

NYISO Consumer Interest Liaison Weekly Summary

August 31 – September 4, 2020

Notices:

- We are pleased to announce that NYISO's Market Training Team will be offering the **MT-305 Intermediate Installed Capacity course in October**. Due to circumstances surrounding COVID 19, this course will be presented via WebEx and will not be in-person instructor led as originally planned. For additional information on course registration, please contact Debbie Doyle at ddoyle@nyiso.com or 518-356-6274.
- On August 31, 2020, the NYISO filed, with the NY Public Service Commission, **comments in response to the White Paper filed by NYSERDA and DPS Staff to address the CLCPA requirements for a renewable energy program**. You can view a copy of the filing [here](#), and on the Commission Documents page at dps.ny.gov.
- The NYISO's Market Training Team will be offering **MT-201 New York Market Orientation Course (NYMOC) September 15-17, 2020**. Due to circumstances surrounding COVID 19, this course will be presented via WebEx and will not be in-person instructor led as originally planned. Complete and submit your [registration](#) by close of business on Wednesday, September 9, 2020

Meeting Summaries:

Monday, August 31, 2020

**Joint Electric System Planning Working Group/Transmission Planning Advisory Subcommittee
Study Scopes under Consideration for Recommendation for OC Approval**

Queue #785:

Erie Wyoming SRIS Scope

Solar Generation

175 MW W/S

Wyoming County, NY

Recommended to the OC for approval

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Queue #785:

Erie Wyoming Optional SRIS Scope
Solar Generation
175 MW W/S
Wyoming County, NY

Recommended to the OC for approval

Queue #866:

North Country Wind SRIS Scope
Wind Generation
298.2 MW W/S
Franklin County, NY

Recommended to the OC for approval

Queue #866:

North Country Wind Optional SRIS Scope
Wind Generation
298.2 MW W/S
Franklin County, NY

Recommended to the OC for approval

Queue #1010:

Vineyard Wind 1 SRIS Scope
Offshore Wind Generation
1,403 MW W/S
Nassau County, NY

Recommended to the OC for approval

Study Reports under Consideration for Recommendation for OC Approval

Queue #815:

Bayonne Energy Center III SRIS Report
Battery Storage
Injection 49.8 MW (4- hours) W/S
Charging 49.8 MW (6 hour duration)
Brooklyn, NY

Recommended to the OC for approval

Queue #816:

NNC-TTC Increase SIS Report
Norwalk Harbor – Northport Cable System
200 MW – 450 MW
LIPA Northport substation

Recommended to the OC for approval

Class Year 2019 Update

Ed Cano of the NYISO updated the status of Class Year 2019 (CY19). A timeline was provided illustrating the progress of all CY19 requirements. To see the complete table, please go to:

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Review of Material Modification Determinations and Modifications Requiring a New Interconnection Request/SIS Request

Queue #396:

Baron Wind

Determined to be Non-Material Modification

Tuesday, September 1, 2020

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

Ancillary Services Shortage Pricing

Pallavi Jain of the NYISO continued with the presentation of the Ancillary Services Shortage Pricing project. This project is a continuation of the 2019 Ancillary Services Shortage Pricing effort. The 2020 goal is Market Design Complete. Ms. Jain explained that the scope of the project includes two primary components:

- *Revisions to the current reserve demand curves (presented on April 27, 2020)*
 - *Adjustments to shortage pricing values*
 - *Supplemental “steps” for a more graduated demand curve for NYCA 30-minute reserves*
- *Procurement of supplemental reserves*
 - *These are additional reserves beyond minimum reliability requirements*

Procuring supplemental reserves has been identified as a potential solution to address a number of reliability gaps in the Grid in Transition whitepaper. The NYISO proposes to establish the process/procedures for implementing supplemental reserves when warranted in the future. The NYISO is seeking to implement the necessary tariff revisions to add these requirements in the future as part of this proposal.

In response to a stakeholder question on whether the NYISO would be required to seek governance approval for future supplemental reserve requirements, Ms. Jain explained that the NYISO is seeking tariff authority to provide the ability to react quickly to a rapidly changing grid in the future. Some stakeholders suggested that the proposal should require stakeholder approval at the time of the need as the governance action can move quickly when required. The NYISO will consider the suggestion for future discussion as the project develops.

