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NYISO Consumer Interest Liaison Weekly Summary

January 23 – January 27, 2017

Notices:

- Due to scheduling conflicts, the **February 7 ESPWG meeting has been rescheduled to February 9** at 1:30, following the Operating Committee Meeting.
- This message is being distributed to **TPAS and Class Year 2015 Working Group** members. This is to inform you that the [Notice of Class Year 2015 Second Round Security Default and Initiation of Third Round](#) is posted on the NYISO website at the link below under the "**Interconnection Studies**" folder and "**Notices to Market Participants**" subfolder.
http://www.nyiso.com/public/markets_operations/services/planning/documents/index.jsp
- On January 25, 2017 the New York Independent System Operator **filed, with the New York Public Service Commission, comments in support of the 18.0 percent Installed Reserve Margin ("IRM")** adopted by the New York State Reliability Council ("NYSRC") for the New York Control Area ("NYCA") in the upcoming 2017-2018 Capability Year. (07-E-0088)
A copy of the filing can be viewed [here](#), and then later on the NYISO Website at:
http://www.nyiso.com/public/markets_operations/documents/legal_regulatory/index.jsp
- The NYISO has posted at the Planning/Generator Retirements location on its website a "**Posting of Completed Generator Deactivation Notice**" for Freeport EQUUS GT1 located in Freeport, New York. [Deactivation Notice](#)

Meeting Summaries:

Tuesday, January 24, 2017

Joint Electric System Planning Working Group/Transmission Planning Advisory Subcommittee



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Updates on Western NY PPTN Phase 2 Study Assumptions

Dawei Fan of the NYISO presented an update to the Western NY Public Policy Transmission Need (PPTN) Phase 2 study assumptions that were presented at the December 7, 2016 ESPWG/TPAS meeting. The two issues Mr. Fan updated include:

- *Non-BPTF upgrades*
- *Power Flow cases for transfer analysis*

The NYISO will post a frequently asked questions (FAQ) document to address all questions submitted in writing.

Mr. Fan explained that the non-Bulk Power Transmission Facilities (BPTF) requiring upgrades are to be addressed by National Grid, per the October 13, 2016 Public Service Commission (PSC) Order and will not be a distinguishing factor in the selection process. These non-BPTF upgrades include:

- *Gardenville-Depew 115kV #54 line*
- *Niagara-Packard 115kV #193 and #194 lines*

The power flow case for transfer analysis will start with the Viability & Sufficiency Assessment (VSA) case and include the Gardenville 230kV line #66 terminal upgrades and the Local Transmission Plan (LTP) for line #54.

To see the complete NYISO presentation, please go to:

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-01-24/2_Updates_WNY_PPTN_Ph2_Assumptions.pdf

Clean Power Plan Assessment Final Report

Peter Carney of the NYISO presented the final report on the assessment of the Clean Power Plan (CPP) (Study) and how potential New York compliance approaches interact with existing market rules and system reliability criteria under various scenarios for the Regional Gashouse Gas Initiative (RGGI) and the CPP. Mr. Carney provided the study results for both mass and rate calculations. The following results were reported:

- *Various combinations of additional renewable resources and fossil fuel-fired peaking generators can provide adequate supplies of energy while meeting the emission caps or emission rates of the CPP, as well as the RGGI caps under consideration.*
- *Increasing deployment of renewable resources increases CPP compliance margin.*
- *New York's compliance will on some occasions be dependent upon an adequate supply of emission allowances or emission rate credits from other affected states.*

Mr. Carney explained the approach used by the NYISO for the Study and led a review of the investigated scenarios. A chart encompassing the CPP CO₂ mass and rate limits applicable to New York and in comparison with RGGI was provided to illustrate the overall Study results. To see Mr. Carney's complete presentation, please go to:

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-01-24/3_CPP_ESPWG.pdf



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Review of Key Study Assumptions For The Auburn LFGE Deactivation Assessment

Kevin DePugh of the NYISO presented the review of the key study assumptions to be used for the Auburn LFGE deactivation assessment. The cases used for the analysis will be the final 2017 and 2021 RNA cases updated with Shoreham deactivation, with consideration of the impacts from the updated load forecasts. The NYISO is performing the analysis on the Bulk Power Transmission Facilities (BPTF) facilities whereas NYSEG is performing the analysis on the non-BPTF facilities.

