

NYISO Consumer Interest Liaison Weekly Summary

August 24 – August 28, 2020

Notices:

- *The NYISO has posted comments from stakeholders on the NYISO Staff's Draft DCR Recommendations to the [Installed Capacity Market](#) page of the NYISO's website. Comments can be found under Installed Capacity Data/Reference Documents/2021-2025 Demand Curve Reset/Stakeholder Comments/NYISO Staff's Draft Report.*
- *We are pleased to announce that the NYISO's Market Training team is offering an online-narrated presentation to detail the implementation of the Energy Storage Resources Participation Model, deployed on August 26th, 2020. The topics being covered in this presentation include some background information leading up to this model's implementation, key information surrounding participation requirements for ESRs in the energy, ancillary services, and installed capacity markets, and important ESR mitigation measures. The presentation also identifies several additional resource documents that provide more granular details associated with the ESR Participation Model. This e-learning module training will be beneficial for all MPs who would like to understand how Energy Storage Resources can participate in the Energy, Ancillary Services and Capacity markets of the NYISO.*
- *On August 24, 2020 the ISO/RTO Council ("IRC") filed comments and answer to the United States Department of Energy's Notice of Request for Information ("RFI") published in the Federal Register on July 8, 2020 re: the supply chain for components of the bulk-power system. View a copy of the filing at https://go.pardot.com/e/302901/regulatory-resources/k57p3/206719340?h=H6gNRg87XAIi2EP65JaVdBOAUb8re99qUUigpN5_M-Y or [here](#)*

Meeting Summaries:

Tuesday, August 25, 2020

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

Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings.

Hybrid Storage: Proposed Market design updates and energy market tariff revisions for Co-located Storage Resources (CSR)

Kanchan Upadhyay of the NYISO presented proposed market design updates and energy market tariff revisions for Co-located Storage Resources (CSR) for discussion with stakeholders. Ms. Upadhyay led a review of the proposal to date and provided links to past presentations for reference.

At the August 8, 2020 ICAPWG/MIWG meeting, the NYISO described that a “Do Not Exceed” limit (a “Wind and Solar Output Limit”) on the Intermittent Power Resource (IPR) unit will be set if certain conditions are met:

- *Condition 1: ESR unit either has a non-zero ancillary services award or a positive energy schedule;*
- *Condition 2: The sum of the CSR Generators Energy + Operating Reserves + Regulation Service schedules is greater than or equal to X % of the CSR Injection Limit.*

Stakeholders seeking more clarity requested examples to further describe the proposal.

Ms. Upadhyay explained that imposition of a Wind and Solar Output Limit is a post processing step that occurs after the schedules are determined by the market software. If the schedules from RTD satisfy both conditions stated above, the IPR will receive a Wind and Solar Output Limit. When the limit is set, the IPR unit is instructed to not exceed their schedules, for that singular (5 minute) RTD run.

Ms. Upadhyay provided examples of varying levels of injections to illustrate conditions where the Wind and Solar Output Limit would be set.

Ms. Upadhyay presented proposed tariff language revisions. Changes will be made to the definitions in the tariff and revisions will address the real-time variability of energy deliveries from renewable intermittent resources that participate in a CSR. When the combined real-time net Energy, Regulation Service and Operating Reserves scheduled for a pair of CSR Generators approaches the CSR injection Scheduling Limit, the ISO will impose a Wind and Solar Output Limit.

The NYISO will continue to review its proposed Energy and Ancillary Services Market Tariff revisions with stakeholders as they are developed. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/14757023/Hybrid%20Storage_Market%20Design%20Updates%20%20Energy%20tariff%20ICAPWG%20MIWG%2008.25.20%20draft%20final.pdf/ffb01347-c4bd-24a1-6549-91cda42d8cb3

Hybrid Storage: Proposed Tariff Revisions for Co-located Storage Resources (CSR)

Amanda Myott of the NYISO presented proposed tariff revisions for the development of Co-located Storage Resources (CSR) participating in the Capacity market. Ms. Myott noted that all changes for the Capacity market are incorporated into Section 5 of the Market Services Tariff (MST); “*Control Area Services: Rights & Obligations*”. Red-line versions of the tariff were provided for stakeholder review.

Ms. Myott detailed changes made in each of the following tariff sections:

- *Section 5.12.1*
- *Section 5.12.5*
- *Section 5.12.6*
- *Section 5.12.7*
- *Section 5.12.12*
- *Section 5.18.2*
- *Section 5.18.3*

Feedback was noted for consideration in a future presentation. To see the complete presentation, please go to:

Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYSIO or the discussions that take place at the meetings.

