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NYISO Consumer Interest Liaison Weekly Summary

April 25 – April 29, 2016

Notices:

- On Monday, April 25, 2016 the NYISO sent the following notice to members of Class Year 2015 with projects located in a Mitigated Capacity Zone (i.e., Load Zones G, H, I or J):
“In accordance with the Federal Energy Regulatory Commission’s Order issued on October 9, 2015 in Docket Number EL15-64 (153 FERC ¶ 61,022) (the “Order”), and the NYISO’s tariff provisions filed in compliance with the Order in Commission Docket No. ER16-1404-000, requests for a Self Supply Exemption for Generators or UDR projects in a Mitigated Capacity Zone (i.e., Load Zones G, H, I or J) and the completed form of certification and acknowledgement must be received by the NYISO by April 28, 2016. In accordance with Section 23.4.5.7.14.1(d) a request, and all applicable executed acknowledgement and certification form(s) set forth in Section 23.4.5.7.14.2 must be received by NYISO from the Class Year member at icapmitigation@nyiso.com **no later than 5:00 P.M. on April 28, 2015**. In accordance with the compliance tariff provisions, the NYISO will post on its web site the list of Generators and UDR projects that request a Self Supply Exemption. Please be aware that the filed tariff revisions identify October 9, 2015 as the effective date, in accordance with the Order.”
- The [2016 Load and Capacity Data Report](#) (also known as the "Gold Book") is now available and has been posted to the NYISO website. The list of 2016 generators is available at [2016 NYCA Generating Facilities](#).
- Please note, to avoid conflicts with the holiday weekend, the May 26, 2016 ICAP meeting has been rescheduled to June 2 immediately following the TPAS meeting, a start time will be posted as soon as possible.
- The appeal period for the revisions to the Ancillary Services Manual (M-02) approved at the 4/12/16 OC and the 4/13/16 BIC meetings has concluded. The [new version](#) of the manual has been posted under the ‘Manuals>Operations’ folder on the [NYISO Manuals & Guides](#) webpage.

Meeting Summaries:

Monday, April 25, 2016

Installed Capacity Working Group

ICAP Demand Curve Reset Schedule Update



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Bob Logan of the NYISO presented the updated Demand Curve Reset (DCR) schedule. Mr. Logan led a review of the steps required to complete the DCR process. The NYISO has committed to posting materials for working group meetings as early as available to allow stakeholders additional preparation time. The NYISO is currently behind schedule in some areas but expects to be back on schedule in the near future and anticipates meeting all timeliness requirements prior to approval by the Board of Directors in November 2016. To see the schedule and as presented by Mr. Logan, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-04-25/DCR%20Schedule%20Update%2004252016%20ICAPWG%20final.pdf

NYISO 2015/2016 ICAP Demand Curve Reset

Paul Hibbard of Analysis Group (AG) presented a status update on the ICAP Demand Curve reset (DCR) process. Mr. Hibbard explained that AG is recommending the use of SNL Financial subscription service for providing data that is not publicly available on natural gas costs and certain emissions prices (NO_x and SO₂) that will be used in estimating net Energy and Ancillary Services (EAS) revenues. Other required cost data to be utilized is publicly available from the Energy Information Administration (i.e., ULSD costs), NYISO (i.e., historic LBMPs and reserves prices) and RGGI Auction Clearing Price (i.e., CO₂ emission allowance costs). Mr. Hibbard described the commitment and dispatch logic that will be used for constructing the EAS revenues projections. AG and the NYISO will contract with GE to conduct GE-MAPS modeling runs necessary to estimate the level of excess adjustment factors (“LOE-AF”). Todd Schatzki of AG presented an overview of the methodology to determine the assumptions for the financial parameters used to develop the levelized, embedded cost for the peaking unit underlying each ICAP Demand Curve. Mr. Schatzki detailed the considerations and factors that will be used to reflect project specific risk for a merchant developer in New York. AG is continuing to develop other information, including project finance cost of debt and Return on Equity (ROE) that will be used to inform AG’s recommendations. AG will also review average ROE values available for merchant developer companies as well as Integrated Utilities/Distribution Utilities as part of developing its recommendations. Mr. Schatzki explained that the amortization period AG recommends should be consistent with ROE and capital structure while taking into account earnings over the physical life of the plant and the risk for potential differences from a developer’s anticipated earnings due to various factors. Preliminary recommendations on property taxes, insurance costs and depreciation were indicated. AG is seeking additional stakeholder feedback which can be sent to deckles@nyiso.com. To see the complete AG presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-04-25/AG%20DCR%20%20%2004252016%20ICAPWG%20-%204%2019%202016.pdf

Preliminary Cost and Performance Data – Peaking Unit and Combined Cycle Technologies

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Tom Vivenzio of Lummus Consultants International (Lummus) presented preliminary data for the installed costs of various technologies under consideration for selection as the peaking unit for each ICAP Demand Curve, as well as data regarding the installed costs for certain combined cycle configurations for informational purposes only. Mr. Vivenzio described the potential peaking unit technologies that Lummus will be evaluating:

- GE 2X0 LMS100PA+
- Siemens 1X0 SGT6-3000F(5)
- Wartsila 12X0 18V50DF

It was noted that Lummus will also provide data for the GE 1X0 7HA.02 unit for informational purposes only in response to stakeholder requests for such information. It was noted that the Frame H unit in simple cycle configuration is not being considered as a potential peaking unit technology option for this reset because there are no such units with commercial operating experience.

Lummus has chosen to evaluate the following combined cycle units for informational purposes:

- Siemens 1X1X1 SGT6-5000F5
- Siemens 1X1X1 SGT6-8000H

Total investment costs for the above units are based on dual fuel designs in all applicable zones, as well as selective catalytic reduction (SCR) and carbon monoxide (CO) oxidation catalyst control technology. Mr. Vivenzio detailed the key assumptions the preliminary costs are based upon, including fuel choices, plant designs, cooling systems, emission reduction systems, acreage requirement and construction labor costs, as well as the methodologies used to determine the preliminary cost values. The total capital investment cost includes:

- *Equipment*
 - *Equipment*
 - *Spare Parts*
- *Construction*
 - *Construction Labor and Materials*
 - *Plant Switchyard*
 - *Electrical Interconnection and Deliverability*
 - *Gas Interconnect and Reinforcement*
 - *Site Prep*
 - *Engineering and Design*
 - *Construction Management and Field Engineering*
- *Start-up and Testing*
 - *Start-up and Training*
 - *Testing*
- *Contingencies*

Preliminary fixed and variable operating and maintenance costs were also presented along with information on the assumptions and derivation methodology used for determining the preliminary values.



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Mr. Vivenzio concluded the presentation with preliminary performance values for the various technologies, including average degraded net plant capacity and average degraded net plant heat rates. To see the complete Lummus presentation with the additional appendices, please go to: http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg&directory=2016-04-25

Tuesday, April 28, 2016

Electric System Planning Working Group

FitzPatrick Deactivation Assessment

Dana Walters of the NYISO presented the assumption matrix for the FitzPatrick Deactivation Assessment. Mr. Walters explained that the assessment, with the 2016 Gold Book load forecast incorporated, does not identify a Reliability Need for the 2016 and 2020 time frame. The NYISO has posted a notice cancelling the Request for Gap Solutions. Mr. Walters compared the assumptions for the initial FitzPatrick Deactivation Assessment to the revised FitzPatrick assessment using the updated forecast from the 2016 Gold Book. To see the assumption matrix as presented by Mr. Walters, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2016-04-26/FitzDeactivationAssumptionsComparison.pdf

Gold Book Discussion

Arthur Maniaci of the NYISO led a discussion with stakeholders on the 2016 Load and Capacity Data Report (Gold Book) and revisions to prior Gold Books. Mr. Maniaci explained that the Gold Book for 2016 and older versions contained a table of existing transmission facilities (Table VI-1), based on information provided by the Transmission Owners operating in the New York Control Area (NYCA). The NYISO determined it would be a better practice to restrict access to Table VI-1 to those individuals who have been approved for a myNYISO account. Therefore, the NYISO has redacted Table VI-1 from the publicly available 2016 and 2015 Gold Books. The prior year Gold Books have been moved to a folder accessible only to those with a myNYISO account, where they will remain in complete, unredacted form. The NYISO is in the process of preparing a redacted version of each of the prior year Gold Books with Table VI-1 redacted, which will be posted on the public portion of the NYISO website as they are ready. Table VI-1 remains available in the Gold Books accessible to myNYISO account holders.

Wednesday, April 27, 2016

Management Committee

Motion 1:

The Management Committee (MC) hereby approves the revisions to the Open Access Transmission Tariff as described in the presentation entitled “RS1 Shortfall Recovery Proposal”



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made at the April 27, 2016 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 unanimously by show of hands

FERC Filings

April 28, 2016

NYISO filing of FERC 582: transmission service in interstate commerce provided during calendar year 2015 in MW-hours

April 27, 2016

NYISO answer to the comments of New York Transco and the comments and protest of LS Power concerning the NYISO's March 22, 2016, supplemental compliance filing in the Order No. 1000 proceeding

April 25, 2016

Joint (NYISO, ISO-NE, PJM, SPP, and IESO) filing of comments in response to FERC Notice of Inquiry on frequency response levels required for grid reliability

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