Ms. Jain next led a discussion on net load forecast error which is the primary factor in determining the need for supplemental reserve additions. The levels of increased reserve procurement under this approach will be based on the normal expected levels of 30 and 60 minute net load forecast error¹ as the number of installed wind and solar resources increases. Examples of conditions that may trigger the need for supplemental reserves were provided and discussed with stakeholders.

Ms. Jain also presented the proposal for pricing supplemental reserves. The NYISO is proposing to tier these shortage pricing values based on the inherent values of the reserve products. The NYISO analyzed historical reserve shadow prices and historical reserve offers to determine the cost of providing the next MW and the willingness to be paid the expected costs, respectively, to help inform the appropriate shortage pricing value for these supplemental reserves. Ms. Jain discussed the results of the NYISO analysis.

¹ The 30 and 60-minute net load forecast errors are currently reported in the NYISO Monthly Report https://www.nyiso.com/documents/20142/14062304/03%20Operations_Report.pdf/3787716a-240f-ee6e-e174-38b812c7b55a

The NYISO proposes to price supplemental reserves when added in the future based on the following shortage pricing values in all reserve regions.

- *Any supplemental 30-minute reserves = \$10/MWh*
- *Any supplemental 10-minute total reserves = \$12/MWh*
- *Any supplemental 10-minute spinning reserves = \$15/MWh*

The pricing values would be set forth in the tariff along with language related to the process for adding supplemental reserves when warranted in the future.

Ms. Jain also explained the pricing of supplemental reserves during SCR/EDRP activations.

The NYISO will seek stakeholder approval of proposal at the October 2020 BIC and MC meetings.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/14935961/Ancillary%20Services%20Shortage%20Pricing%20-%20009012020%20MIWG_final.pdf/1c9f84cf-0f69-91b4-87a8-ab40bfc82aa8

Consumer Impact Analysis: Ancillary Services Shortage Pricing

Tariq Niazi of the NYISO presented the Consumer Impact Analysis for the Ancillary Services Shortage Pricing project.

Mr. Niazi began with a review of the project for stakeholder reference. The Ancillary Services Shortage Pricing project consists of revisions to the current reserve demand curves and procuring additional reserves beyond the minimum reliability requirements (“supplemental reserves”) as the amount of weather-dependent intermittent renewable generation on the grid increases. The impact of the supplemental reserves was addressed in an appendix to the impact analysis.

As with all Consumer Impact Analyses, Mr. Niazi provided the impacts of cost to consumers, reliability of the system, system transparency and the environment.

Mr. Niazi reviewed the methodology and assumptions used to determine cost impact to the energy and capacity markets. The days selected for re-runs were chosen to be representative of shortage conditions that occur, recognizing that the frequency of such conditions occurring is relatively low based on current system conditions. The analysis shows that the potential short run annual energy market impact is estimated at \$5.6 million.

The minimal change to the net energy and ancillary services revenue offset values resulted in a minimal change in the resulting reference prices for the 2021-2020 ICAP Demand Curves. As a result, no potential impact was calculated for the capacity market.

For reliability, setting shortage prices that are more consistent with operator actions helps in maintaining reliability. There were no anticipated impacts noted to system transparency and the environment.

To determine the impact of the supplemental reserves, the NYISO re-ran select SCUC days thought to reflect future system conditions of relatively low average prices with relatively high price volatility.

These cases included all of the proposed revisions for the Ancillary Services Shortage Pricing project, modeled as described in this presentation. Results indicated that the potential consumer impact due to procuring the simulated supplemental reserve quantities under future system conditions may have a short run energy market impact of roughly \$9 million annual cost.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/14935961/CIA%20-%20Ancillary%20Services%20Shortage%20Pricing%20-%20Final.pdf/e03e0d04-3169-7a9e-d7b0-2738b44d26ac>

Large Scale Solar on Dispatch Tariff Revisions

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Cameron McPherson presented NYISO's proposal to treat Intermittent Power Resources (IPRs) that depend on solar energy as their fuel similarly to IPRs that depend on wind as their fuel. Solar IPRs would submit flexible offers indicating their willingness to generate at various price levels. They would also receive, and be expected to respond to, NYISO economic dispatch instructions (down only) when prices are below their offer.

