NYISO Consumer Interest Liaison Weekly Summary

February 19 – February 23, 2018

Notices:

- *The **March 5 IPPTF meeting is canceled** and the schedule for March and April has been revised as follows.*

  REVISED 2018 IPPTF Meeting Schedule

  3/5 ***CANCELED MEETING***

  3/12 *IT 5 Review & Comment on IT5 Work Plan*
  Target for first IT 1 Joint Staff Presentation of Draft Straw Proposal Outline & Stakeholder Comments

  3/19 *Additional IT 1 Joint Staff Presentation of Draft Straw Proposal Outline & Stakeholder Comments*
  IT5 Work Plan- Additional stakeholder discussion and comments

  3/30 *IT 1 Straw Proposal release target*

  4/9 *IT 2 Leakage (Geographic and Cross Sectoral)*

  4/16 *TBD*

  4/23 *IT 3 Policy Mechanics*
  IT 5 Customer Impacts: Joint Staff Proposed Methodology & Analysis

- *Former New York Independent System Operator (NYISO) President and CEO and energy industry veteran **Mark Lynch has been selected to serve on the Board of Directors**, beginning April 2018. Mr. Lynch previously served as President and Chief Executive Officer and as a member of the NYISO Board of Directors from 2005-2008.*

- *As a reminder, Stakeholders are requested to submit sector meeting topics to **Debbie Eckels** no later than March 7, 2018.*

Meeting Summaries:

Wednesday, February 21, 2018

Joint Installed Capacity/Market Issues Working Group/Transmission Planning Advisory Subcommittee Meeting

Niagara Generation Modeling Update

David Edelson of the NYISO presented revisions to the modeling of the Niagara Generating Station. NYISO is planning a modeling improvement that will provide the Real-Time and Day-Ahead Markets

greater freedom to distribute the Niagara injections across its three bus locations to solve transmission constraints, subject to the operational limitations of the plant. Rather than employ a static distribution developed at the time of initialization of RTD/RTC/SCUC for all time steps, the market software will establish its own distribution of the Niagara plant's injections for each time step of their respective optimizations based on the impacts of injections at each bus. NYISO is currently assessing the work involved to activate this modeling improvement in the Scheduling and Pricing algorithms of SCUC, RTC, and RTD. To see the complete presentation, please go to:
http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2018-02-21/Enhancements%20to%20the%20Niagara%20Model_MIWG2018.pdf

Securing 100+kV Transmission Facilities in the Market Model

Ethan Avallone of the NYISO provided an update on the project to secure 100+kV transmission facilities in the NYISO market model. Mr. Avallone noted that a document titled "NYISO Process for Determining Secured Facilities in the Market Models" had been posted with the meeting materials to provide stakeholders with the procedure to evaluate facilities to secure in the NYISO market models. As part of a posting in late March, the NYISO will identify which facilities are planned to be added before the EMS/BMS deployment, after the EMS/BMS deployment, or not added to the models.
In response to a stakeholder question on the effect of the Western New York Public Planning Policy upgrade the NYISO explained that the upgrade would increase transfer capability. In the event that modeled constraints are relieved by the upgrade, the model will not produce a shadow price for the facility.
In reference to the impact of additional facilities on the DAM posting time, Mr. Avallone explained that gradually adding facilities to the model allows for flexibility in understanding the impact. A list of facilities to be examined for potential energy market modeling was provided and it was noted that the NYISO will explain all decisions to not model facilities. To see the complete presentation, please go to:
http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2018-02-21/100+kV%20Feb%2021%20MIWG%20FINAL.pdf

Energy Storage Integration: Ancillary Services Treatment

Daniel Noriega of the NYISO presented the proposal to allow Energy Storage Resources (ESR) to participate in the ancillary service market.

Regulation:

The NYISO proposes that ESR be able to offer Regulation Capacity and receive awards according to, among others, each resource's ability to transition between withdrawing and injecting states. When an energy level signal is provided,[1] the NYISO will utilize it to ensure that ESR receive a Regulation award that they can achieve.

Reserves:

ESR will be eligible to provide Spinning, 10-min Non-Synchronous, 30-min Synchronous, and 30-min Non-Synchronous Reserves if they are capable of meeting the existing Tariff requirements to provide those services.[2] The NYISO proposes to award ESR Operating Reserve schedules considering the resource's state (*i.e.*, injecting/withdrawing/idle) and its capabilities to transition between states.

[1] eligible units for energy level signal include resources include 1MW or larger un-aggregated resources only
[2] Inverter-based ESRs will be eligible to provide Spinning Reserves.

Voltage Support Service (VSS):

The NYISO proposes that ESR eligibility to provide Voltage Support Service ("VSS") be based on whether the ESR participates in the wholesale market individually, or in aggregation, in addition to existing Tariff requirements. Mr. Noriega explained the reasons for the NYISO proposal not to make aggregations of ESR eligible to provide VSS at the bulk power system level.

Black Start Capability Service

ESR may be considered for Black Start Service in future revisions to the NYISO's restoration procedures if they meet the requirements to provide such service.

The NYISO anticipates completing its market design for the ESR participation model, including rules that will allow ESR to provide ancillary services, by Q3 2018. To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2018-02-21/Energy%20Storage%20I%20O%20MIWG%2018%2002%2021.pdf

Performance Assurance – NYISO Management Response to Analysis Group's Capacity Resource Performance in NYISO Markets: An Assessment of Wholesale Market Options

Ethan Avallone of the NYISO presented the management response to the Analysis Group's (AG) "*Capacity Resource Performance in NYISO Markets: An Assessment of Wholesale Market Options"* report. In the report, AG suggested a number of recommendations that may prove promising to the NYISO and its stakeholders in the future. Mr. Avallone highlighted AG recommendations that the NYISO may undertake in the near future:

- *Operating Reserves Enhancements:*
  - *Incorporating 10-minute Operating Reserves in the NYC specific Locality*
  - *Procuring additional reserves beyond reliability requirements*
- *External Resource Performance and Eligibility*
- *Better accounting for resource performance through a tailored availability mechanism*
  - *Targeting periods of the greatest need could improve cost-effectiveness*

The NYISO will continue with efforts regarding external resource performance and eligibility in 2018. The NYISO will continue to discuss these and other potential market improvements through the stakeholder working group process in order to select projects for prioritization in the NYISO project schedule. To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2018-02-21/Performance%20Assurance%20Feb%2021%20ICAPWG%20FINAL.pdf

CRIS for External-to-ROS Transmission Investment

Ethan Avallone of the NYISO provided an update to the proposal to provide Capacity Resource Interconnection Service (CRIS) for External-to-ROS transmission investment. Mr. Avallone presented the proposed draft tariff revisions to establish the applicable interconnection procedures for obtaining CRIS for such transmission upgrades and market rules for participation using External Deliverability Rights (EDRs). In response to stakeholder suggestions that the NYISO expand the scope of this project, Mr. Avallone noted several market design and planning issues that would need to be addressed

in a short timeframe. Due to these complications, the NYISO is moving forward with its original proposal, and is further proposing the aforementioned issues be included as a project for prioritization. Tariff language was provided and discussed with stakeholders while feedback was noted for consideration moving forward. The NYISO anticipates a March 2018 MC vote with implementation of the project expected in Q2 2019. To see the complete presentation including proposed tariff language, please go to: http://www.nyiso.com/public/committees/documents.jsp?com=bic_miwg

Constraint Specific Transmission Demand Curves Comparison of ISO/RTO Transmission Shortage Treatment

Jennifer Boyle of the NYISO presented a comparison of the treatment of constrained interfaces (transmission shortages) by the other ISO/RTOs of North America for discussion with stakeholders. The NYISO is considering ways to avoid potentially over and under valuing transmission constraints related to the current transmission constraint pricing (TCP) logic. The comparison provides an opportunity to explore best practices currently available in the energy markets. Ms. Boyle provided a table summarizing the treatment of transmission shortages for each regional market prior to explaining each process in detail. Stakeholder feedback was noted for consideration as the market design develops.

The study is anticipating a Q3 2018 completion and presentation. To see the complete February 21, 2018 presentation, please go to:
http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2018-02-21/Constraint%20Specific%20Demand%20Curves_ISO-RTO_MIWG_2-21-2018_Final.pdf

Thursday, February 15, 2018

Installed Capacity Working Group

Consumer Impact Analysis Using the 2018 Base Case: Alternative Methods for Determining LCRs

Tariq Niazi of the NYISO presented the Consumer Impact Analysis of alternative methods for determining the Locational Capacity Requirements (LCRs) using the 2018 base case. This analysis was performed at the request of stakeholders following the presentation of updated LCRs based on the 2018 base case at the February 6, 2018 ICAP meeting. The prior Consumer Impact Analyses presented at the October 11, 2017 and November 6, 2017 ICAP meetings were based on the 2017 base case. The differences in the 2018 base case from the 2017 base case include:

- Higher capacity requirement in Southeast NY due to:
  - Increase in Load Forecast Uncertainty in Zones J and K
  - Changes in Interface Limits
  - Increased EFORd on underground transmission cables and UDRs
- Increase in Demand Curve Net CONE cost curves
- Transmission Security Floors

The LCRs for the current methodology and the proposed optimized methodology were provided and compared in percentages of requirement and in megawatts (MW). While both the current and optimized methodology required an increase in southeast New York capacity from 2017 to 2018, the optimized methodology was able to achieve a solution that minimizes this increase in capacity while also reducing total statewide cost.

The total cost of Capacity was provided comparing the current approved methodology to the proposed optimized methodology for 2018 and 2017. Results were supplied for the total cost in the Short Term,

Long Term at the prescribed Level of Excess (LOE) and Long Term at the Historic Excess for both the 2018 and 2017 base cases.
To see the complete Consumer Impact Analysis presentation, please go to:
http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-02-22/CIA%20-%20Alternative%20LCR%20Determination%20for%202018%20Base%20Case_ZOS_v8.pdf

FERC Filings

February 23, 2018

NYISO filing of an answer to the NJBPU complaint regarding interregional transmission and cost allocation

FERC Orders

There were no FERC Orders issued to NYISO for this week.

Filings and Orders:

http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp