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To: Analysis Group Inc. ("AGI")
Burns & McDonnell ("BMCD")
New York Independent System Operator, Inc. ("NYISO")

From: James M. D'Andrea, Esq., General Counsel, Ravenswood Holdings, LLC

Date: July 1, 2020

Re: **Comments on Proposed Installed Capacity Demand Curve Parameters for the 2021/2022 through 2024/2025 Capability Years – Initial Draft Report**

Helix Ravenswood, LLC ("Ravenswood") submits the following comments on the June 4, 2020 *Independent Consultant Study to Establish New York ICAP Demand Curve Parameters for the 2021/2020 through 2024/2025 Capability Years – Initial Draft Report* (the "Draft Report") prepared by AGI and BMCD (collectively, the "Consultants") for the instant Demand Curve Reset ("DCR") process.

Ravenswood concurs with the comments being filed by the Independent Power Producers of New York, Inc. ("IPPNY"). The current DCR process is not an academic, abstract or theoretical process as some may purport or claim. A robust and strong market signal to support resource adequacy and the corresponding reliability services associated with capacity are extremely important for all energy investments. The resulting rate must be just and reasonable for the service being provided.

As such, the cost and value of the current reference unit needs to be accurately estimated such that the service it represents is correctly reflected in the competitive market. Just because such a unit may not be developed does not diminish the need to know what the cost and value of such service is.

Providing an accurate competitive market signal to investors for the various resources that will be developed, including storage and renewable resources, will encourage competition and efficiencies that would otherwise not be achievable via a completely command and control integrated resource plan.

Reliable competitive markets that investors have confidence in provide efficient support for various projects New York State wants to see developed. Stronger market signals will reduce out-of-market payments and help transition to a competitive market that signals the resources and attributes needed to maintain system reliability as well as environmental outcomes. To encourage economic efficiencies with respect to resource adequacy, storage, renewable resources and public policy resources should be able to rely on a resource adequacy construct that compensates resources for the service provided. To the extent these resources have resource adequacy attributes and are able of providing capacity services in accordance with the NYISO Services Tariff, the market price for those attributes should reflect the actual cost of the flexible reference unit. The stronger and more transparent the signal, the more the value can be worked into a project's revenue calculations. Stronger market signals should reduce out-of-market payments.

All energy infrastructure investments are challenging, and the revenue requirements associated with developing renewable and public policy resources are no different. Accurately determined Demand Curves will help public policy and renewable resources to enter the market by providing an important revenue stream where applicable. If those demand curves are priced too low, no resources will be able to provide the service in response to the market signal and additional resources will need to lean more and more on out-of-market payments. To the extent public policy and renewable resources are able to supply capacity, strong price signals will contribute to their investment analysis. In addition, stronger market signals will reduce out-of-market payments and help transition to a competitive market that

signals the resources and attributes needed to maintain system reliability as well as environmental outcomes.

Therefore, Ravenswood encourages the Consultants and the NYISO to consider seriously the data, evidence and comments presented by IPPNY and revise certain assumptions and estimates associated with the cost of providing resource adequacy and the competitive capacity product.

Respectfully Submitted,

/s/

James M. D'Andrea, Esq.
General Counsel