

NYISO Consumer Interest Liaison Weekly Summary

January 20 – January 24, 2020

Notices:

- *New York ISO President and CEO Rich Dewey today (1/22/2020) presented stakeholders with his ‘State of the Grid’ address, focusing on pro-active steps the NYISO is taking to shape the grid of the future. The wide-ranging remarks focused on every aspect of the NYISO’s business and its role in managing New York’s bulk electricity grid and wholesale energy markets as the state works to meet the aggressive requirements laid out in the Climate Leadership and Community Protection Act (CLCPA). [View Press Release here](#) kl;jafd;l*
- *In preparation for the 2020 NYISO sector meeting, the NYISO requests your input on strategic meeting topics. To help facilitate the conversation, please submit your sector meeting agenda topics along with detailed description of the topics you’d like to discuss to Kirk Dixon (kdixon@nyiso.com) no later than Wednesday, February 5, 2020. All meetings will be held at the Hilton Garden Inn in Troy, NY (235 Hoosick Street). We look forward to meeting with you.
March 4, 2020 – End Use Consumers Sector -- RSVP [here](#)*
- *We are pleased to announce that the NYISO’s Market Training Team will be offering the, in-class, MT-201 New York Market Orientation Course (NYMOC) March 31-April 3, 2020. Complete and submit your [registration](#) by close of business on Thursday, March 19, 2020.*

Meeting Summaries:

Tuesday, January 21, 2020

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

Enhanced BSM Mitigation Study Period

Christina Duong of the NYISO presented the proposal to revise the current Mitigation Study Period (MSP) for the Part A and Part B tests. Currently, all Examined Facilities, regardless of unit technology are assumed to enter the NYISO’s ICAP market at the start of the Summer Capability Period that is three years from the year of the Class Year.

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. Page 1

Ms. Duong began with a review of stakeholder comments from previous ICAPWG/MIWG meetings. Stakeholders provided several comments, including the following:

- *The proposal should not delay the class year study process*
 - *There are numerous complexities to be addressed*
 - *How to order units*
 - *How to represent interactions of Examined Facilities have on revenues*
- *How enhancements would be applied to Expedited Deliverability Studies*
- *It is very difficult for NYISO or a Developer to pinpoint an accurate entry date*
 - *Forecasted entry dates may also be driven by contract dates, regulatory policies and requirements, and site specific issues*
- *Would there be a maximum time range for BSM evaluations?*
- *Forecasts and assumptions for events further into the future are often less accurate*
- *Some projects within the same technology type could have significantly different lead times based on numerous factors such as size or location*
- *The current MSP only assesses ‘the first’ three years of the project’s life, which for many projects extends beyond 20 years*
- *Upcoming retirements that may not be captured under the current rules may have a large potential impact on evaluations*
- *Making unit-specific adjustments to a project’s MSP creates significant gaming potential but may be necessary and appropriate for some projects*

Ms. Duong explained that due to the complexity of the Comprehensive Mitigation Review (CMR) project, discussions will continue throughout the year. The purpose of the discussion for this meeting was to look for “low hanging fruit” that can potentially be included in Class Year 2019 (CY19).

The NYISO proposes to change the starting point of the Capability Period in order to account for the interconnection study time that would better reflect the developer’s decision to begin construction.

The NYISO has identified two enhancements that it believes could be implemented for CY2019 and minimizes the risk to timely completion of the CY; an enhancement to reflect interconnection study time, and an enhancement to align the MSP more closely with the project’s actual market entrance.

Ms. Duong presented methodology to more closely align the MSP with the project’s actual market entrance by estimating one year from the start of the Class Year process as the Initial Decision Period date.¹ The NYISO also proposes to have two Mitigation Study Periods; an earlier MSP for projects expected to enter the market more rapidly than has been observed in past, and a later MSP for projects expected to enter the market consistent with a three year construction lead time. Time table charts were provided to demonstrate the proposed changes as compared to current methodology.

Complexities to be considered as a result of this proposal were discussed and stakeholder input was noted for additional consideration. The issue of concurrent evaluation was introduced and discussed. The effects of projects with a later MSP impacting previous determinations was discussed, including the number of iterations that would be required. A simplified example was provided for stakeholder discussion.

¹ For Expedited Deliverability Study, the starting point will be, based on an estimated Initial Decision Period date, three months from the study start date

The NYISO is also discussing how to determine an Examined Facility's Starting Capability Period based on the technology type of the Examined Facility. This could lead to multiple MSPs based on default "build time" estimates. Complexities with this proposal were presented and discussed with stakeholders. An illustrated example of multiple MSPs was provided along with complications induced by requiring numerous iterations and a capacity price forecast out to seven years.

