

NYISO Consumer Interest Liaison Weekly Summary

July 30 – August 3, 2018

Notices:

- A request for proposed transmission needs driven by Public Policy Requirements has been posted at: <http://go.pardot.com/e/302901/-Needs-Solicitation-Letter-pdf/5c7gl/72515265>. This initiates the NYISO Public Policy Transmission Planning Process for the 2018-2019 transmission planning cycle. As described in the request, please provide responses electronically to PublicPolicyPlanningMailbox@nyiso.com on or before September 30, 2018.
- The BIC, OC and MC Bylaws call for 3 Members from each Sector to participate on the **BIC, OC and MC Nominating Subcommittees**, respectively. Please review your Sector representatives and coordinate with the other members of your sector to either validate the existing representatives or designate new member(s) to represent your Sector in 2018 by August 15, 2018. If you would like the NYISO to set up a conference call for your Sector to assist in this process, please contact deckels@nyiso.com by August 9, 2018.
- The **Carbon Pricing Draft Recommendations Report** has been posted at the link below. [Report](#)
- The July 31, 2018 ICAPWG meeting Market Design Concept Proposal (MDCP) presentation entitled “**External Resource Performance and Eligibility**” has been reposted to the meeting materials at the following link: [presentation](#)
The reposted version includes corrections at slide 8 and slide 17 of the presentation.

Meeting Summaries:

Tuesday, July 31, 2018

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

FERC Order 844 – Uplift Cost Allocations and Transparency

Jeff Varecka of the NYISO presented the proposal for compliance with the requirements of FERC Order 844. Through Order 844, FERC directed the NYISO to submit tariff revisions for the reporting of Zonal Uplift, Resource-Specific Uplift, Operator-Initiated Commitments, and Transmission

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Constraint Penalty Factors. Mr. Varecka explained the proposal for addressing each aspect of the Order.

To meet the requirements of reporting Zonal Uplift, the NYISO will initiate the posting of a Monthly Zonal Uplift Report. To comply with the Order, the NYISO proposes reporting data at the Load Zone level within 20 calendar days of the end of each month.

For compliance with the Resource-Specific Uplift requirement, the NYISO will create and post the Resource-Specific Uplift Report, which will be posted monthly within 90 calendar days of the end of each month. The report will reflect the total monthly uplift paid to each generator (PTID). The categories of uplift paid will be aggregated for the report. In response to stakeholder concerns with confidentiality, the NYISO clarified that FERC specifically states this requirement in Order 844.

The NYISO will create the Operator-Initiated Commitment Report to list commitments made after the DAM for any reason other than minimizing the total production costs of serving load. The NYISO proposes reporting the location of the generator at the Load Zone level and the report will be posted in real time as an expansion of the existing Operator-Initiated Commitment Report that is posted today in Operational Announcements.

In reference to the transmission constraint penalty factors requirement, Mr. Varecka explained that the NYISO currently complies with the provisions in the Order, set forth in Attachment B of the MST (see Sections 17.1.1 and 17.1.4).

A stakeholder questioned whether Special Case Resources (SCRs) will be subject to FERC Order 844 reporting requirements. The NYISO responded that SCRs do not appear to be in the scope of the Order.

The NYISO will return to the August 23, 2018 MIWG for additional discussion on the compliance filing and to provide the associated tariff revisions. To see the complete presentation, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-07-31/MIWG_July%2026%202018_Order%20844%20Uplift%20Cost%20Allocation%20and%20Transparency.pdf

External Resource Performance and Eligibility

Ethan Avallone of the NYISO presented proposed process improvements for external capacity resources to ensure that the NYISO receives energy from an external capacity supplier if the supplier is called upon. The NYISO is developing the process so that Supplemental Resource Evaluations (SREs) on external capacity suppliers are more comparable to SRE calls on internal capacity. Mr. Avallone led a review of the current process for external and internal capacity suppliers.

The proposed process was described by Mr. Avallone. The first step, which is the same as today, would be to evaluate internal and external capacity sellers when deciding which resources to SRE. The NYISO proposes that it would select specific external capacity-backed transaction(s) to SRE that are able to resolve the reliability need, and would notify the applicable external capacity seller(s). The external capacity seller will be obligated to receive a schedule to flow into the NYCA in the Real-Time Market for the amount of MW associated with the ICAP equivalent of the amount of UCAP sold. The NYISO proposes that an external capacity seller provision of energy in response to an SRE would settle at the LBMP of the external proxy bus. In the event that the applicable proxy bus LBMP is not high enough to keep the supplier whole, a NYISO process will be implemented for the resource to recover verifiable costs through a make-whole payment.

The NYISO proposes that if an external capacity resource, not on a forced or scheduled outage, is called and meets the guidelines below, it will have satisfied its obligations:

- *Responds to the SRE bid request for the ICAP equivalent of the capacity sold, and*

- *Is online, and*
- *Flows a capacity backed transaction from its control area to the NYCA border for the ICAP equivalent of the amount of UCAP sold, for the duration of the SRE*

If an external capacity seller is unable to demonstrate all applicable requirements, then the resource will be assessed a penalty. Stakeholders noted that there could be times where an external supplier is directed by the responsible grid operator to deviate from the schedule required to fulfill the capacity obligation and requested that the NYISO penalty determination accommodate that scenario. The NYISO noted the request and will discuss with external grid operators.

Mr. Avallone also explained that if a supplier is unable to respond to a call due to a forced outage (equipment failure, tripped offline, etc.), there would be no penalty assessed but the supplier's EFORD would be impacted, as would an internal supplier's EFORD.

Examples of an internal and external SRE were provided and discussed with stakeholders.

The NYISO requests that any stakeholders who would like to provide feedback on this market design concept proposal do so by August 10, 2018. Comments can be sent to deckels@nyiso.com. To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-07-31/External%20Resource%20Performance%20Eligibility%20July%202018%20ICAPWG%20FINAL.pdf

ESR Operating Characteristics

Whitney Lesnicki of the NYISO provided an update to the Energy Storage Resource (ESR) participation model highlighting the operating characteristics of the resources. Ms. Lesnicki led a review of the distinction between resources that will be characterized as continuous or non-continuous. Continuous ESRs will have no transition state between maximum withdrawal and maximum injection states. Non-continuous ESRs will have a transition state between maximum withdrawal and maximum injection states that results in a range that the resource cannot physically operate. To comply with the requirements of FERC Order 841, the NYISO has created additional registration, commitment and bidding parameters to accommodate these operational characteristics. Ms. Lesnicki detailed the additional parameters as:

- Registration Parameters
 - Maximum Run Time
 - Upper Storage Limit
 - Lower Storage Limit
 - Roundtrip Efficiency
 - Continuous/Non-Continuous
- Commitment Parameters
 - Changes within several existing generator parameters
 - Minimum Withdrawing Time
 - Maximum Withdrawing Time
- Bidding Parameters
 - Initial State of Charge (DAM only)
 - Energy Level Monitoring Choice
 - Opportunity Cost
 - Additional existing generator parameters may be required for bid/offer validation

Each updated parameter was explained and discussed with stakeholders.

Opportunity costs will be allowed with submitted ESR offers. The NYISO is currently developing an Opportunity Cost calculation and a NYISO Market Mitigation and Analysis representative will be at a future MIWG meeting for a complete discussion on the subject.

As previously discussed at an earlier MIWG meeting, the NYISO is working closely with ABB to resolve the potential performance issues with non-continuous ESRs. If ABB prototyping indicates that the ESR participation model cannot solve within existing NYISO performance standards, access to commitment parameters will be restricted during the initial deployment.

To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2018-07-31/ESR%20Operating%20Characteristics.pdf

Thursday, August 2, 2018

Transmission Planning Advisory Subcommittee

Study Scopes under Consideration for Recommendation for OC Approval

Q# 644

Columbia County 1

Solar 60MW

Copake, Columbia County, NY

Approved for recommendation

Q# 704

Bear Ridge Solar

Solar 100MW

Lockport, Niagara County, NY

Approved for recommendation

Q# 706

High Bridge Wind

Wind 100.8MW

Guilford, Chenango County, NY

Approved for recommendation

FERC Order 845 Compliance

Thinh Nguyen of the NYISO presented updated tariff language revisions required for compliance with FERC Order 845. Mr. Nguyen led a detailed review of the revised language for each affected section of the tariff and discussed the changes with stakeholders. The original compliance filing deadline of August 7, 2018 included in the Order was extended by the Commission to November 5, 2018. The NYISO proposes to request an effective date on or after date of compliance filing. FERC Order 845 required the NYISO to address the following 10 reforms:

1. *Interconnection Customer's Option to Build*
2. *Dispute Resolution*
3. *Identification and Definition of Contingent Facilities*
4. *Transparency Regarding Study Models and Assumptions*
5. *Definition of Generating Facility*
6. *Interconnection Study Deadlines*
7. *Requesting Interconnection Service Below Generating Facility Capacity*
8. *Provisional Interconnection Service*

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9. *Utilization of Surplus Interconnection Service*

10. *Material Modification and Incorporation of Advanced Technologies*

The NYISO is continuing to develop its proposed compliance revisions to its pro forma Large Facility Interconnection Procedures (LFIP) and its LGIA in Attachment X to the OATT. Additional revisions will be circulated to stakeholders for additional review and comment.

To see the complete presentation and associated tariff language, please go to:

https://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=oc_tpas

FERC Filings

August 1, 2018

NYISO amendment filing, on behalf of Niagara Mohawk Power Corporation, to complete the record required for the notice of cancellation of Service Agreement 1755 between Niagara Mohawk and the Village of Ilion

FERC Orders

August 2, 2018

FERC order accepted the notice of cancellation of the amended and restated interconnection agreement between Niagara Mohawk Power Corporation and Tug Hill Energy, Inc.

Filings and Orders:

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