

NYISO Consumer Interest Liaison Weekly Summary

February 5 – February 9, 2018

Notices:

- *The NYISO's annual sector meetings, a core component of the NYISO strategic planning process, will be held from March 22 to 29. To prepare for the meetings, the NYISO requests Stakeholders submit topics for discussion to [Debbie Eckels](#) no later than March 7.*
 - March 22 - Transmission Owners*
 - March 23 - Public Power/Environmental*
 - March 26 - End Use*
 - March 27 - Generation Owners*
 - March 29 - Other Suppliers*
- *The Transmission Congestion Contracts Manual Attachment C (Effective Periods of TCCs, Sub-Auctions and Rounds) and Attachment D (TCC Auction Time Line) for the Spring 2018 Centralized TCC Auction and Summer 2018 Reconfiguration Auctions are now posted (2/6/2018) on the NYISO website and can be accessed [online](#) under **Manuals > Operations** or [online](#) under **TCC Manual > TCC Manual and Attachments**.*
- *On February 8, 2018, NYISO filed comments with the New York State Public Service Commission regarding the adoption of an **Installed Reserve Margin** for the New York Control Area. A copy of the filing is attached ([here](#)) for your review.*

Meeting Summaries:

Monday, February 5, 2018

Integrating Public Policy Task Force

The Integrating Public Policy Task Force (IPPTF) was hosted at the NYISO and facilitated by Marco Padula of the Department of Public Service (DPS) and Nicole Bouchez of the NYISO. Mr. Padula led a review of the IPPTF Work Plan. This work plan identifies the topics and timelines to further explore options to incorporate the cost of carbon dioxide into wholesale energy markets with the goal of contributing to achieving New York State's public policies. Two of the original Issue Tracks of the Work Plan were consolidated into Issue Track 2. Previously, Interaction with Other Wholesale Market

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Processes was a separate Issue Track but it has now been combined with Issue Track 2, Wholesale Energy Market Mechanics. All of the Issue Tracks will conclude by the end of October to allow time for stakeholders to comment on the issue tracks and recommendations prior to the NYISO / New York State presentation of a carbon dioxide pricing proposal in December 2018 (or of a detailed schedule by the end of December 2018 leading to a firm proposal date in early 2019 unless the NYISO / New York State joint staff team concludes that a viable proposal is not achievable and notifies the IPPTF).

Mr. Padula noted that the IPPTF Work Plan is now final and all stakeholder input will be applied to the individual Issue Tracks throughout the process. An updated timeline was provided.

To see the complete Work Plan as presented, please go to:

http://www.nyiso.com/public/committees/documents.jsp?com=bic_miwg_ipptf&directory=2018-02-05

Recommendations for the Integrating Public Policy TF

Ronald Minsk of New York City (NYC) presented recommendations for the Integrating Public Policy Task Force (IPPTF) to consider. Mr. Minsk highlighted the need of new transmission from upstate NY to downstate NY to reach NYC's decarbonization goal. NYC is advocating for a more holistic approach to pricing carbon that will incorporate the Transportation, Housing, Commercial and Industrial sectors. The recommendations include:

- *This effort should be part of a larger overall goal of reducing GHG emissions and achieving the 50 x 30 goal*
- *When evaluating proposals, consider the extent to which they facilitate achievement of these goals – particularly, allowing downstate load centers to access renewable resources located in other parts of the State and in other regions*
- *Consider the costs and benefits of each proposal on a zone by zone basis, taking into account the transmission constraints and other system dynamics of the bulk power system*
- *Ensure that the final plan is transparent so that policymakers in other sectors – which emit a collective 82% of New York's GHG emissions – can evaluate options and actions for cost-effectively achieving emissions reductions in those sectors*

To see the complete NYC presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg_ipptf/meeting_materials/2018-02-05/NYC%20IPPTF%20Presentation_020518.pdf

Tuesday, February 6, 2018

Joint Installed Capacity/Market Issues Working Group

Alternative Methods for Determining LCRs

Zach Stines of the NYISO provided additional Locational Capacity Requirement (LCR) scenarios and the 2018 Project Plan for implementation of the optimized methodology for determining LCRs. Mr.

Stines detailed the steps of the project plan for 2018, consisting of:

- *Seek approval and file tariff revisions with FERC*
- *Update documentation, procedures, and processes*
- *Internal training*
- *Development of production software*

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- *User acceptance testing of production software*
- *Deployment of production software*

Mr. Stines noted that GE Consulting is developing a production version of the optimization tool. A timeline was provided to guide stakeholders on the steps required to complete the implementation for use in the 2019/2020 Capability Period.

In response to stakeholder requests, the NYISO provided a comparison of the optimized LCR results based on the 2017 and 2018 base cases. The causation for changes in the LCR values between the two years was provided and discussed with stakeholders to demonstrate the consistency of the results of the methodology.

Redline tariff language was discussed with stakeholders and input was noted for consideration prior to a February 14, 2018 BIC vote on the complete proposal. To see the complete presentation, please go to:

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

External Capacity Rights for 2018/2019 Capability Year

Joshua Boles of the NYISO presented the External Installed Capacity (ICAP) Rights for the 2018/2019 Capability Period. Mr. Boles explained the process used for the determination of the values and noted the use of the 2018/2019 final IRM database as updated for the Locational Capacity Requirements (LCR) study. The results for each external Control Area are below:

- PJM 1101MW
- ISO-NE 288MW
- HQ 1115MW
- IESO 453
- Total 2957MW

A redline version of the ICAP Manual was provided to reflect the above values. To see Mr. Boles' complete presentation, please go to:

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

Non-Historic Fixed Price TCC Revenue Distribution

Gregory Williams of the NYISO presented the proposal to implement procedures to allocate and distribute revenues received by the NYISO from the sale of Non-Historic Fixed Price Transmission Congestion Contracts (TCCs). This represents the compliance filing related to FERC Order Nos. 681 and 681-A. The allocation approach generally mirrors the allocation of revenues received from the sale of: (1) two-year TCCs for initial purchases of Non-Historic Fixed Price TCCs; and (2) one-year TCCs for renewal purchases. Revenues received will be distributed to the Transmission Owners using the structure of the facility flow-based methodology, on a path by path basis, as if the awarded Non-Historic Fixed Price TCCs were sold in the applicable Sub-Auction rounds of the Centralized TCC Auction conducted for the period the Non-Historic Fixed Price TCCs were/are awarded:

- *For initial purchases, data from the first round of the two-year Sub-Auction is not utilized*

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- *Using the saved cases from each Centralized TCC Auction*

The DAM Net Congestion Rent and any negative Net Auction Revenue allocations will reflect the distribution of this revenue, on a going forward basis only.

All Non-Historic Fixed Price TCC revenue received through 2017 will be incorporated into TSCs and NTAC during the Capability Period following FERC approval of the proposal, provided the Transmission Owners and NYPA have received notice of their respective share of the revenue at least two weeks prior to the start of such Capability Period.

Mr. Williams noted that this is a tariff amendment only, no software modifications are required. The NYISO is anticipating a mid-February 2018 compliance filing. To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-02-06/NHFPTCC%20Revenue%20Distribution%2002062018%20ICAPWG%20MIWG-FINAL-Approved.pdf

Market Design Concepts to Prepare for Significant Renewable Generation

Ethan Avallone and Amanda Carney of the NYISO presented proposed market design concepts for product and/or rule changes that would incentivize performance attributes such as availability, predictability, flexibility, and dispatchability to aid in maintaining reliability with the influx of significant renewable energy additions.

Mr. Avallone explained that he would be presenting the proposed market design concepts for the energy markets. The NYISO is recommending that the following design concepts be developed during Q1 and Q2 2018:

- 1. Flexible ramping product to address forecast uncertainty**
- 2. Re-evaluate shortage pricing for Ancillary Services**
- 3. Review performance incentives for negative LBMP's**
- 4. More frequent transaction scheduling**

Mr. Avallone noted that the market design concept proposals for these products or rule changes will be considered for inclusion in the Master Plan. Each concept was discussed with stakeholders for the purpose of gathering input for further development. Additional potential market design concepts were presented for longer term consideration. These concepts include:

- *Separate Regulation Up and Regulation Down*
- *Re-evaluate Regulation Capacity Requirements*
- *15-minute DAM Scheduling*
- *Review Reserve Requirements*
- *Cycling Product*
- *Inertia, Primary Frequency Response, and Voltage Review*

When asked by stakeholders, Mr. Avallone responded that there is currently no specific time period to define long term.

Ms. Carney introduced the proposed market design concepts for the Capacity market to be worked on in 2018 as:

1. Capacity Eligibility Requirements

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- a. **A further review of what is required in order to be eligible to offer capacity may be necessary, beyond that which is currently in process through DER efforts.**

2. **Obligations of Capacity Resources**

A market design concept proposed for project prioritization in 2019 is the evaluation of a potential enhancement of the measurement of Capacity suppliers' performance, termed Capacity Performance Measurement. Additional potential design concepts for the Capacity market in the long term were identified as:

- *Performance Factors for New Entrant Renewable Resources*
- *Retail (End Use) vs. Wholesale Solar Impacts on Capacity Requirements*
- *Forward Capacity Market*

These market design concepts will be discussed going forward in the MIWG/ICAPWG forum as part of the Market Design Concepts to Prepare for Significant Renewable Generation effort whereas the discussion for pricing carbon in the wholesale markets will continue forward in the Integrating Public Policy Task Force (IPPTF) forum. A timeline was provided for the Market Design Concepts to Prepare for Significant Renewable Generation effort.

Comments are encouraged throughout the process and can be sent to deckels@nyiso.com. To see the complete NYISO presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-02-06/Market%20Assessment%20Design%20Concepts%202.6%20MIWG%20FINAL.pdf

Market Update: Securing 100+kV Transmission Facilities in the Market Model

Ethan Avallone of the NYISO provided the following statement for a market update:

“The NYISO has commenced the review of the facilities that were identified in its January 10, 2018 MIWG presentation consistent with the draft procedures that were discussed at that meeting, Based on the assessment to date, the NYISO has identified four 115kV elements that we anticipate will be modeled as secured in the energy markets starting in Q2 2018. These facilities are the two Browns Falls-Taylorville lines (3/4), as well as the two Taylorville-Boonville (5/6) lines identified in the January 10, 2018 facilities list (the list is available at the following link:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-01-10/100+kV%20Jan%20MIWG%20FINAL.pdf

The NYISO also intends to model these same four elements as being secured in all rounds of the Spring 2018 Centralized TCC Auction. The NYISO is continuing to further assess the remaining facilities identified in the January 10th MIWG presentation. We intend to continue discussions with stakeholders regarding this ongoing assessment over the coming months. The timing for reflection of any additional facilities in future TCC auctions will also be a part of the ongoing discussions with stakeholders. The NYISO currently does not anticipate securing additional facilities within the energy market model prior to November 1, 2018. In terms of near-term next steps, the NYISO is targeting the February 21, 2018 MIWG meeting to continue stakeholder discussions on the Securing 100+kV Transmission Facilities in the Market Model initiative. The NYISO is currently targeting to present the final add/remove procedure at the March 6, 2018 MIWG meeting. The NYISO is also working to complete its assessment of the remaining facilities identified in the

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January 10th MIWG presentation and compile the results of its assessment. These results are intended to identify: (1) any additional pre-EMS/BMS facilities that the NYISO may seek to add to the market models; (2) those facilities that are expected to be added to the market models but not until after completion of the EMS/BMS project; and (3) the facilities that the NYISO does not intend to add to the market models at this time. The NYISO is currently targeting to provide these results to stakeholders in late March.”

Wednesday, January 7, 2018

Electric System Planning Working Group

Draft 2017 Congestion Assessment and Resource Integration Study Report

Timothy Duffy of the NYISO led a review of the draft 2017 CARIS 1. Mr. Duffy presented an overview of each section of the report while responding to stakeholder questions and comments. Stakeholder input was recorded for consideration for the final report. In addition to producing three studies; Central East – Edic-Marcy (Study 1), Central East (Study 2), and Central East – New Scotland-Pleasant Valley (Study 3), three additional studies were conducted:

- 4) Study 4 (Study 3 with Edic-Marcy constraint relaxed)
- 5) Study 5 ((System Resource Shift) scenario)
- 6) Study 6 (Study 5 with Edic-Marcy constraint relaxed)

Comments are welcome and can be sent to Leigh Bullock bullock@nyiso.com. There will be another presentation of the draft CARIS 1 study (with Appendices) incorporating stakeholder feedback at the February 22, 2018 ESPWG for further stakeholder discussion. To see the complete draft 2017 CARIS 1 study, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2018-02-07/2017%20CARIS.pdf

Thursday, February 8, 2018

System Operations Advisory Subcommittee

NYISO Operations Report – January 2018

Peak Load

The peak load for the month was 25,081 MW which occurred on Tuesday, January 5, 2018, HB17. Reserve requirements were as follows:

Reserve	10 Sync	Non-Sync	30 Min
Requirement	655	1,310	1,965
For Hour	1,246	2,048	3,940
DSASP Cont.	105	0	105

Major Emergencies -- None

Alert States -- Alert State was declared on 12 occasions:

- 8 – Exceeding Central East Voltage Contingency Limit
- 4 – Emergency Transfer Declared

Alert state was declared 15 times during January of 2017

Thunder Storm Alerts

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0 TSA was declared in January 2018 for a total of 0 hours

Reserve Activations – 11

There were 6 Reserve Activations during January of 2017

Emergency Actions – None

TLR3 Declared – 1 for a total of 9:23 hours

FERC Filings

There were no filings to FERC by the NYISO for this week.

FERC Orders

February 6, 2018

Order accepted the NYSRC informational filing of the 2018-2019 Installed Capacity Requirement of 18.2% for the New York Control Area

Filings and Orders:

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