Wednesday, January 25, 2017

Management Committee

There were no motions presented for vote at the January 25, 2017 MC meeting.

Thursday, January 26, 2017

Market Issues Working Group

FERC NOPR Electric Storage Participation in Markets

Mike DeSocio of the NYISO led a discussion with stakeholders on potential market requirements to meet the future needs of electric storage participation in response to the FERC Notice of Proposed Rulemaking (NOPR). Mr. DeSocio noted that the NYISO is supportive of removing barriers to wholesale market participation by electric storage devices and is interested in potential market participants that have reviewed the NYISO markets and found issues making their efficient participation difficult. Several comments were noted and discussed. The NYISO has requested comments following the meeting for additional consideration prior to submission of the NOPR comments to FERC.

FERC NOPR Fast Start Pricing

Thomas Golden of the NYISO led a discussion with stakeholders concerning the requirements necessary to respond to the FERC Notice of Proposed Rulemaking (NOPR) on Fast Start Resources. Mr. Golden began the discussion by defining resources that are deemed Fast Start Resources. Stakeholder input at the meeting was noted and a request was made for written stakeholder comments following the meeting. In response to a stakeholder inquiry, Mr. Golden noted that he would come back to the MIWG with the NYISO response prior to submission to FERC if time allows. The filing is due on February 28, 2017.

Transmission Constraint Pricing

Mike DeSocio of the NYISO presented results of the analysis on revisions to the Graduated Transmission Demand Curve construct. The NYISO declared a Market Problem at the November 3, 2016 MIWG meeting and filed a waiver request with FERC on January 6, 2017. Mr. DeSocio led a review of the issue and the proposed changes to the construct. At the December 21, 2016 MIWG meeting, stakeholders requested and NYISO agreed to rerun its analysis based on the proposal to modify the second step to \$1,175/MWh. The NYISO reran the RTD cases from July 2016 and August 2016 removing the feasibility screen and modifying the



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second step of the graduated Transmission Shortage Cost from \$2,350/MWh to \$1,175/MWh. Results were provided and discussed with stakeholders. Some stakeholders requested that data and an example be provided to clarify the selection of the mid-level \$1,175/MWh price point. The NYISO anticipates submitting tariff changes to FERC to allow for a June 2017 implementation. To see Mr. DeSocio’s complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2017-01-26/Transmission%20Constraint%20Pricing%20-%20MIWG%2001262017.pdf

Friday, January 27, 2017

Installed Capacity Working Group

External ICAP Rights for the 2017 through 2018 Capability Year

Greg Drake of the NYISO presented the External Installed Capacity (ICAP) rights for the 2017 through 2018 Capability Period. The values provided are prior to Deliverability Testing. Mr. Drake led a review of the annual study methodology and noted that three ties are excluded in this process:

- *Interface facilities having UDRs*
- *Controllable lines from PJM into NY*
- *The NUSCO 1385 (NNC) line*

The methodology was performed including IESO participation in capacity imports. The assumption used for the (Installed Reserve Margin) IRM, Locational Capacity Requirement (LCR) and this study is that the 2015 Class Year will be complete and 20 MW of additional CRIS coming from Quebec will be awarded. The resulting values were provided as below:

	PJM	ISO-NE	Quebec	Ontario	Row Totals
Initial Values (TTC Summer Ratings)	1450	1400	1500	2000	6350
Grandfathered Rights*	1080	0	1110	0	2190
Individual Limits (above GF)	212	1075	18	450	1755
Simultaneous Limits (above GF)	60	306	5	128	500
Final Values	<u>1140</u>	<u>306</u>	<u>1115</u>	<u>128</u>	<u>2689</u>

*** Includes ETCNL for these purposes**



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To see Mr. Drake's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-01-27/ECR%202017_Slides_V1a.pdf

