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## NYISO Consumer Interest Liaison Weekly Summary

September 19 – September 23, 2016

### **Notices:**

- *NYISO's Market Training Team will be presenting **MT-304 Accounting and Billing Course on October 18-20, 2016**. This course is offered only once every two years so don't miss out – [register here](#) today.*
- *Please note, due to the light agenda, the **September 27, 2016 ICAP meeting has been rescheduled to September 28, 2016** following the MC.*

### **Meeting Summaries:**

#### **Operating Committee**

##### **Motion #1:**

The Operating Committee (OC) hereby approves the meeting minutes from the August 18, 2016 meeting

**The motion passed unanimously**

##### **Motion #2:**

WHEREAS, the ESPWG and TPAS have held a series of meetings with NYISO Staff to discuss and review the studies and analyses underlying the NYISO's findings regarding Reliability Needs in New York State; and

WHEREAS, NYISO Staff has provided a draft Reliability Needs Assessment ("RNA") dated September 12, 2016, including Appendices, for the September 19, 2016 Operating Committee ("OC") meeting; and

WHEREAS, NYISO Staff has incorporated additional modifications to this document based on comments received at eight ESPWG/TPAS meetings from May 5 through August 25, and has made a presentation of its findings based on this RNA Report at the September 19, 2016 OC meeting;

NOW, THEREFORE, based on the presentation made by the NYISO at the September 19, 2016 OC meeting and the information available and presented by the NYISO to the Market Participants as of this time the OC hereby concurs with the RNA Report as presented and



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modified at September 19, 2016 meeting.

The OC hereby further recommends that the Management Committee concur with the RNA Report and that the Management Committee recommends approval of the RNA Report by the NYISO Board of Directors.

**The motion passed unanimously**

**Motion #4a:**

The Operating Committee (OC) hereby approves the Q#511 Ogdensburg Combined Cycle System Reliability Impact Study (SRIS) report as presented and discussed at the September 19, 2016 OC meeting.

**The motion passed unanimously with an abstention.**

**Motion #4b:**

The Operating Committee (OC) hereby approves the Q#516 Linden Cogen Uprate System Reliability Impact Study (SRIS) report as presented and discussed at the September 19, 2016 OC meeting.

**The motion passed unanimously**

**Motion #5a:**

The Operating Committee (OC) hereby approves the Q#498 Tioga County Combined Cycle System Reliability Impact Study (SRIS) scope as presented and discussed at the September 19, 2016 OC meeting.

**The motion passed unanimously**

**Motion #5b:**

The Operating Committee (OC) hereby approves the Q#519 Canisteo Wind System Reliability Impact Study (SRIS) scope as presented and discussed at the September 19, 2016 OC meeting.

**The motion passed unanimously**

**Motion #5c:**

The Operating Committee (OC) hereby approves the Q#540 Avangrid Edic-PV HVDC System Impact Study (SIS) scope as presented and discussed at the September 19, 2016 OC meeting.

**The motion passed unanimously**

**Motion #5d:**

The Operating Committee (OC) hereby approves the Q#541 Avangrid Edic-Ramapo HVDC System Impact Study (SIS) scope as presented and discussed at the September 19, 2016 OC meeting.

**The motion passed unanimously**



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## **Monday, September 19, 2016**

