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NYISO Consumer Interest Liaison Weekly Summary

March 6– March 10, 2017

Notices:

- Please note the following change to the 2017 Committee Meeting calendar:
*Due to a scheduling conflict, the **May 4, 2017 ESPWG meeting has been rescheduled to May 5, 2017.***
- Please note, MIWG meetings have been scheduled for the following dates.
April 10, April 20, and April 24, 2017
- Please note, the **March 15 MIWG meeting has been cancelled.**

Meeting Summaries:

Tuesday, March 7, 2017

Electric System Planning Working Group

2016 Comprehensive Reliability Plan

Laura Popa of the NYISO presented updates to the Draft 2016 Comprehensive Reliability Plan (CRP) resulting from stakeholder feedback during and after the February 22, 2017 presentation. Ms. Popa led a review of each section of the CRP and highlighted changes. The next steps in the process include votes at the March 16, 2017 OC and the March 29, 2017 MC prior to submitting it to the NYISO Board in April 2017 for review and approval. Ms. Popa noted that the NYISO will be posting comments on the 2016 CRP from Potomac Economics with the OC meeting materials. To see the redline and clean versions of the draft 2016 CRP please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-03-07/2016CRP_Report_draft_March7ESPWG.pdf

2017 CARIS 1 Schedule

Timothy Duffy of the NYISO presented the target schedule for the 2017 CARIS 1 study. CARIS 1 (Phase 1 of the Congestion Assessment and Resource Integration Study -) is the first step in the NYISO's Economic Planning Process. The CARIS 1 is performed every other year following the completion of the Comprehensive Reliability Plan (CRP). The 2017 Study will utilize the 2016



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CRP base case. Mr. Duffy detailed the steps and timing of the process beginning in March 2017 with Benchmarking Analyses and concluding in March 2018 with submission to the Board of Directors. To see the complete presentation, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-03-07/2017%20CARIS%201%20Schedule.pdf

Updates on Historic Congestion Reports

Fred Adadjo of the NYISO presented an update on the Historic Congestion Reports. The Historic Congestion Reports are posted on a quarterly basis. As part of an internal reevaluation of the reporting process for this historic congestion information, NYISO has recently removed all of the previously posted historic congestion reports to evaluate them for potential data inconsistencies. The NYISO is continuing to evaluate the full extent of data anomalies in the previously posted reports and will present details of this analysis at the April ESPWG meeting. The NYISO is encouraging feedback from stakeholders on the value that the historic congestion reports provide and the manner in which this information is currently being reported and utilized. NYISO would like to explore potential modifications to the existing process on how historic congestion metrics are reported on a going forward basis. To see the complete presentation please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-03-07/Historic%20Congestion%20Reports.pdf

2016 Weather-Adjusted Energy

Arthur Maniaci of the NYISO presented a summary of the 2016 weather-adjusted energy. Mr. Maniaci noted that energy usage on a weather-adjusted basis continues to decline across all regions of the State. Several charts and graphs were provided to illustrate the trends in energy usage. To see Mr. Maniaci's presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-03-07/ESPWG_2016_Weather_Adjusted_Energy.pdf

2017 Long Term Forecast – Economic Projections

Arthur Maniaci of the NYISO presented economic projections from Moody's Analytics updated since the November Presidential election. Overall, the changes reflect higher growth in the first three years, followed by slower growth the next two years, followed by a second period of increased growth. Mr. Maniaci provided data on items such as employment and population trends while noting that those indicators do not correlate to energy growth as directly as it did in the past. To see Mr. Maniaci's presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-03-07/ESPWG_2017_Moodys.pdf

Wednesday, March 8, 2017

Installed Capacity Working Group



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ICAP Manual Updates for Capacity Exports from Import Constrained Localities

Zachary T. Smith presented the proposed ICAP Manual updates for Capacity exports from Import Constrained Localities. The latest revisions were based upon feedback received at and after the February 15, 2017 ICAPWG presentation. Mr. Smith highlighted the individual updates while noting additional stakeholder input. A redline version of the ICAP Manual was posted with the meeting materials for stakeholder review. The ICAP Manual updates will be presented to the March BIC meeting for approval. To see Mr. Smith's complete presentation, please go to: http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg&directory=2017-03-08

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

Jonathan Newton of the NYISO presented the proposal for the escalation factor and inflation rate in the buyer-side mitigation (BSM) rules. Mr. Newton began by leading a review of the current process, which specifies that the NYISO is to use the escalation factor and inflation rate component of the escalation factor from the currently effective ICAP Demand Curves. Inflation and escalation will now be updated annually as per the newly accepted Demand Curve annual update rules. Mr. Newton cited the BSM processes that use the escalation factor and inflation rate and explained the new proposal for accommodating inflation in the BSM determinations. Mr. Newton noted stakeholder comments and requests to be addressed in a future discussion. The current provisions for adjustments to Offer Floors was reviewed and compared to the NYISO proposal to make adjustments using the recently published Demand Curve inflation rate. Mr. Newton recorded input for consideration as the proposal is refined. The NYISO will continue to encourage feedback on this proposal as it continues to develop. Comments can be sent to deckles@nyiso.com. To see Mr. Newton's complete presentation, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-03-08/Reviewing%20the%20Escalation%20and%20Inflation%20Factors%20for%20BSM.pdf

Forecasting the ICAP Reference Point in Buyer-Side Mitigation Determinations: Review and Proposals

Jonathan Newton of the NYISO presented the proposal for forecasting the ICAP Reference Point in the buyer-side mitigation (BSM) determinations. Mr. Newton explained that the current BSM rules do not include any requirements for the NYISO to update net energy & ancillary services (E&AS) revenues or the Winter-to-Summer ratio when projecting the ICAP Reference Point for a Mitigation Study Period. The new Demand Curve annual update rules prescribe the actual ICAP Demand Curve Reference Point is to be updated by:

- *Escalating peaking plant gross CONE*
- *Updating peaking plant net E&AS revenues*
- *Updating the Winter-to-Summer ratio*

The NYISO proposal would align the BSM rules with the Demand Curve annual update process by:



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- a) *Escalating the peaking plant gross CONE– by using a forecasted inflation method, as proposed during 3/8/2018 ICAPWG presentation on inflation and escalation in BSM*
- b) *Reasonably estimating the peaking plant net Energy & Ancillary Services revenues by using information available at the time of the BSM determination – same as proposal presented at 10/7/2016 and 1/27/17 ICAPWG meeting*
- c) *Updating Winter-to-Summer ratio – same as proposal presented at 10/7/2016 and 1/27/17 ICAPWG meeting*

Mr. Newton provided timetables to illustrate the comparison of the Demand Curve Reference Point update process and the proposed methodology to estimate peaking plant net E&AS revenues during the Mitigation Study Period (MSP).

The proposed Winter-to-Summer ratio for the Mitigation Study Period will be a function of Examined Facility and existing capacity resource inclusion and exclusion rules to update the Winter-to-Summer ratio during each year of the MSP.

Stakeholders requested that the NYISO return with more information and examples for clarification at a future ICAPWG prior to advancing the proposal. To see Mr. Newton’s presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-03-08/Forecasting%20the%20ICAP%20Reference%20Point%20for%20BSM_Final.pdf

ICAP Demand Curve Reset (DCR) Process – Lessons Learned from 2016 DCR

Randy Wyatt of the NYISO led a review of the 2016 Demand Curve Reset (DCR) process to initiate discussion for a “lessons learned” effort. The goal of this effort is to continue to make the process more transparent and manageable for stakeholders. The 2016 DCR process had two objectives to complete:

- *Development and approval of potentials process improvements*
 - *Extension of period between resets*
 - *Implementation of annual updates*
- *Develop and present analysis that support proposed ICAP Demand Curve parameters*

The DCR process began in Q1 2015 and completed with the filing of the 2016 DCR process with FERC in November 2016. Mr. Wyatt led a review of the major milestones for the process and noted stakeholder comments. The NYISO will continue to encourage feedback from stakeholders on the entire process and staff will make recommendations for improvements to NYISO senior leadership later this year. Comments can be sent to deckles@nyiso.com. To see Mr. Wyatt’s presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-03-08/DCR%20Lessons%20Learned%20-%202003082017%20ICAPWG.pdf

Thursday, March 9, 2017

System Operations Advisory Subcommittee

NYISO Operations Report – February 2017



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Peak Load:

The peak load for the month 22,215 MW occurred on Thursday February 9, 2017 at HB18. The Operating Reserve requirement during the peak was 1,965MW resulting in a minimum total Operating Capacity requirement of 24,180 MW.

Reserve Requirements:

| Reserve | 10 Min Sync | Non Sync | 30 Min |
|-------------|-------------|----------|--------|
| Requirement | 655 | 1,310 | 1,965 |
| For Hour | 1,676 | 3,637 | 5,708 |
| DSASP Cont. | 76 | 0 | 76 |

Major Emergencies: None

Alert States: 12

- 4 System Frequency 3 Low 1 High
- 2 Emergency Transfer Declared
- 6 Exceeding Central East Voltage Contingency Limit

The Alert State was declared 9 times during February 2016

Thunderstorm Alerts: 1

Reserve Activations: 2

Emergency Actions:
 2/23/2017 HB16 SCR Test Zones A,B
 2/23/2017 HB17 SCR Test Zones C,D,E,F,G,H,I
 2/23/2017 HB18 SCR Test Zones J,K

Purchases: None

Sales: None

TLR 3 Declared: None

Thursday, March 9, 2017

Market Issues Working Group

TCC Balance-of-Period Project Status Update

Curt Devenitch presented an update to the TCC Balance-of-Period (BoP) project status. Mr. Devenitch noted that the tariff changes to implement BoP TCC Auction and enhancements to the TCC Credit Policy were approved by the BIC and MC in December 2016. The NYISO Board of Directors approved the proposal on February 14, 2017. The filing with FERC is planned for mid-March 2017. Testing for the system is underway with a target completion date of June 3, 2017. Production deployment is planned for June 13, 2017 with the first BoP TCC auction expected to be conducted in August 2017. Implementation dates are contingent upon timely FERC approval and successful completion of all testing requirements. The NYISO has scheduled a Webinar for March 27, 2017 to highlight system updates and features. System training and market trials will be held in early June 2017. In response to a stakeholder request for a more robust market trial regimen, Mr. Devenitch said the NYISO will consider the request. To see Mr. Devenitch's complete presentation, please go to:



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http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2017-03-09/TCC%20BoP%20Project%20Status%20Update%20-%20MIWG%2003092017.pdf

FERC Filings

March 10, 2017

NYISO and PJM joint filing of an answer to third party comments regarding the January 31, 2017 filing of revisions to the Joint Operating Agreement addressing interchange scheduling and market-to-market coordination on the ABC Interface and JK Interface after the 1,000 MW Wheel concludes

March 6, 2017

NYISO filing of a request for clarification of the statement in the 2/3/17 order that “[w]hile the Commission has allowed for mitigation redeterminations before a resource enters the market, the Commission has not allowed for such redeterminations after the resource enters the market.” The NYISO seeks clarification that this statement is not intended to contradict or alter the retesting provisions of the NYISO’s buyer-side capacity market power mitigation rules that are set forth in the Services Tariff

FERC Orders

There were no FERC Orders issued to NYISO for this week

Link to FERC Filings and Orders:

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