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NYISO Consumer Interest Liaison Weekly Summary

February 22 – February 26, 2016

Notices:

- *The appeal period for the revisions to the Economic Planning Process (CARIS) Manual (M-35) approved at the 1/10/16 BIC meeting has concluded. The [new version](#) of the manual has been posted under the 'Manuals>Planning' folder on the [NYISO Manuals & Guides](#) webpage.*
- *The Installed Capacity Manual (M-04) which was approved at the 2/10/16 BIC meeting has completed the 10-day appeal period and is now posted under the 'Manuals>Operations' folder on the [NYISO Manuals & Guides](#) webpage. [Version 6.32](#) of the manual has replaced the prior version 6.31, while the Redline and Clean drafts of the manual have been removed from the "Manuals>Under Review" folder.*

Meeting Summaries:

Tuesday, February 23, 2016

Market Issue Working Group

Broader Regional Markets Metrics

Dave Edelson of the NYISO presented metrics for the Broader Regional Markets (BRM) initiative for the month of January 2016. To see Mr. Edelson's presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2016-02-23/Monthly%20Report%20-%202016_01_Draft.pdf

Fuel Constrained Bidding Market Rules

Cristy Sanada of the NYISO presented proposed eligibility and bidding rules for the Fuel Constrained Bidding proposal. Ms. Sanada led a review of the proposed Total Energy Curve design construct. In this optional construct, suppliers will continue to submit hourly three-part bids for a generator or portfolio of generators and in addition would also submit an inter-temporal cost curve reflecting total energy capability in the timeframe (MWh) and additional



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cost to produce those MWhs (\$/MWh) for the generator or portfolio. The Total Energy Curve would reflect incremental energy costs above base costs reflected in hourly bids. The Total Energy Curve would be in addition to the standard Day Ahead Market (DAM) bids that generators are currently required to submit. Ms. Sanada noted that the implementation of this design is expected for the 2019 timeframe, after the EMS/BMS upgrade is complete. Some stakeholders expressed concern that they were not aware of the 2019 implementation schedule and opined that with the additional time for development, the NYISO should be including the more complex Fuel Cost and Efficiency Curve construct. The NYISO noted the suggestion and will discuss the issue internally before responding to stakeholders. Ms. Sanada detailed the proposed eligibility requirements for utilizing this bidding construct and explained the reasoning behind the eligibility rules. In response to a stakeholder inquiry, Ms. Sanada verified that the functionality will only be available to internal NYCA generators. Ms. Sanada highlighted bid parameters and bid validation rules needed to support this design. Settlement concepts were presented and Ms. Sanada detailed the expected differences in the settlement process for resources bid as a portfolio, including impacts to Bid-Production Cost Guarantee Payments (BPCG) and Day Ahead Margin Assurance Payments (DAMAP).

The NYISO noted stakeholder feedback offered during the meeting and requested additional comments throughout the process. Discussions on market rules will continue through April 2016. Comments can be sent to csanada@nyiso.com or deckles@nyiso.com. To see the complete presentation please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2016-02-23/Fuel%20Constrained%20Bidding%20Market%20Rules%20-%20MIWG%2023-16%20final.pdf

Comprehensive Scarcity Pricing – Pricing Data Changes

Ethan Avallone of the NYISO presented the pricing data changes that will accompany the proposed deployment and activation of the Comprehensive Scarcity Pricing initiative in the second quarter of 2016. The project includes the following price posting updates:

- *Reserve prices will be posted by zone instead of by region*
- *A single NYCA Regulation Capacity clearing price will be posted instead of East and West Regulation Capacity clearing prices*

Screen captures were provided to illustrate how the presentation of the data will appear in both the public web pages and the secured Decision Support Systems (DSS) pages. Information that will be removed was also listed. In addition, the Ancillary Service pricing files on the NYISO website will be updated to the RFC 4180 standard. These updates will take effect upon the implementation (following FERC approval) of Comprehensive Scarcity Pricing. To see Mr. Avallone's presentation please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2016-02-23/Comprehensive%20Scarcity%20Pricing%20Feb%202016%20MIWG%20FINAL.pdf



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Market Mitigation & Analysis Customer Satisfaction Survey Results