### **Installed Capacity Working Group**

#### **Locational Export Capacity Proposal**

Josh Boles of the NYISO presented the proposal to address the potential of a generator exporting Capacity from a Locality to an External Control Area in broad terms. The NYISO filed a motion with FERC to intervene and requested that the Commission defer the implementation of ISO-NE's Import Proposal for one capacity year with respect to generators located in NYCA Localities. If this request is denied, the NYISO would attempt to fashion an immediate market rule change to try to avoid pricing inefficiencies. The NYISO's proposal is designed to address market inefficiency by reflecting the portion of locational export capacity that must be replaced in the Locality and the portion that can be replaced by ROS Capacity while maintaining the same level of reliability. The NYISO has determined that the Locational Export (LE) factor, the portion of the energy originating in Zones G-J that would enter ISO-NE across the Zone F AC tie lines, is 47.8%, which means a price signal to replace 52.2% of a G-J export to ISO-NE in the G-J Locality is efficient. The NYISO proposal would effectively shift the Demand Curve for the G-J Capacity Locality 52.2% of the MW value of the export to the left, therefore effectively lowering the Capacity Requirement of the G-J Capacity Locality. Mr. Boles explained the process for determining the LE factor for the export. The mechanics of entering a Capacity export bilateral were reviewed and discussed with stakeholders, including a review of the exporting generator's obligation as an Installed Capacity Supplier to comply with the NYISO tariff and manuals. Mr. Boles noted that the New York State Reliability Council (NYSRC) will discuss modeling methodology in their October 5, 2016 meeting. Proposed tariff language was provided and discussed with stakeholders. To see Mr. Boles' complete presentation, please go to: [http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2016-09-19/Locational%20Export%20Capacity%20Proposal%20ICAPWG%2009192016.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-09-19/Locational%20Export%20Capacity%20Proposal%20ICAPWG%2009192016.pdf)

#### **Locational Export Capacity Proposal -- Consumer Impact Analysis**

Tariq N. Niazi of the NYISO presented the impact of capacity exports from Localities under both the NYISO's current and proposed capacity market designs. Mr. Niazi started by presenting the impact under the current market design for export levels of 511 MW, 362 MW and 200 MW that resulted in annual cost increases of \$678 million, \$463 million and \$258 million, respectively, compared to the no export scenario. Next Mr. Niazi presented the potential impacts under the NYISO's proposed market design for each export level (511 MW, 362 MW and 200 MW), alternatively assuming 100% and 50% Locality Exchange MWs (LE Factor). The tables below show the annual cost impacts under NYISO's proposed capacity market design for the three export levels:



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Table 1			
511 MW G-J Export	Do Nothing	100% LE Factor	50% LE Factor
Cost Increase	\$678		
Avoided Cost (Inefficient)		\$426	\$219
Efficient Cost		\$252	\$459

Table 2			
362 MW G-J Export	Do Nothing	100% LE Factor	50% LE Factor
Cost Increase	\$463		
Avoided Cost (Inefficient)		\$292	\$144
Efficient Cost		\$171	\$319

Table 3			
200 MW G-J Export	Do Nothing	100% LE Factor	50% LE Factor
Cost Increase	\$258		
Avoided Cost (Inefficient)		\$165	\$81
Efficient Cost		\$93	\$177

Mr. Niazi concluded his presentation by drawing attention to the reliability impact of the NYISO’s proposal, which avoids procuring more capacity than necessary to meet the Locational Minimum ICAP Requirements. No environmental impact is expected and no impact on transparency. To see Mr. Niazi’s complete presentation along with the detailed assumption underlying his analysis, please go to:

[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2016-09-19/CIA%20-%20Capacity%20Exports%20from%20Localities.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-09-19/CIA%20-%20Capacity%20Exports%20from%20Localities.pdf)

**FERC Filings**  
**September 19, 2016**



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NYISO compliance filing of Reliability Must Run (RMR) tariff provisions required by FERC April 21, 2016 order

**September 20, 2016**

Filing of amended Cost Reimbursement Agreement No. 2264 between Niagara Mohawk and the Oneida Indian Nation

**September 22, 2016**

NYISO filing of a notice of cancellation of Cost Reimbursement Agreement between Niagara Mohawk Power Corporation and the Economic Development Growth Enterprises Corporation, designated as Service Agreement No. 1949

**September 22, 2016**

NYISO filing of a notice of cancellation of Cost Reimbursement Agreement between Niagara Mohawk and the New York Power Authority, designated as Service Agreement No. 1951

**FERC Orders**

**September 22, 2016**

FERC Order rejects several of the determinations that the Presiding ALJ made in his Initial Decision in favor of the NYISO and PJM and dismissing the rehearing as moot

**Link to FERC Filings and Orders:**

[http://www.nyiso.com/public/markets\\_operations/documents/tariffviewer/index.jsp](http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp)