

NYISO Consumer Interest Liaison Weekly Summary

March 2 – March 6, 2020

Notices:

- The NYISO will be presenting the first-ever in-class 'MT-306 Locational Based Marginal Pricing In-Depth' course June 16-18, 2020. The 'MT-306 LBMP In-Depth' course provides attendees with a more detailed understanding of the processes used to determine locational based marginal pricing in the NYCA, in addition to a closer look at the various components that impact NYISO's pricing methodology. To register for the course, complete the registration process by close of business on June 4, 2020.
- As a reminder, on March 1, 2020, the NYISO began accepting applications for organizations interested in providing Meter or Meter Data Services to the NYISO SCR and EDRP programs, effective May 1, 2020. The application is available on the NYISO Website at this link (Quick Links in the upper right corner MSE Registration Packet): NYISO Billing and Settlements page

Meeting Summaries:

Thursday, March 5, 2020

Joint Electrical System Planning Working Group/Transmission Planning Subcommittee

Study Scopes under Consideration for Recommendation for OC Approval

Queue #751: Stony Brook Storage SRIS Scope

Battery Storage

24 MW W/S

Suffolk County, NY

Recommended for OC approval

Queue #762: Riverhead Energy Storage SRIS Scope

Battery Storage
75 MW W/S

Suffolk County, NY

Recommended for OC approval

Queue #878: Pirates Island SRIS Scope

Battery Storage 100 MW W/S Erie County, NY

Recommended for OC approval

Queue #880: Brookside Solar SRIS Scope

Solar Generation 100 MW W/S Franklyn County, NY

Recommended for OC approval

Queue #907: Harlem River Yard SRIS Scope

Battery Storage 100 MW W/S Bronx, NY

Recommended for OC approval

Queue #909: Massena Load SIS Scope

Load

100 MW Load W/S

Lawrence County, NY

Recommended for OC approval

Queue #: Clemont 1 SRIS Scope

Battery Storage 100 MW W/S

Suffolk County, NY

Recommended for OC approval

Queue #: KCE NY21 SRIS Scope

Battery Storage 60 MW W/S

Suffolk County, NY

Recommended for OC approval

Queue #: Orleans Solar SRIS Scope

Solar Generation 200 MW W/S

Orleans County, NY

Recommended for OC approval

Queue #954: Empire Solar SRIS Scope

Solar Generation 125 MW W/S

Westfield County, NY

Recommended for OC approval

Queue #958: Oceanside Energy SRIS Scope Offshore Wind Generation 1000 MW W/S Nassau County, NY

Recommended for OC approval

Queue #959: Oceanside Energy II SRIS Scope Offshore Wind Generation – Uprate 500 MW W/S Nassau County, NY Recommended for OC approval

Study Reports under Consideration for Recommendation for OC Approval

Queue #700: Robinson Grid Project
Battery Storage
300 MW W/S
Brooklyn, NY
Recommended for OC approval

Friday, March 6, 2020

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

Grid in Transition Discussion: Capacity Market Enhancements

Emily Conway of the NYISO presented proposed Installed Capacity market enhancements for the changing electric grid of the future. The identified ICAP market enhancements outlined in the Grid in Transition report are intended to maintain appropriate price signals to integrate new technologies and enable New York State's policy objectives while maintaining system reliability. The NYISO has several ICAP market efforts currently being pursued with support of its stakeholders, as well as several efforts which are being considered by NYISO and its stakeholders to study and prioritize in coming years.

Ongoing capacity market enhancements include:

- Comprehensive Mitigation Review
- The following have been included in modeling updates:
 - Storage and other duration limited resources
 - o Intermittent renewable resources
 - Demand response
- Revise methodologies of calculating unforced capacity for certain resource types to better reflect their reliability contribution

Potential future ICAP market efforts include

- *ICAP Demand Curve Adjustments*
- Incremental adjustments to the ICAP demand curves may be needed to provide sufficient resource adequacy as system conditions evolve
- The NYISO recommends a targeted effort to review the efficacy of the shape and slope of the ICAP Demand Curves

- A ICAP market pricing framework where the procurements and clearing price at each location is set in accordance with the marginal reliability value of ICAP at each location is being investigated
 - o Ensuring Year-Round Resource Adequacy through Dynamic ICAP Requirements
- The NYISO could consider procuring different amounts of capacity during the Summer and Winter Capability Periods that reflect the underlying capacity need in that season

The NYISO will continue discussion of the above ICAP market enhancements with stakeholder to gather feedback. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/11214986/Grid%20in%20Transition%20Discussion%20%20Capacity%20Market%20Enhancements.pdf/8e1c4665-87ad-f022-1ef7-54b342927065

Grid in Transition: Introduction to the Modeling Methodology and First Discussion of Assumptions Roger Lueken and Samuel Newell of the Brattle Group (Brattle) presented the modeling methodology for the "Grid in Transition Study" (Study) requested by the NYISO. NYISO has retained Brattle to develop simulations of NYISO markets through 2040 to inform the Grid in Transition effort. Mr. Lueken presented the GridSIM simulation model developed by Brattle to simulate the NYCA electrical system. The model uses capacity expansion models to simulate optimal generation investment and operations over a multi-year horizon. GridSIM minimizes the present value of total system costs across a multi-year horizon, subject to constraints.

Mr. Lueken provided several charts and graphs to illustrate the results that GridSIM will generate for stakeholder discussion. Brattle will be using resources to meet the NYS policy goals for 2030 and 2040 in the simulation. Consideration will be given to potential changes to external resource mixes. Brattle will return to the March 30, 2020 ICAPWG/MIWG meeting to discuss the assumption matrix for the Study in depth with stakeholders. To see the complete presentation, please go to: https://www.nyiso.com/documents/20142/11214986/2020.03.06%20NYISO%20ICAP%20MIWG%20Intro%20to%20GridSIM%20UPDATED.pdf/9fdcda65-9a75-8417-a362-8a66e18ddb4b

DAM Bidding Obligation for ESR ICAP Suppliers

Zachary T. Smith of the NYISO presented the proposed bidding obligations for the Energy Storage Resources (ESRs) that are Installed Capacity (ICAP) Suppliers.

Mr. Smith highlighted the Bid/Schedule/Notify (BSN) requirements for ESR participation in the ICAP market. NYISO is proposing to require all ESR ICAP Suppliers to B/S/N the full range of the ESR capability. Examples of bidding were provided to illustrate both the NYISO-Managed and Self-Managed energy level options.

Mr. Smith provided the proposed tariff change to Section 5.12.7 of the Market Services Tariff for discussion with stakeholders. To see the complete presentation, please go to:

 $\frac{https://www.nyiso.com/documents/20142/11214986/ESR\%20Bidding\%20for\%20ICAP\%20Suppliers.pdf/ec562cd2-3823-a21b-e0d3-88403326a2e8$

Additional Tariff Modifications Required for the ESR Participation Model

Zachary Stines of the NYISO presented additional tariff modifications required for the Energy Storage Resource (ESR) participation model. During software development for the Energy Storage Resource Project, NYISO identified additional tariff revisions required to support the ESR participation model.

Mr. Stines presented the revisions required to address:

- Day-Ahead Margin Assurance Payments
 - One modification is to support Fast-start pricing rule changes

- Method for setting feasible Day-Ahead and real-time schedules
- Generator offer caps and reference levels (presented February 26, 2020)
- *ICAP Supplier bidding requirements (presented March 6, 2020)*

Mr. Stines led a discussion of the specific tariff language for each change and noted stakeholder feedback for consideration in the next MIWG/ICAPWG presentation. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/11214986/MIWG_030620_ESR_Tariff_Final.pdf/479c58b9-6806-0cb3-313a-6b4aac5d4446

SCR Mitigation Implementation Plan

Christina Duong of the NYISO presented the mitigation implementation plan for Special Capacity Resource (SCR) program in response to the FERC Order that SCRs are subject to mitigation rules in mitigated Capacity Zones. NYISO proposes to begin conducting monthly BSM evaluations for new SCRs enrolling in NYC and Zones G-J for the May 2020 Capability Month in accordance with MST 23.4.5.7.5.¹

Ms. Duong noted that Offer Floors will be calculated consistent with the current tariff language. For example, revenues received from NYS PSC-approved utility DR programs and NYSERDA programs are excluded from the offer floor calculation. The NYISO is currently ensuring the software necessary to implement a SCR Offer Floor has been properly implemented and tested.

To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/11214986/March%206%202020%20SCR%20Mitigation%20Implementation%20Plan.pdf/b84257d1-7a4a-18ad-7437-b8f82ad55173

FERC Filings March 4, 2020

NYISO 205 filing re: executed Public Policy Transmission Planning Process Development Agreement (SA 2514) among the NYISO, LS Power Grid New York Corporation I, and the New York Power Authority

FERC Orders

March 5, 2020

FERC Notice granting NYISO's request for an extension of the effective date that it may propose in its further ESR compliance filing to a date no later than September 30, 2020

March 5, 2020

FERC Letter Order accepting a Small Generator Interconnection Agreement (SA2511) between Niagara Mohawk Power Corporation and LaChute Hydro Company

Filings and Orders:

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

¹ On 3/19/20, in Docket No. AD20-11-000, FERC issued an order extending the deadline for entities to make non-statutory filings required by the Commission, such as compliance filings, to 5/1/20. The Extension Notice granted NYISO an extension of time until 5/1/20 to submit its compliance filing.