

NYISO Consumer Interest Liaison Weekly Summary

October 15 – October 19, 2018

Notices:

- *The **Net Benefit Monthly Offer Floor** for November 2018 is now posted. This Net Benefit Monthly Offer Floor applies to Day-Ahead Demand Response Program (DADRP) and Demand Side Ancillary Services Program (DSASP) resources for the month of November 2018 and is determined in accordance with FERC Order No. 745 approved methodology. [Monthly Net Benefit Offer Floor](#). The Technical Bulletin describing the methodology for calculating the Net Benefit Offer Floor is available here: [Monthly Net Benefit Offer Floor Calculation Methodology](#)*
- *Per Section 7.04 of the ISO Agreement, Management Committee members must **advise the President of the NYISO by November 30, 2018, in writing, of the sector in which they choose to participate for 2019**. If a Party is qualified to participate in more than one sector, it shall advise the NYISO President, in writing, of the sector in which it chooses to vote. At the following links please find the [2019 sector confirmation form](#), the [list of sector definitions](#), and the [current committee membership roster](#). Please review your organization's representation and notify Kirk Dixon of any changes or updated contact information. Sector confirmation letters should be addressed to:*
 - *Mr. Robert Fernandez, Interim President and CEO
New York Independent System Operator
10 Krey Blvd
Rensselaer, NY 12144**Electronic versions of the sector confirmation letter, addressed to Mr. Fernandez, can be sent to Kirk Dixon (kdixon@nyiso.com).*

Meeting Summaries:

Monday, October 15 2018

Integrating Public Policy Task Force

Review of Received Requests

Michael DeSocio of the NYISO led a review of stakeholder requests received to date for additional information or analysis on the proposal to incorporate a carbon price into the wholesale LBMP. The

NYISO has received several comments and is prioritizing requests for additional analysis that would be most meaningful and beneficial to stakeholders.

Issue Track 5 – Analysis of a New York Carbon Charge (Updated)

Samuel Newell of The Brattle Group (Brattle) presented an updated version of the September 17, 2018 Brattle analysis on the impact of implementing a carbon price in the New York wholesale electricity market. Mr. Newell noted that the updates are a result of stakeholder feedback to provide additional detail and clarity to the presentation.

Mr. Newell highlighted all the changes to the presentation slides and responded to stakeholder comments and questions on the additional information. To see the updated presentation, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg_ipptf/meeting_materials/2018-10-15/2018-10-08_Customer%20Impacts%20of%20NY%20Carbon%20Charge_clarifications.pdf

Application of the Carbon Price to Transactions at the NYISO Border

Dr. Nathaniel Gilbraith of the NYISO presented the proposed application of a carbon price to transactions at the NYISO borders. Dr. Gilbraith noted that the presentation was the first in a series of upcoming NYISO presentations to review the overall Carbon Price Proposal.

Dr. Gilbraith led a review of the NYISO draft recommendation to apply carbon charges to external transactions such that they compete with internal resources (and each other) as if the NYISO was not applying a carbon charge to internal suppliers. Import and export schedules will be determined as they are determined today, via the system optimization software, based on import and export bids. The LBMPc (carbon component of LBMP) will be based on the change in the marginal unit's energy offer due to the carbon pricing market design, as determined by the NYISO. The discussion of the calculation for the carbon impact on LBMP will be discussed at a future October IPPTF meeting. Several examples of basic scheduling and settlement were provided to illustrate the process for scheduling external transactions under the proposal. Comments are encouraged and can be sent to ipp_feedback@nyiso.com. To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg_ipptf/meeting_materials/2018-10-15/2018-10-15%20IPPTF%20carbon-price-externals.pdf

Thursday, October 18, 2018

Joint Installed Capacity/Market Issue/Price Responsive Load Working Group

Real-Time Market Settlements -- Services Tariff Clarifications

Christopher Brown of the NYISO presented the proposal for a series of tariff clarifications to the Market Services Tariff to more clearly describe Real-Time Energy Imbalance settlements. The proposal requires no changes to the settlement calculations and is intended to clarify existing rules as currently implemented. Mr. Brown highlighted the specific tariff sections and led a review of the calculation formulas that are being added for additional clarity.

The revisions will also include certain concepts to accommodate Energy Storage Resources (ESRs) based on the NYISO's FERC Order No. 841 compliance filing. The NYISO will seek November 2018 governance approval of the revisions. To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-10-18/Balancing%20Energy%20Tariff%20Revisions_MIWG_2018-10-18.pdf

Automate ICAP Import Rights

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Joseph Nieminski of the NYISO provided updates to the Installed Capacity (ICAP) Manual based on stakeholder feedback received at the October 2, 2018 ICAPWG meeting. Based on feedback received from the ICAPWG stakeholders, the following changes to the ICAP Manual language were made in Section 4.9.2.5.3.3.1:

- Modified existing paragraph for First Come First Serve Rights (FCFSR) return period for the fully allocated interface condition
- Return Deadline shall be modified to be the later of
 - the deadline for returns as part of the FCFS R&A Period
 - the beginning of the certification month

Some minor ministerial changes were also included and highlighted in an accompanying redline version of the ICAP Manual. To see the complete presentation, please go to:

http://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic_icapwg

External Resource Performance & Eligibility

Amanda Carney of the NYISO presented the proposal to develop process improvements to assure that energy from external generators that sold capacity to the NYISO is supplied when called for. The objective of the proposal is to increase the likelihood that external capacity resources deliver energy when called upon for reliability needs while also making administrative improvements.

In a July 31, 2018 presentation to the ICAPWG, the NYISO proposed that if an external capacity resource is selected for a Supplemental Resource Evaluation (SRE), it will be required:

1. for the entire duration of the SRE call, to fulfill the SRE bid request for the ICAP equivalent of the UCAP sold, *i.e.*, bid in such a way that it will get scheduled, and
2. to be available and operating up to the ICAP equivalent of the UCAP sold for the entire duration of the SRE call, and
3. to flow the capacity-backed transaction from its control area to the NYCA border, if the transaction is scheduled in the energy market.

In a change to current rules, if an external capacity seller does not demonstrate satisfaction of all three requirements, the seller will be assessed a penalty. Ms. Carney provided details of the proposed penalty structure. Ms. Carney also explained that the External Capacity Supplier will not be penalized in the event that the transaction does not get scheduled by the NYISO or the transaction cannot be scheduled due to a transmission issue within the NYISO. This structure is intended to make the obligation of an External Capacity Supplier more comparable to an Internal Capacity Supplier from the NYISO's perspective.

The NYISO is currently reviewing the notification process for External Capacity Suppliers to provide SRE bids in an effort to develop a more efficient process.

To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-10-18/External%20SRE%20Penalty%20Proposal.pdf

2019 Transmission Security Limit (TSL) Report -- For Use in Identifying the TSLs for LCRs

Robert Golen of the NYISO presented the 2019 Transmission Security Limit (TSL) Report to be used in identifying the TSLs for setting the 2019 Locational Capacity Requirements (LCRs).

Mr. Golen led a review of the modeling assumptions for the study base case including the definitions of the Locality interfaces for G-J, J and K.

The Siemens PTI PSS^{TME} and PowerGEM's Transmission Adequacy and Reliability Assessment (TARA) software packages were used to calculate the thermal limits based on Normal Transfer

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Criteria defined in the “NYSRC Reliability Rules for Planning and Operating the New York State Power System“.

The TSLs were identified as:

- Long Island (Zone K) -- N-1 Outage applied (Sprain Brook – East Garden City (Y49) 345 kV) – 350MW limit for the pre-contingency Loading of Dunwoodie – Shore Rd (Y50) 345kV
- G-J Locality -- N-1 Outage applied (Athens – Pleasant Valley (91) 345 kV) – 3200MW limit for the Tower 44/34 contingency loading the Leeds – Pleasant Valley (92) 345kV to LTE
- NYC (Zone J) -- N-2 Outages applied (Sprain Brook – W.49th St. (M51) 345 kV & Sprain Brook – W.49th St. (M52) 345 kV) – 3200MW limit for the pre-contingency Loading of Dunwoodie – Mott Haven (71) 345kV

To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-10-18/Summer2019%20N-1-1%20Analysis%2010-15-2018%20pres.pdf

To see the complete 2019 Transmission Security Limit (TSL) Report, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-10-18/Summer2019%20N-1-1%20Analysis%2010-15-18.pdf

FERC-approved LCR Method Update and Informational LCR Results

Dr. Nathaniel Gilbraith of the NYISO provided the steps necessary during the remainder of 2018 to implement the approved alternative Locational Capacity Requirements (LCR) methodology for the Summer 2019 Capability Period.

The first step is for the NYISO to produce informational LCRs for certain IRM cases to inform stakeholders as it develops the LCRs under the newly accepted method. The preliminary LCRs were presented to the New York State Reliability Council (NYSRC) on September 5, 2018 as follows:

- G-J 89.7%
- NYC (J) 80.1%
- LI (K) 103.6%

The NYISO presented a second case during the ICAPWG based on a sensitivity having the B and C lines out of service. The Case 2 results are as follows:

- G-J 92.7%
- NYC (J) 82.1%
- LI (K) 103.6%

The NYISO intends to present a third case during an upcoming ICAPWG that will be based on the final IRM case. The NYISO intends to post a revised LCR Calculation Procedure that describes the annual process to determine LCRs for the 2019 Capability Year and going forward.

The NYISO will update necessary parameters and documentation in order to calculate final 2019-2020 LCRs in January 2019. Dr. Gilbraith outlined the processes the NYISO will use for the final 2019-2020 LCRs.

Dr. Gilbraith led a review of the data and sources used to develop the LCR.

To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-10-18/ICAPWG%2010-18%20alternate-lcrs-update.pdf

FERC Filings

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October 18, 2018

NYISO 205 filing to update information for Contract Nos. 189.1 and 190.1 in Table 1-A of OATT Attachment L

October 18, 2018

NYISO Section 205 filing of proposed revisions to the requirements for reporting Historic Congestion Data in OATT Section 31.7

October 16, 2018

NYISO filing of two week notice of effective date for tariff amendments to comply with Order No. 745 (Demand Response Compensation in Organized Wholesale Energy Markets)

October 17, 2018

Section 205 filing on behalf of Niagara Mohawk Power Corporation related to the depreciation rates set forth in the provisions of Attachment H to the NYISO OATT.

FERC Orders

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

Filings and Orders:

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