approves the Q#777 White Creek Solar Interconnection System Reliability Impact Study report as presented and discussed at the August 13, 2020 OC meeting.

The motion passed unanimously by show of hands.

Motion #6c:

The Operating Committee (OC) hereby approves the Q#822 Narrows BES Interconnection System Reliability Impact Study report as presented and discussed at the August 13, 2020 OC meeting.

The motion passed unanimously by show of hands.

FERC Filings

August 14, 2020

Joint Filing of an Executed Large Generator Interconnection Agreement Among the New York Independent System Operator, Inc., New York State Electric & Gas Corporation, and Eight Point Wind, LLC., SA. No. 2452.

August 14, 2020

NYISO answer to TDI's limited protest of proposed enhancements to the Part A Exemption Test under the BSM Rules

August 13, 2020

NYISO filing of compliance re: the MMU Involvement under NYISO's Buyer Side Mitigation (BSM) renewable Exemption directed by Commission July 17, 2020.

August 12, 2020

NYISO compliance filing establishing an effective date for Energy Storage Resource Participation Model under Docket Nos. ER19-467-000, et al.

August 12, 2020

In compliance with June 17, 2020 order, NYISO provides an expected effective date of August 26, 2020, for tariff amendments related to its Energy Storage Resource participation mode

August 12, 2020

NYISO filing in compliance with August 6, 2020 order, NYISO provides an expected effective date of August 26, 2020, for tariff amendments related to its Energy Storage Resource participation mode

FERC Orders

There were no FERC Orders issued to the NYISO for this week.

Filings and Orders:

http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp