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NYISO Consumer Interest Liaison Weekly Summary

January 18 – January 22, 2016

Notices:

- *The January 28 ESPWG meeting has been cancelled. The next meeting will be held on February 5 at the NYISO Krey Corporate Center.*
- *The [Redline](#) version of the **Installed Capacity Manual (M-04)** has been posted to the [NYISO Manuals & Guides webpage](#) under the 'Manuals>Under Review' folder.
*The proposed revisions include updates to the Import Right Limits for the 2016-2017 capability year which will be discussed in more detail at the upcoming 1/26/16 ICAP Working Group meeting and presented at the upcoming 02/10/16 BIC meeting.**
- *On January 21, 2016 the New York Independent System Operator **filed, with the Environmental Protection Agency (EPA), comments on the Federal Plan and Model Trading Rules.**
DOCKET ID NO. EPA-HQ-OAR-2015-0199
*A copy of the filing can be viewed on the [NYISO Website](#).**
- *We are pleased to announce that NYISO's Training Team will be offering the, in-class, **DSS Intermediate Workshop in April**. Attendees of this workshop will develop an understanding of the functionality of the DSS environment; specifically, the granularity of the data available resulting in the ability to reconcile invoice settlements.*
- *On January 22, 2016, NYISO filed comments with the New York State Public Service Commission in support of the **New York State Reliability Council's proposed 17.5% Installed Reserve Margin** for the 2016-17 Capability Year. (Case 07-E-0088)
*The filing is available for your review on the [NYISO website](#)**

Meeting Summaries:

Tuesday, January 19, 2016

Installed Capacity Working Group

Clarification of NCZ Study

Thinh Nguyen of the NYISO presented an update to the New Capacity Zone (NCZ) Study. At the last ICAP WG meeting, Steve Corey of the NYISO presented the NCZ Study. During that

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presentation, stakeholders raised questions concerning modeling assumptions that the NYISO had to investigate prior to responding. Following an internal review and discussion, Mr. Nguyen responded to the modeling questions by explaining how the NYISO model assumptions function. A table was added to the NCZ Study to summarize the Baseline Peak Load Forecast and the effect of Load Forecast Uncertainty (LFU). The following footnote was added to Table 5 of the NCZ Study (Summary of External Generation Resources (MW)) for further clarification: “ROS import from PJM is the sum of ETCNL 1080 MW into NYCA, 182 MW NYPA export to AMP-Ohio and PA-RECs, and 1000 MW from ROS flowed through LHV to PJM via J&K lines: (1080 MW – 182 MW – 1000 MW = – 102 MW)”. To see the final NCZ Study, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-01-13/Jan%2015%202016%20Final%20NCZ%20Study%20Report.pdf

Renewables and Self Supply Compliance Filing

At today’s ICAP meeting, Dr. Nicole Bouchez presented the Self Supply portion of NYISO’s proposed response to FERC’s Order directing the NYISO to revise the buyer-side capacity market power mitigation measures (BSM) that apply to Renewables and Sulf Supply. During the previous ICAP meeting, on January 13, 2016, Dr. Bouchez presented the renewable portion of NYISO’S proposal and is currently evaluating feedback while finalizing that section of the compliance filing. Dr. Bouchez started her presentation by focusing on the following paragraphs of the FERC Order, which provide guidance for NYISO’s proposal: “... *The entity self-supply exemption we direct here must be limited to load serving entities whose ICAP portfolios are consistent with reasonably anticipated levels of their future ICAP obligations. ... [T]he net-short and net-long thresholds should be tight enough to prevent a load serving from being able to deliberately overpay for a resource in an attempt to manipulate ICAP market prices in a way that benefits the load serving entity’s other purchases from the ICAP market. ...*” (§61, footnotes omitted). A unit seeking a self supply exemption would follow a similar process to the one used for a Competitive Entry Exemption and provide similar Certification and Acknowledgement as in MST 23.4.5.7.9.2:

- *The requesting generator and the LSE would have to certify that there are no irregular or anomalous arms length contracts and that there are no “arrangement for any payments or subsidies that are specifically tied to the [load serving entity] clearing its project in [NYISO’s ICAP market], or to the construction of its project.”*
- *The LSE would have to certify that it has not divested substantially all of its capacity resources.*
- *The LSE would have to state the amount and certify the last three years of load served (including affiliate loads)*
- *The LSE would have to provide information on its (and its affiliates’) long term contracts (including confirms and any other form of agreement) to acquire capacity and a*



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description of all generators in which it (and its affiliates) has a direct or indirect ownership interest (and may be requested by the NYISO to provide contracts)

Stakeholders requested clarification of the term “irregular or anomalous arms length contracts” and requested that Dr. Bouchez return to a future ICAP WG meeting with examples and a clarification. The NYISO is proposing to use a calculated unit specific method for the Net Short threshold as introduced in the December 2, 2015 ICAP WG meeting utilizing actual unit net CONE information. This calculation requires LSE, Demand Curve and System parameters as data and is calculated so that if the cost savings of price suppression are less than the cost of subsidizing the entrant, a self supplying LSE can receive an exemption. The Net Long threshold would use the higher of ten years of load growth or 1% of load growth over ten years. To get a Self Supply Exemption both the Net Short and Net Long criteria must be satisfied. An example was provided to demonstrate the Net Short Threshold calculation. The NYISO continues to solicit feedback on the proposal and will continue the discussion on January 26, 2016 prior to preparing tariff language. Dr. Bouchez cautioned that the NYISO would not be able to reflect answers and responses to all the questions raised in the presentation in the January 26 presentation because of posting deadlines. Comments can be sent to deckles@nyiso.com and/or nbouchez@nyiso.com. To see the presentation, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-01-19/Renewables%20and%20Self%20Supply%20Compliance%20Filing%20Jan%2019%20FOR%20POSTING.pdf

UDR Facility Net Energy Revenue Estimation for BSM Determinations: Compliance Filing

Dr. Julia Popova of the NYISO presented the proposed UDR facility net energy revenue estimation to be used for Buyer-Side Mitigation (BSM) determinations. This is a compliance filing based on the Commission’s November 19, 2015 Order directing NYISO to “file tariff provisions that provide the conceptual basis and general framework for projecting likely energy and ancillary services revenues for UDR projects”. The filing is due February 17, 2016. The proposal uses guiding principles to estimate net energy and ancillary services revenues for BSM determinations of controllable lines projects. The foundation concepts consist of:

- *Market structures and known changes in External Control Areas*
- *The effect of the exports and imports using the UDR facility on prices in NYCA and External Control Areas*
- *Costs of exports and imports using the UDR facility*
- *Revenues from exports and imports using the UDR facility*
- *Unique attributes of the UDR facility*

The NYISO plans on asking FERC for a flexible effective date so that the tariff could be effective for Class Years for which the NYISO issues BSM Rule determinations after the Commission accepts the compliance filing. The NYISO would notify FERC of the actual requested effective date after FERC issues its order accepting the tariff revisions and after the



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completion of Class Year 2015. The NYISO will consider stakeholder feedback from the meeting and will continue to accept comments to deckles@nyiso.com. There will be a further review of the proposal with stakeholders prior to the February 17, 2016 filing date. To see the complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-01-19/UDRNetEnergyRevenueEstimationBSMCompliance%20Filing_01192016.pdf

Thursday, January 21, 2016

Electric System Planning Working Group

Summary of PPTPP Clean up and Compliance Filing

John Buechler of the NYISO presented a summary of the proposed tariff revisions to the Public Policy Transmissions Planning Process (PPTPP) in response to the December 23, 2015 FERC order on the NYISO's June 29, 2015 filing. On December 23, 2015, FERC issued an Order rejecting the entire Section 205 filing based solely on the NYISO's proposed inclusion of interconnection-related milestones in the Process that referenced the existing interconnection requirements that are different for incumbent and non-incumbent developers. The Order did not address the merits of the numerous other process revisions and clarifications proposed by the NYISO that were the principal reason for the filing, and that were not related to the NYISO's interconnection requirements. The NYISO therefore, is proposing to re-file with FERC in early February following MC and Board approval. The filing will include the identical Process revisions and clarifications previously approved at the April 29, 2015 MC meeting and included in the June 29 filing, but will exclude revisions dealing with NYISO's interconnection requirements that were expressly addressed and rejected by the FERC. The interconnection issues, pro forma development agreements and pro forma operating agreement will be addressed in a separate compliance filing in response to a separate FERC Order, also issued on December 23rd in the NYISO's Order No. 1000 regional compliance proceeding. On January 7th, the NYISO filed a request to extend the deadline for the later compliance filing by 60 days to March 22, 2016. Mr. Buechler led a review of the highlights of the previously approved tariff revisions and other items that will be cleaned up in the filing such as:

- *Create defined terms to standardize terminology;*
- *Insert project information requirements for non-transmission and hybrid transmission/non-transmission projects (Section 31.4.5.2);*
- *Clarify project information and developer qualification submission requirements (Section 31.4.4.3);*
- *Make explicit that developer must execute a study agreement for the NYISO's evaluation of its project in the selection phase of the Process (Section 31.4.4.4);*
- *Clarify confidentiality requirements (Section 31.4.15);*
- *Provide for PSC to set forth a required timeframe for completion of any solution(s) to a Need (Sections 31.4.2.1, 31.4.6.2, 31.4.6.3, and 31.4.6.5);*
- *Clarify that there may be more than one Need in a planning cycle;*



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- Clarify that NYISO will consider all of the information submitted by developer in evaluating project's viability/sufficiency (Section 31.4.6.3); and
- Make other minor revisions, including relocating certain provisions, removing duplication, and making non-substantive clean-ups.

Mr. Buechler also highlighted NYISO's edits to exclude references to NYISO's interconnection requirements that were rejected by FERC in its December 23, 2015 order. To see the summary as presented by Mr. Buechler please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2016-01-21/Summary%20of%20PPTPP%20Clean-Up%20and%20Compliance%20Filings.pdf

Proposed Revisions to the Economic Planning Manual

Tim Duffy of the NYISO presented proposed revisions to the Economic Planning Manual (EP Manual) to conform to FERC Order 1000. Revisions to the manual include:

- New section inserted for "Developer Qualifications"
- Requirement for Developers to file "Developer Qualification Form"
- Identifies a timeline for NYISO responsiveness
- Confirms that Developers qualified under Reliability Planning or Public Policy Transmission Planning processes do not need to resubmit the form
- Incorporates provisions of Technical Bulletin #232
- Adds Appendix H, incorporating by reference, the "NYISO Qualification Form" in Attachment A of the Reliability Planning Manual

Redline and clean versions of the manual were provided with the meeting materials for further review. The EP Manual will be presented to the BIC for approval at the February 10, 2016 meeting. To See Mr. Duffy's presentation and the associated redline and clean manual versions please go to:

http://www.nyiso.com/public/committees/documents.jsp?com=bic_espwg&directory=2016-01-21

Friday, January 22, 2016

Credit Policy Working Group

Officer Certification Forms

Sheri Prevratil of the NYISO presented an update on the NYISO effort to develop a standardized officer certification form for submission to all ISO/RTOs to meet the minimum participation requirements. In October 2011, FERC required each ISO and RTO to develop minimum participation criteria to ensure that market participants have adequate risk management capabilities and adequate capital to engage in trading with minimal risk, and related costs, to the market as a whole. In its order, FERC explicitly left it to each ISO/RTO and its stakeholders to develop minimum participation criteria that are applicable to its specific markets. FERC declined to require ISOs and RTOs to adopt uniform minimum participation criteria. Stakeholders had



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requested that the NYISO collaborate with the other ISO/RTOs to develop a form that would be uniform throughout the markets. NYISO conducted an effort to contact its counterparts to fully understand each ISO/RTOs processes and if possible, develop a uniform form. The NYISO compiled and provided a matrix to illustrate the similarities and differences among the other market control areas. Based on the substantive differences in the annual certification forms for each ISO/RTO, the NYISO has determined that it is unlikely that each ISO/RTO would voluntarily agree to accept one standardized form. The NYISO welcomes comments on the process, which can be sent to deckles@nyiso.com. To see Ms. Prevratil's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_spwg_cptf/meeting_materials/2016-01-22/012216%20CPWG%20-%20Officer%20Certification%20Forms%20-%20Final.pdf

Market Issues Working Group

Broader Regional Markets Metrics

Dave Edelson of the NYISO presented metrics for the Broader Regional Markets initiative for the month of December 2015. To see Mr. Edelson's presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2016-01-22/Monthly%20Report%20-%202015_12_vFINAL.pdf

Niagara Modeling Improvements

Dave Edelson of the NYISO presented a potential modeling change for the Niagara Power project. Mr. Edelson explained that although Niagara Power is currently divided into three distinct points of injection, the plant is represented at a single point of injection for scheduling and pricing purposes. Historically, the NYISO has used operating protocols to manage constraints that result from increasing output on the 115kV or 230kV. NYISO is exploring a modeling change that would better reflect the distributed impacts of Niagara. The change involves recognizing the current distribution of the plant output for scheduling and pricing. This change would better align the market model used for scheduling and pricing with the market model used for assessing constraint flows. This change would also better align the Energy Market with the TCC Market. Mr. Edelson explained that the NYISO was presenting this to stakeholders to describe modeling changes that are currently being contemplated. The NYISO is initially proposing to develop and publish LBMPs representing the plant's points of injection at the 115kV East and West bus and the 230kV bus. This would improve transparency to the market surrounding the relative impacts of the points of injection. These LBMPs would be informational only, and will not replace, nor impact, the existing aggregate Niagara 23760 PTID LBMP that is currently produced. The NYISO welcomes comments and will continue to research refinements to the way in which Niagara is modeled into the energy markets and will return to a future MIWG with additional information as it becomes available. To see the presentation, please go to:



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http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2016-01-22/Niagara_Modeling%20Improvements_MIWG_22-JAN-2016vFINAL.pdf

FERC Filings

January 22, 2016

ISO/RTO Council (IRC) comments on NOPR concerning the collection of connected entity data from ISOs/RTOs, filed by PJM.

FERC Orders

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

Link to FERC Filings and Orders:

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