

10 Krey Boulevard • Rensselaer, NY 12144

NOTICE OF REQUIREMENT TO SUBMIT GENERATOR INFORMATION FOR REVIEW AS A GAP SOLUTION RELATED TO JAMES A. FITZPATRICK GENERATOR DEACTIVATION Responses due March 14, 2016

February 23, 2016

Dear Market Participant:

The New York Independent Service Operator (NYISO) has identified your identified Generator(s) as a Generator(s) that may be capable of addressing, in whole or in part, the Reliability Need¹ identified in the attached Generator Deactivation Assessment for the James A. FitzPatrick nuclear generating facility (FitzPatrick Facility) that the NYISO issued on February 11, 2016.

I. Determination of Reliability Need Regarding the Deactivation of the FitzPatrick Facility

Entergy provided a Generator Deactivation Notice for the proposed retirement of the FitzPatrick Facility to the NYISO, which the NYISO determined to be complete on November 13, 2015. Entergy reported that the deactivation of the 882 MW facility is intended to occur at the end of the current fuel cycle (*i.e.*, Quarter 4 of 2016 – Quarter 1 of 2017).

Pursuant to Section 31.2.11.2.4 of Attachment Y to its Open Access Transmission Tariff (OATT), ³ in coordination with New York Power Authority (NYPA) and National Grid, the NYISO performed a Generator Deactivation Assessment (attached), which determined that the deactivation of the FitzPatrick Facility would result in a Reliability Need in the New York Control Area that cannot be timely addressed in the NYISO's biennial reliability planning process. Specifically, the Generator Deactivation Assessment of the FitzPatrick Facility identified a statewide resource adequacy Reliability Need that would occur starting in 2019. The resource deficiency is expected to be at least 325 MW. A detailed description of the identified Reliability Need is provided in the Generator Deactivation Assessment.

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¹ Capitalized terms in this letter refer to defined terms in the NYISO's Open Access Transmission Tariff or the NYISO Reliability Planning Manual.

² The Posting of Completed Generator Deactivation Notice is located at: http://www.nyiso.com/public/webdocs/markets operations/services/planning/Documents and Resources/Planned Generation Retirements/Planned Retirement Notices/Fitzpatrick%20Nuclear%20Generating%20Facility%20Completion%20of%20Generator%20Deactivation%20Notice.pdf

³ All references to Sections 31.2.11 and 31.9 of Attachment Y to the OATT refer to the pending revisions to the Reliability Planning Process contained in NYISO's Reliability Must Run (RMR) compliance filing that was submitted to the Federal Energy Regulatory Commission (FERC) in Docket No. ER16-120-000. The RMR compliance filing requested that the NYISO's proposed RMR rules be permitted to become effective on October 20, 2015. Proposed Sections 31.2.11, 31.2.12, and 31.9 of the OATT are attached for your convenience.

II. Existing Generator Informational Submissions

Pursuant to its proposed Reliability Must Run (RMR) Tariff rules, the NYISO commenced its Gap Solution process under Section 31.2.11 of the OATT to address the identified Reliability Need and issued a letter soliciting Gap Solutions on February 16, 2016. In accordance with Section 31.2.11.4 of the OATT, the NYISO reviewed all existing Generators in a Mothball Outage, in an ICAP Ineligible Forced Outage, or that have been mothballed since May 1, 2015 that may be capable of satisfying, in whole or in part, the identified Reliability Need. The NYISO has identified name Generator(s) as a potential solution(s) to the Reliability Need.

In accordance with Section 31.2.11.4 of the OATT, please submit the information required in Sections 31.9.2.1, 31.9.3.2, and 31.9.5 through 31.9.7 of the OATT, using the submission form that is attached to this letter to the extent possible. A copy of Section 31.9 of the OATT is attached to this request for your convenience. If you previously submitted the requested information, you are required to provide updates including, but not limited to, those required by Section 31.9.4 of the OATT. Required information must be provided on an annualized basis and encompass at least the past five years and forecasts six years forward from the date of your submission in accordance with Section 31.9.8.1 of the OATT.

The NYISO may publicly disclose project information contained in the proposals, except as provided in Sections 31.2.4.6 and 31.2.12.6 of the OATT.⁵ If Market Participants desire eligible information to be maintained as confidential, they are responsible for designating such information as "Confidential Information."

The requested Generator information must be submitted on or before Monday, March 14, 2016 in the manner described below, in order to be timely evaluated in the NYISO's Gap Solution process. The information provided by Market Participants regarding existing Generators in a Mothball Outage, ICAP Ineligible Forced Outage, or that have been mothballed since May 1, 2015 will be assessed by the NYISO to determine their viability and sufficiency as potential Generation Gap Solutions and to determine RMR Avoidable Costs and RMR Offer Price for Viable and Sufficient Gap Solutions.

The request information must be sent electronically to rmrdatasubmission@nyiso.com, including in the subject line "Submission of Gap Solution Generator Information." Due to file size restrictions, e-mail attachments should not exceed 60 MB for any single e-mail. Any supplemental hard copy information that could not be sent via e-mail can be sent to Lorenzo Seirup, Supervisor, ICAP Market Mitigation, New York Independent System Operator, 10 Krey Boulevard, Rensselaer, New York 12144. Questions about the submission of data should be addressed to rmrdatasubmission@nyiso.com.

⁵ The NYISO *will* disclose Confidential Information it receives to the New York State Public Service Commission in accordance with Section 31.2.11.5 of the OATT.

⁴ A copy of the letter soliciting Gap Solutions dated February 16, 2016 was posted on the NYISO's website under Reliability Planning Studies > Reliability Notices.

Very truly yours,

Henry Chao Vice President, System & Resource Planning