

Proposed Revision of the Transmission Expansion and Interconnection (TEI) Manual

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October 14, 2015

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Outline

- ◆ Introduction re: this TEI Manual revision
- ◆ Proposed change to the criteria for requiring a transmission System Impact Study (SIS)
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Introduction re: this TEI Manual Revision

- ◆ History of the TEI Manual
 - *Original version dated September 1999*
 - *Current version dated November 2012*
 - *Update in progress, implementation anticipated early 2016*

- ◆ Scope of this proposed revision
 - *Change to the criteria for requiring a transmission SIS*
 - *Other changes included in this revision*

- ◆ Additional updates in progress

Proposed Change to the Criteria for Requiring an SIS: Background

- ◆ Proposal pertains to the NYISO Transmission Expansion Process, specifically System Impact Studies (SISs) performed under that process
 - *Does not pertain to Interconnection Studies*

- ◆ References:
 - *Section 3.7 of the NYISO OATT (Additional Study Procedures For Firm Point-To-Point Transmission Service Requests)*
 - *Section 2 of the NYISO Transmission Expansion and Interconnection (TEI) Manual (Transmission Expansion Process)*
 - *Section 18.02 of the ISO Agreement (Confirmation That Proposed Projects Meet Reliability Standards)*

Proposed Change to the Criteria for Requiring an SIS: Background

- ◆ Overview of Transmission Expansion Process
 - *Mechanism for Eligible Customers (including NYTOs and other market participants) to pursue upgrades to the NYTOs' transmission system*
 - *Process consists of two studies:*
 - System Impact Study (SIS) performed by the NYISO
 - Facilities Study performed by the Affected NYTO(s)
 - *Process begins when an Eligible Customer submits a Study Request to the NYISO*
 - *After the studies are completed, the Eligible Customer may enter into a contract with the TO(s) for construction of the upgrades*
 - *The Eligible Customer pays for the studies and for the upgrades they wish to pursue.*

Proposed Change to the Criteria for Requiring an SIS: Background

- ◆ There are two basic forms of transmission SISs:
 - *Form 1 – The customer requests NYISO to identify transmission upgrades needed to meet some objective(s) specified by the customer (e.g., increase transfer capability between Point A to Point B).*
 - *Form 2 – The customer is proposing specific transmission upgrades and requests NYISO perform an SIS to determine whether the proposed upgrades cause any reliability issues.*
- ◆ The proposed rule change involves the second form of SIS, specifically the MW threshold criterion that determines whether an SIS is required for a proposed transmission upgrade.

Proposed Change to the Criteria for Requiring an SIS: Current Rule

- ◆ Ref. Section 2.4.2 of the TEI Manual:

“For other proposed transmission projects, a System Impact Study is required for projects that may impact the Transfer Capability of any NYISO interface by more than 10 MW. For this purpose, NYISO interfaces are the ten major internal interfaces that define the inter-zonal boundaries and the four Inter-ISO interfaces. Proposed transmission projects expected to impact interface Transfer Capability by 10 MW or less are not required to undergo a NYISO System Impact Study, but may be subject to study or review by the affected Transmission Owner(s).” {Emphasis added}

- *In the above, “other proposed transmission projects” refers to transmission projects other than merchant transmission projects, i.e., projects that involve proposed upgrades of the NYTOs’ transmission facilities.*

Proposed Change to the Criteria for Requiring an SIS: Proposed New Rule

- *For other proposed transmission projects, a System Impact Study is required for projects that may **impact either reduce** the Transfer Capability of any NYISO interface by more than 10 MW, **or increase the Transfer Capability of any NYISO interface by more than 25 MW**. For this purpose, NYISO interfaces are the ten major internal interfaces that define the inter-zonal boundaries and the four Inter-ISO interfaces. Proposed transmission projects expected to **impact not reduce** interface Transfer Capability by **more than 10 MW or less and not increase interface Transfer Capability by more than 25 MW** are not required to undergo a NYISO System Impact Study, but may be subject to study or review by the affected Transmission Owner(s).*

Proposed Change to the Criteria for Requiring an SIS: Rationale for the Proposed Change

- ◆ Section 18.02 (a) of the ISO Agreement states,
“Transmission projects proposed by Transmission Owners and projects proposed by other Market Participants, including generation, that impact Interface Transfer Capability, shall be submitted to the ISO Operating Committee to confirm that all applicable reliability criteria would be met.”
- ◆ The intent of the current 10 MW rule was to define a threshold criterion to distinguish between transmission projects that have a more than de minimus impact on Interface Transfer Capability and should undergo Operating Committee review versus projects that are primarily local in nature and have little or no impact on Interface Transfer Capability.