ICAP Manual Updates

Zachary T. Smith of the NYISO presented the updates to the Installed Capacity (ICAP) Manual to reflect the 2017 Capability Year external import rights. All references in the ICAP Manual pertaining to the external import rights for 2017 have been revised. To see a redline version of the updated ICAP Manual, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-01-27/M-04_ICAP%20Manual_Draft_01232017_Final.pdf

Escalation Factor and Inflation Rate in Buyer-Side Mitigation Rules: Review and Proposals

Jonathan Newton of the NYISO presented the proposal to provide more up-to-date escalation and inflation factors than those in the current BSM Rules. Previously, inflation and escalation were longer term outlooks established at the Demand Curve reset and remained constant between reset periods. In response to comments from the October 7, 2016 ICAPWG, the NYISO has considered stakeholders' feedback and is presenting a revised proposal that is designed to:

- *Apply inflation adjustments consistently to all parts of the BSM tests and Offer Floors*
- *Apply inflation adjustments consistent with those used in the determination of the ICAP Demand Curves*

Mr. Newton noted affected sections of the tariff and explained how the proposed process would be applied. A change from the October 7, 2016 presentation proposal is to escalate the peaking plant Gross CONE using the most recently published Demand Curve inflation rate as opposed to the escalation factor. Mr. Newton noted stakeholder feedback including the request to return to a future ICAPWG meeting with a numerical example using this process. Stakeholders can provide additional comments in writing to deckels@nyiso.com by February 2, 2017. To see Mr. Newton's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-01-27/Reviewing%20the%20Escalation%20and%20Inflation%20Factors%20for%20BSM.pdf

NYISO Probabilistic Locality Exchange Factor Analysis

Wes Hall of General Electric Consulting (GE) presented the proposal to establish the Probabilistic Method for determination of interface transfer limits used for the resource adequacy topology. The Locality Exchange Factor is the ratio of the shift factor on the applicable NYCA interface of a transfer from the Import Constrained Locality to the respective neighboring Control Area, to the shift factor of a transfer from Rest of State to the Import Constrained Locality, calculated in accordance with ISO Procedures. GE plans to present the results using the Probabilistic Methodology to stakeholders by early March 2017 with the potential for additional study requirements to be determined. To see Mr. Hall's complete presentation, please go to:



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http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-01-27/NYISO_Locality_Exchange_Factor_Analysis_01272017_ICAPWG_Final.pdf

Locality Exchange Factors for 2017

Zachary T. Smith of the NYISO presented the Locality Exchange Factor (LEF) for the 2017 Capability Year. The methodology for the LEF determination used the 2017 Summer Peak Load case from the 2016 Reliability Needs Analysis (RNA). The Phase Angle Regulators (PARs) across the PJM interface were modeled according to the established percentages:

- 32% 5018
- 15% J/K
- 21% A/B/C

Mr. Smith defined the interfaces and provided the shift factors for each interface. The calculation for determining the LEF was explained and demonstrated with a note that for 2017 the LEF for Zone G-J to ISONE would be set to 80% as set forth in the proposed new section 2.12 of the Market Services Tariff. Mr. Smith explained, with examples, how the LEF would be applied to the Installed Capacity Market. The LEFs for 2017 are posted on the NYISO website under *Announcements -> Info and Announcements* at:

http://www.nyiso.com/public/markets_operations/market_data/icap/index.jsp. The calculation methodology will be posted at the same location. To see Mr. Smith's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-01-27/LEF%202017.pdf

FERC Filings

January 24, 2017

IRC comments on FERC's proposal to revise the pro forma LGIA and SGIA to require new generating facilities to install, maintain, and operate equipment capable of providing primary frequency response as a condition of interconnection

January 23, 2017

NYISO Section 205 filing of proposed revisions to the interconnection procedures set forth in Attachments S and X of its Open Access Transmission Tariff

FERC Orders

January 27, 2017

FERC order accepting in part and rejecting in part tariff revisions regarding capacity exports and directing compliance to remove the provisions that establish the one-year transition mechanism

January 23, 2017

FERC Letter Order accepted LGIA (SA 2310) among the NYISO, Con Ed and Cricket Valley Energy center effective November 16, 2016, as requested



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Link to FERC Filings and Orders:

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