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## NYISO Consumer Interest Liaison Weekly Summary

### February 27 – March 3, 2017

#### Notices:

- A [redline](#) and [clean](#) version of the ICAP Manual (M-04) has been posted to the [NYISO Manuals & Guides webpage](#) under the 'Manuals>Under Review' folder.
- Please be advised that the NYISO will be updating Summer 2017 Capability Period data entries in the **ICAP Automated Market System (AMS)** during the period from February 27th, 2017 through March 17th, 2017. Market Participants should not consider the Summer 2017 updates as final until 17:00 hours on March 17, 2017.
- As discussed at the February 27, 2017 BPWG meeting, the NYISO is committed to continuous improvement of the project prioritization process. Feedback on the process can be submitted to Brian Hurysz by March 17, 2017. The NYISO will address feedback and review proposed process improvements at the March 30, 2017 BPWG meeting. [Submit Feedback Here](#)
- As a reminder, please submit your sector topics along with specific detailed questions to Debbie Eckels ([deckels@nyiso.com](mailto:deckels@nyiso.com)) no later than Friday, March 17th. All meetings are scheduled from 10:00 am – 2:00 pm and will be held at the [Albany Capital Center](#) in Albany, NY. We look forward to meeting with you.

#### Meeting Summaries:

Monday, February 27, 2017

##### **Budget and Priorities Working Group**

##### 2016 Budget vs. Actual Status

Donna Martell of the NYISO presented the 2016 year-to-date budget vs. actual status. Rate Schedule 1 recoveries are \$3.6M ahead of budgeted revenues through December, pending completion of NYISO's financial statement audit. Budgeted costs vs. actual costs through December 2016 reflect a \$3.7M budget under-run. NYISO staff recommends that NYISO retain



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the funds remaining from the 2016 budget cycle to pay down the principal amount of outstanding debt. To see Ms. Martell's complete presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/mc\\_bpwg/meeting\\_materials/2017-02-27/December\\_2016\\_Budget%20vs%20Actual.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/mc_bpwg/meeting_materials/2017-02-27/December_2016_Budget%20vs%20Actual.pdf)

#### 2016 Project Schedule Milestone Update

Robert Pike of the NYISO presented the final update on milestones for the 2016 Project Schedule. 29 projects were revised to Completed status since the last BPWG update in October 2016, bringing the total of completed projects to 52 for the year. Mr. Pike led a review of the projects completed in the fourth quarter while noting two projects that will be completed in 2017. To see Mr. Pike's complete presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/mc\\_bpwg/meeting\\_materials/2017-02-27/2016%20Project%20Schedule%20Milestone%20Update.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/mc_bpwg/meeting_materials/2017-02-27/2016%20Project%20Schedule%20Milestone%20Update.pdf)

#### 2017 Project Schedule Milestone Update

Robert Pike of the NYISO presented the status and milestones for projects scheduled in 2017. Mr. Pike noted that several of the projects are currently underway. It was noted that the project titled Treatment of Capacity Exports from Localities (SOM) is listed twice in the presentation. The first listing represents the implementation of the concept developed late in 2016 to accommodate any potential capacity exports from a constrained locality for the 2016/2017 Capability Period. The second listing represents the work going forward to further analyze the process for the long run. To see the 2017 Project Schedule Milestone Update, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/mc\\_bpwg/meeting\\_materials/2017-02-27/2017%20Project%20Schedule%20Milestone%20Update.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/mc_bpwg/meeting_materials/2017-02-27/2017%20Project%20Schedule%20Milestone%20Update.pdf)

#### 2017 Project Prioritization Feedback Solicitation

Brian Hurysz of the NYISO presented feedback provided by stakeholders regarding the 2017 project prioritization process. The NYISO is committed to continuous improvement of the project prioritization process. Mr. Hurysz noted that during the 2017 project prioritization process, stakeholders provided the following feedback:

- 1. Some stakeholders found the form provided by the NYISO for suggesting projects to be confusing. The NYISO should be able to update the project descriptions in the survey to accommodate last-minute direction from BPWG. More time was desired for stakeholder advocacy and finalization of project descriptions.*
- 2. Enterprise projects should be removed from the survey and their costs and staff resource allotment subtracted from the budget available for stakeholder-selected projects. However, Enterprise projects should still be subject to review during BPWG meetings.*
- 3. Stakeholders had feedback on how survey scores are incorporated into the NYISO's prioritization criteria.*
- 4. Reconsider process timeline. Extending 2016 survey deadline created challenges for incorporating feedback into proposed list of projects.*



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The NYISO encourages stakeholder feedback on the process and will accept input until March 17, 2017. The NYISO will address received feedback at the March 30, 2017 BPWG meeting. To see the complete NYISO presentation, please go to:

[http://www.nyiso.com/public/committees/documents.jsp?com=mc\\_bpwg&directory=2017-02-27](http://www.nyiso.com/public/committees/documents.jsp?com=mc_bpwg&directory=2017-02-27)

**Monday, February 27, 2017**

**Special Operating Committee**

**Motion #1:**

The Operating Committee (OC) hereby approves the Q#522 NYC Energy System Reliability Impact Study (SRIS) Scope as presented and discussed at the February 27, 2017 OC meeting.

**The motion passed unanimously by show of hands**

**Motion #2a:**

The Operating Committee (OC) hereby approves the Q#468 Galloo Island Wind System Reliability Impact Study (SRIS) report as presented and discussed at the February 27, 2017 OC meeting.

**The motion passed unanimously by show of hands with abstentions from TC Ravenswood and City of New York**

**Motion #2b:**

The Operating Committee (OC) hereby approves the Q#498 Tioga County Power System Reliability Impact Study (SRIS) report as presented and discussed at the February 27, 2017 OC meeting.

**The motion passed unanimously by show of hands with abstentions from TC Ravenswood and City of New York**

**Motion #2c:**

The Operating Committee (OC) hereby approves the Q#523 Dunkirk 2 System Reliability Impact Study (SRIS) report as presented and discussed at the February 27, 2017 OC meeting.

**The motion passed unanimously by show of hands with abstentions from TC Ravenswood, NYSERDA, and City of New York**

**Motion #2d:**

The Operating Committee (OC) hereby approves the Q#524 Dunkirk 3&4 System Reliability Impact Study (SRIS) report as presented and discussed at the February 27, 2017 OC meeting.

**The motion passed unanimously by show of hands with abstentions from TC Ravenswood, NYSERDA, and City of New York**

**Motion #2e:**



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The Operating Committee (OC) hereby approves the Q#393 Berrians East Repower System Reliability Impact Study (SRIS) report as presented and discussed at the February 27, 2017 OC meeting.

**The motion passed with 74.2% affirmative votes**

### **Tuesday, February 28, 2017**

#### **Market Issues Working Group**

##### Michigan-Ontario Phase Angle Regulator (PAR) Control Study

Mike DeSocio of the NYISO reviewed a study of over a year of operation of the Ontario-Michigan PARs (Ont-MI PARs) completed by MISO, PJM, NYISO and IESO. Mr. DeSocio led a review of the issue of Lake Erie circulation (LEC), commonly referred to as loop flow. The Ont-MI PARs are used to manage LEC by having actual flow equal scheduled flow within a +/- 200 MW control band. Mr. DeSocio explained the operational modes employed on the Ont-MI PARs and their effect on the LEC. This study was necessary to complete the objectives of the FERC Order on the Broader Regional Market initiative. The NYISO, PJM, MISO and IESO will request the annual Broader Regional Market report be terminated this spring. To see the complete presentation, please go to:

[https://www.nyiso.com/public/markets\\_operations/committees/meeting\\_materials/index.jsp?com=bic\\_miwg](https://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic_miwg)

##### Start-up Bids Treatment

Daniel Noriega of the NYISO updated the proposal to allow generators to increase Start-up offers in Real Time (RT). Mr. Noriega highlighted sections of the Tariff that will require revision to implement the proposal. Proposed tariff language was posted with the meeting materials for stakeholder review. The NYISO intends to bring this proposal to the March BIC and MC meetings for stakeholder approval. If the proposal does not gain sufficient support at the meetings, or if its implementation requires excessive resources, the NYISO will no longer pursue this proposal and will focus on making the software consistent with the existing Tariff language. The NYISO intends to implement either the current proposal or revise the current software logic to be consistent with the tariff in the second quarter of 2017. To see the complete presentation, please go to:

[https://www.nyiso.com/public/markets\\_operations/committees/meeting\\_materials/index.jsp?com=bic\\_miwg](https://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic_miwg)

##### Transmission Service Charge Data Posting Process Updates

Chris Russell of the NYISO presented updates to the Transmission Service Charge (TSC) data posting process. Mr. Russell led a review of the process used by the NYISO to post the TSC rates for the upcoming billing month “on or about the 15th of the prior month, no later than the 20th...”. Mr. Russell explained that the NYISO has developed a new process for updating the system model that is intended to improve sustainability of the existing TSC data posting process and ensure that accurate billing determinant data continues to be provided to the Transmission

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Owners. The existing process involves a manual process to add new units and/or proxy buses and calculate corresponding shift factor values, the new process will include the functionality to automatically assign shift factor values to all generators and Proxy Generator Buses, including any new units and/or proxy buses added to the system. Mr. Russell noted that there will be no outward facing changes to the system for the Transmission Owners with the new process.

Deployment is planned for Q4 2017. To see the complete presentation, please go to:

[https://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_miwg/meeting\\_materials/2017-02-28/TSC%20Data%20Posting%20Process%2002282017%20MIWG%20Draft%20FINAL.pdf](https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2017-02-28/TSC%20Data%20Posting%20Process%2002282017%20MIWG%20Draft%20FINAL.pdf)

### NYISO New Business - PJM's Proposal for Pro Forma Pseudo-Tie Agreements

David Edelson of the NYISO presented talking points that were first provided to stakeholders at the February 22, 2017 MC meeting. Mr. Edelson read the following notice to stakeholders:

- *PJM recently asked NYISO to review its proposed pro forma pseudo-tie agreement that would apply to NYCA Generators that sell all or a portion of their capacity to PJM.*
  - *The pseudo-tie agreement specifies that PJM will provide pseudo-tied generators commitment and dispatch instructions. The pseudo-tied generator will be committed and dispatched to meet PJM's needs, not the NYISO's.*
- *The NYISO has not obtained sufficient information to determine how pseudo-tie agreements might be implemented between NYISO and PJM, or how a pseudo-tied generator electrically located in New York would interact with the NYISO-administered markets and reliability functions. The NYISO is prepared to work with PJM to evaluate potential alternate solutions that would be acceptable to both NYISO and PJM.*
- *NYISO has concerns about using PJM's proposed pseudo-tie agreement for generators located in the New York Control Area. o The proposed pseudo-tie agreement appears to be inconsistent with the NYISO's tariffs and agreements. It also appears to be inconsistent with the Memorandum of Understanding that defines requirements and expectations for the exchange of capacity between the NYISO and PJM control areas.*
- *PJM's proposal also raises market efficiency and reliability concerns. o The pseudo tie proposal would reduce the efficiency of the NYISO's commitment and dispatch solutions because NYISO's dispatch would not be able to accurately incorporate the impact of the pseudo-tied generator's operation on congestion in New York.*
- *Relinquishing operational control of a generator located in New York may compromise NYISO's ability to direct generator actions to address transmission security needs.*
- *NYISO has added PJM's pseudo tie proposal to the February 28th MIWG agenda to allow time, if needed, for more discussion with stakeholders regarding these concerns. (MIWG 2/28 Discussion)*
- *Link to PJM Materials:*  
<http://www.pjm.com/forms/registration/Meeting%20Registration.aspx?ID={D7B191D3-11D9-41FA-AD78-8214680AFBA3}>



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Mr. Edelson noted that the NYISO is following the activity in the PJM stakeholder process very closely and encouraged stakeholders to also follow the procedure.

#### Market Transparency Initiative

Peter Lemme of the NYISO presented an update on the initiative to identify and recommend opportunities to improve the availability of market data and information deemed to be desirable by stakeholders. The Market Transparency Team was established in May 2016 and has investigated transparency improvement opportunities based on Market Participant (MP) feedback, MP inquiry tickets, and through discussions drawing on Subject Matter Expert experience. Mr. Lemme highlighted a number of efforts resulting in improved transparency in several areas of the NYISO. It was noted that due to tariff restrictions, security limitations and confidentiality requirements, not all suggestions could be implemented. The Market Transparency Team will continue to solicit transparency suggestions and pursue identified opportunities. To see Mr. Lemme's complete presentation, please go to:

[https://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_miwg/meeting\\_materials/2017-02-28/Transparency%20presentation-MIWG%20Update.pdf](https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2017-02-28/Transparency%20presentation-MIWG%20Update.pdf)

#### Distributed Energy Resource Aggregations

James Pigeon of the NYISO led a discussion with stakeholders on the concept of aggregations in the Distributed Energy Resources (DER) Roadmap. Mr. Pigeon explained that the NYISO will review the following concepts in an effort to present a complete dispatchable DER proposal:

- Aggregations
- Measurement and Verification
- Operational Requirements and Resource Obligations
  - Real-Time
  - Day-Ahead
- Eligibility Criteria and Performance Obligations
- Simultaneous participation in wholesale markets and retail programs

Mr. Pigeon presented the definition of DER and stated that similar to Behind-the-Meter Net Generation Resources, the NYISO will consider DER to be dispatch-only because they are expected to be already serving a load.

The terminology and criteria for DER aggregations' participation in the wholesale markets were presented in detail and discussed in depth with stakeholders. Examples were provided to demonstrate different aspects of resource configuration, bidding (offers) and commitment.

The NYISO and the Transmission Owners will continue to discuss coordination and operations procedures for aggregation mapping to the transmission network. The DER participation model attributes will continue to be developed while registration, termination and modification procedures are refined. To see Mr. Pigeon's complete presentation, please go to:

[https://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_miwg/meeting\\_materials/2017-02-28/Distributed%20Energy%20Resource%20Aggregations%20MIWG%20022817.pdf](https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2017-02-28/Distributed%20Energy%20Resource%20Aggregations%20MIWG%20022817.pdf)



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### Pilot Project Initiative

Brian Yung of the NYISO presented the initiative to develop and implement a framework to permit testing of small-scale pilot projects. The initial stage of this initiative has focused on investigating how other ISO/RTOs have used pilot projects in their markets. Mr. Yung provided examples of pilot project type initiatives in other ISO/RTO markets that the NYISO is studying. It was noted that although the various programs have had common themes, the details vary. For example:

- *Participants – open to existing ISO/RTO MPs and to entities that are not MPs*
- *Duration – both fixed time or open-ended*
- *Program size – cap on MW, number of participants, or both*
- *Payments – made through existing tariff structure, other method (e.g., out of market payments), or none at all*

Mr. Yung used an ISO-NE program to illustrate the concepts that can be considered. The goal of the project is to test enabling technologies (e.g., software and communication systems) and the physical capabilities of DER prior to drafting final DER integration rules. The market design for a pilot project program is anticipated for Q1 and developed in Q2 2017. The NYISO will present progress during the March and April MIWG meetings. Comments are encouraged and can be sent to [DER\\_Feedback@nyiso.com](mailto:DER_Feedback@nyiso.com). To see Mr. Yung's complete presentation, please go to: [https://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_miwg/meeting\\_materials/2017-02-28/Pilot%20Project%20Comparison%20MIWG%20022817%20\(2\).pdf](https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2017-02-28/Pilot%20Project%20Comparison%20MIWG%20022817%20(2).pdf)

### **Thursday, March 2, 2017**

#### **Transmission Planning Advisory Subcommittee**

##### System Model for Geomagnetically Induced Current Studies

Keith Burrell of the NYISO presented the system model for NYISO Geomagnetically Induced Current studies. Mr. Burrell began by leading a review of NERC Standard TPL-007-1: Transmission System Planned Performance for Geomagnetic Disturbance (GMD) Events. The purpose of this standard is to establish requirements for Transmission system planned performance during GMD events. The NYISO posted Technical Bulletin 239 (TB239) to describe the modeling data needed from Transmission Owners (TOs) and Generator Owners (GOs) as they are responsible for providing the data for their Facilities. Mr. Burrell outlined the responsibilities of the TOs and GOs and provided a timetable with dates for the required data submission. To see Mr. Burrell's complete presentation, please go to:

[https://www.nyiso.com/secure/webdocs/markets\\_operations/committees/oc\\_tpas/meeting\\_materials/2017-03-02/03\\_System%20Model%20for%20Geomagnetic%20Induced%20Current%20GIC%20Studies\\_v1.pdf](https://www.nyiso.com/secure/webdocs/markets_operations/committees/oc_tpas/meeting_materials/2017-03-02/03_System%20Model%20for%20Geomagnetic%20Induced%20Current%20GIC%20Studies_v1.pdf)

