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NYISO Consumer Interest Liaison Weekly Summary

March 28 – April 1, 2016

Notices:

- *The NYISO presented an update of the Class Year 2015 Deliverability Study results on March 28, 2016 to the Interconnection Projects Facilities Study Working Group (IPFS WG); following comments from stakeholders. The initial preliminary results were first presented at the February 8, 2016, IPFS WG meeting. The final revision of the CY 2015 Long Island deliverability results with the preliminary cost estimates for System Deliverability Upgrades (SDUs) are attached for your convenience. The latest results documents are also posted on the NYISO website at the link below:
[Class Year 2015 Working Group - March 28, 2016 Meeting Material](#)*
- *Save the Date: The date for the 2016 Joint Board of Directors and Management Committee meeting has been set for June 13 – June 14, 2016. See the link below for Otesaga Resort reservation information.
[Otesaga Resort](#)*
- *The New York Independent System Operator (NYISO) announced the unanimous selection of Jane Sadowsky and Bernard W. Dan to its Board of Directors, effective April 2016. The selection of Ms. Sadowsky and Mr. Dan is the result of the NYISO's stakeholder process. Representatives from each market sector, engaged in the shared governance of the NYISO, conducted a search and recommended potential directors to the Board.*

Meeting Summaries:

Monday, March 28, 2016

Class Year 2015 Working Group

Class Year 2015 Update

Steve Corey of the NYISO presented an update to the 2015 Class Year (CY15) Deliverability results. The CY15 Deliverability results for Long Island have been updated to:

- *Take into account negative generation at the sink location*
- *Take into account local constraints*



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The NYISO determined Deliverable MW to be zero for Q#363, Poseidon Transmission, and Q#401, Caithness II-LI, and revised the preliminary System Deliverability Upgrade (SDU) cost estimates to be approximately M\$218.5 for Poseidon and M\$201.5 for Caithness. No other changes to deliverability results were presented at the February 8, 2016 IPFSWG meeting. The NYISO expects to issue the notice to all CY15 projects in reference to additional SDU studies within the next few days. The CY15 Project's elections will be due 2 weeks after issuance of the notice, *i.e.*, mid-April. The updated schedule for CY15 was presented with a potential completion date of July 21, 2016, assuming no projects withdraw from the Class Year and no additional SDUs are performed. To see Mr. Corey's complete presentation, please go to: https://www.nyiso.com/public/committees/documents.jsp?com=oc_ipfswg&directory=2016-03-28

Wednesday, March 30, 2016

Management Committee

Motion #1:

The Management Committee (MC) approves the January 27, 2016 and February 24, 2016 meeting minutes.

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 related to the proposed changes to the ICAP Demand Curve reset process to implement a four year DCR period with annual updates as presented and discussed at the MC on March 30, 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 with 69.68% affirmative votes

Motion #3:

The Management Committee (MC) hereby approves the revisions to the Open Access Transmission Tariff as described in the tariff revisions accompanying the presentation entitled "Proposed Modifications to OATT Attachment S Regulatory Milestone Requirements" made at the March 30, 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 with abstentions

Motion #4:

The Management Committee (MC) hereby recommends that the NYISO Board of Directors approve changes to the NYISO's Coordination Agreement with ISO-NE as more fully described



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in the “Coordination Agreement between ISO-NE and NYISO - Ministerial Clean-Up Revisions” presentation made to the MC on March 30, 2016.

The motion passed unanimously by show of hands with abstentions

Thursday, March 31, 2016

Budget and Priorities Working Group

2016 Budget vs. Actual

Cheryl Hussey of the NYISO presented the 2016 year-to-date budget vs. actual status. Rate Schedule 1 recoveries are \$0.2M ahead of budgeted revenues through February. Year-to-date budgeted costs vs. actual costs through February reflect a \$3.8M budget under-run. To see Ms. Hussey’s complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/mc_bpwg/meeting_materials/2016-03-31/2016%20Budget_vs_Actual%20Updated.pdf

RS 1 Shortfall Recovery Proposal

Chris Russell of the NYISO presented proposed changes to the non-physical recovery of Rate Schedule 1 (RS1) shortfalls. The current tariff language requires NYISO to recover the full amount of the RS1 shortfall (as compared to the annual budget), even if NYISO’s actual costs are less than the annual budgeted revenue requirement. NYISO proposes to make two changes to the Non-Physical recovery of RS1 shortfalls:

- *Limit the amount of the Non-Physical Revenue to be retained by NYISO in the event of a RS1 shortfall to the amount of actual costs or the total NYISO budgeted revenue requirement from the prior year, whichever is lower*
- *Eliminate the SCR/EDRP RS1 recoveries from the shortfall recovery process*

Mr. Russell presented examples to demonstrate how the recovery methodology would apply to differing scenarios of under and over collection. A timeline was provided with anticipated governance action at the Management Committee on April 27, 2016 and a FERC filing immediately following approval by the Board of Directors. To see Mr. Russell’s complete presentation, please go to:

http://www.nyiso.com/public/markets_operations/committees/meeting_materials/index.jsp?com=mc_bpwg

2016 Project Milestone Update

Ryan Smith of the NYISO presented an update on the status of 2016 projects. Mr. Smith opened his presentation with a pair of changes to the status definitions. The status of Market Design Approved was changed to Market Design Complete. The status of Cancelled was eliminated to improve stakeholder clarity. Some stakeholders requested that the Cancelled status should remain with an improved definition for projects that are removed with no intention to be resumed at a later date. The NYISO noted the comments and will respond at the next BPWG meeting.



