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NYISO Consumer Interest Liaison Weekly

August 10 – August 14, 2015

Notices:

- *Market Participant comments on the NYISO's Proposed **Reliability Must Run Framework** have been posted at the link below.
http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg&directory=2015-08-10*
- *Please note, **additional ICAP/PRLWG/MIWG meetings** have been added to continue discussions on the **BTM:NG Initiative**. Additional agenda items may be added, agenda details will be provided as meeting dates get closer.*
 - August 24, 2015
 - September 4, 2015
- ***Appian Way Energy Partners East, LLC** has been approved as a Non-Voting Entity in the NYISO Governance structure*
- *On August 14, 2015 the New York Independent System Operator filed, with the NYPSC, its comments on **NYSERDA's Clean Energy Fund Information Supplement** (Case No. 14-M-0094). A copy of the filing can be viewed on the NYISO Website at:
[http://www.nyiso.com/public/webdocs/markets_operations/documents/Legal and Regulatory/NY_PSC_Filings/2015/20150814_NYISO_CmpltCmmnts_CEFProposal.pdf](http://www.nyiso.com/public/webdocs/markets_operations/documents/Legal_and_Regulatory/NY_PSC_Filings/2015/20150814_NYISO_CmpltCmmnts_CEFProposal.pdf)*
- *Please note, an additional ESPWG meeting has been scheduled for September 14. Further details will be sent out in advance of the meeting.*

Meeting Summaries:

Monday, August 10, 2015

Installed Capacity Working Group

Reliability Must Run Compliance Filing – Attachment Y

Zach Smith of the NYISO presented proposed revisions to Attachment Y for the Reliability Must Run (RMR) compliance filing. The NYISO proposed to revise the Gap Solution process in



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Section 31.2.11 of Attachment Y of the OATT to address any Reliability Need that cannot be addressed through the NYISO's regular reliability planning process, including Reliability Needs that arise from the proposed deactivation of a Generator. The process would begin with the identification of a Reliability Need requiring a Gap Solution. Mr. Smith explained the timing for this proposed process as compared to the regular reliability planning process. A timeline was provided to illustrate the timing and relationships of the various steps in the process. The Generator Deactivation Assessment was defined for instances when the Reliability Need is the result of a Generator Deactivation. Mr. Smith explained the process and timing of the solicitation of Gap Solutions. It was noted that the definition of "Gap Solution" will be amended to remove the requirement that it must be designed to be temporary, as a Gap Solution may become the permanent solution. Mr. Smith detailed the process for the evaluation of Gap Solutions, including Non-Generation Gap Solutions. The responsibilities of the NYS Public Service Commission and the NYISO were discussed with stakeholders to clarify the Solution selection process. The NYISO may enter into an RMR Agreement with a deactivating Generator and/or a Generator currently in a Mothball Outage or ICAP Ineligible Forced Outage if the NYISO determines that a Gap Solution is needed. Mr. Smith identified some of the considerations that will be used for the determination. The process for tendering the RMR Agreement to the relevant parties and the consequences of a generator's failure to deactivate in a timely fashion based on its deactivation notice were detailed and discussed with stakeholders. The compliance filing is due October 19, 2015. To see Mr. Smith's complete presentation, please go to: http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg

RMR Availability and Performance Rate

Bob Logan of the NYISO presented an illustrative view of the proposed Avoidable Costs determination for the Reliability Must Run (RMR) compliance filing. The proposal was originally presented at the July 23, 2015 ICAP WG and stakeholders requested the NYISO provide a follow-up with detailed examples to illustrate the process. Mr. Logan noted that the presentation only addressed Avoidable Costs at this time while Availability and Performance payments would be presented for discussion with stakeholders at a future ICAP WG meeting. After defining Avoidable Costs, Mr. Logan presented the assumptions to be used in the hypothetical example. Spreadsheets with hypothetical data were provided as examples of:

- Administrative Requirements
- Revenue and Variable Costs
- Fixed Costs
- Capital Expense Requirements (including a Fixed Cost Estimate for the term of the RMR Agreement)

Mr. Logan explained how the NYISO will derive a Capital Expense determination and develop a cost recovery schedule incorporating depreciation. Claw back provisions were presented in the event a generator chooses to remain in operation after the RMR term expires. In response to a stakeholder request, the NYISO will develop a methodology to evaluate Capital Expense Costs that may be subject to change in future years. To see Mr. Logan's complete presentation, along



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with submitted stakeholder comments on the RMR process, please go to:

http://www.nyiso.com/public/committees/documents.jsp?com=bic_icapwg

Tuesday, August 11, 2015

Electric System Planning Working Group

2015 CARIS 1 Follow-up/Scenario Results

Tim Duffy of the NYISO presented a follow-up to the CARIS 1 scenario selection and results. A list with scenarios and descriptions was provided for review. The following scenarios will be studied:

- High Load Forecast
- Low Load Forecast
- Athens SPS Out of Service
- High Solar Penetration
- Higher Natural Gas Prices
- Lower Natural Gas Prices
- Higher CO₂ Emissions Cost
- Double Natural Gas Prices Differential
- Half Natural Gas Prices Differential

Mr. Duffy noted that the data used in the scenarios will be posted in the near future. In response to a stakeholder request, Mr. Duffy agreed to post the Capacity Factor used for solar energy with the data. Mr. Duffy led a review and discussion with stakeholders on the results of the studied scenarios on demand congestion by constraint. To see the complete presentation please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2015-08-11/2015_CARIS_I_Scenarios.pdf

Developer Qualifications for Public Policy Transmission Needs Projects

Howard Tarler of the NYISO presented a follow-up of the process for developer qualifications for projects responding to Public Policy Transmission Needs. Mr. Tarler received several questions at a prior presentation and returned with clarifications of the process. Requirements were highlighted for two scenarios:

- A developer not currently qualified
- A developer that is currently qualified

In reference to the latter, Mr. Tarler detailed examples of material changes that would require updating the NYISO. References to the Public Policy Transmission Planning Process Manual and Attachments were provided. To see Mr. Tarler's complete presentation, please go to:

http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2015-08-11/Developer%20Qualifications%20for%20Responding%20to%20Public%20Policy%20Transmission%20Needs.pdf

Wednesday, August 12, 2015

Business Issues Committee



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Motion #1:

Motion to approve the Minutes of the July 15, 2015 meeting.

Motion passed unanimously.

Motion #2:

The Business Issues Committee (BIC) hereby approves the revisions to the Transmission Congestion Contracts Manual as presented and discussed at the August 12, 2015 BIC meeting.

Motion passed unanimously with abstentions.

Motion #3a:

Motion to amend motion 3:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s Services Tariff Attachment H as described in the presentation entitled “Changes to the Reference Level Manual & MST Attachment H”, made to the BIC on August 12, 2015 **and, with respect to revisions to MST Section 23.3 as further amended pursuant to the document titled, “LIPA Amendments to Proposed Revisions of MST Section 23.3 (Aug. 10, 2015).”**

Motion failed with 25.24% affirmative votes.

Motion #3:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s Services Tariff Attachment H as described in the presentation entitled “Changes to the Reference Level Manual & MST Attachment H”, made to the BIC on August 12, 2015.

Motion passed with 80.18% affirmative votes.

Motion #4a:

Motion to amend motion 4:

The Business Issues Committee (“BIC”) hereby approves the Reference Level Manual updates as presented, **and discussed and amended** at the August 12, 2015 BIC meeting to be implemented the same day as the related Services Tariff (Attachment H) changes also presented to the BIC on August 12, 2015 and described in the presentation entitled “Changes to the Reference Level Manual & MST Attachment H.” **The amended changes to the Reference Level Manual updates approved by the BIC are set forth in the document titled, “LIPA Amendments to Proposed Reference Level Manual Updates (Aug. 10, 2015).”** Approval of the Reference Level Manual updates is contingent on FERC’s acceptance of the related Services Tariff changes with no substantive modification.

Motion failed with 25.24% affirmative votes.

Motion #4:

The Business Issues Committee (“BIC”) hereby approves the Reference Level Manual updates as presented and discussed at the August 12, 2015 BIC meeting to be implemented the same day as the related Services Tariff (Attachment H) changes also presented to the



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BIC on August 12, 2015 and described in the presentation entitled “Changes to the Reference Level Manual & MST Attachment H.” Approval of the Reference Level Manual updates is contingent on FERC’s acceptance of the related Services Tariff changes with no substantive modification.