Ms. Duong noted several issues that will require resolution through the stakeholder process to refine this proposal and a stakeholder engagement plan to accomplish this.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/10375030/Jan21%20Enhanced%20BSM%20Mitigation%20Study%20Period%20Simplified%20Proposal.pdf/ba66897d-46d0-4994-11b1-764cdf805530>

2020 Project: Locational Marginal Pricing of Capacity Kickoff Discussion

Pallas LeeVanSchaick of Potomac Economics (MMU) presented an overview of the Locational Marginal Pricing of Capacity (C-LMP) project scope for 2020. The MMU has expressed concerns with the current market design and has recommended that the NYISO implement a C-LMP design that minimizes the cost of satisfying planning requirements. Mr. LeeVanSchaick provided examples of inefficient capacity prices being set by the current market design.

C-LMP has been prioritized for the NYISO 2020 Market Project Candidate list with a proposed deliverable of Issue Discovery. The scope of the project will examine whether an opportunity exists to better align capacity market clearing prices with the marginal reliability value of capacity in each Locality, to lower the overall costs of capacity. Issue Discovery will also consider a capacity pricing framework where the clearing price at each location is set in accordance with the marginal reliability value of capacity at the location. The concept was introduced in a [presentation](#) by the MMU to the June 22, 2017 ICAP working group and based on the following fundamental principles:

- *The market should solve the "missing money problem"*
- *The market should satisfy resource adequacy & other planning reliability and deliverability criteria to the extent possible*
- *Efficient prices for different locations and technologies should be based on marginal reliability value*

Mr. LeeVanSchaick explained that the concept would determine the Cost of Reliability Improvement (CRI) and multiply it by the Marginal Reliability Impact (MRI) for each zone and technology to determine a clearing price. A stakeholder suggested that the MMU return with a bubble diagram of the system to further illustrate the concept.

The MMU has developed a model to simulate GE MARS for use in modifying assumptions to evaluate the effects of specific market design changes. This will be used to consider potential pricing enhancements without modifying the GE MARS model.

A project schedule was provided for this effort with the next presentation scheduled for February 3, 2020, when the MMU will present the proposed conceptual design, based on the above mentioned June 22, 2017 presentation. The project is scheduled to conclude on March 26, 2020 when the proposal will be summarized with results, conclusions and answers to critical market questions.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/10375030/Slides%20for%20CLMP%20Kickoff%20Presentation.pdf/c1961e23-9300-d564-eea8-a891ddfe9285>

Wednesday, January 22, 2020

Management Committee

Motion #1:

Motion to approve the draft November 20, 2019 Management Committee meeting minutes.

The motion passed unanimously by show of hands.

Motion #2:

The Management Committee (“MC”) hereby: i) approves changes to the NYISO’s Market Administration and Control Area Services Tariff with regard to the modifications for calculating the gross cost of new entry composite escalation factor as presented to the MC on January 22, 2020; and (ii) recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Powers Act.

The motion passed unanimously by show of hands.

Motion #3:

The Management Committee (“MC”) hereby recommends that the Board of Directors approve for filing under Section 205 of the Federal Power Act revisions to Section 4.4.4 and 17.1.5 of the NYISO’s Market Administration and Control Area Services Tariff, as more fully described in the “Relocating the IESO Proxy Bus” presentation made to the MC on January 22, 2020.

The motion passed unanimously by show of hands.

Thursday, January 23, 2020

Joint Electric System Planning Working Group/Transmission Planning Advisory Subcommittee Avangrid Criteria Update NYSEG & RGE

Kofi Nimako of Avangrid presented the Criteria Update of Connecting Transmission Owners for New York State Electric and Gas (NYSEG) and Rochester Gas and Electric (RGE). The two utilities serve approximately 1,250,000 customers across New York State.

The NYISO tariff states:

“In order for the ISO to recognize any revisions to Connecting Transmission Owner criteria as Applicable Reliability Requirements under this Attachment S or Applicable Reliability Standards under Attachments X and Z, the Connecting Transmission Owner shall present proposed revisions to such criteria to the Operating Committee or one of its subcommittees.”

Mr. Nimako provided updates to the following criteria:

- Inclusion of Voltage Collapse
- Inclusion of Delta-V requirements to summary table
- For studies completed in New York, Avangrid considers the unavailability of a single generator in a region to be a realistic and prudent parameter to include when studying an area
- Consequential Load Loss

- Limit load loss to 25 MW for single line and transformer design contingencies
- Load loss not to exceed 10 MW between automatic sectionalizing motor operated disconnect switches
- Not automatically sectionalize in more than two locations for each single line or transformer design contingency

To see the complete Criteria Posting, please go to:

<https://www.nyseg.com/wps/portal/nyseg/networks/footer/suppliersandpartners!/ut/p/z1/rZNLc4I>

To see the complete presentation to the ESPWG/TPAS, please go to:

<https://www.nyiso.com/documents/20142/10418770/Avangrid%20Criteria%20Update%20Presentation.pdf/d4460016-7e15-45a0-54ce-65a4edf46a89>

Key Deactivation Study Assumptions for: Somerset

Keith Burrell of the NYISO presented the key assumptions for the Somerset Generator Deactivation Assessment (GDA). Somerset is a generator in Zone A with a nameplate value of 675 MW. The generator has notified the NYISO of its retirement.

The most recent base case (2019-2028) from the Comprehensive Reliability Plan (CRP), with some updates, was used for the Somerset GDA. Updates include:

- Local Transmission Plan updates (presented at the October 23rd and November 18th ESPWG) including:
 - RG&E Station 122 relay upgrade was removed from the model
 - NYPA Niagara 230 kV substation additional circuit breaker was added to the model (5/2020)
 - National Grid project to re-conductor the Niagara-Packard #193 and #194 115 kV lines in-service date changed from summer 2020 to summer 2022
 - National Grid projects to re-conductor the following lines were added to the model:
 - Niagara-Packard (#192) 115 kV (11/2021)
 - Niagara-Packard (#191) 115 kV (2/2022)
 - Walack-Huntley (#133) 115 kV (6/2023)
 - Packard-Huntley (#130) 115 kV (6/2023)

As part of this GDA, the NYISO will perform the assessment of the Bulk Power Transmission Facilities (BPTF) and the assessment of the non-BPTF will be performed by NYSEG/RG&E, National Grid, and NYPA. The GDA is scheduled for a March 11, 2020 completion.

Additional changes from the CRP Case reviewed at prior GDA key study assumptions were provided for review.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/10418770/Somerset_KeyAssumptions.pdf/216ea3ce-292a-eb98-0226-6116b3b2972c

2020 RNA Preliminary Schedule

Laura Popa of the NYISO presented the preliminary schedule for the 2020 Reliability Needs Assessment (RNA). The 2020 Reliability Planning Process (RPP) starts with the 2020 RNA followed by the Comprehensive Reliability Plan (CRP).

A detailed time line was provided outlining the schedule of milestones beginning with today's meeting and continuing through the November 2020 NYISO Board of Directors approval and publishing of the final report.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/10418770/RNA_PrelimSchedule.pdf/121b85ea-ce3b-a8a5-d9e5-3e691e705fd4

2020 RNA Potential Scenarios

Laura Popa of the NYISO presented the potential scenarios to be studied in the 2020 RNA process. One of the objectives of the Reliability Planning Process is to identify, through the development of appropriate scenarios, factors and issues that might adversely impact the reliability of the Bulk Power Transmission Facilities (BPTF).

The four proposed scenarios include:

- Topline (High) Load Forecast: Resource Adequacy only
 - Topline: Gold Book 2020 Baseline load forecast without the Energy Efficiency Savings and Behind the Meter Generation, will be used for Resource Adequacy.
- Zonal Resource Adequacy Margins: Resource Adequacy only
 - Identification of the maximum level of zonal MW capacity that can be removed without either causing NYCA LOLE violations, or exceeding the zonal capacity
- “Status-quo” scenario: Transmission Security and Resource Adequacy
 - Removal of proposed major transmission and generation projects assumed in the RNA Base
 - Applicability TBD for each RNA based on the projects included in the Base Case
- Climate Leadership and Community Protection Act (CLCPA) scenario: Transmission Security and Resource Adequacy
 - Model and simulate '70 by 30'

In response to a stakeholder question, Ms. Popa explained that the '70 by 30' scenario will portray the year 2030, and not include the years leading up to 2030.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/10418770/RNA_PotentialScenarios.pdf/a557b7f4-61a3-2603-eaee-785e94f17c82

FERC Filings

January 24, 2020

IRC filing of comments request for technical conference and petition for Rulemaking to update Credit and Risk Management Rules and Procedures

January 23, 2020

NYISO 205 filing re: PPTPP Development Agreement (SA 2510) among the NYISO, Niagara Mohawk Power Corporation and New York Transco, LLC

January 21, 2020

NYISO Request for Rehearing of the Commission's December 20, 2019 Compliance Order re: Order No. 841 ESR compliance filing.

FERC Orders

January 24, 2020

FERC order accepted credit worthiness requirements designed to enhance the NYISO's ability to prevent or mitigate the risk of credit defaults

January 23, 2020

FERC Order accepted revisions and directed a compliance filing and informational report

January 23, 2020

FERC order accepted tariff revisions and directed a compliance filing and informational report

January 23, 2020

FERC Notice extending the deadline for submitting compliance filing by 90 days, or no later than April 30, 2020.

January 23, 2020

FERC Order Accepting Tariff Revisions and Directing Compliance Filing and Informational Report re NYISO DER filings

Filings and Orders:

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