

# Reliability Must Run: Generator Deactivation Process Overview

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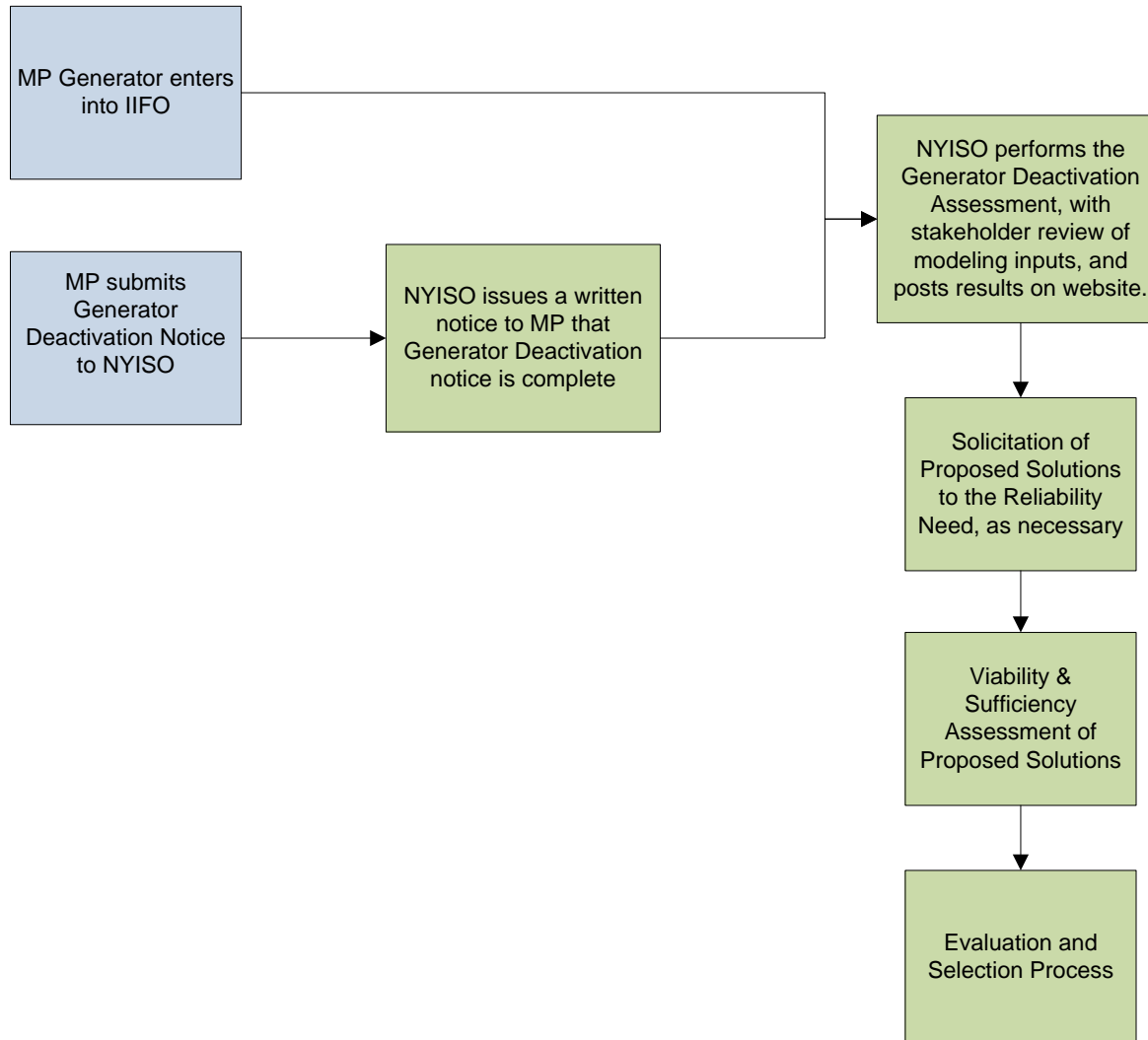
*July 26, 2016*



