

NYISO Consumer Interest Liaison Weekly Summary

September 7 – September 11, 2020

Notices:

- *The NYISO announced the final step in a years-long process to open the NYISO's wholesale energy markets to Energy Storage Resources (ESRs). This development makes the NYISO the first ISO/RTO to allow full participation of these resources and helps position the state to meet the aggressive mandates in the Climate Leadership and Community Protection Act (CLCPA). [View the Press Release here.](#)*
- *The 2019 CARIS Phase 1 fuel forecast data file was updated to include fuel forecasts for the Base Case in addition to the 70x30 Scenario. The file has been posted under 5/22/20 meeting material [here.](#)*
- *The NYISO has posted final versions of both the NYISO Staff DCR Recommendations and the Independent Consultant's DCR Report to the [Installed Capacity Market page](#) of the NYISO's website. These documents can be found under Installed Capacity Data/Reference Documents/2021-2022 Demand Curve Reset/Final Models and Materials. Additionally, the NYISO aims to post final versions of the net Energy and Ancillary Services revenues models and DCR model used to calculate reference prices found in these reports by the end of this week. A separate notice will be issued when such models are posted.*

Meeting Summaries:

Tuesday, September 8, 2020

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

Hybrid Storage: Proposed Market Design Updates and Energy Market Tariff Revisions for Co-located Storage Resources (CSR)

Kanchan Upadhyay of the NYISO led a review of the market design for Co-located Storage Resources and provided proposed tariff language for stakeholder discussion.

Ms. Upadhyay explained the following update to the proposed CSR settlement rules. At the August 19, 2020 ICAPWG/MIWG, the NYISO proposed that each CSR unit shall specify the CSR Scheduling Limits with its Day-Ahead and real-time bids. The NYISO operators will be able to issue

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an Out of Merit (OOM) to change the CSR Scheduling Limits in real-time for ISO/TO reliability or at the Market Participant's request. The NYISO is proposing that when the ISO uses OOM to reduce the CSR Scheduling Limit for NYCA or local reliability, the OOM for NYCA or local reliability designation shall apply to each of the Generators that is subject to the affected CSR Scheduling Limit. The NYISO is proposing that the Energy Storage Resource (ESR) unit will be eligible for Day Ahead Margin Assurance Payments (DAMAP) when the CSR Scheduling Limit is OOM for reliability or the ESR unit is OOM for reliability. The current proposal is different from NYISO's previous proposal discussed at August 10, 2020 ICAPWG/MIWG, where NYISO proposed that the ESR unit within the CSR would not be eligible for DAMAP. This current proposal is consistent with the DAMAP rules for standalone ESRs, so no changes to DAMAP eligibility rules for ESR unit within the CSR are needed.

Ms. Upadhyay led a review of the proposed tariff language required to implement the CSR market design while noting stakeholder feedback for consideration.

The NYISO will continue working on addressing questions and concerns raised by stakeholders at the previous ICAPWG/MIWG, and address them at future working group meetings. The NYISO is working on developing examples for CSR participation option and intends to discuss them at the September 22, 2020 ICAPWG/MIWG. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/15078529/Hybrid%20Storage%20Market%20Design%20Updates%20%20Energy%20tariff%20ICAPWG%20MIWG%2009.08.20%20final.pdf/fcbb65d6-71d1-c1ac-52e9-8ecb6efb20f7>

Wednesday, September 9, 2020

Business Issues Committee

Motion #1:

Motion to approve the Minutes of the July 15, 2020 and August 12, 2020 BIC meetings.

Motion approved unanimously with abstentions

Motion #2:

The Business Issues Committee ("BIC") hereby approves the revisions to the Accounting & Billing Manual as described in the presentation to the BIC on September 09, 2020.

Motion approved unanimously with abstentions

Motion #3:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve changes to the NYISO's Market Administration and Control Area Services Tariff and Open Access Transmission Tariff as more fully described in the presentation titled "New York City Steam Exemption" made to the BIC on September 9, 2020.

Motion approved unanimously with abstentions

Motion #4:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee ("MC") approve changes to Sections 5.12 of the NYISO's Market Administration and Control Area Services Tariff as more fully described in the presentation "ESR Bidding Rules for ICAP Suppliers with an Energy Duration Limitation" made to the BIC on September 9, 2020.