Proposed Change to the Criteria for Requiring an SIS: Rationale for the Proposed Change

- ◆ The current 10 MW rule was first introduced in the *NYISO SRIS Criteria and Procedures* approved by the Operating Committee in July 2000.
- ◆ The rule was intended to be similar and comparable to the then 10 MW threshold that determined what generation projects were subject to an SRIS.
 - *The threshold for generation projects was subsequently increased to 20 MW in August 2004 when the NYISO Large Facility Interconnection Procedures (Attachment X of the NYISO OATT) went into effect.*

Proposed Change to the Criteria for Requiring an SIS: Rationale for the Proposed Change

- ◆ The intent of the proposed rule change is simply to increase the MW threshold on the “increase” side by modest amount to eliminate the need Operating Committee review (and NYISO study) of transmission projects that are primarily local in nature, but happen to result in a modest increase in Interface Transfer Capability.
- ◆ The 10 MW threshold for a potential decrease in Interface Transfer Capability will remain, reflecting a greater concern for projects that reduce transfer capability versus projects that increase transfer capability by a small amount.
- ◆ Transmission projects that result in a significant increase in Interface Transfer Capability, by design or otherwise, should continue to be subject to NYISO study and Operating Committee review.

Proposed Change to the Criteria for Requiring an SIS: Example of Application

- ◆ Queue# 505A – Central Hudson’s proposed Hurley Avenue & Saugerties upgrades.
 - *SIS Scope approved by the Operating Committee on 8/13/2015*
 - *Project - Rebuild of Central Hudson Gas & Electric Corporation’s (“CHG&E”) 69 kV SB line (Hurley Avenue – Saugerties) and 69 kV H line (Saugerties – Cement – North Catskill) (reference SIS Scope for details)*
 - *Central Hudson provided analysis to NYISO showing the project results in a “small” increase in UPNY-SENY thermal transfer limits in the range of 2 to 21 MW, and petitioned NYISO to “waive” the requirement for a NYISO SIS.*
 - *NYISO proposed rule change would eliminate the requirement for a proposed transmission upgrade such as this to undergo a NYISO SIS.*

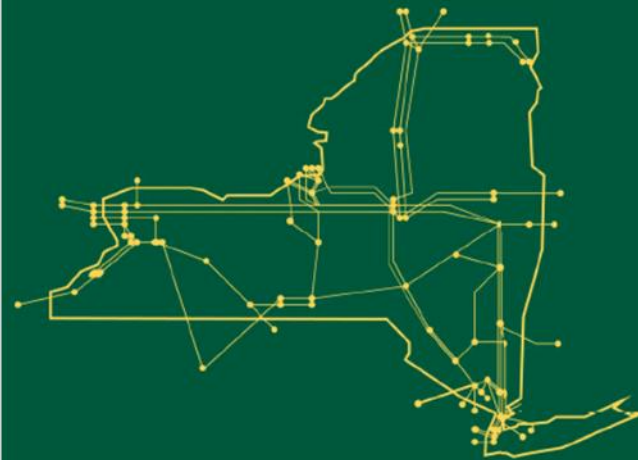
Other Changes Included in This Revision

- ◆ Global ministerial changes to conform to the latest manual standards:
 - *Page numbering by sections & Section 3 subsection numbering*
 - *Added Table of Figures and Table of Tables*
 - *Corrections/updates of footnote cross-references*
- ◆ Updates to reflect Transmission Congestion Contracts Manual
 - *Revised Section 2.7 and discontinuation of Attachment C*
- ◆ Errata corrections to current manual
 - *Page 2-6 – incorrect sentence deleted*
 - *Page 3-2 – incorrect references to Section 3.3.10 corrected to reference Section 3.3.4*
 - *Page 3-25 – incorrect sentence deleted*

Proposed Implementation / Next Steps

- ◆ Proposed change to criteria for requiring a transmission SIS presented to TPAS on 10/1/2015
- ◆ Present proposed TEI Manual revision at 10/14/2015 BIC meeting for approval
- ◆ Present proposed TEI Manual revision at 10/15/2015 OC meeting for approval
- ◆ If approved, implement revision 10 Business Days after OC approval, absent an appeal (10/29/2015)
- ◆ Proceed with additional TEI Manual updates as planned

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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