

# NYISO Consumer Interest Liaison Weekly Summary

**June 4 – June 8, 2018**

## Notices:

- *It's not too late to register and join us for the, never before offered, in-class [Demand Response In-Depth](#) course June 26-28, 2018. This course will not be offered again until 2020. The MT-309 [Demand Response In-Depth](#) course provides attendees **the benefits of Demand Response** and the various processes and activities associated with program participation.*
- *The deployment of the **Granular Pricing & Market Price Delivery project** implements an [interactive pricing map and API](#) containing additional Nodal load prices to assist Distributed Energy resource (DER) development opportunities and wholesale market and NYS Reforming the Energy Vision (REV) program participation. The map shows NYISO prices in an easily-consumable manner. Historically, this data was only available in static files on the NYISO public website and the NYISO public datamart. The Pricing Data that is currently posted on the [NYISO website](#) will be included on the NYISO Pricing Information Map and through an API.*
- *The [Redline](#) and [Clean](#) versions of NYISO Reliability Planning Manual (M-26), have been posted to the [NYISO Manuals & Guides webpage](#) under Manuals, Under Review. The [Redline](#) and [Clean](#) versions for M-26 Attachment A, **NYISO Developer Qualification Form**, are also available under Manuals, Under Review. All proposed changes will be presented at the OC meeting scheduled for June 21, 2018.*

## Meeting Summaries:

**Monday, June 4, 2018**

**Integrating Public Policy Task Force**

June Review of Issue Track Progress

Dr. Nicole Bouchez led an overview of Issue Track's progress as set forth in the Integrating Public Policy Task Force (IPPTF) work plan (Work Plan). The IPPTF Work Plan required a June meeting to:

- review progress to date,

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- determine the schedule through the end of 2018,
- determine if any refinements to the 2018 deliverables are appropriate.

Dr. Bouchez presented the status of the five Issue Tracks as follows.

***Issue Track 1: Straw Proposal***

Dr. Bouchez noted that the straw proposal was issued on April 30, 2018. The straw proposal was developed based on the evaluation of all existing alternate proposals provided on or before Thursday, November 30, 2017. An earlier draft of the straw proposal was reviewed with stakeholders at the May 14, 2018 IPPTF. This Issue Track has met its deliverable and will be closed.

***Issue Track 2: Wholesale Energy Market Mechanics & Interaction with Other Wholesale Market Processes***

Several stakeholder discussions have taken place on this Issue Track concerning topics such as carbon charge implementation, external control area leakage, types of emitting resources, etc. Discussion of topics related to this Issue Track are expected to continue during the second half of 2018.

***Issue Track 3: Policy Mechanics***

This Issue Track addresses how a carbon charge should be set and adjusted for the Issue Track 5 Customer Impacts analysis. The New York Department of Public Service (DPS) staff and a stakeholder have both presented recommendations for setting the carbon charge. The NYISO is interested in understanding additional stakeholder considerations for this Issue Track given that there is no additional work currently scheduled.

***Issue Track 4: Interaction with Other State Policies and Programs***

This Issue Track has focused on the specific interactions with other New York State policies and programs. The NYISO is seeking additional stakeholder input to determine what else stakeholders wish to discuss. There is currently no additional work scheduled for Issue Track 4.

***Issue Track 5: Customer Impacts***

The meetings for this Issue Track have focused on the proposed customer impact methodology and analysis, as well as on the appropriate assumptions and scenarios for the impact analysis. Another IPPTF discussion is planned prior to beginning the base modeling work. An additional IPPTF discussion in August 2018 will review the assumptions to be used in the second phase of the impact analysis referred to as the “dynamic change case.” The results and deliverables from this Issue Track will be reviewed with IPPTF stakeholders in the September/October 2018 time frame.

An updated meeting schedule was provided for the remainder of 2018. The IPPTF Work Plan anticipates that draft carbon pricing recommendations, based on the straw proposal and stakeholder feedback will be reviewed with stakeholders by August 1, 2018. The anticipated IPPTF schedule includes a July 16, 2018 meeting to discuss the draft recommendations. The IPPTF Work Plan also recognizes that the draft recommendations are likely to be incomplete and subject to change. If necessary, the draft recommendations may indicate where additional work is ongoing.

Dr. Bouchez noted that no modifications to these deliverables are required at this time.