Motion approved unanimously with abstentions

Motion #5:

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The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s Market Administration and Control Area Services Tariff as more fully described in the presentation titled “Large Scale Solar on Dispatch Tariff Revisions” made to the BIC on September 9, 2020.

Motion approved unanimously with abstentions

Motion#6:

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve revisions to Attachment K of the Market Administration and Control Area Services Tariff as described in the presentation entitled “Unsecured Credit for Public Power and Other Governmental Entities,” made at the September 9, 2020 BIC meeting.

Motion passes with abstentions and opposition

Motion #7:

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve revisions to Attachment K of the Market Administration and Control Area Services Tariff and Attachments M and N of the Open Access Transmission Tariff as described in the presentation titled “Proposed TCC Credit Policy Enhancements” made at the September 9, 2020 BIC meeting.

Motion approved unanimously with abstentions

Wednesday, September 9, 2020

Budget and Priorities Working Group

2021-25 RS-1 Budget Forecast

Chuck Alonge of the NYISO presented the Rate Schedule 1 (RS1) forecast for the years 2021 – 2025. Due to the impacts of Covid 19, the Actual Net Energy is below budget for 2020.

In updating the 2020-2025 baseline energy forecast, the NYISO

- *Included the May 2020 Moody’s baseline economic forecast was included in the model guidance. Gross Domestic Product and employment are composite forecasts including information from the June and July 2020 EIA Short Term Energy Outlook (STEO) forecasts*
- *Considered Transmission Owner forecast outlooks*
- *Used Moody’s May 2020 high and low regional economic forecasts to gain a sense of the uncertainty surrounding the economic outlook*

Mr. Alonge reviewed the methodology used to complete the forecast. The MWh values for 2021 – 2025 were provided to stakeholders. Mr. Alonge noted the 2021 forecast of 147,300 is below the forecast for 2020 of 154,300. An updated forecast was provided for the remainder of 2020.

The reasons for the decrease in MWh were explained as:

- The budget forecast includes the estimated impacts of the shutdown/recession associated with COVID-19 and subsequent recovery of NY’s economy.
- Energy efficiency and codes & standards continue to have strong load reducing impacts (the 2020 Gold Book baseline forecast incorporates the effects of the January 2020 PSC Order).
- While the Wheels and Exports forecasts have been revised down, there continues to be a high level of uncertainty with respect to their volumes. Observed Wheels and Exports GWh have been lower than expected through July 2020.
- There are larger BTM Solar reductions due to the increased 2025 state policy target (as reflected in the 2020 Gold Book scenarios).

Data was provided to support the forecast. To see the complete presentation, please go to:
https://www.nyiso.com/documents/20142/15116287/02%202021_Budget_EnergyForecastBPWG.pdf/57b10432-96b1-07a2-3add-043dc2925a67

NYISO 2021 Budget Overview

Cheryl Hussey and Patrick Kelly of the NYISO presented an overview of the 2021 NYISO Budget. Ms. Hussey began with a timeline of the budget process with approval by the Board of Directors on a final budget scheduled for November 17, 2020. Key projects and priorities for 2021 were highlighted for stakeholders.

NYISO's draft 2021 budget totals \$167.4M, allocated across a forecast of 147.3 million MWh, for a Rate Schedule 1 charge/MWh of \$1.137. Comparatively, the 2020 budget was \$168.0M, allocated across 154.3million MWh for a Rate Schedule 1 charge/MWh of \$1.089. Ms. Hussey noted that 2021 represents the second consecutive year the NYISO has proposed a decrease to the budgeted revenue requirement. Budget cost increases and reductions compared to the 2020 budget were highlighted and discussed with stakeholders.

Mr. Kelly continued the presentation with a detailed presentation of the budget line items for discussion with stakeholders.

To see the complete presentation, please go to:

[https://www.nyiso.com/documents/20142/15116287/03%202021%20DRAFT%20Budget%20Present ation.pdf/99173fbf-391b-c4ee-662e-ea29e4900858](https://www.nyiso.com/documents/20142/15116287/03%202021%20DRAFT%20Budget%20Presentation.pdf/99173fbf-391b-c4ee-662e-ea29e4900858)

2020 Master Plan

Ethan Avallone of the NYISO updated the draft 2020 Master Plan. In response to stakeholder feedback on prior plans, the 2020 Master Plan includes a number of features to improve readability and clarity

- The NYISO will provide a cohesive narrative, while avoiding reiteration of unnecessary project information that is already included within project candidate descriptions
- Describe how each individual project will support grid reliability and market efficiency
- Compare and contrast the projects in terms of the level of effort, and the benefit that each will provide for the grid
- Provide a potential timeline for stakeholders