<https://www.nyiso.com/documents/20142/14757023/CSR%20ICAP%20Tariff%20Revisions.pdf/01796e6b-d1d8-ba86-9ab8-12c7bdf1d6f6>

Consumer Impact Analysis: Hybrid Storage Participation Model

Tariq Niazi of the NYISO presented the Consumer Impact Analysis for the Hybrid Storage Resource (HSR) and Co-located Storage Resources (CSR) Participation Models. Mr. Niazi began with a review of the participation model for stakeholder reference.

The assumptions of the analysis were detailed for clarity. Factors used to approximate resource penetration and resource distribution were discussed. In response to a stakeholder question, Mr. Niazi noted that the price impact for the charging of the storage facilities was not included in the impact analysis. It was explained that resources were assumed to charge during low load periods in which the supply curve is historically flat.

The consumer impact of CSR/HSR resources for both upstate (Zones A-F) and downstate (Zones G-K) was estimated for multiple scenarios, incorporating a diminishing price impact for increasing levels of MW penetration. The hours used in the Winter and Summer periods were provided and the application of an Availability Factor was detailed. Hourly prices were determined and compared to historical prices to calculate a price delta. The price delta was then multiplied by the MW load value for the included hours and the Availability Factor to determine the range of estimated price impacts. Mr. Niazi noted that the potential statewide energy market consumer impact can vary widely from an estimated savings of \$1.6 million to \$15.5 million. Tables and graphs were provided to illustrate the range of the energy market results.

Mr. Niazi next presented the methodology and results for the capacity market analysis. Along with the assumptions used for the energy market analysis, Mr. Niazi highlighted the zonal distribution, allocation and the production factors used in the capacity market analysis. Sensitivities were provided to estimate the impact to Locational Capacity Requirements and the Installed Reserve Margin. Results indicate potential capacity market savings in the short term ranging from \$18M to \$223M.

In response to a question on the exclusion of offshore wind resources in the assumption mix, the NYISO responded that at this time, there are no offshore wind facilities with storage in the interconnection queue. Another stakeholder requested that the NYISO re-evaluate the relationship of ICAP to UCAP in the analysis and review any revised results at a future ICAPWG meeting.

As with all Consumer Impact Analyses, Mr. Niazi noted the potential impacts to reliability, the environment and system transparency.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/14757023/Consumer%20Impact%20Analysis%20--%20Hybrid%20Storage.pdf/95ca93f6-7c95-f214-4823-ce6d1c1459c8>

Quarterly Report on the New York ISO Electricity Markets Second Quarter of 2020

Pallas LeeVanSchaick of Potomac Economics (MMU) presented a review of the Q2 2020 electricity markets. Each quarter, the MMU prepares a report on the markets and reviews the results with stakeholders.

Mr. LeeVanSchaick reviewed energy, ancillary services, congestion, and capacity pricing with stakeholders and noted that all results are consistent with competitive market outcomes. To see the complete presentation on the Q2 2020 Quarterly Report on the New York ISO Electricity Markets, please go to:

https://www.nyiso.com/documents/20142/14757023/NYISO%20Quarterly%20Report_2020Q2_08_07.pdf/35cc6384-ce3b-1e3e-6001-b548317aec69

Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYSIO or the discussions that take place at the meetings.

Wednesday, August 26, 2020

Management Committee

Motion #1

Motion to approve the draft June 16/July 1, 2020 Management Committee meeting minutes.

Motion passed unanimously

Motion #2:

The Management Committee (“MC”) hereby approves the proposed revisions to the Operating Committee bylaws, to the Business Issues Committee bylaws, and to Section 4.12 of the Management Committee bylaws, as presented to the August 26, 2020 MC meeting.

Motion passed unanimously with one abstention

Motion #3:

The Management Committee (“MC”) hereby: (i) approves changes to the NYISO’s Market Administration and Control Area Services tariff to the “Reserves for Resource Flexibility” proposal, as more fully described in the presentation titled “Reserves for Resource Flexibility” made to the MC on August 26, 2020; and (ii) recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

Motion passed unanimously with one abstention

Motion #4:

The Management Committee (“MC”) hereby approves revisions to Attachment S of the NYISO’s Open Access Transmission Tariff as presented to the MC on August 26, 2020 and recommends that the NYISO Board of Directors authorize the NYISO to file such revisions under Section 205 of the Federal Power Act.

Motion passed unanimously with one abstention

Thursday, August 27, 2020

Budget and Priorities Working Group

2020 Budget vs. Actual Status

Patrick Kelly of the NYISO presented the actual results to date for 2020 budget. Mr. Kelly explained that the NYISO initially estimated a 2020 budget deficit due to Covid 19 of approximately \$13.6M, driven mainly by the combination of a Rate Schedule 1 shortfall and unanticipated budgetary spending. The following actions were taken over the past several months to offset the budget deficit including:

- NYISO 2020 Budgetary Spending Reductions
- Funds Retained from 2019 Budget Cycle
- Non-Physical Rate Schedule 1 Revenues (05/16 - 7/31)¹

As a result of these actions the NYISO is now projecting a modest budget surplus of \$3.1M instead of a deficit.

The actual results, compared to the 2020 budget, currently reflect a budget underrun of \$0.8M.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/14845020/02%20budget%20vs%20actual.pdf/7804f246-3bd2-6a22-738b-0ae7b8966e15>

¹ Annualized 2020 revenues assuming constant run rate

2021 Final Project Budget Recommendation

Brian Hurysz of the NYISO presented the final budget recommendations for 2021 projects. Mr. Hurysz led a review of the process used to develop the project budget recommendation, including the stakeholder survey results.

The following Market Design project updates were provided and discussed with stakeholders:

- *Climate Change Impact and Resilience Study project has been merged with Grid in Transition project*
- *DER Participation Model project description updated to reflect the 2021 project deliverable as Deployment of the SD WAN Hybrid Storage Model has been split into two projects*
- *Hybrid Co-Located Model with 2021 deliverable of Deployment and Hybrid Aggregation Model with 2021 deliverable of Market Design Complete after consideration of stakeholder feedback*
- *Constraint Specific Transmission Shortage Pricing (SOM) project description updated to reflect change of deliverable from Software Design to Market Design Complete after consideration of stakeholder feedback*

Updates to the Enterprise projects were highlighted for informational purposes.

The proposed project budget cost for 2021 was compared to historic budget figures for reference.

Mr. Hurysz next detailed the projects contained in the final budget recommendations for 2021.

Written feedback on the 2021 Project Budget Prioritization Process may be sent to Brian Hurysz at bhurysz@nyiso.com, or called in to Mr. Hurysz at (518) 461-6405. The NYISO will present the initial NYISO budget at the September 9, 2020 BPWG meeting. On September 23, 2020, the BPWG Chair will present the NYISO budget proposal at the Management Committee meeting. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/14845020/03%202021%20Final%20Project%20Budget%20Recommendation.pdf/827b63a3-e544-fbb7-d6e8-5bbc4d812a96>

Consumer Impact Analysis: 2021 Project List

Tariq Niazi of the NYISO identified the projects that will undergo Consumer Impact Analysis in 2021. Annually, the Consumer Interest Liaison meets with stakeholders and NYISO Market Design to select projects from the Final Project Budget Recommendation for analysis of the impact that the projects will have on consumers. The projects are analyzed for impacts to Cost, Reliability, the Environment and System Transparency.

The projects selected for 2021 Consumer Impact Analysis include:

- *Reserve Enhancement for Constrained Areas*
- *Constraint Specific Transmission Shortage Pricing*
- *Large Scale Solar on Dispatch*
- *Grid Services from Renewable Generators*
- *Time Differentiated TCCs*

Mr. Niazi presented descriptions of each project, benefits expected from the project implementation, and the screening criteria used for each project selected. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/14845020/04%20CIA%202021%20Project%20List.pdf/2219b465-4b4d-1b88-bb6f-52190fdfa8dd>

FERC Filings **August 28, 2020**

Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings.

Joint Filing of an Executed Small Generator Interconnection Agreement Among the New York Independent System Operator, Inc., New York State Electric & Gas Corporation, and Puckett Solar, LLC., SA No. 2545, request for CEII Designation.

August 26, 2020

Joint filing of an executed small generator interconnection agreement among the New York Independent System Operator, Inc., Niagara Mohawk Power Corporation d/b/a National Grid and Duke Energy Renewables Solar, LLC., SA No. 2549

August 25, 2020

Compliance tariff revisions to address ESRs' payment of TSC and NTAC
Filed August 24, 2020 The ISO/RTO Council (“IRC”) joint filing of comments to FERC NOI re: enhancements to Critical Infrastructure Protection (CIP) Reliability Standards

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