### Update on Class Year 2017



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Wenjin Yan of the NYISO presented a brief update on the status of the Class Year 2017 (CY17) process. CY17 began on March 1, 2017. Projects that wish to be eligible for participation in the CY17 process must notify the NYISO by 5:00 pm on March 8, 2017. The NYISO will then send agreements which prospective projects have 30 days to respond. The NYISO anticipates announcing the members of the CY17 process at the May TPAS meeting.

#### Comprehensive Interconnection Process Improvements Initiative Part 1

Thinh Nguyen of the NYISO presented proposals for the Comprehensive Interconnection Process Improvements Initiative Part 1. This initiative was undertaken to improve the efficiency of the interconnection process while maintaining the necessary reliability evaluations and treating Developers equitably. Mr. Nguyen provided a timeline for the steps of the process improvements schedule through 2017. The proposals are based on five specific areas of the process:

- *Administrative Improvement (6 issues)*
- *Class Year Study Process Improvements (4 issues)*
- *Other Study Process Improvements (13 issues)*
- *Clarifications regarding cost recovery for System Deliverability Updates (SDUs) and Incremental Transmission Congestion Contracts (TCCs) for SDUs (3 issues)*
- *Other Tariff/Manual Clarifications/Updates (10 issues)*

Mr. Nguyen led a review and stakeholder discussion on each of the proposed revisions to the process. To see Mr. Nguyen's complete presentation, please go to:

[https://www.nyiso.com/public/markets\\_operations/committees/meeting\\_materials/index.jsp?com=oc\\_tpas](https://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=oc_tpas)

#### Transmission Expansion & Interconnection Manual Update

Thinh Nguyen of the NYISO presented proposed updates to the Transmission Expansion and Interconnection Manual (TE&I Manual). The last substantive update on the TE&I Manual was October 2012. Since October 2012, several tariff revisions have been filed with FERC revising the transmission expansion and interconnection procedures. Mr. Nguyen led a review of the several changes proposed for incorporation into the TE&I Manual including:

- *Class Year process changes (effective February 2013)*
- *Changes to permissible extensions of Commercial Operation Dates (effective February 2013)*
- *Changes to the threshold for material capacity increases requiring interconnection studies (effective February 2014)*
- *FERC Order 792 changes re: Small Generator Interconnection Procedures (effective December 2014)*
- *Changes regarding generator outage states (effective May 2015)*





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- *Changes required by Order 1000 Compliance Filing, including the new Transmission Interconnection Procedures and changes to the NYISO Transmission Expansion process (effective April 1, 2016, FERC order pending)*
- *Changes included in the BTM:NG initiative (interconnection process-related tariff changes effective May 19, 2016)*
- *Class Year regulatory milestone changes (effective July 5, 2016)*
- *Global update of references (e.g., applicable NERC, NPCC and NYSRC reliability standards)*
- *Additional detail re: review process for determining whether an SIS is required for proposed NYTO LTP or NYPA TP projects*
- *Additional details re: Minimum Interconnection Standard and Deliverability Interconnection Standard methodologies*
- *Additional information regarding inter-ISO/RTO interconnection procedures*
- *Additional information re: ways to request and obtain CRIS*
- *Additional clarifications*

Mr. Nguyen led a discussion with stakeholders on each of the proposed changes while noting stakeholder input. The NYISO will continue to refine the changes and encourages stakeholder comments throughout the process. Mr. Nguyen noted that there would be opportunity for further discussions on the proposed revisions at the April and May IITF meetings. To see Mr. Nguyen's complete presentation, please go to:

## **FERC Filings**

### **February 28, 2017**

NYISO comments in response to FERC's NOPR on ISO/RTO market rules for pricing fast-start resources

## **FERC Orders**

### **March 2, 2017**

FERC Letter Order accepted the notice of effective date (i.e., February 17, 2017) for certain tariff revisions that describe the methodology that the NYISO will use to project Energy and Ancillary Services revenues in buyer-side market power mitigation determinations for proposed Examined Facilities that are UDR projects

### **Link to FERC 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)