Mr. Avallone led a review of the purpose and structure of the Master Plan prior to highlighting specific updates to the September draft. To see the complete presentation, please go to:

https://www.nyiso.com/documents/20142/15116287/04%202020_Master_Plan_9.9.2020.pdf/02452764-c92f-40eb-081c-eb7aafdf0510

Thursday, September 10, 2020

Joint Electric System Planning Working Group/Transmission Planning Advisory Subcommittee Climate Change Phase II

Paul Hibbard and Charles Wu of Analysis Group (AG) presented an overview of the final report on the Climate Change Phase II study.

Mr. Hibbard began the presentation with a review of the attributes of generic resources required for grid reliability. A generic resource included in the resource sets, "Dispatchable & Emissions-Free Resource" (DE Resource), is included to maintain reliability during the highest load hours of each modeling period. DE Resources provide the majority of energy on the peak winter hour during the Climate Leadership and Community Protection Act (CLCPA) load scenario. It was explained that, due to uncertainty, it is unknown at this time what specific resources or fuels will emerge to fill the

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DE Resource portion. Mr. Hibbard led a discussion on the potential resource mix and the resource associated attributes. Overall, the DE Resource provides a small proportion of system energy; only 4% of summer modeling period load and 10% of winter modeling period load are met by DE Resources in the CLCPA load scenario under the Climate Change Phase II resource set. The majority of load is served by baseload and renewable resources in each modeling period.

Mr. Wu continued the presentation with a discussion on the required pace of resource additions. The current system is heavily dependent on existing fossil-fueled resources, and eliminating these resources from the mix will require a substantial level of investment in new and replacement infrastructure, and/or the emergence of a zero-carbon fuel source for thermal generating resources. For either the Climate Change Phase II or Grid in Transition resource sets, the required pace of development of wind and grid-connected solar nameplate capacity is thousands of MW per year from 2020 through 2040. Mr. Wu explained that the impact on reliability associated with how the resource mix evolves between now and 2040 overshadows the reliability risks associated with the modeled climate disruption events. A table was provided to illustrate the required rate of new resource development.

Mr. Wu next presented the cross-seasonal differences in load and generation balance. Cross-seasonal differences in load and renewable generation would provide opportunities for renewable fuel production, provided it will be technically and economically feasible to create, transport, and store the fuel or to develop other forms of long-term storage. The Climate Change Phase II resource set is constructed to meet peak demand in the winter and summer seasons based primarily on production from renewable resources, so there is a substantial amount of renewable generation that is excess, or “spilled,” in off-peak seasons and hours. The energy/fuel production potential of the excess renewable generation is large relative to the energy needs of the backstop resources during the summer and winter. Mr. Wu demonstrated an example where a seasonal storage technology with a round trip efficiency on the order of 10%- 20% would be able to meet backstop generation energy needs with excess off-season renewables.

The Final Report draft version has been posted with the September 10, 2020 ESPWG/TPAS meeting materials. AG requests that all stakeholder comments on the Final Report draft be sent via email to Lbullock@nyiso.com. The deadline for stakeholder comments for consideration in the Final Report is Thursday, September 17, 2020. There will be a presentation of the Final Report by AG to stakeholders at an October 2020 working group. To see the complete presentation and draft Final Report, please go to: <https://www.nyiso.com/espwg?meetingDate=2020-09-10>

2020 RNA Report and Appendices

Kevin DePugh, Michael Welch and Keith Burrell of the NYISO reviewed updates to the 2020 Reliability Needs Assessment (RNA) and the attached appendices. Mr. Welch and Mr. Burrell reviewed the report, highlighting updates, while addressing stakeholder feedback. The NYISO will return to the September 24, 2020 ESPWG/TPAS meeting to present additional updates. If necessary, the October 5, 2020 ESPWG/TPAS is also available for additional discussion prior to October governance action in the OC and MC meetings. To see the complete draft report, please go to: <https://www.nyiso.com/espwg?meetingDate=2020-09-10>

FERC Filings

September 11, 2020

NYISO filing of request for an additional 90 day extension of time, i.e., until December 21, 2020, to submit compliance tariff revisions concerning the proposed Self-Supply Exemption (the “SSE”) under its buyer-side capacity market power mitigation rules (the “BSM Rules”).

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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