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NYISO Consumer Interest Liaison Weekly

April 27 – May 1, 2015

Notices:

- On April 27, 2015, NYISO filed comments with the New York State Public Service Commission regarding the generic Backstop Contingency Tariff filed by the six New York State public utilities in PSC Case No. 15-E-0100. The comments can be seen at:
http://www.nyiso.com/public/webdocs/markets_operations/documents/Legal_and_Regulatory/NY_PSC_Filings/2015/2015_04_27_Cvr_Ltr_NYISO_Cmmnts_DR_Cntngncy_Trff.pdf
- Due to a conflict with the Environmental Advisory Council meeting, the NYISO is **moving the May 15th LCR Task Force meeting to May 13th**. It will take place immediately following the BIC meeting.
- The NYISO has posted a list of the Examined Facilities in Class Year 2015 that requested a competitive entry exemption. The document is available on the NYISO's website at:
http://www.nyiso.com/public/webdocs/markets_operations/services/market_monitoring/ICAP_Market_Mitigation/Buyer_Side_Mitigation/Class%20Year%202015/WebPostingInitialCEE_units_4-28-%202015.pdf
- The NYISO has posted the buyer-side mitigation retest determination for the Astoria Energy II, LLC Project. The retest was performed pursuant to FERC's April 16, 2015 Order in Docket EL11-50-001, 151 FERC ¶ 61,044 (2015). The retest result is available on the NYISO's website at:
http://www.nyiso.com/public/webdocs/markets_operations/services/market_monitoring/ICAP_Market_Mitigation/Buyer_Side_Mitigation/CY_2009%20CY_2010%20HTP/Notice_of_BSM_Determination_April_28_2015.pdf
- The NYISO's **annual Joint Board of Directors and Management Committee Meeting** will be held on Monday, June 15th, at The Sagamore Resort on Lake George in Bolton Landing, NY. Following the Joint Board/ MC Meeting, a Management Committee meeting will be held on Tuesday, June 16th, also at the Sagamore Resort.

Meeting Summaries:

Wednesday, April 29, 2015

Management Committee

Motion #1:



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The Management Committee (MC) approves the March 2015 meeting minutes.

The motion passed unanimously by show of hands

Motion #2:

The Management Committee (MC) hereby approves, and recommends to the NYISO Board of Directors for filing under Section 205 of the Federal Power Act, revisions to the Open Access Transmission Tariff as described in the presentation entitled “ Proposal for FERC Fee Recovery” made at the April 29, 2015 MC meeting.

The motion passed by majority show of hands with abstentions

Motion #2:

The Management Committee (MC) hereby recommends that the NYISO Board of Directors approve for filing under Section 205 of the Federal Power Act, revisions to OATT Attachment Y, Sections 31.1, 31.4, and 31.5, clarifying the NYISO’s Public Policy Transmission Planning Process as presented and discussed at the April 29, 2015 MC meeting.

The motion passed unanimously by show of hands with abstentions

Thursday, April 30, 2015

Joint Market Issues/Electric System Planning/Installed Capacity/Price Responsive Load Working Group Meeting

FERC Order on Possible BSM for ROS and for Uneconomic Retention

Lorenzo Seirup of the NYISO presented the NYISO process to fulfill the FERC Order directing the NYISO to establish, and report on, a stakeholder process to determine whether or not there are circumstances that warrant the adoption of BSM measures in the Rest of State (ROS). The NYISO’s report is due to FERC on June 17, 2015. The NYISO has retained FTI Consulting to help it explore the question of whether there is a need to extend buyer-side mitigation measures to ROS. Issues discussed with stakeholders included:

- Are there specific scenarios, circumstances, or facts that might warrant BSM in ROS?
- What would BSM measures for out-of-market repowering-type agreements look like?
- What additional items should the NYISO study consider?

