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NYISO Consumer Interest Liaison Weekly Summary

December 19 – December 23, 2016

Notices:

- On December 19, 2016 the New York Independent System Operator filed, with the FERC, the Annual Installed Capacity Report on the NYISO's capacity market, possible withholding, new generation projects, and net revenue analysis (Docket Nos. ER01-3001-000 and ER03-647-000). A copy of the filing can be viewed on the NYISO Website at: https://nyisoviewer.etariff.biz/ViewerDocLibrary//Filing/Filing1219/Attachments/20161219_NYISO_Annual_ICAP_Ltr_Report_Public.pdf
- The Non-Historic Fixed Price TCC product will be made available for purchase by the NYISO concurrent with the upcoming Spring 2017 Centralized TCC Auction. Interested parties should review the Procedure for the Purchase of Non-Historic Fixed Price TCCs. The procedure for the Purchase of Non-Historic Fixed Price TCCs can be found in Section 8.1 of the Transmission Congestion Contracts Manual.
- The New York Independent System Operator will be presenting MT-101 Market Overview and MT-201 New York Market Orientation Course March 1, 2017, and March 21-24, 2017, respectively. Course information and registration for these sessions are available [here](#). Watch for further course announcements coming soon.

Meeting Summaries:

Monday, December 19, 2016

Market Issues Working Group

Distributed Energy Resources Roadmap -- Updates Overview



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James Pigeon of the NYISO presented an update to the development of the Distributed Energy Resource (DER) Roadmap. Mr. Pigeon began his presentation by noting as a separate item that the NYISO is in the process of preparing the response to the FERC Notice of Proposed Rulemaking (NOPR) that addresses electric storage participation in wholesale electrical markets. This NOPR was issued on November 17, 2016 with comments due January 30, 2017. Mr. Pigeon led a review and stakeholder discussion of the feedback received since the November 29, 2016 DER Roadmap presentation. The purpose of the DER Roadmap was reviewed with stakeholders and leads into the next step in the process, which is to begin the discussion of detailed market rules and tariff language needed to implement the high level concepts as we continue to develop and implement Dispatchable DER. The DER Roadmap concepts were presented as:

- Aggregations
- Measurement and Verification
- Operational Requirements and Resource Obligations
 - Real-time
 - Day-Ahead
- Eligibility Criteria and Performance Obligations
- Simultaneous participation in wholesale markets and retail programs
- Additional issues that need to be addressed in conjunction with these big concepts

The order above also represents the priority in which the issues will be addressed. Mr. Pigeon noted that setting requirements on aggregations would be the first step following the publishing of the DER Roadmap, anticipated in early 2017. Two new acronyms were introduced:

1. DCE – DER Coordinating Entity
2. DCEA – DCE Aggregation

The initial NYISO proposal for project development was outlined and presented as a starting point for future stakeholder discussion. The NYISO encourages stakeholder input throughout the process. Comments can be sent to DER_Feedback@nyiso.com. To see Mr. Pigeon’s complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2016-12-19/DER%20Roadmap%20Updates%20MIWG%20121916.pdf

Tuesday, December 20, 2016

Installed Capacity Working Group

Locational Export Capacity Topics for Consideration

Joshua Boles of the NYISO presented concepts for consideration in addressing the treatment of capacity exports from import constrained Localities. In the recently approved Management Committee motion, the following commitments were made:

- *“The NYISO commits to work with Stakeholders further on this issue in 2017. The ISO will conduct an evaluation with its stakeholders of additional modifications to the rules addressing Locational Export Capacity from Import Constrained Localities”*



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- *“The NYISO shall report on its progress at the January and April BIC meetings in 2017, and to the NYISO Board at its January and April 2017 meetings. On or before June 1, 2017, the ISO will file with the Commission either an informational report on the evaluation or a filing proposing to amend the ISO Tariffs.”*

The potential topics to be addressed through stakeholder discussions are presented as:

- LE Factor Methodology Alternatives
- Multiple Binding Interfaces Methodology
- NYSRC Modeling and the Market Approach
- Import Valuation
- CRIS Expiration
- Spread Payment for Locational Export Capacity
- Export Withholding Threshold
- LCR Optimization
- Long Island Inclusion

Mr. Boles highlighted each topic above and noted stakeholder feedback for future discussions and suggestions for prioritization. Discussions on this issue will continue with reports on progress due in January and April to the BIC and the NYISO Board of Directors. The anticipated result is to file either an informational report on the evaluation or a filing proposing to amend the NYISO tariffs on or before June 1, 2017. To see Mr. Boles’ complete presentation, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-12-20/Locational%20Export%20Capacity%20Proposal_12152016.pdf

Tuesday, December 20, 2016

Load Forecasting Task Force

2016 Preliminary Weather Normalized MW for 2017 ICAP Forecast

Arthur Maniaci of the NYISO presented the preliminary weather normalized MW for the 2017 ICAP forecast. The forecast for 2017 consists of the following values:

- NYCA 33,179.7MW
- NYC 11,670.0MW
- LI 5,427.1MW
- G-J 16,061.3MW

The 2017 ICAP forecast was recommended to the Operating Committee for approval. To see the presentation please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg_lftf/meeting_materials/2016-12-20/2017_ICAP.pdf

Wednesday, December 21, 2016

Management Committee

Motion #1:



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The Management Committee (MC) hereby approves revisions 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 MC on December 21, 2016, 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

Motion #2:

The Management Committee ("MC") hereby approves revisions to the NYISO's Market Administration and Control Area Services Tariff (MST) and the Open Access Transmission Tariff (OATT) related to the Coordinating without the ConEd/PSEG Wheel proposal, as more fully described in the presentation entitled "Coordinating without the ConEd/PSEG Wheel" made to the MC on December 21, 2016 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 with abstentions

Motion 3:

The Management Committee (MC) hereby approves revisions to the NYISO's Open Access Transmission Tariff related to regulatory milestone requirements in the Large Facility Interconnection Procedures, as more fully described in the presentation entitled, "Modifications to Class Year Regulatory Milestone Requirements" made to the MC on December 21, 2016 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 with abstentions

Wednesday, December 21, 2016

Market Issues Working Group

Transmission Constraint Pricing

Mike DeSocio of the NYISO presented the results of the analysis on minimizing times when transmission constraint relaxation is applied, as requested by stakeholders during the November 3, 2016 MIWG meeting. The existing Graduated Transmission Demand Curve (GTDC) process applies a feasibility test where it is determined that a constraint has a non-zero constraint reliability margin (CRM). The process was updated for analysis by removing the test for the feasibility of the constraint. Data was provided to illustrate the pricing impacts to constraint shadow prices using the current process and the updated process for July and August in New York City and Western New York. Mr. DeSocio discussed the data with stakeholders and noted feedback for incorporation into future presentations. The NYISO proposal was introduced and discussed in detail with stakeholders containing the following steps:

- *Based on its analysis, the NYISO is proposing to remove the feasibility screen and apply the GTDC method to all constraints with a non-zero CRM*



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- *The NYISO is also proposing to revert the second step of the GTDC from \$2,350/MWh to \$1,175/MWh*
- *The NYISO would like to pursue software changes to implement the updated process with a modified value for the second step of the GTDC and update the tariff to reflect the updated process including the use of constraint relaxation and treatment of facilities with zero CRM*
- *The NYISO will work with stakeholders through the normal shared governance process to vet the proposal and accompanying tariff revisions*

The NYISO will be filing a waiver request with FERC retroactive to the February 11, 2016 implementation of the GTDC. The NYISO will request that the waiver remain in effect until the inconsistency between the current software implementation and the tariff can be resolved. A timetable was provided with an anticipated implementation of software updates to align the software with the revised tariff in June 2017. Comments can be sent to mdesocio@nyiso.com.

To see Mr. DeSocio's complete presentation, go to:

http://www.nyiso.com/public/committees/documents.jsp?com=bic_miwg

FERC Filings

December 21, 2016

NYISO filing of a motion to intervene and comment in support of the HQUS request for limited tariff waiver concerning an entity requesting Capacity Resource Interconnection Rights associated with transmission upgrades over an external interface

December 20, 2016

IRC filing of comments in support of third party requests for an extension of time to submit comments in response to the electric storage NOPR in RM16-23-000

December 19, 2016

NYISO annual Installed Capacity Report on the NYISO's capacity market, possible withholding, new generation projects, and net revenue analysis

December 19, 2016

NYISO request for clarification or rehearing of the Final Rule on Offer Caps in Markets Operated by Regional Transmission Organizations and Independent System Operators

December 19, 2016

NYISO filing of its 2015 Simultaneous Import Limit Determination presentation

FERC Orders

December 20, 2016

FERC notice granting an extension of time to submit comments up to and including February 13, 2017



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December 19, 2016

FERC Letter Order accepting cost reimbursement agreement between New York State Electric & Gas and Niagara Mohawk Power Corporation

Link to FERC Filings and Orders:

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