

NYISO Consumer Interest Liaison Weekly Summary

October 23 – October 27, 2017

Notices:

- The NYISO has received and posted on its website a “**Notice of ICAP Ineligible Forced Outage (IIFO) Helix Ravenswood, LLC GT 9 PTID # 24257**”, which was submitted to the New York State Public Service Commission by Helix Ravenswood, LLC regarding its Ravenswood GT 9 electric generation facility located in Queens, New York. The Notice can be found on the NYISO’s Planning webpage at: [Notice](#)
- On October 25, 2017, the New York Independent System Operator (NYISO) **launched a pilot program to integrate innovative Distributed Energy Resources (DER) into its wholesale market systems**. DER technologies are expected to transform the electric grid. The effective integration of DER can help grid operators improve system resiliency, energy security, and fuel diversity. Furthermore, DER will play an important role in achieving the state of New York’s Reforming the Energy Vision (REV) and Clean Energy Standard (CES) goals. [Press Release](#)
- On October 25, 2017 the New York Independent System Operator (NYISO) **launched a pilot program to integrate innovative Distributed Energy Resources (DER) into its wholesale market systems**.

Meeting Summaries:

Tuesday, October 24, 2017

Installed Capacity Working Group

CRIS for External-to-ROS Transmission Investment

Ethan Avallone of the NYISO presented an update on the proposal to allow an entity to receive CRIS (Capacity Resource Interconnection Service) for External-to-ROS (Rest of State) transmission investment and to establish market rules for participation using External-to-ROS Deliverability Rights (EDRs). While EDRs are similar to UDRs, the NYISO is proposing that EDRs will need to be over a Scheduled Line. In response to stakeholder questions, the NYISO will return to a future ICAPWG to further discuss the delineation between what is a Scheduled Line and what is a Controllable line.

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The NYISO intends to include, for stakeholder consideration as part of the 2019 project prioritization process, the following potential enhancements, which were identified by stakeholders at a prior ICAPWG meeting

- *Allowing EDRs for transmission upgrades external to the NYCA that increase transfer capability at an external interface*
- *Allowing an EDR to sink into a Locality, but sell Capacity into ROS*

A timeline was provided with a vote on tariff language anticipated for Q2 2018 for a Q2 2019 projected implementation. To see Mr. Avallone's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-10-24/M163%20CRIS%20for%20External%20ROS%20Transmission%20Investment%20Oct.pdf

Annual Update for 2018-2019 ICAP Demand Curves

Zachary T. Smith of the NYISO provided an update on the annual update for the 2018/2019 ICAP Demand Curves. Mr. Smith noted in a process overview that the update to the winter-to-summer ratio (WSR) was provided to stakeholders at the August 22, 2017 ICAPWG meeting. Mr. Smith next detailed the process used for updating the escalation factors and provided a 2018/2019 escalation factor of 1.92%. This value results in the following preliminary Gross Cost of New Entry (CONE) values for 2018/2019 of:

- NYCA \$129.23/kW/yr
- G-J \$178.15/kW/yr
- NYC \$213.13/kW/yr
- LI \$198.71/kW/yr

The NYISO will present the final results for the annual update at the November ICAPWG meeting. To see Mr. Smith's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-10-24/DCR%20AU%202017%2010242017%20ICAPWG.pdf

On Ramps and Off Ramps: Updated Market Design Proposal

David Allen of the NYISO presented the updated market design proposal for On Ramps/Off Ramps with Rules to Create and Eliminate Capacity Localities. Regarding the Class Year process, Mr. Allen described that the NYISO is now proposing that if the Locality Assessment Study showed that a new Locality was to be created or an existing Locality was to be eliminate, a new Class Year would not start between the time that study was finalized and the date the NYISO files with FERC to add or eliminate the Locality. That period could only occur in a year in which the NYISO did a Locality Assessment Study, and would be no more than two months, and only if it coincided with the "head to tail" timing that is part of the Class Year Improvements that is pending before FERC. Tariff revisions were presented.

Lorenzo Seirup led a discussion with stakeholders on buyer-side and supply side mitigation when Localities are created and eliminated. Mr. Seirup provided redlined tariff language and encouraged stakeholder input. Comments were noted at the presentation and are encouraged throughout the process. To see the complete NYISO presentations, please go to:

http://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic_icapwg

Locality Assessment Methodology

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Zach Smith of the NYISO presented the proposal for the Locality Assessment Methodology that is part of the “on ramps/off ramps” proposal. The assessment methodology would specify the criteria to test the need to create and eliminate Localities. It would occur on a bi-annual basis. The base case for the assessment would be the same as is used for the reliability planning process (RPP), with updates. Mr. Smith explained the N-1-1 criteria that would be employed for the create and eliminate tests while detailing the difference in headroom values to mitigate toggling. The headroom rationale was provided as:

- Create Headroom
 - Two generator contingency events
 - Triggers Locality creation in advance of a potential Reliability Need
 - Allows time for the market to incent retention and timely entry
 - Should be larger than a single generator in order to provide sufficient advanced notice prior to a single generator failure.
- Eliminate Headroom
 - Four generator contingency events
 - Larger than the creation headroom to establish an anti-toggling threshold for market stability
 - Threshold should be sufficiently large to prevent large decreases in
 - DCR amortization period due to toggling risk

Mr. Smith explained the time periods of reliability planning processes information to be used for the create and eliminate tests.

Examples were provided to illustrate the process under varying scenarios.

To see the complete NYISO presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2017-10-24/LAP_methodology%20ICAPWG%20Oct%2024%202017.pdf

Wednesday, October 25, 2017

Management Committee

Motion #1:

The Management Committee (MC) approves the September 27, 2017 meeting minutes.

The motion passed unanimously by show of hands with an abstention.

Motion #2:

The Management Committee hereby recommends that the Board of Directors approve the proposed Rate Schedule #1 Revenue Requirement for the 2018 budget year as described in the presentation materials for the October 25, 2017 Management Committee meeting, subject to the following provisions:

Revenue Requirement – The Revenue Requirement is \$155.7 million.

Rate Schedule #1 – The budgeted Rate Schedule #1 is \$0.987/MWh.

Spending Under-runs – If a spending under-run occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.

Volume Over-collections – If an over-collection on Rate Schedule #1 occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.

The motion passed by show of hands with one abstention and one vote against.

Motion #3:

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The Management Committee (“MC”) hereby approves revisions to the NYISO’s Market Administration and Control Area Services Tariff and Open Access Transmission Tariff as described in the tariff revisions accompanying the presentation entitled “Inverter-Based Technology Providing Ancillary Services – Tariff Revisions” made at the October 25, 2017 MC meeting, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed by show of hands.

Motion #4:

The Management Committee (“MC”) hereby approves revisions to the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”) as described in the “Fuel Cost Adjustments and Min Oil Burn Compensation Program” presentation made to the MC on October 25, 2017, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed by show of hands with an abstention.

****Chris LaRoe, Brookfield Renewable, was elected 2018 Management Committee Vice Chair.**

Thursday, October 26, 2017

Electric System Planning Working Group

Key Study Assumptions for the Binghamton Power Plant Deactivation Assessment

Kevin DePugh of the NYISO presented the key assumptions to be used for the Binghamton Power Plant deactivation assessment. This assessment will be performed out to 2023 with NYISO performing the analysis on the Bulk Power Transmission Facilities (BPTF) and NYSEG performing the analysis for the non-BPTF. The NYISO anticipates a completed Generator Deactivation Assessment by January 8, 2018. Mr. DePugh provided the load forecast and transmission system assumptions as well as the generation additions to be included in the assessment. While updating import and export assumptions, Mr. DePugh noted that the Hudson Transmission Project (HTP) will be scheduled at a capacity of 0 MW based on the cancellation of Firm Transmission Withdrawal Rights in PJM.

To see Mr. DePugh’s complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-10-26/2_BinghamtonGDA_Key_Assumptions.pdf

Local Transmission Plans

Central Hudson Electric and Gas, Avangrid (NYSEG and RG&E) and New York Transco presented their Local Transmission Plans for 2018. Plans are available for review at:

http://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic_espwg

RNA Base Case Inclusion Rules Proposed Updates

Laura Popa presented proposed rule updates for the Reliability Needs Assessment Inclusion Rules. The current RNA Base Case inclusion rules reside in Section 3 of the Reliability Planning Process (RPP) Manual #26. Ms. Popa provided a redline version of the proposed RPP Manual revisions and led a discussion of the proposed changes with stakeholders. The NYISO encouraged feedback on the proposed changes for additional discussion at the November 3, 2017 ESPWG. The goal of the NYISO is for the RPP Manual to be updated and reviewed by ESPWG, TPAS, and the Operating Committee in time for application in the 2018 RNA. Comments can be sent to lpopa@nyiso.com. To see Ms. Popa’s

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presentation complete with the posted redline RPP Manual, please go to:

http://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic_espwg

2017 CARIS 1 Base Case Benchmarks Results

Tim Duffy of the NYISO presented updates to the 2017 CARIS 1 base case benchmark results. Mr. Duffy highlighted updates since the August 8, 2017 presentation to the ESPWG. Mr. Duffy detailed the changes to enhance the transparency of the process.

Mr. Duffy immediately followed with a presentation of the 2017 CARIS 1 base case preliminary results. Following a review of the background on the assumptions, the results were reviewed with stakeholders. In response to a stakeholder question, Mr. Duffy explained that the Indian Point Energy Center units are included in the base case as the NYISO has received no Retirement Notice to date. It was added that the NYISO will prepare a scenario case that will have the Indian Point units as retired. To see Mr. Duffy's complete CARIS 1 presentations, please go to:

http://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=bic_espwg

Lessons Learned Kick-off: Western NY Public Policy Transmission Planning Process

Dawei Fan presented an introduction to the lessons learned process following the recently completed Western NY Public Policy Transmission Planning Process. The NYISO is seeking input into ways to improve and potentially streamline the process. The lessons learned process consists of three major phases:

- NYISO collects and compiles all suggestions
- NYISO develops action plans and discusses plans with stakeholders
- NYISO implements the resultant action plans and maintains the list of suggestions

A timeline was provided for the previous process illustrating the steps conducted in the 39 month process. Mr. Fan noted that many comments were received throughout the process. Some of the comments received were highlighted as examples to stimulate discussion and additional thought. Comments and questions can be submitted to PublicPolicyPlanningMailbox@nyiso.com. The NYISO will compile and post the comments and start developing an action plan and will return to future ESPWG in 2017 to continue the discussion with stakeholders and present an action plan. To see the complete presentation by Mr. Fan, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-10-26/7_Lessons_Learned_WNY_Draft.pdf

Friday, October 27, 2017

Integrating Public Policy Task Force

The NYISO and the Department of Public Service jointly kicked off the initial Integrating Public Policy Task Force (IPPTF) meeting. The IPPTF is open to all interested parties and the first meeting reviewed objectives and structure are outlined in its [charter](#). The goal of the IPPTF is to enhance understanding of carbon pricing alternatives and to develop a plan that could produce a proposal to include the costs of carbon emissions in the NYISO-administered wholesale markets. Subsequent meetings have been planned for November 20, 2017 and December 18, 2017. If you have any questions or comments regarding the task force, please contact the NYISO at IPP_feedback@nyiso.com.

FERC Filing

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October 27, 2017

NYISO 205 filing to incorporate an Accepted Revision that corrects an erroneous data entry for Contract No. 218 in Table 1A of Attachment L of the OATT

October 23, 2017

IRC comments regarding the grid reliability and resilience pricing NOPR

October 23, 2017

NYISO filing of NOPR comments regarding Grid Reliability and Resilience Pricing Rules proposed by the Secretary of Energy.

October 23, 2017

NYISO filing of doc-less Motion to Intervene re: Grid Reliability and Resilience Pricing Rules NOPR

FERC Orders

October 24, 2017

FERC order accepted compliance revisions to remove the one-year transition mechanism for an 80 percent locality exchange factor for the G-J Locality

October 24, 2017

FERC order accepted amended compliance filing to remove the one-year transition mechanism for an 80 percent locality exchange factor for the G-J locality

Filings and Orders:

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