

NYISO Consumer Interest Liaison Weekly Summary

October 31 – November 4, 2016

Notices:

- The NYISO has revised the draft Locational Capacity Export tariff provisions as directed by the Management Committee on October 26, 2016 in its approval of Motion #2. The revisions, highlighted in yellow and marked in red, have been posted to the link below: Locational Capacity Export tariff provisions
- The Eastern Interconnection Planning Collaborative (EIPC) will hold a series of webinars describing regional and interregional planning processes on November 3, November 8, and November 17, 2016. Each webinar will start at 10:00am Eastern time and last approximately 90 minutes. The webinars are:
 - Nov 3rd: SERTP, SCRTP, SPP, Florida
 - Nov 8th: ISO New England, New York ISO, PJM, MISO
 - Nov 17th: New York ISO-PJM-ISO New England, MISO-PJM, SERTP (SCRTP-SPP-FL-PJM-MISO), MISO-SPP

The webinar agendas are posted on the EIPC website at **EIPConline.com**

• The updated External Import Rights Available for Winter 2016-2017 has been posted to the NYISO website in the External Rights section under Winter 2016-2017. The following link is provided for your convenience: <u>http://www.nyiso.com/public/markets_operations/market_data/icap/index.jsp</u>

Meeting Summaries:

Tuesday, November 1, 2016

RNA Public Forum

New York State

Zach Smith of the NYISO presented the 2016 Reliability Needs Assessment (RNA). Mr. Smith explained that the RNA is the first step in the NYISO's two-year Reliability Planning Process



(RPP) and will be followed by the second step, the Comprehensive Reliability Plan (CRP) in 2017. The RNA evaluates the adequacy and security of the bulk power system over a ten-year study period, and identifies Reliability Needs. Mr. Smith led a review of current power trends and the major assumptions used for the study. The 2016 RNA was compared to the 2014 RNA results to illustrate a positive net change in surplus of 975MW, mainly due to the reduction in the baseline load forecast.

For the Resource Adequacy portion of the study, Mr. Smith noted that the Loss of Load Expectation (LOLE) criterion was met for each of the 10 years, and there are no resource adequacy Reliability Needs.

The Transmission Security portion of the study identified two transmission security Reliability Needs, both beginning in 2017:

- Western & Central NY: NYSEG's Oakdale 345/115 kV transformer
- Long Island: LIPA's East Garden City to Valley Stream 138 kV circuit

Additionally, scenarios analysis was used to indicate how the timing, location, or degree of Reliability Criteria violations on the NYCA system could change. Unlike the base case, scenario analysis does not lead to the identification of additional Reliability Needs. The following scenarios were applied:

- Scenarios for Resource Adequacy:
 - a) High (Econometric) Load Forecast
 - b) Zonal Capacity at Risk
 - c) Indian Point Energy Center (IPEC) Plant Retirement
 - d) No Nuclear
 - e) No Coal
 - f) Continued Forward Capacity Sales to External Control Areas
- Scenarios for Transmission Security:
 - g) 90/10 Forecast Peak Load
 - h) Western NY Public Policy Transmission Need

Scenarios a, c and d resulted in LOLE violations.

Results were also provided for the Zonal Capacity at Risk study, which determines the maximum zonal MW that can be removed without causing a NYCA LOLE violation.

Mr. Smith noted that scenario g, the 90/10 Forecast Peak Load scenario, revealed several overloads on the system, and scenario h, transmission proposals for the Western New York Public Policy Transmission Need, alleviates the Reliability Need in Western and Central New York.

The NYISO Board of Directors approved the 2016 RNA on October 18, 2016. To see Mr. Smith's presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_mate rials/2016-11-01/2016RNA_Nov1PublicSession.pdf

To see the 2016 RNA report, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/services/planning/Planning_Studies/



<u>Reliability Planning Studies/Reliability Assessment Documents/2016RNA Final Oct18 2016</u> .pdf

Thursday, November 3, 2016

Market Issues Working Group

Coordinating without the ConEd/ PSEG Wheel

Ethan Avallone of the NYISO presented a status update on the project to coordinate the PJM/NYISO interface without the ConEd/PSEG wheel in place and draft tariff revisions. Mr. Avallone highlighted the proposal summary:

- Include ABC and JK interfaces as part of the NY-PJM AC interface for interchange scheduling
- Add the PARs on ABC and JK to the Market-to-Market PAR coordination process between NYISO and PJM, which takes place in RT
- The NYISO and PJM proposal is based on current grid equipment in place.

NYISO, in coordination with PJM, is revising the Joint Operating Agreement (JOA) sections: 35.2, 35.6, 35.12, 35.21, 35.22, and 35.23. Mr. Avallone detailed additional changes to the Market Services Tariff (MST) in section 17.1 since the October 19, 2016 presentation. The NYISO anticipates filing the revisions to the JOA and MST by the end of January 2017, with an implementation prior to May 1, 2017. To see the complete presentation, please go: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_mate-rials/2016-11-03/Coordinating%20Without%20the%20ConEd-PSEG%20Wheel%20Nov%20MIWG%20FINAL.pdf

Sustaining Broader Regional Markets

Jennifer Boyle of the NYISO presented an update on the effort to sustain Broader Regional Markets (BRM). Ms. Boyle led a review of the initiatives undertaken in 2016:

- Broader Regional Market Metrics Reporting
- Niagara Generation Modeling Update
- Lake Erie Circulation Change
- Hybrid GT Pricing

For 2017, the NYISO has a project to improve modeling consistency between RTC and RTD and to evaluate improvements to RTC and RTD look-ahead evaluations to reduce real-time price volatility. A study will be conducted to identify potential opportunities to alleviate unnecessary ramp constraints, reduce unnecessary price volatility and provide better SCUC-RTC-RTD price convergence, all of which would contribute to improving BRM.

Three additional projects for BRM were proposed but were not prioritized in the 2017 NYISO Budget process:

- Ontario Price Changes
- Eliminate Fees for Transactions with PJM
- 5-min & 15-min Transaction Scheduling



The NYISO will continue to review and provide the BRM market metrics reports on a monthly basis, and investigate additional metrics that prove valuable to Market Participants while continuing to monitor reliability and market outcomes to identify further potential opportunities for sustaining BRM. To see Ms. Boyle's complete presentation, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_mate-rials/2016-11-03/Sustaining%20BRM.pdf

TCC Balance-of-Period Project Status Update

Curt Devenitch of the NYISO presented a status update on the Transmission Congestion Contract (TCC) Balance-of-Period project. Mr. Devenitch provided an update on the progress made since the March 23, 2016 MIWG presentation. The three auction modes were detailed as:

- Single Month (Current)
- Balance-of-Period Decoupled Mode
- Balance-of-Period (Across Periods)

Mr. Devenitch noted that TCC Market Operations will determine when to transition from a single month to a Balance-of-Period auction mode upon successful completion of the software deployment and related changes. No additional changes have been made to the proposed tariff revisions since the July 21, 2016 MIWG meeting. The NYISO is currently anticipating BIC and MC approval in December 2016 for a June 2017 deployment. To see Mr. Devenitch's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_mate rials/2016-11-03/TCC% 20BoP% 20Project% 20Status% 20Update% 20110316.pdf

Transmission Constraint Pricing – Market Problem Update

Michael DeSocio of the NYISO presented an update on transmission constraint pricing. On October 6, 2016 the NYISO notified Market Participants of a potential market problem related to the current implementation of Transmission Shortage Cost pricing, often referred to as the graduated transmission demand curve (GTDC). As indicated at the October 19, 2016 MIWG meeting, the NYISO has determined that the current software implementing the GTDC and the applicable tariff provisions are inconsistent. As a result of this inconsistency, the NYISO has determined that the potential Market Problem that was noticed on October 6, 2016 is a Market Problem. The NYISO will be filing a waiver request with FERC retroactive to the February 11, 2016 implementation of the GTDC. The NYISO is committed to working with stakeholders on this issue, including through the 2017 Graduated Transmission Demand Curve project. Any concerns or questions on this issue can be sent to mdesocio@nyiso.com for resolution. To see Mr. DeSocio's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_mate rials/2016-11-

03/Transmission%20Constraint%20Pricing%20Update%2011032016%20MIWG%20FINAL%2 0v2.pdf



MMU Assessment of the Graduated Transmission Demand Curve Implementation

Pallas LeeVanSchaick of Potomac Economics (MMU) presented the assessment of the Graduated Transmission Demand Curve (GTDC) implementation. On August 31, the MMU expressed concerns to the NYISO that the GTDC project may have been implemented inconsistent with the Tariff. The MMU identified the direct market impacts of the modeling issue and qualitatively discussed the indirect effects in the report. The MMU concluded that the GTDC was implemented in a manner that is:

- Not transparent in the NYISO tariffs; and
- Not consistent with MST 17.1.4 in some intervals.

The MMU recommends that the NYISO:

- Classify this issue as a Market Problem; and
- Modify software to use a GTDC during all constraint violations, but allow the step sizes and price-levels to vary by constraint. (See 2015 SOM Rec #17)

To see the complete presentation from the MMU, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_mate rials/2016-11-03/Evaluation%20of%20Potential%20Market%20Problem%20by%20MMU_11-02-2016_final.pdf

Friday, November 4, 2016

Load Forecasting Task Force

Proposed Load Forecasting Manual Changes for BTM:NG & New ICAP Load & BTM:NG Calculations

Arthur Maniaci of the NYISO presented changes to the Load Forecasting Manual (Manual) to accommodate the implementation of Behind-the-Meter Net Generation (BTM:NG). Mr. Maniaci led a review of the new load reconciliation process to account for BTM:NG. A modified New Load Reconciliation form was introduced and explained. Calculation details were provided step by step to show how the BTM:NG resources are accounted for in the actual load reconciliation and then deducted from loads used in subsequent analysis of Transmission District loads and adjustments.

Mr. Maniaci then led a step by step review of revisions to the Manual. To see Mr. Maniaci's complete presentation, please go to:

http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg_lftf&directory=2016-11-04

FERC Filings

November 4, 2016

NYISO filing of an informational report, in compliance with an October 18, 2016 Order Accepting [ISO-NE] Market Rule Changes and Requiring Informational Report

November 2, 2016



Section 205 filing of cost reimbursement agreement number 2319 between NYSEG and National Grid for relocation of 34.5 kV Transmission Line #513

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