NYISO Consumer Interest Liaison Weekly Summary

January 27 – January 31, 2020

Notices:

- *On January 24, 2020, the New York Independent System Operator filed, with the NYPSC, a verified report in compliance with the November 2018* ***NYPSC Order Granting Authorization to Incur Indebtedness (Case 18-E-0439)****. You can view a copy of the filing* ***here****, and on the NYPSC website.*
- *On January 27, 2020, the New York Independent System Operator filed, with the* ***NYPSC, comments in support of NYSRC's 2020-2021 Installed Reserve Margin (Case 07-E-0088)****. You can view a copy of the filing* ***here****, and on the NYPSC website.*
- *On January 31, 2020 the New York Independent System Operator filed, with the NYPSC, reply comments on* ***Resource Adequacy Matters (Case 19-E-0530)****. You can view a copy of the filing* ***here****, and on the NYPSC website.*

Meeting Summaries:

Wednesday, January 29, 2020

Budget and Priorities Working Group

2019 Project Schedule Milestone Update

Diane Peluso of the NYISO provided an update for the EMS/BMS system upgrade implementation. The NYISO is targeting February 4, 2019 to switch over to the EMS/BMS system upgrade. The action will depend on weather and system conditions both at the time of deployment and for the immediate period following deployment. The market will be notified prior to the deployment by the NYISO.

Ms. Peluso also reported on the 2019 project schedule following the end of Q4 2019. Ms. Peluso highlighted the projects completed in Q4, 2019, including:

- *Enhancing Fuel and Energy Security*
- *Competitive Entry Exemption for Increased CRIS*
- *BSM Repowering*
- *Tailored Availability Metric*

- *Demand Curve Reset*
- *DER Participation Model*
- *Enabling Technologies for DER*
- *Carbon Pricing*
- *More Granular Operating Reserves (SOM)*
- *ESR Participation Model (SOM)*
- *Ancillary Services Shortage Pricing (SOM)*
- *Enhanced Fast Start Pricing*
- *Reserve for Resource Flexibility*
- *Microsoft Systems Upgrade*
- *Network Infrastructure Upgrade*
- *Database Platform Upgrade – 2019*
- *Application Platform Upgrade Phase – 2019*
- *IT Infrastructure Automation*
- *TOA Platform Upgrade Phase III*
- *Comprehensive System Planning Process Review*
- *Climate Change Impact and Resilience Study*
- *Deliverability and Interconnection Process Redesign*

Ms. Peluso also identified 2019 projects that were not completed and are currently under the Critical/Overdue status as:

- Enterprise Information Management – Data Integration Phase IV
- *CRIS for External - ROS Transmission Investments*
- *ICAP AMS Redesign Phase III*
- *NYISO Pilot Framework*
- *Constraint Specific Transmission Shortage Pricing (SOM)*
- *EMS/BMS System Upgrade*
- *EMS/BMS Workstation Upgrade*
- *PI System Upgrade*
- *Gurobi (MIP) Refresh*

The project for the FERC Form 1 Redesign was cancelled due to a lack of FERC action on the issue. The Critical/Overdue projects will be completed in 2020. To see the complete presentation, please go to: https://www.nyiso.com/documents/20142/10472199/2019%20Project%20Schedule%20Milestone%20Update%20-Year%20End_01292020%20Final.pdf/542568b7-7b25-75c5-552b-88f284f93fb5

2020 Project Schedule Milestone Update

Zachary Smith of the NYISO presented the schedule milestones for 2020 market design projects. Mr. Smith began by reviewing the project types, milestone and status definitions for reference. Issue Discovery was introduced as a new milestone definition.

Mr. Smith led a review of the 2020 market design projects and highlighted projects that are already or soon to be discussion topics in the working groups.

Diane Peluso of the NYISO followed up with a review of the project implementation schedule for 2020. Ms. Peluso highlighted the FERC Form 1 Redesign project noting that the recent FERC action allows the NYISO to begin work on the project for an anticipated 2021 implementation.
To see the complete presentation, please go to:
https://www.nyiso.com/documents/20142/10472199/2020%20Project%20Schedule%20Milestone%20Update_01292020%20Final.pdf/2af629e2-72b9-02eb-1d5f-d542ddd89d21

2021 Project Prioritization Timeline

Brian Hurysz of the NYISO presented the Project Prioritization Timeline for the 2021 project prioritization process. Mr. Hurysz led a review of the terminology and definitions for stakeholder reference. The process is beginning earlier this year to provide stakeholders additional time for project candidate development. April 30, 2020 will be the first date for stakeholders to present project candidates for consideration and will be open until May 14, 2019. Mr. Hurysz suggested that stakeholders use the upcoming March Sector Meetings as an opportunity to discuss potential projects.
The Project Candidate Template introduced for the 2020 project prioritization process remains unchanged for the 2021 process. Mr. Hurysz noted that the NYISO will provide assistance where necessary to help stakeholders refine presentations.
A timeline for the process was presented beginning with today's introduction and ending with NYISO Board of Director's decision on the budget for 2021. Mr. Hurysz noted two incorrect dates on the presentation and explained that an updated presentation will be posted with the BPWG meeting materials. The dates and activities include:

- Deadline for completing scoring survey
    - Correct date is June 26, 2020 (original slide incorrectly stated July 8, 2020)
- Stakeholders vote on the NYISO Budget Proposal
    - Correct date is October 28, 2020 (original slide incorrectly stated October 22, 2020)

Comments are encouraged and can be sent to bhurysz@nyiso.com. Comments received by February 14, 2020 will be considered for the February 28, 2020 BPWG presentation.
To see the complete presentation, please go to:
https://www.nyiso.com/documents/20142/10472199/05%20Project%20Prioritization%20Timeline.pdf/1cc1696a-b513-424f-5973-5beabd537f77

Thursday, January 30, 2020

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

5-Minute Transaction Scheduling Project Kick-Off

Ashley Ferrer of the NYISO introduced the project to study the potential and feasibility for external transactions with external control areas to be scheduled on a 5-minute basis. This project will deliver a report that considers a proposed mechanism to enhance the real-time interchange scheduling processes by allowing the economic scheduling of interchange across interties nominally every 5-minutes.
More frequent transaction scheduling is a market enhancement which will contribute to NYISO's ability to meet future grid challenges expected to arise with high levels of intermittent renewable and distributed energy resources, while satisfying reliability needs. The implementation could also improve convergence between RTC and RTD while offering increased flexibility to the market optimization software.

The NYISO will conduct the initial research and begin discussions with stakeholders throughout Q1 2020. The project is scheduled for completion of the study in Q2 2020. To see the complete presentation, please go to: https://www.nyiso.com/documents/20142/10597283/20200130%20MIWG%20-%205-Minute%20Transaction%20Scheduling.pdf/8d6f61ad-7d5f-9016-84e9-54da25ec6db6

Tailored Availability Metric

Emily Conway of the NYISO updated the proposal to develop a tailored availability metric.
Under the NYISO's proposal, the structure of the Equivalent Forced Outage Rate demand (EFORd) would be based on the average of the previous three like-Capability Periods using an 18-month time-frame. Respective peak months would account for 50% of the calculation. A timeline illustrating the average of the three 6-month EFORds was shown as an example of how the measurement would be used to calculate the 2018 Summer Capability Period Availability Equivalent Forced Outage Rate demand (AEFORd). Ms. Conway provided a comparison of four active unit's EFORds using the current methodology and the proposed methodology and noted that the difference in the resulting outage rates was insignificant. Stakeholders provided comments for the NYISO to consider, including:

- *Using data as far back as 36 months may produce inaccurate results going forward*
- *Peak months in each Capability Period should be weighted higher in the calculation than shoulder months*
- *More recent months should be more indicative of future performance and should have a higher weighting*
- *NYISO outage ratings should attempt to be in line with NYS Reliability Council ratings used in the formation of the Installed Reserve Margin.*
- *Summer outages should be weighted higher than winter outages*
- *Requested additional examples of calculation result differences*

Ms. Conway noted that the NYISO will address stakeholder feedback in future working group meetings. Additionally, Ms. Conway reviewed the current performance factor for performance-based Installed Capacity Suppliers which is based on actual performance over peak periods. For wind and solar resources, performance factors are calculated based on the current 4-hour window in the respective peak months by dividing the output performance by the nameplate capacity of the resource. As a part of the Market Design Concept Proposal, the NYISO proposed a reoccurring study every 4 years that would result in hourly capacity value weightings across the Peak Load Window. The initial analysis reflects potential weighting percentages across the Peak Load Window based on three different IRM cases:

- *2019 IRM Final Base Case*
- *2020 IRM Preliminary Base Case*
- *High Renewables (12K) Case*

Ms. Conway provided tables reflecting the Loss of Load Expectation percentages across the peak hours for the three cases using 6-hour and 8-hour peak windows for stakeholder discussion. Variations in the value weighting of specific peak hours was discussed with stakeholders. The proposal would allow resources to receive the same set of weightings, within its respective Peak Load Window hours for Summer and Winter Capability Period months. Under this construct, wind and solar resources will still have the opportunity to receive 100% performance factors if they perform in all hours of the Peak Load Window. Stakeholders requested additional analysis reflecting a comparison of the resulting current methodology outage rates to the results using the proposed methodology.
The NYISO will continue the discussion at a future working group meeting with consideration given to stakeholder feedback. Additional analysis for wind and solar will show the percentages of the top four hours in the Peak Load Window of additional cases. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/10597283/Tailored%20Availability%20Metric%20013020.pdf/b7c97895-2679-b18d-79d3-028ffd89d1a5

NYISO 2019-2020 Demand Curve Reset Initial Modeling Discussion

Todd Schatzki and Paul Hibbard of The Analysis Group (AG) led a discussion with stakeholders to procure feedback on four of the criteria to be developed for the Demand Curve Reset (DCR) Model. The four areas include:

- **Level of Excess Adjustment Factors (LOE-AF)**
- **Choice of Peaking Plant Amortization Period**
- **Selection of Natural Gas Hubs for Pricing**
- **Additional Discussion of Energy Storage Modeling**

Mr. Schatzki explained that AG is proposing to use the methodology used for the 2016 DCR to determine the LOE-AF values for 2020 DCR. Stakeholders provided suggestions for AG to consider such as incorporating an additional risk factor into prices to accommodate potential adjustments to New York State policies. Mr. Schatzki responded that State policies are a component of the AG analyses.

Mr. Schatzki next addressed the Amortization Period for a peaking plant technology in light of the CLCPA provision for zero emissions from the electricity sector by 2040, which may affect the period of commercial operation for new fossil fuel units. It was noted that units constructed at the end of the reset period could have shorter operational lives than units constructed at the beginning of the reset period. A table illustrating the potential for lowering the number of years for plant amortization based on market entrance year through the DCR period of 2021 – 2025 was presented. Potential issues with battery storage life were also discussed by AG with stakeholders. Mr. Schatzki introduced the concept of "Augmentation", which is the potential replacement of battery components to extend the life of the asset.

The third topic for discussion was the selection of gas hubs. Mr. Schatzki explained that the previously determined natural gas hubs used in the 2016 DCR may still be appropriate for the 2020 DCR. Tables provided an overview of the various alternatives that AG has assessed to date. Stakeholders provided some operational input to assist AG in the gas hub selection.

Lastly, Mr. Schatzki provided insight into the energy storage modeling of operation and potential Energy and Ancillary Service (E&AS) revenues, addressing 4, 6, and 8 hour durations. The parameters for the operation of an energy storage resource were discussed with AG proposing using a one-cycle per day model. Stakeholder feedback was noted for future discussion.

To see the complete presentation, please go to:
https://www.nyiso.com/documents/20142/10597283/2020%20DCR%20AG%20ICAPWG%2020200130.pdf/3395197b-882a-8033-83ec-8f692ac8667b

FERC Filings

January 30, 2020

NYISO request for limited, temporary waiver of the Services Tariff definition of Public Power Entity

January 28, 2020

NYISO filing on behalf of Niagara Mohawk Power Corporation of a revised small generator interconnection agreement (SA 2498) between NMPC and GR Catalyst Two, LLC

FERC Orders

January 31, 2020

FERC Letter Order accepted class year redesign tariff revisions effective February 18, 2020, as requested

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