Mr. McPherson highlighted the benefits that this action will produce:

- *The proposed revisions leverage a set of existing rules and processes that require only incremental changes in order to accommodate solar IPRs.*
- *Accommodating solar IPRs is a prerequisite to deploying the Co-located Storage Resource (CSR) market design within the Hybrid Storage Model.*
- *Promptly filing tariff revisions would provide timely information to new solar resources as they seek to interconnect, and participate in, NYISO markets.*
- *Additional resource flexibility will improve NYISO's ability to accommodate increased levels of Intermittent Power Resources.*
- *Solar IPRs will be able to signal their economic willingness to generate, minimizing the need for out-of-market curtailments and self-directed curtailments.*

Mr. McPherson led a review of the proposed tariff revisions to accommodate this action. A timeline of the project was provided reflecting a 2021 implementation. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/14935961/Large%20Scale%20Solar%20on%20Dispatch%20Tariff%20Revisions%20-%20Final.pdf/9e34ac56-46f3-c39f-4841-7809c44b3b1c>

Reserving Capacity for TCC Balance-of-Period Auctions

Gregory Williams of the NYISO presented stakeholder feedback addressing Reserving Capacity for TCC Balance-of-Period Auctions.

Mr. Williams explained that NYISO tariffs require that all transmission capacity not associated with Grandfathered Rights or outstanding TCCs and not reserved through conversion of Existing Transmission Capacity for Native Load (ETCNL) to ETCNL TCCs or Residual Capacity Reservation Rights (RCRR) to RCRR TCCs be made available for sale in the Centralized TCC Auctions. This may significantly limit the opportunity for Market Participants (MPs) to acquire shorter-term TCCs in Balance-of-Period (BoP) Auctions. Other ISOs/RTOs reserve some portion of transmission capacity for sale in their monthly Financial Transmission Right auctions. This project was created to develop a market design that accommodates the reservation of a portion of otherwise available transmission capacity for release in the BoP Auctions. The NYISO previously discussed the proposed market design with stakeholders on June 30, 2020 and requested submission of any supplemental comments/feedback from stakeholders.

Mr. Williams provided and discussed the feedback with stakeholders. Additional comments are encouraged and can be sent to deckels@nyiso.com.

The NYISO will present a market design for stakeholder discussion at a future MIWG/ICAPWG meeting. The NYISO will seek stakeholder approval of the proposed market design to facilitate development of functional requirements in 2021 in Q4, 2020. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/14935961/Reserving%20Capacity%20for%20BoP%20Auctions%20MIWG%2009012020-FINAL-Approved.pdf/ff89d3b1-438f-8611-e289-bb9923191a1f>

Discuss Application of TSC and NTAC charges to ESRs

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Michael DeSocio of the NYISO provided an explanation of the Transmission Service Charges (TSC) and NYPA Transmission Access Charge (NTAC) applicability to Energy Storage Resources (ESR). Resources supplying the following services will be exempt from TSC and NTAC:

- *Operating Reserves*
- *Regulation*
- *Voltage Support Provider*

Also, in the event where an ESR is self-scheduled, and the NYISO directs the ESR through an OOM to deviate from its schedule, the ESR will be exempt from TSC and NTAC.

FERC Filings

September 4, 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 ELP Stillwater Solar, LLC, SA No. 2550

September 2, 2020

NYISO filing of Errata to 8/12/20 compliance filing establishing an effective Date for the Energy Storage Resource Participation Model

September 4, 2020

Engineering & Procurement Agreement No. 2563 between Niagara Mohawk and Atlantic Wind

FERC Orders

September 3, 2020

Letter Order accepted proposed tariff revisions to implement New Tailored Availability Metric Rules (“TAM”) rules, effective March 1, 2021 as requested.

Filings and Orders:

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