Giacinto Pascazio of the NYISO presented the results of the customer satisfaction survey conducted with regards to Market Mitigation and Analysis (MMA) timeliness standards for Reference Level Consultations. Mr. Pascazio detailed the required timelines and expectations from the Reference Level Manual for perspective. Although NYISO internal records indicate meeting all timeliness standards, the customer satisfaction survey results were not as anticipated. Stakeholders were asked to offer suggestions on why the results differ from NYISO expectations. Stakeholders opined that one reason for the discrepancy could be the phrasing of the survey questions, leading stakeholders to utilize the survey as an opportunity to reflect on NYISO MMA policies and determinations, rather than just the intended timeliness issue. Mr. Pascazio noted the stakeholder suggestions and requested additional comments after the meeting. To see Mr. Pascazio's presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2016-02-](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2016-02-23/MIWG%20Consultation%20Statistics%20Presentation_02023016%20MIWG.pdf)

[23/MIWG%20Consultation%20Statistics%20Presentation_02023016%20MIWG.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2016-02-23/MIWG%20Consultation%20Statistics%20Presentation_02023016%20MIWG.pdf)

Wednesday, February 24, 2016

Management Committee

Executive Session

Motion:

The Management Committee (MC), in accordance with Section 9.2 of the Management Committee By-Laws, hereby recommends for consideration by the NYISO Board of Directors the candidates presented by the Board Selection Subcommittee (BSSC) in Executive Session of the MC meeting on February 24, 2016.

The slate of candidates was approved at the Executive Session

Wednesday, February 24, 2016

Installed Capacity Working Group

Renewables and Self-Supply Compliance Filing

Dr. Nicole Bouchez presented updates to the Renewables and Self-Supply buyer-side mitigation exemption compliance filing since the last presentation on February 16, 2016 ICAP WG.

Following a brief review of the development to date, Dr. Bouchez explained that generators requesting a Renewable Exemption:

- *Cannot request a Competitive Entry Exemption (CEE) in the same Class Year, but can also request a Self Supply Exemption.*
- *Will be evaluated under Part A and Part B Tests (and also under Self Supply if the project requested it) and if not exempt would be considered for a Renewable Exemption.*

Some stakeholders opined that a generator should retain eligibility for a Competitive Entry Exemption or a Renewable Exemption. Dr. Bouchez responded that there is a difference



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between the FERC CEE Order and the Renewable Exemption Order, and that the NYISO believes that altering the CEE tariff provisions is beyond the scope of the compliance directives in the Renewable and Self Supply Order. If there is a desire to allow resources to request a CEE and a Renewable and/or Self Supply Exemption, that would have to be done through a separate Section 205 filing. Dr. Bouchez did, however, indicate she would bring the concern back. For each round in the Class Year, and then for final determinations, if the total MW of eligible resources in a given Class Year is greater than the 1000 MW cap, the exemptions would be adjusted proportionally based on ICAP MW among each of the eligible renewable projects that are still in the Class Year. The remaining MW will get their Offer Floor (Unit Net CONE or default Offer Floor). In response to a stakeholder inquiry, Dr. Bouchez explained that the Renewable Exemption will not be available to Unforced Deliverability Rights (UDR) holders as a UDR is neither renewable nor intermittent. Dr. Bouchez noted that the proposal will include a revocation provision:

- *If the Generator is not an Intermittent Power Resource or a Limited Control Run-of-River Hydro Resource (as such terms are defined on the date the ISO identifies that the Class Year in which the Generator was granted a Renewable Exemption is completed in accordance with Attachment S,), the Generator must Notify the NYISO in writing. The NYISO will then revoke the Renewable Exemption.*
- *The failure to provide the ISO written notice will be a Tariff violation and will be reported to the MMU and the Commission's Office of Enforcement.*
- *If the ISO determines that the Generator is not an Intermittent Power Resource or a Limited Control Run-of-River Hydro Resource, the ISO shall notify the Generator that its Renewable Exemption may be revoked, and provided 30 days written notice has been given to the Generator (such notice to the extent practicable,) the ISO may revoke the Renewable Exemption and apply the Mitigation Net CONE Offer Floor.*

The proposed revocation process is substantially similar to the Competitive Entry Exemption revocation process directed by FERC in its CEE order on compliance.

The Self Supply Exemption applies to Generators' requests for Additional CRIS MW and UDR projects. The draft tariff proposes that projects can request both a Renewable exemption and a Self Supply exemption, but a project that requests either or both cannot request CEE. The proposed design (and tariff) reflects a change to the Self Supply eligibility to address concerns expressed at the January ICAPWG meeting. The Self Supply test proposed in the complaint requires that there not be any incentives to depress capacity prices beyond the LSE's own incentive to depress capacity prices. In order to maintain this concept, the NYISO is proposing that:

- *LSEs can develop their own projects and get a Self Supply Exemption.*
- *LSEs can have a developer to develop a project and get a Self Supply Exemption.*
- *The developer developing the generator for an LSE requesting a Self Supply Exemption cannot be an LSE.*



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The Self Supply Exemption also includes revocation provisions that apply prior to first transmitting energy; in the event the project no longer satisfies the eligibility requirements or where the exemption was based on false, misleading, or inaccurate information.

Stakeholder feedback to the proposed draft tariff revisions is requested as soon as possible. At the March 3 ICAP WG there will be a presentation on the NYISO proposal that Wind and Solar be Exempt Renewable Technologies. An additional opportunity for discussion and review of tariff language prior to the March 14, 2016 filing date will be provided on a date to be determined. To see the complete NYISO presentation with tariff redline, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-02-24/Renewables%20and%20Self%20Supply%20Compliance%20Filing%20Feb%202016.pdf

Thursday, February 25, 2016

Joint Electric System Planning Working Group/Transmission Planning Advisory Subcommittee

FERC Order 1000 Review

John Buechler of the NYISO presented an overview of the proposed revisions to the Developer Agreement, Operating Agreement and the Transmission interconnection process in response to FERC's December 23rd compliance Order. Ken Davis of Hunton and Williams, speaking for NYISO, indicated that the draft Non-Incumbent TO (NTO) Operating Agreement has been prepared to be comparable to the existing NYISO/TO Agreement. Mr. Davis then reviewed each of the major changes in the NTO Agreement with stakeholders and asked for written comments to be provided as soon as possible.

Michael Messonnier of Hunton and Williams, speaking for the NYISO, presented the proposed revisions to the Developer Agreement, with assistance from Carl Patka of the NYISO. The draft Agreement had been revised in accordance with the FERC Compliance Order and to address previous stakeholder comments. Mr. Messonnier led a review of changes to the Developer Agreement and addressed additional stakeholder input.

Thinh Nguyen of the NYISO presented the proposed revisions to the proposed Transmission Interconnection Process (TIP). A matrix was provided to compare the proposed TIP process to the existing Transmission Expansion and Large Facility Interconnection Processes. To see the documentation presented at the February 25, 2016 ESPWG meeting, please go to:

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

Update to the FitzPatrick Generating Station Deactivation Assessment

Dana Walters of the NYISO presented an update to the FitzPatrick Generating Station Deactivation Assessment (Assessment), posted by the NYISO on February 19, 2016. The NYISO clarified the load forecast and the purchase and sales information utilized in the assessment. The NYISO indicated that the Behind-the-Meter solar forecast had been retracted



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from the 2015 Gold Book forecast and the purchase and sales information was held constant at 1,179MW after 2018 throughout the study period. A request was made by a stakeholder for the NYISO to publish all information that has been updated since the Comprehensive Reliability Plan (CRP) and was used as a base case for the Assessment. Mr. Walters noted that an update to the assumption matrix will be posted when available.

Update the Reliability Planning Process Manual and TB185

Dana Walters of the NYISO presented proposed revisions to the Reliability Planning Process (RPP) manual and Technical Bulletin 185 (TB185). Mr. Walters identified the manual sections to be revised to reflect the impending changes associated with Gap Solutions and Reliability Must Run (RMR) agreements, while TB185 will be revised to reflect changes to the Generator Deactivation Process and the Gap Solution Process. He also noted that manual sections 3, 4, and 5 will be revised to address updating Base Cases and Reliability Needs. Mr. Walters had posted clean and redline versions of the RPP manual and TB185 with the February 5, 2016 ESPWG meeting material in anticipation of a page by page review of the revisions at the February 25, 2016 ESPWG. The NYISO will seek approval for the revisions at the March 17, 2016 Operating Committee. To see Mr. Walters' presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2016-02-05/04_RPP_Manual_Revisions.pdf

2015 Gold Book Schedule

Arthur Maniaci of the NYISO presented the schedule for the 2016 Load and Capacity Data Report, also known as the Gold Book as follows:

- December 10, 2015 -- Data request sent to MPs
- January 22, 2016 -- Due date for data request to MPs
- March 15, 2016 -- Due date for notification of changes to generation units & transmission lines
- April 1, 2016 -- FERC 715 filing date
- April 11, 2016 -- Draft Gold Book distributed
- April 27, 2016 -- Final Gold Book distributed

FERC Filings

February 22, 2016

There were no filings to FERC by the NYISO for this week.

FERC Orders

There were no FERC Orders issued to the NYISO this week.

Link to FERC Filings and Orders:

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



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