



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

NYISO Consumer Interest Liaison Weekly Summary

March 20– March 24, 2017

Notices:

- An **additional ICAP meeting** has been scheduled for **April 4, 2017** at the Radisson Hotel on Wolf Road.
- Due to a scheduling conflict, the **March 30, 2017 BPWG** has been moved to March 29, 2017 following the Management Committee meeting.
- Please use the link below to access the NYISO's stakeholder summary for the week of March 27, 2017. [NYISO Stakeholder Summary](#)

Meeting Summaries:

Wednesday, March 22, 2017

Joint Market Issues/Installed Capacity Working Group

FERC NOPR RM 17-2 Update: Uplift & Transparency

Ethan Avallone of the NYISO provided a verbal update on the FERC Notice of Proposed Rulemaking (NOPR) issued February 17, 2017 titled “*Uplift Cost Allocation and Transparency in Markets Operated by Regional Transmission Organizations and Independent System Operators*”. This NOPR covers:

- Allocating real time uplift to deviations
 - The NYISO uses a beneficiaries pay approach to allocating real-time uplift, rather than allocating uplift to deviations
- Increasing the transparency of uplift reporting and operator initiated commitments
 - The NYISO already posts much of the information requested by FERC’s NOPR, but would need to revise current reporting and/or report additional information to comply with the proposed reforms.
- Describing the transmission constraint penalty factors in use

The NYISO will file comments with FERC by April 10, 2017.

Status of Brattle Group Report on Integrating Public Policy



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

Mike DeSocio of the NYISO provided the following statement as an update on the status of the Brattle Group report on Integrating Public Policy:

The Brattle Group was hired by the NYISO to prepare a report on possible methods for incorporating the cost of carbon into New York's wholesale electricity markets. The purpose of this report is to provide you all with a feasible approach that would help align the goals of New York's wholesale electricity markets with New York's public policy objectives. At this time, the NYISO believes the Brattle Report needs further work and that the FERC technical conference regarding State Policies and Wholesale Markets Operated by ISO-NE, NYISO and PJM (AD17-11-000), which is scheduled for May 1st and 2nd, could provide the Brattle Group valuable insights for this effort. The NYISO believes it is important for the Brattle Group to incorporate any new information that could be obtained during the FERC technical conference into the final report. The NYISO will bring this topic back to stakeholders after Brattle has completed its additional work and we have had a chance to digest any guidance from the FERC technical conference.

Following the statement, Mr. DeSocio answered questions from stakeholders related to the Brattle Group report and the update regarding its status.

Capacity Exports from Localities

James Barrett of the NYISO presented an update on the effort to refine Phase 2 rules for exporting capacity from Localities. The FERC Order accepting the Services Tariff rules for exports from Localities noted stakeholder comments which identified several other areas for NYISO to investigate and encouraged the NYISO to continue to work with its stakeholders on outstanding design issues.

General Electric Energy Consulting (GE) is currently investigating probabilistic analysis modeling to determine a Locational Exchange Factor (LEF) and will report the findings to the NYISO and stakeholders for consideration. A timetable for the GE analysis was provided. Three potential projects related to exports from Constrained Locations were included for consideration for the 2018 Project Prioritization process. Mr. Barrett introduced and presented a brief overview of the following potential projects:

- *Payment for Exporting Resource*
- *Treatment of Imports*
- *CRIS Preservation Rules*

Stakeholders are encouraged to comment on the above projects as to whether or not they merit inclusion in the 2018 Project Schedule. A summary of meeting dates for continued discussion on the Capacity Exports from Localities was provided to stakeholders. To see Mr. Barrett's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-03-22/Exports%20Phase%20%20PowerPoint%20final%20ICAPWG%202017%2003%2017.pdf

NYISO Probabilistic Locality Exchange Factor Analysis



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

Wes Hall of General Electric (GE) provided an update on the probabilistic Locality Exchange Factor (LEF) analysis GE is conducting for the NYISO. Mr. Hall explained the two types of system topology in use for the study (Contract Topology and Reserve Sharing Topology) and discussed the technical aspects of both with stakeholders. The next step in the process is to consider key sensitivities in order to assess the robustness of the model and the outcomes. The following sensitivities are currently being considered using each topology:

- *Deterministic LE Factor Flow Split – 47.8% UPNY-SENY Backflow*
- *0% UPNY-SENY Backflow (100% flow from G to CT)*
- *100% UPNY-SENY Backflow (100% flow from G to F to WMA)*

Mr. Hall noted that GE anticipates presenting final results to stakeholders in April 2017. To see the complete GE presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-03-22/LEF_Analysis_03222017_ICAPWG.pdf

Potential 2018 NYISO Project: Compensation for Locational Export Capacity

Nathaniel Gilbraith of the NYISO presented a potential 2018 project that would explore alternative mechanisms to consider whether to compensate generators with Locational Export Capacity. FERC's Order accepting the Services Tariff rules for exports from Constrained Localities noted stakeholder comments which included potential compensation for generators with Locational Export Capacity. The NYISO is seeking input on issues that might be considered as part of this project in order to more fully evaluate its merits during the 2018 project prioritization process. Mr. Gilbraith explained that if the project proceeds in 2018 then the first required decision is to identify whether or not there should be a product for this function. In the event that a product is identified, the following aspects that would be investigated:

- *Evaluate current performance requirements and compensation mechanisms*
- *Determine product specifications*
- *Determine the price setting mechanism*
- *Integrating compensation within the NYISO markets*

The NYISO encourages comments on this proposal which can be submitted to

deckles@nyiso.com. To see the complete presentation please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-03-22/LEC%20Compensation_Potential%202018%20NYISO%20Project.pdf

Potential 2018 NYISO Project: Clearing Price Factor for Capacity Imports

James Barrett of the NYISO presented a potential 2018 project that would investigate whether a price factor should be applied to the clearing price for capacity imports into NYCA over AC Transmission Interfaces, and if that is desirable, consider possible methodologies. Presently, all capacity imports over AC ties are compensated at the NYCA clearing price. Potomac Economics comments to FERC on the NYISO's "Locational Export Capacity" filing included a request that FERC mandate the development of the rules to "set prices for imports from external control areas to NYISO that are consistent with the Locality Exchange Factor" in Phase 2. FERC found



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

that Potomac’s request was beyond the scope of the proceeding, but encouraged the NYISO to continue to work with its stakeholders. Mr. Barrett detailed the issues required for the potential project and noted stakeholder feedback. The topics discussed included:

- *Methodology*
- *Market Design*
- *Impact on Market Dynamics*

The NYISO and stakeholders must decide if this project should be included for evaluation in the 2018 Project Prioritization Process. Stakeholder comments are encouraged on this proposal and can be submitted to deckles@nyiso.com. To see the complete presentation please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-03-22/Imports%20LEF%20PowerPoint%20final%20ICAPWG%202017%2003%2017.pdf

Thursday, March 23, 2017

Electric System Planning Working Group

Cost Recovery for Regulated Transmission Facilities

John Buechler of the NYISO presented the proposal to revise the OATT to establish a new Regulated Transmission Facilities Charge (RTFC). The revisions establish a consistent mechanism across all three planning process components (reliability, economic and public policy) of the Comprehensive System Planning Process (CSPP) for the recovery and remittance of costs that Developers are eligible to recover in accordance with Attachment Y of the OATT. Mr. Buechler led a review of the “Eligible Projects” that the RTFC would be applied and also reviewed the proposed new Rate Schedule 10. Redlines of other Attachment Y tariff sections with proposed revisions were included for stakeholder review. Comments are encouraged and can be sent to deckles@nyiso.com by March 31st. The NYISO anticipates filing the proposal with FERC in July 2017. To see Mr. Buechler’s complete presentation please go to: http://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic_espwg

AC Transmission PPTN Cost Allocation Methodology

Timothy Duffy of the NYISO presented the process to apply a more granular cost allocation mechanism to address Public Policy Transmission Needs (PPTN) associated with the AC Transmission Facilities developed in response to the PSC’s December 17, 2015 Order. Mr. Duffy led a review of the process and responded to stakeholder questions. John Buechler of the NYISO continued the presentation by explaining that the AC Transmission PPTN Cost Allocation Methodology must be approved or accepted by FERC before it can be implemented by the NYISO. Accordingly, NYISO will file on the Public Service Commission’s behalf at FERC on or before March 27, 2017. In its January 24, 2017 Order, the NYS PSC has prescribed a cost allocation methodology for the AC Transmission PPTN, adopting the simplified option from the NYISO’s illustrative methodology and will support the methodology in the filing for acceptance and approval by FERC. Mr. Buechler noted that Appendix E of the



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

OATT provides that the cost allocation calculation will be performed one time following the later of:

- *30 days after the NYISO's selection of a Public Policy Transmission Project to satisfy the AC Transmission PPTN, or*
- *The date on which FERC acts on any Section 205 filing by the Developer of the selected project for acceptance of an alternative cost allocation methodology*

To see the complete NYISO presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-03-23/Agenda%2003_Cost%20Allocation%20Presentation.pdf

2017 Long Term Forecast - Update

Arthur Maniaci of the NYISO provided a brief verbal update on the status of the 2017 Long Term Forecast. Mr. Maniaci explained that the forecast is nearly complete and is in the process of being finalized. The NYISO anticipates a full presentation of the forecast at the April 3, 2017 ESPWG meeting.

FERC Filings

March 22, 2017

ISO/RTO Council Motion to Intervene out of time and comments in support of NERC's Compliance Monitoring and Enforcement Program filing.

March 21, 2017

NYISO 205 filing regarding enhancements to the Day-Ahead Margin Assurance Payment ("DAMAP") program rules

March 20, 2017

NYISO compliance filing of its fourth Broader Regional Markets Informational Report

March 20, 2017

NYISO refiling of its fourth Broader Regional Markets Informational Report to include a certificate of service

FERC Orders

March 24, 2014

FERC order accepted the notice of the effective date (i.e., February 16, 2017) for the previously accepted installed capacity demand curve reset process enhancements

March 24, 2017

FERC letter order accepted Services Tariff revisions to apply across all Mitigated Capacity Zones uniform standards by which a deemed Pivotal Supplier can rebut the presumption of control of unforced capacity



Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings

Link to FERC Filings and Orders:

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