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Mr. Smith led a review of the status of current NYISO projects by category. Projects that are currently listed as At Risk/Delayed are:

- RMR Cost Recovery
- Rate Schedule 1 Technology Automation
- CMS Ratings Automation

In response to stakeholder questions, Mr. Smith stated that the NYISO is reviewing previously proposed Demand Response projects and awaiting FERC guidance prior to providing a comprehensive Demand Response projects proposal for the 2017 project year. To see the Project Schedule Milestone presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/mc_bpwg/meeting_materials/2016-03-31/2016%20Project%20Schedule%20Milestone%20Update.pdf

2017 Project Prioritization Process Improvements

Ryan Smith of the NYISO presented proposed process improvements for the 2017 Project Prioritization Process. Mr. Smith led a review of stakeholder feedback following the February 29, 2016 BPWG that provided comments on:

- Stakeholder Scoring
- Prioritization Criteria and Weights
- Advocacy
- Additional Information

A change from the February 29, 2016 proposal is to exclude continuing projects from priority scoring, since projects which have previously been selected for funding are generally expected to continue being funded through completion. The list of continuing projects will be subject to BPWG review as there may be some situations when it is appropriate for projects to go back through the priority scoring process. Also, the weights will be based on committee voting sector/sub-sector allocations. Another update would allow stakeholders to self-identify small projects that have been in the project candidate queue for an extended period for special consideration. The size of “small projects” was suggested as a total cost of less than \$100,000 by the NYISO but open to stakeholder suggestion for refinement. Mr. Smith exhibited a proposed timetable for the Project Priority Process. Stakeholders requested as much time as possible for project evaluation prior to submitting scores. Proposed changes will be reviewed at the April 27, 2016 MC with a finalized process for 2017 to be presented at the May 6, 2016 BIC meeting. To see the process as proposed by Mr. Smith, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/mc_bpwg/meeting_materials/2016-03-31/2017%20Project%20Prioritization%20Process.pdf

Thursday, March 31, 2016

Electric Gas Coordination Working Group
Winter 2016 Cold Weather Operations



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Wes Yeomans of the NYISO presented a report on cold weather operations for Winter 2015/2016. Mr. Yeomans noted that this winter was milder than the past two winters, the 10 year average and the 30 year average. The peak load was set on January 19, 2016 during one of three cold weather periods. Mr. Yeomans detailed operations for the three cold periods including:

- *Regional status and conditions*
- *Demand Response*
- *Pipeline conditions*
- *Generation derates*
- *Wind performance*

Natural gas price, storage, and flows were presented. Several natural gas suppliers set new gas delivery peaks through the winter and New York State set an all-time gas delivery peak on February 13, 2016, at 6.6 BCF.

Mr. Yeomans led a review of FERC Order 809, which will go into effect April 1, 2016. FERC Order 809:

- *Adopts two proposals submitted by NAESB*
- *Revises Gas Nomination Timeline*
- *Timely Nomination schedule moved from 12:30 PM to 2:00 PM EST*
- *Adds a third intraday nomination cycle*
- *Declines to change the gas day to align with the power day*

On a final note, Mr. Yeomans noted that the NYISO is considering a Technical Bulletin or Manual changes that would require generators to notify their interconnected Transmission Owner when predicting insufficient fuel availability.

To see Mr. Yeomans complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_egcwg/meeting_materials/2016-03-31/Winter%202016%20Cold%20Weather%20Operations.pdf

Friday, April 1, 2016

Transmission Planning Advisory Subcommittee

Study Scope

Q#474 Northslope Wind Project

Clinton County, NY 200MW

Recommended to OC for approval

Queue Improvement List

Thinh Nguyen of the NYISO noted that procedures A1 – A3 from the Proposed Interconnection Queue Improvement List have recently been filed with FERC. Item A9 has been approved by the MC and the NYISO will file with FERC in May 2016.



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Class Year 2015 Status

Steve Corey of the NYISO presented a status update for the Class Year 2015 (CY15) study. Due to comments received, the NYISO is expecting to issue the notice to all CY15 projects in reference to additional SDU studies, or issue a notice of delay, on Wednesday, April 6, 2016. The CY15 Project's elections will be due 2 weeks after issuance of the notice.

FERC Filings

April 1, 2016

NYISO filing of comments regarding the Notice of Termination of the SGIA among the NYISO, NiMo d/b/a National Grid, and Green Power Energy LLC submitted by the NYISO and National Grid

March 31, 2016

NYISO filing of its annual compliance report regarding unreserved use and late study penalties under Docket No. OE08-109-000

March 29, 2016

NYISO compliance filing regarding revisions to the scarcity pricing logic to identify and state where such revisions apply to shortage events versus scarcity events

March 28, 2016

NYISO filing of a report with the results of its recently completed triennial New Capacity Zone Study

FERC Orders

April 1, 2016

FERC letter order granted waiver request related to Dry Lots Wind's March 11, 2016 tariff waiver request regarding Class Year eligibility requirements

March 31, 2016

FERC order accepting NYPA's proposed transmission formula rate and protocols to be effective April 1, 2016, as requested, and setting them for hearing and settlement judge procedures

Link to FERC Filings and Orders:

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