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NYISO Consumer Interest Liaison Weekly Summary

December 12 – December 16, 2016

Notices:

- *Serving consumers' changing power needs, addressing public policy goals and maintaining grid reliability are key components of a multi-year strategic plan released by the New York Independent System Operator (NYISO) on December 15, 2016. The [NYISO's 2017-2021 Strategic Plan](#) focuses on technology advances and infrastructure investment as it prepares New York's electric grid for the future. The integration of distributed energy resources and renewable power are a specific focus. While the electric industry is changing in response to trends ranging from low-cost natural gas to the improving economics of solar PV and storage technologies, sustained system reliability continues to be the hallmark of excellence in NYISO's operations.*
- *NYISO is initiating the process to update the 2017 Gold Book and needs the assistance of the NYISO Market Participants. To access the notice that describes the requested information, please click on the link below:
[Notice of Annual Data Requests for NYISO 2016 CSPP](#)
This document is also posted under December 15, 2016 Operating Committee meeting material at the link below:
[OC Meeting Material - December 15, 2016](#)
If you have any questions, please contact system_analysis_data@nyiso.com. Thank you for your attention to this critical task.*

Meeting Summaries:

Wednesday, December 15, 2016

Business Issues Committee

Motion #1:



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Motion to approve the October 20, 2016 BIC meeting minutes

Motion passed unanimously.

Motion #2:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s Market Administration and Control Area Services Tariff (MST) and Open Access Transmission Tariff (OATT) related to the Balance-of-Period TCC Auction proposal, as more fully described in the presentation entitled “Balance-of-Period TCC Auctions” made to the BIC on December 14, 2016.

Motion passed unanimously.

Motion #3:

Market participants raised concerns regarding OBF reciprocity and the need for a limitation of liability in the event the NYISO cannot reliably provide the initial OBF under the Joint Operating Agreement revisions between the NYISO and PJM. The market participants have asked the NYISO to consider certain revisions to that Agreement to address these concerns and better protect the NYISO’s and its market participants’ interests, and the NYISO has expressed a willingness to do so. Accordingly, the Business Issues Committee (“BIC”) hereby provides conceptual approval for revisions to the Joint Operating Agreement between the NYISO and PJM related to the Coordinating without the ConEd/PSEG Wheel proposal described in the presentation entitled “Coordinating without the ConEd/PSEG Wheel” made to the BIC on December 14, 2016, and conceptual approval that there is a need for associated changes to the NYISO’s Market Administration and Control Area Services Tariff (MST) and the Open Access Transmission Tariff (OATT). The NYISO shall report to the Management Committee on any modifications that have been or will be agreed to with PJM, as well as on any additional revisions to the tariff changes discussed at the BIC meeting that are needed to reflect such modifications.

Motion passed with abstentions.

Motion #4

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s Market Administration and Control Area Services Tariff related to the Buyer Side Mitigation Forecast Enhancement proposal, subject to the development of tariff revisions for UDRs where noted in a manner that is consistent with the provisions associated with generators in the forecast, as more fully described in the presentation made to the BIC on December 14, 2016.

Motion failed with 43.21% affirmative votes.

Motion #4a

Motion to amend motion 4:



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The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s Market Administration and Control Area Services Tariff related to the Buyer Side Mitigation Forecast Enhancement proposal, subject to [further development of tariff revisions for UDRs and the inclusion test](#). The development of tariff revisions for UDRs where noted in a manner that is consistent with the provisions associated with generators in the forecast, as more fully described in the presentation made to the BIC on December 14, 2016.

Motion failed with 49.78% affirmative votes.

Wednesday, December 15, 2016

Market Issues Working Group

CO₂ Pricing in NYISO’s Wholesale Energy Market

Sam Newell of The Brattle Group (Brattle) presented the approach Brattle will use to examine the potential effects of developing a carbon charge in New York State. The NYISO has asked Brattle to prepare a whitepaper in support of the 2017 Integrating Public Policy Initiative. An outline of the proposed whitepaper was provided as:

- Motivation
- Lessons Learned from Other Jurisdictions
- Options for Pricing CO₂ in NYISO’s Wholesale Market
- Market Design Aspects of Implementing a Carbon Charge
- CO₂ Abatement and Economic Efficiency Benefits of a Carbon Charge
- Effect on Customer Costs

Mr. Newell explained each area while accepting stakeholder feedback. The finalized report will be issued in the first quarter of 2017. To see Mr. Newell’s complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2016-12-14/2016-12-06%20NYISO%20Carbon%20Charge%20Project%20Introduction.pdf

Thursday, December 15, 2016

Operating Committee

Motion #1:

The Operating Committee (OC) hereby approves the Winter 2016-2017 Operating Study Report as presented and discussed at the December 15, 2016 OC meeting.

The motion passed unanimously by show of hands.

Motion #2:

The Operating Committee (OC) has reviewed Con Edison’s procedures for compliance with Application No. 69 of the NYSRC Rule I-R3, and hereby approves such procedures as presented and discussed at the December 15, 2016 OC meeting.

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



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Motion #3:

The Operating Committee (OC) has reviewed PSEG Long Island's procedures for compliance with Application No.70 of the NYSRC Rule G.3, and hereby approves such procedures as presented at the OC meeting on December 15, 2016.

The motion passed unanimously by show of hands.

Motion #4:

The Operating Committee (OC) hereby approves the Proposed Tariff Revisions regarding Modifications to Class Year Regulatory Milestone Requirements as presented and discussed at the December 15, 2016 OC meeting.

The motion passed unanimously by show of hands with abstentions from NRG, Central Hudson, National Grid, and Galt Power.

Motion #5:

The Operating Committee (OC) hereby approves the Outage Scheduling Manual revisions as presented and discussed at the December 15, 2016 OC meeting.

The motion passed unanimously by show of hands.

Motion #6a:

The Operating Committee (OC) hereby approves the Q#532 Allegheny Wind System Reliability Impact Study (SRIS) scope as presented and discussed at the December 15, 2016 OC meeting.

The motion passed unanimously by show of hands.

Motion #6b:

The Operating Committee (OC) hereby approves the Q#580 Western NY-STAMP System Impact Study (SIS) scope as presented and discussed at the December 15, 2016 OC meeting.

The motion passed unanimously by show of hands.

Thursday, December 15, 2016

Installed Capacity Working Group

Annual ICAP & Demand Response Reports

Stephanie King of the NYISO presented a proposal to revise the annual ICAP Report and the semi-annual Demand Response Report. Through FERC Orders, the NYISO is required to submit an annual informational filing of an annual report on the NYISO's Capacity Market, Possible Withholding, New Generation Projects, and Net Revenue Analysis. The NYISO is also required to file an annual report regarding its Demand Side Management programs on January 15 each year and a semi-annual report on its Demand Side Management programs and new generation projects on June 1 each year. The NYISO is proposing to file with FERC a request to discontinue the obligation to submit the ICAP Report and Demand Response Report. The Annual ICAP Report contains elements that are currently provided via other NYISO postings. NYISO



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proposes to continue to provide Capacity Withholding Analysis in a manner agreed to through discussion with stakeholders. For the Demand Response Report, the NYISO proposes to continue producing a combined report with the same information currently provided once a year in January and post the information on NYISO's website. Ms. King detailed the reports and explained how the NYISO proposes to convey the information in the future. A stakeholder requested that the NYISO produce and post a guide on the NYISO web site indicating where the information will be posted if the proposal is approved. Stakeholder feedback was noted and is encouraged throughout the process. Comments can be sent to deckles@nyiso.com. To see Ms. King's complete presentation, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-12-15/Annual%20ICAP%20Report_12-12-16.pdf

Alternatives for Determining LCRs

Maggie Shober of Navigant presented an update on the effort to explore potential methods for determining LCRs. Ms. Shober led a review of the methodology being employed using the GE MARS tool and highlighted the methodology concerning the net CONE elasticity curves and the loss of load expectation (LOLE) at a level of excess. The final 2017 Installed Reserve Margin base case is being used for the study assumptions. Due to technical issues, the expected results were not available at the time of the presentation, but sensitivities run on a previous set of assumptions were provided to illustrate a comparison between the Unified Method and base Optimizer results. Ms. Shober provided insight into the current methodology and presented the sensitivities that will be pursued moving forward. Stakeholder feedback was noted throughout the presentation. To see the complete Navigant presentation, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-12-15/FINAL%20LCR%20presentation%2012%2015%2016%20_ICAP%20V6.pdf

FERC Filings

December 14, 2016

NYISO filing of proposed amendments to the Services Tariff to modify the pricing logic used for Fixed Block Unit GTs

December 14, 2016

NYISO post-technical conference comments - utilization of electric storage resources for grid support services

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