To see the complete IPPTF presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_miwg\\_ipptf/meeting\\_materials/2018-06-04/June%20Review%20of%20Issue%20Track%20Progress%2020180530.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg_ipptf/meeting_materials/2018-06-04/June%20Review%20of%20Issue%20Track%20Progress%2020180530.pdf)

**Issue Track 2: Carbon Charge Residuals: Allocation Options**

Dr. Nathaniel Gilbraith of the NYISO presented three approaches to the allocation of carbon charge residuals. Charging suppliers for their carbon emissions would result in carbon charge residuals, which would be allocated to load serving entities (LSEs) as an offset to their energy charges. Dr. Gilbraith

provided a numerical example to illustrate how carbon charge residuals would occur in the settlement process. Two important economic principles were considered for the market design objectives:

- Align LBMPs with the marginal cost of serving load, to incentivize customers to reduce emissions when economic to do so (accounting for externalities)
- Avoid major cost shifts among customers

Dr. Gilbraith introduced the three methodology proposals for determining the allocation. Each approach was explained and evaluated in terms of the above objectives.

The first approach for allocation of carbon residuals is the Load Ratio Share allocation. This methodology would return carbon charge residuals to all LSEs on a load ratio share basis.

The second approach is the Cost Leveling Allocation. This option would refund the carbon charge residuals by including zonal differences in the carbon component of the LBMP. Zones with the highest carbon component of LBMPs would be allocated a larger share until the carbon component differences are leveled. Remaining residuals would be allocated on a Load Ratio Share basis.

The third approach is the Proportional Allocation. This methodology would return the carbon charge residuals to all LSEs based on the proportional effect carbon prices have on the LSE's gross payments for energy (*i.e.*, the product of the carbon effect on applicable zonal LBMPs and their MWh of load).

Numerical examples for each of the three allocation methodologies were provided and discussed to illustrate the different impacts to LSEs with differing marginal emission rates (MER).

Additional analysis of the three proposed methodologies was also provided based on the 2025 base case derived from the [2017 Brattle Report](#). The comparison showed that regardless of the allocation methodology, the total amount of carbon charge residuals remained constant. The analysis demonstrated the potential cost variance to upstate LSEs (low MER assumption) in comparison to the downstate LSEs (high MER assumption) for the different methodologies.

The NYISO is recommending the use of the Cost Leveling Allocation method for allocating carbon charge residuals among the LSEs while it continues to seek additional stakeholder feedback on this subject. Comments can be sent to [IPP\\_Feedback@nyiso.com](mailto: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/2018-06-04/2018-06-04\\_IPPTF%20residual%20allocation.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg_ipptf/meeting_materials/2018-06-04/2018-06-04_IPPTF%20residual%20allocation.pdf)

## **Thursday, June 7, 2018**

### **System Operations Advisory Subcommittee**

#### **NYISO Operations Report – May 2018**

#### **Peak Load**

The peak load for the month was 24,441 MW which occurred on Tuesday, May 29, 2018, HB17.

Reserve requirements were as follows:

Reserve	10 Sync	Non-Sync	30 Min
Requirement	655	1,310	1,965
For Hour	914	1,847	2,974
DSASP Cont.	41	0	41

#### **Major Emergencies** – None

#### **Alert States** -- Alert State was declared on 13 occasions:

2 – System Frequency 2 Low 0 High

3 – Shortage of 10 Min Synchronized Reserve

3 – Exceeding Central East Voltage Contingency Limit

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5 – Emergency Transfer Declared

Alert state was declared 24 times during May of 2017

**Thunder Storm Alerts**

2 TSA declared in May 2018 for a total of 5:40 hours

**Reserve Activations** – 9

There were 9 Reserve Activations during May of 2017

**Emergency Actions** – None

**TLR3 Declared** – 0 for a total of 0 hours

**FERC Filings**

**June 6, 2018**

NYISO motion to intervene and protest of the May 3, 2018 complaint filed by PSE&G against Con Edison regarding removal of the B and C lines

**June 5, 2018**

NYISO proposed tariff revisions to revise the rules by which the Locational Minimum Installed Capacity Requirement (“LCR”) for each Locality will be determined

**June 4, 2018**

NYSIO filing of comments in support of continuing the ongoing delivery of data under FERC-921.

**FERC Orders**

**June 5, 2018**

FERC letter order accepting filings, and constitutes final acceptance of the NYISO’s regional transmission planning processes in its Order No. 1000 docket

**Filings and Orders:**

[http://www.nyiso.com/public/markets\\_operations/documents/tariffviewer/index.jsp](http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp)