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NYISO Consumer Interest Liaison Weekly Summary

June 27 – July 1, 2016

Notices:

On June 30, 2016 the New York Independent System Operator (NYISO) issued a solar integration study that lays the groundwork for reliably managing projected growth in solar resources. The report, [Solar Impact on Grid Operations – An Initial Assessment](#), examines the potential for growth in solar power, the impact of increasing intermittent resources on grid operations, and forecasting issues that must be addressed to make effective use of solar resources in the future. In 2012 Governor Andrew Cuomo launched NY-Sun, a \$1 billion program to increase the amount of solar energy production in New York State. Earlier this year, the Governor announced the state's Clean Energy Standard, a program to require New York State to obtain 50% of its electricity from renewable and clean energy sources by 2030.

Meeting Summaries:

Monday, June 27, 2016

Installed Capacity Working Group

NYISO 2015/2016 ICAP Demand Curve Reset -- Review of Preliminary Recommendations and Overview of Draft Report

Todd Schatzki of Analysis Group (AG) presented the preliminary recommendations for the peaking unit technology and the associated preliminary reference point prices for the ICAP Demand Curves for the 2017/2018 Capability Year. Mr. Schatzki highlighted changes to the net Energy and Ancillary Service (EAS) revenue model since it was presented to the ICAPWG at the June 2, 2016 meeting, including:

- Load Zone F and G gas prices are indexed to the Iroquois Zone 2 gas hub
- Inclusion of level of excess (LOE) adjustment factors (LOE-AF) to reflect tariff prescribed LOE conditions based on preliminary GE-MAPs analysis using the 2015 CARIS Phase 1 database
- Model logic updated to include an opportunity cost of providing Operating Reserves, equal to the intraday fuel premium/discount



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AG preliminarily recommends the Siemens SGT6-5000F5 as the peaking unit technology in all locations. The preliminary technology recommendation includes Selective Catalytic Reduction (SCR) emission control technology and dual fuel capability for all locations. Mr. Schatzki identified the inputs for the derivation of the ICAP Demand Curve parameters including which gas hub pricing was utilized for each Load Zone in calculating the preliminary net EAS revenues for each peaking plant, and the preliminary gross cost of new entry (CONE) value for the peaking plant in each Load Zone, while noting that AG is proposing that the currently-effective zero crossing points for the ICAP Demand Curves would remain unchanged. Tables were provided detailing the preliminary reference prices for each ICAP Demand Curve, as well as preliminary gross Cone values and net EAS revenues estimates.

A request was made to stakeholders that comments should be submitted by July 8, 2016 in order to be incorporated into the July 20, 2016 presentation to the ICAPWG to discuss stakeholder feedback, though comments received later than that date would receive consideration where possible. A final report will be released in August 2016 with consideration of additional stakeholder feedback and updated cost and revenue values. To see the complete presentation and a copy of AG's draft report, please go to:

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

Consumer Impact Analysis – 2015/2016 ICAP Demand Curve Reset – Methodology

Tariq Niazi of the NYISO presented the methodology to be used for the Consumer Impact Analysis (CIA) of the 2015/2016 Demand Curve Reset. Several stakeholders have requested that the NYISO provide a consumer impact analysis based on potential changes to the ICAP Demand Curves as a result of the ongoing reset process. The NYISO will present the cost impact of the different preliminary reference point prices provided in Analysis Group, Incorporated's (AGI's) preliminary draft report on capacity prices and annual capacity costs for the four capacity regions. The primary focus of the analysis is to provide an estimate of the potential cost impact of including dual fuel capability for the peaking plant in ROS and the G-J Locality. A stakeholder requested that Mr. Niazi expand the scope of the CIA to include the cost of including Selective Catalytic Reduction (SCR) technology in the ROS and G-J Locality. Mr. Niazi noted the comment and will consider the request. Another stakeholder suggested that the NYISO evaluate the qualitative aspects related to dual fuel capability and SCR technology along with the costs. The NYISO anticipates presenting the CIA at the July 20, 2016 ICAP WG meeting and welcomes all stakeholder comments throughout the process. To see Mr. Niazi's presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2016-06-27/Impact%20Analysis%20-%202015-16%20DR%20Reset%20Methodology.pdf

FERC Filings

July 1, 2016



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FERC letter order accepted the June 7, 2016 compliance filing to remove limited rejected language from certain OATT sections effective on three requested dates (i.e., October 20, 2015, February 19, 2016 and April 1, 2016)

June 30, 2016

NYISO filing of technical conference comments regarding a review of generator interconnection agreements and procedures

June 27, 2016

NYISO filing of an answer to third party comments concerning proposed changes to the demand curve reset process

FERC Orders

June 28, 2016

FERC letter order accepting the notice of cancellation of a Large Generator Interconnection Agreement (SA 1698) among NYISO, Niagara Mohawk Power Corporation and PPM Roaring Brook, LLC effective July 26, 2016, as requested

Link to FERC Filings and Orders:

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