The NYISO noted feedback for consideration and encourages comments throughout the process. Potomac Economics will review and comment on the FTI analysis and the NYISO will return to stakeholders at an ICAP Working Group in May to discuss and seek input on the results of the study. To see Mr. Seirup’s presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2015-04-30/ROS%20Mitigation%20Study.pdf

Proposed Tariff Revisions Related to the DR Backstop

Stacia Wilcox of the NYISO presented the proposed tariff revisions required in the event that the DR Backstop plan is necessary. The tariff revisions will not be filed until FERC provides guidance following a court decision. Ms. Wilcox detailed the tariff sections that will require revision and introduced a new section, 5.11.5, created to describe the rules for the DR Backstop that would replace the NYISO SCR program. Ms. Wilcox highlighted key term and definition



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changes, including the proposed program name change from the SCR Program to the Capacity Requirement Offset Program. The proposed changes to the tariff were presented for discussion with stakeholders. In response to a stakeholder request, Ms. Wilcox explained that although FERC will ultimately decide when the program changes will take effect, the NYISO will request that the transition to the new program coincide with a NYISO Capability Period. Comments on the tariff changes are requested and can be sent to deckles@nyiso.com prior to May 8, 2015. Discussion on the proposal will continue at a May ICAP WG. To see Ms. Wilcox's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2015-04-30/Proposed%20Tariff%20Changes%20Related%20to%20the%20DR%20Backstop_ICAPWG_043015_FINAL.pdf

FERC March 19, 2015 Order and its Effect on BSM Examination of New SCRs

Bob Logan of the NYISO presented the revisions to the Buyer-side Mitigation (BSM) Examination resulting from the March 19, 2015 FERC order requiring the NYISO to modify the test to no longer exclude certain payments and benefits in the NYISO BSM determination (Benefit Exclusion Rule) for the NYC Locality. Mr. Logan noted that the NYISO has filed a request for expedited clarification regarding whether the Benefit Exclusion Rule is also to be used in the BSM determination for newly enrolled SCRs in the G-J Locality. Mr. Logan led a review of the process the NYISO has used in its BSM Mitigation determinations historically. The FERC Order directs the NYISO to alter the process to include payments or the value of other benefits provided under programs administered or approved by New York State or a government instrumentality of New York State. Examples were provided to illustrate how the additional revenue would be applied in the BSM Examination process. To see Mr. Logan's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2015-04-30/SCRs%20ICAPWG%2043015.pdf

NYISO's Proposed Reliability Must Run Framework

David Allen of the NYISO presented the NYISO proposal to develop a Reliability Must Run (RMR) framework as directed by FERC. Mr. Allen led discussions on several aspects of the proposal such as:

- Notice
 - Proposed 12 month minimum notice period
- Evaluation of alternatives
 - NYISO proposes to leverage OATT Attachment Y
 - Discussed generator and non-generator alternative solutions
- Compensation
 - Voluntary
 - Availability and performance rate
 - Accelerated cost recovery for necessary capital expenditures



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- Participation in the market
 - RMR units will offer into the energy and capacity markets at NYISO determined levels
- Dis-incentivize toggling between RMR and market rates
 - MMA evaluation of retirement/mothball decision
 - Proposed repayment of accelerated cost recovery payments
- Changes to the RNA/CRP processes
 - RMR units may be excluded from the RNA/CRP base cases
 - NYISO is considering evaluating the impacts of potential critical plant deactivations on transmission security during the second 5 years of the RNA/CRP planning horizon (years 6-10)

The NYISO anticipates returning to the ICAPWG/ESPWG in May and will consider input received during the meeting while preparing the tariff provisions and pro forma RMR agreement. Additional comments can be sent to deckles@nyiso.com with an indication of whether or not the comments can be posted with the meeting materials. To see Mr. Allen's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2015-04-30/RMR-ICAPWG%20ESPWG-v%204%20Apr%2030%20final.pdf

FERC Filings

April 30, 2015

NYISO filing of its response to a deficiency letter, issued by FERC on April 10, 2015, requesting additional information regarding the NYISO's February 13, 2015 Voltage Support Service filing

April 29, 2015

NYISO 205 filing to require all market participants to submit updated financial information annually

FERC Orders

April 30, 2015

FERC order conditionally accepting outage states revisions to become effective May 1, 2015, as requested, subject to a compliance filing to be submitted within 30 days (i.e., June 1, 2015) to remove the proposed penalty on a generator for not returning to service on an agreed-upon date

April 29, 2015

FERC letter order accepting revisions to certain information in OATT Attachment L, Table 1A, Long Term Transmission Wheeling Agreements and OATT Attachment K to revise the periodicity for filings to incorporate accepted revisions into Table 1A from a biannual process to an annual process

Link to FERC Filings and Orders:

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