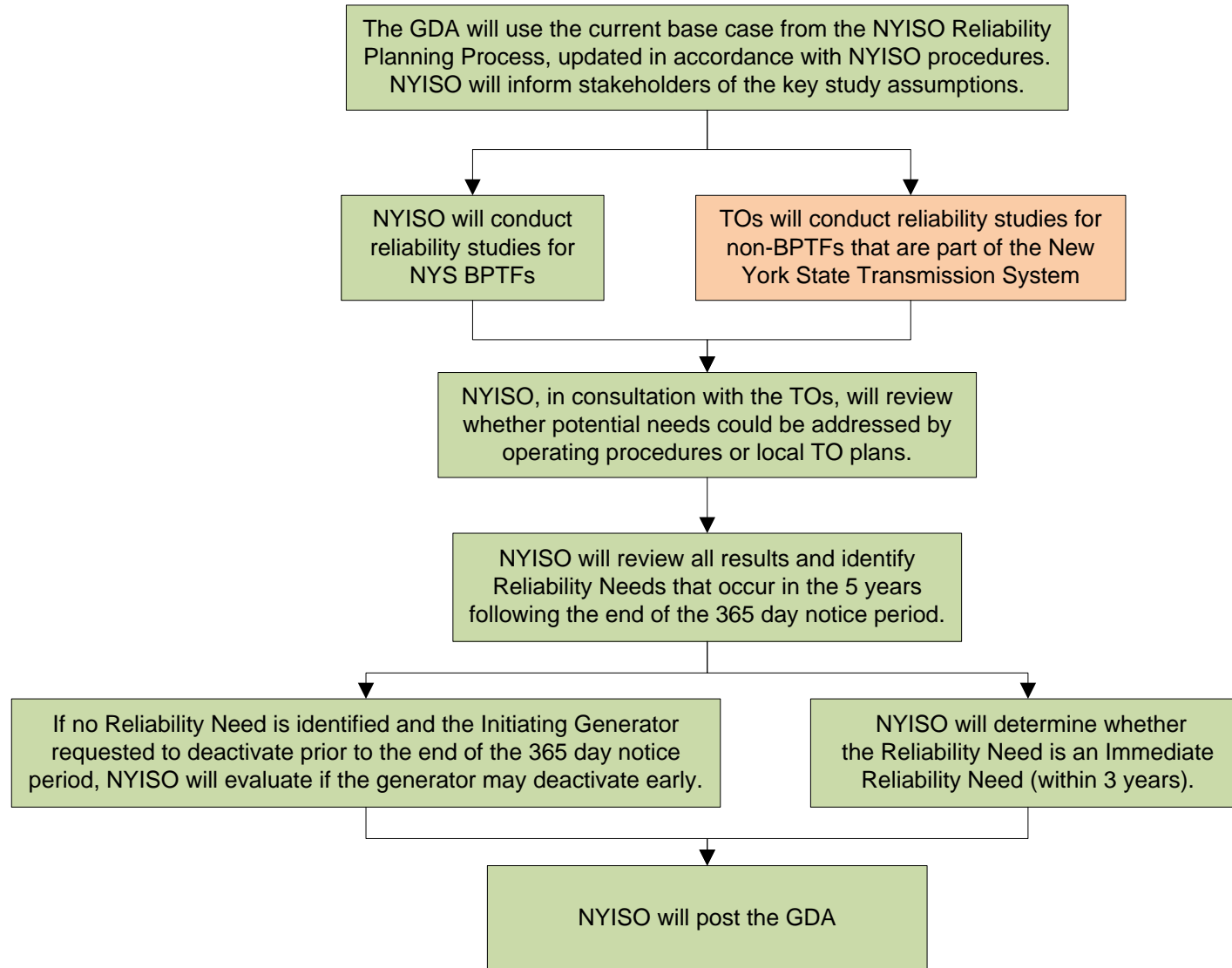
# RMR Order – April 21, 2016

- ◆ FERC accepted in part and rejected in part NYISO's October 19, 2015 compliance filing.
  - *The compliance filing is due September 19, 2016.*
- ◆ Compliance revisions required for the Generator Deactivation Process:
  - *Separate the generator deactivation review from the Gap Solution process*
  - *Specify when the generator deactivation process/Gap Solution process will apply*
  - *Determine timeline/process steps for generator deactivation review*
  - *Assign NYISO the role of evaluating and selecting both generator and non-generator solutions to reliability needs in the generator deactivation process*
  - *Develop process for choosing between generation and non-generation solutions to an identified reliability need*
  - *Clarify when a non-generation solution to a generator deactivation can also be the permanent solution to the identified reliability need*
  - *Separate RMR cost allocation rules from Order 1000 cost allocation rules*

