

New York City Steam Exemption

June 2, 2020

NYISO ICAP/MIWG Meeting

New York City Steam Exemption

- Units that supply the New York City steam distribution system are granted an exemption from real-time generation penalties given their operating characteristics.
 - Electricity output level is driven by New York City steam load.
 - Steam supply and reserve requirement is a utility service regulated by the New York Public Service Commission.
- Tariff originally provided for a 365 MW exemption corresponding to the then-existing units' winter capacity.
- The current Tariff exemption is 523 MW.

Modifications to Steam Exemption

- Stakeholders have twice approved changes to the exemption for efficiency projects that increased MWs without changing the original operating characteristics.
 - 2005 East River Repowering Project | Total 499 MWs Exempted
 - East River Unit 1 and 2 Repowered
 - East River Unit 6 Existing
 - Waterside* and Hudson Avenue Unit 10** Retired
 - 2014/15 Advanced Gas Path Upgrades | Total 523 MWs Exempted
 - East River Unit 1 Increase 12 MW
 - East River Unit 2 Increase 12 MW

* Retired when East River Repowering Project completed

** Retired in 2004

2014/15 Efficiency Project Specifics

- Over the past several years Con Edison has completed a number of projects resulting in East River 6 efficiencies.
 - The total increase in electric winter output is 10 MWs.
 - New total electric winter capacity of all units of 533 MWs.
- East River Unit 6 continues to serve the same steam system in the winter with the same operating characteristics that justified the original exemption.
 - Con Edison dispatches the unit to meet steam demands.
 - Electricity is a byproduct of Con Edison's steam production.
 - Units may be unable to follow NYISO's dispatch schedule.

Proposal

- Initially, Con Edison proposed to revise the Tariff to strike the MW exemption cap.
- However, based on stakeholder feedback, Con Edison has modified the proposal.
 - Now proposing to revise the Tariff to increase MW exemption cap by 10 MW, to a total of 533 MW.
 - Market Services Tariff Sections 4.5, 5.12 and 15.3A.3.
 - Open Access Transmission Tariff Section 16.3.
 - This is consistent with the cap increases in 2005 and 2015.

Proposal Continued – Tariff Clarification

- During the review of these Tariff section, Con Edison also identified an opportunity to improve the description of the applicable generators following the 2005 East River Repowering.
- The posted Tariff revisions also propose the following change to clarify the description.
 - And/or ~~topping or extraction turbine~~ Generators utilized in replacing or repowering existing steam supplies from such units.

Next Steps

- August 2020 | NYISO Business Issues Committee
| NYISO Management Committee
- September 2020 | NYISO Board
| FERC Filing