Motion passed with 74.76% affirmative votes.

2016 Projects for Consumer Impact Analysis

Tariq Niazi presented the projects for 2016 that will be subject to a Consumer Impact Analysis:

- *Alternative Methods for Calculating the Locational Capacity Requirements*
- *Model Zone K as Export Constrained*
- *Performance Assurance – Study*
- *Fuel Assurance – Fuel Constrained Supply Bidding*

Mr. Niazi gave a brief description of the projects and the reason they were chosen. A preliminary estimate of the expected consumer impact was provided to make consumers aware of the potential impact of each project selected. Due to a stakeholder request Mr. Niazi will present the project list at an upcoming BPWG meeting to allow stakeholders an additional opportunity to discuss the project selections. To see Mr. Niazi’s presentation, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic/meeting_materials/2015-08-12/agenda%206%202016%20Project%20List.pdf

Thursday, August 13, 2015

Operating Committee

Motion #1:

The Operating Committee (OC) hereby approves the meeting minutes from July 16, 2015.

The motion passed unanimously by show of hands.

Motion #2:

The Operating Committee (OC) hereby approves the Q#396A Wood Street Transformer System Impact Study Report as presented and discussed at the August 13, 2015 OC meeting.

The motion passed unanimously by show of hands.

Motion #3:

The Operating Committee (OC) hereby approves the Q#429 North Rockland Station System Impact Study Report as presented and discussed at the August 13, 2015 OC meeting.

The motion passed unanimously by show of hands.

Motion #4:

The Operating Committee (OC) hereby approves the Q#505A Hurley Ave & Saugerties Impact Study Scope as presented and discussed at the August 13, 2015 OC meeting.

The motion passed unanimously by show of hands.

Thursday, August 13, 2015



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Joint Installed Capacity/Price Responsive Load/Market Issues Working Group

Consumer Impact Analysis: Behind the Meter – Net Generation Initiative

Tariq Niazi of the NYISO presented the Consumer Impact Analysis for the Behind the Meter Net Generation initiative (BTM:NG). Mr. Niazi provided background information on the project and identified some of the benefits that would be seen with the implementation of BTM:NG. The assumptions used to analyze the short range and long range impacts to the market were presented and discussed with stakeholders. Tables were provided to illustrate the expected price impacts and overall cost impacts over a range of possible resource participation. In the short term, prices and overall Capacity costs are anticipated to decrease. Total potential savings to consumers range from \$56.1 million to as high as \$339.2 million annually, depending on program participation. The long range impact assumptions anticipate a market reaction, with Capacity resources exiting the market due to the lowering of Capacity prices. Therefore there is an expected increase in total Capacity costs relative to 2017/18 costs ranging from \$17.2 million to \$104.3 million annually. As with all NYISO Consumer Impact Analyses, the presentation included additional analysis to evaluate the potential of:

- Environmental Impacts – No major environmental impact
- Reliability Impacts – Additional supply improves reliability
- Transparency Impacts – Provides improvements to awareness and investment certainty

To see Mr. Niazi's complete presentation, please go to:

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2015-08-13/agenda%20%20CIA%20Behind%20the%20Meter%20Net%20Generation%20Initiative.pdf

ICAP Manual: Proposed Updates

Zachary T. Smith of the NYISO presented the proposed changes to the Installed Capacity (ICAP) Manual. The changes have been proposed to provide clarity, update recent market rule revisions and to make some ministerial changes. Mr. Smith led discussion of the specific changes occurring in Sections 2, 3, 4 and 5 with stakeholders. Stakeholder feedback was acknowledged at the meeting and any additional comments are encouraged as the process continues. The NYISO will return to a late August and possibly a September 2015 ICAP WG meetings to discuss stakeholder input prior to a September BIC meeting for governance approval on finalized revisions. To see Mr. Smith's presentation, please go to:

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2015-08-13/agenda%20%20ICAP%20Manual%20Updates.pdf

FERC Filings

August 10, 2015

NYISO filing of an answer to the Caithness Long Island II, LLC complaint filed on July 10, 2015

FERC Orders

There were no FERC Orders issued to NYISO for this week



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Link to FERC Filings and Orders:

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