# Generator Deactivation Process: High Level Overview



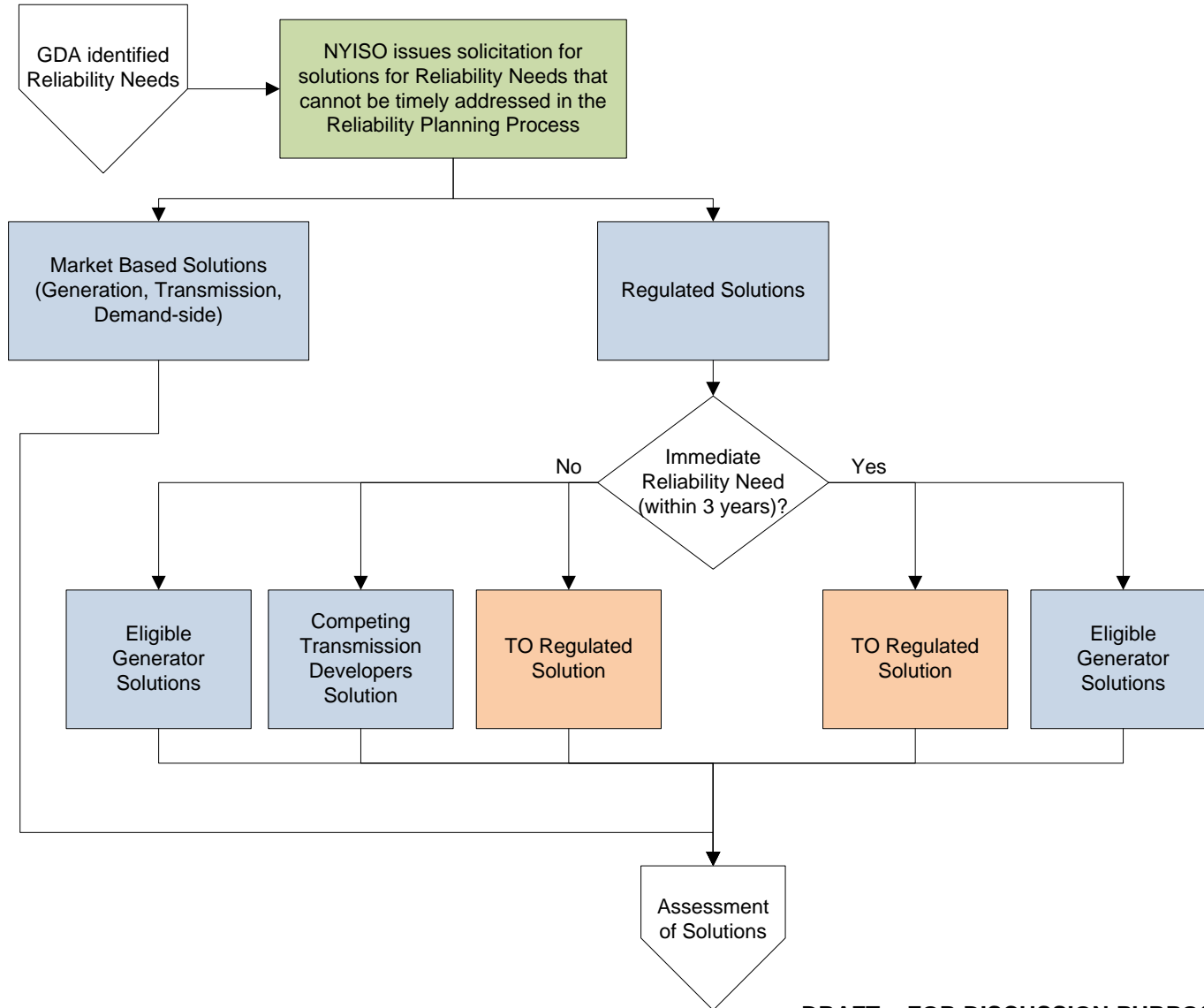
# Generator Deactivation Assessment



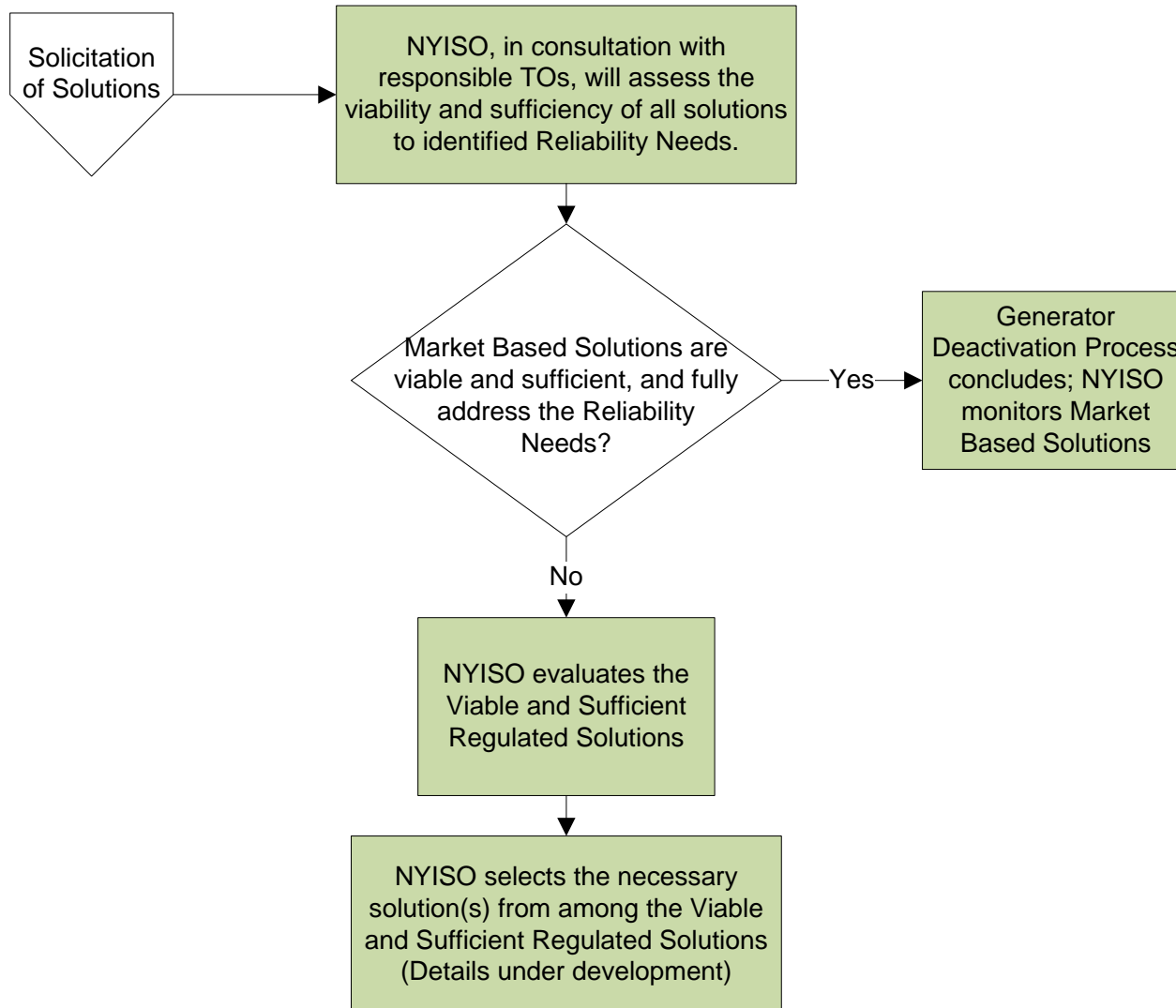
# Immediate Reliability Need

- ◆ If a Reliability Need is an Immediate Reliability Need (occurring within 3 years), and the NYISO determines there is not sufficient time to carry out a competitive transmission evaluation and selection process to address the need, then the NYISO will consider; (a) market-based solutions (b) the Responsible TO's proposed regulated backstop solution, and (c) RMR Agreements with the Initiating Generator and/or currently deactivated Generators, as possible solutions to the Reliability Need.
- ◆ If the Reliability Need is not an Immediate Reliability Need (i.e., the need first arises in Years 4 or 5), or if NYISO determines there is adequate time to solicit alternative regulated transmission solutions, other qualified transmission Developers may also propose an alternative transmission solution to address the Reliability Need.

# Solicitation of Solutions



# Solution Evaluation and Selection



# Generator Deactivation Process Relation to RNA Base Case

- ◆ A Generator operating under an RMR Agreement will not be included in the RNA Base Case.
- ◆ Any interim solution selected in the Generator Deactivation Process to address a Reliability Need will not be included in the RNA Base Case.
  - *If a Reliability Need is identified in the RNA due to the removal of the interim solution, the Responsible TO may propose as a permanent solution in the CRP the incremental changes required to convert its interim solution into a permanent solution (if such conversion is possible).*
- ◆ A Responsible TO's or other Developer's transmission solution selected as a permanent solution through a competitive selection in the Generator Deactivation Process will be included in the RNA Base Case if it meets all applicable base case inclusion rules for a transmission project.



# Next Steps

- ◆ Consider stakeholder comments
  - *See Generator Deactivation Process outline document also in ESPWG meeting material*
- ◆ Further review of process and draft tariff language at ESPWG meetings through August
- ◆ RMR compliance filing Sept. 19

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.



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